



Homer City Hall
491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

City of Homer Agenda

**City Council Regular Meeting
Monday, April 13, 2020 at 6:00 PM
City Hall Cowles Council Chambers**

CALL TO ORDER, PLEDGE OF ALLEGIANCE

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. City Council unapproved Regular Meeting Minutes of March 23, 2020. City Clerk. Recommend adoption.
- b. Memorandum 20-045 from Councilmember Aderhold Re: Alaska Climate Change Planning Cohort Support. Recommend approval.
- c. Ordinance 20-19, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 19 to add Chapter 19.01 Closures of Use Areas to Reflect the City Manager's Authority to Close City Parks, Campgrounds, and Public Places in an Emergency or other Exigent Circumstances. City Manager. Recommended dates Introduction April 13, 2020, Public Hearing and Second Reading April 27, 2020.

Memorandum 20-046 from Public Works Director as backup

- d. Resolution 20-032, A Resolution of the City Council of Homer, Alaska Ratifying and Confirming the Appointment of Marvin Yoder as Interim City Manager, and Providing for Related Matters. Mayor. Recommend adoption.
- e. Resolution 20-033, A Resolution of the City Council of Homer, Alaska Designating Signatories of City Accounts and Superseding any Previous Resolutions so Designating. City Manager. Recommend approval.

- [f.](#) Resolution 20-034, A Resolution of the City Council of Homer, Alaska Approving the City to Apply for Membership to ICLEI USA-Local Governments for Sustainability. Aderhold. Recommend approval.
- [g.](#) Resolution 20-035, A Resolution of the City Council of Homer, Alaska Supporting the Establishment of a Kenai Peninsula Borough Resilience and Security Commission. Aderhold. Recommend adoption.
- [h.](#) Resolution 20-036, A Resolution of the City Council of Homer, Alaska Approving a Five Year Lease with Sea Tow South Central Alaska for the City Property Located at 4667 Homer Spit Road and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. Recommend adoption.

Memorandum 20-049 from Port Director/Harbormaster as backup
- [i.](#) Resolution 20-037, A Resolution of the City Council of Homer, Alaska Affirming Measures to Provide Increased Time for Certain Payments to Reduce Financial Hardship during the COVID-19 Emergency. Lord/Smith/Aderhold. Recommend adoption.

VISITORS

- [a.](#) Legislative Update - Senator Gary Stevens (10 Minutes)
- [b.](#) Unified Command Update Re: COVID-19 (10 minutes)
- [c.](#) Kenai Peninsula Economic Development District Update - Tim Dillon, Executive Director (10 minutes)
- [d.](#) Homer Foundation Grant Update - Mike Miller, Executive Director (10 minutes)

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

- [a.](#) Committee of the Whole Report
- [b.](#) Mayor's Report
- [c.](#) Borough Report
- [d.](#) Library Advisory Board

 - [i.](#) Library Advisory Board Report

PUBLIC HEARING(S)

- [a.](#) Ordinance 20-14, An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 5.42 Single-Use Plastic Carryout Bags Section 5.42.040 Exceptions to Change the Deadline for Providing Single-Use Plastic Carryout Bags from February 14, 2020 to September 15, 2020. Smith. Introduction March 23, 2020, Public Hearing and Second Reading April 13, 2020.

ORDINANCE(S)

- a. Ordinance 20-20, An Ordinance of the City Council of Homer, Alaska Repealing Homer City Code 11.36 Vegetation in Rights-of-Way. Evensen/Mayor.

CITY MANAGER'S REPORT

- a. City Manager's Report
 - COVID-19 Economic Impact Report
 - New Police Status Update
 - April Employee Anniversaries

PENDING BUSINESS

NEW BUSINESS

RESOLUTIONS

- a. Resolution 20-038, A Resolution of the City Council of Homer, Alaska Restating the City's Right of Way Policy to be Consistent with Climate Action and Citizen's Needs. Evensen/Mayor. (Follows Ordinance 20-20)
- b. Resolution 20-039, A Resolution of the City Council of Homer, Alaska Establishing Policy Regarding the Clearing of Vegetation within Street Right-of-Way by the Public Works Department. Lord.

Memorandum 20-047 from Councilmember Lord as backup
Memorandum 20-048 from City Engineer as backup

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY ATTORNEY

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

COMMENTS OF THE MAYOR

COMMENTS OF THE CITY COUNCIL

ADJOURNMENT

Next Regular Meeting is Monday, April 27, 2020 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Session 20-12 a Regular Meeting of the Homer City Council was called to order on March 23, 2020 by Mayor Ken Castner at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBER: SMITH

TELEPHONIC: COUNCILMEMBERS: ADERHOLD, LORD, HANSEN-CAVASOS, VENUTI AND
EVENSEN

STAFF: CITY MANAGER KOESTER
CITY CLERK JACOBSEN
DEPUTY CITY CLERK KRAUSE
PERSONNEL DIRECTOR BROWNING

Mayor Castner addressed the listening public noting for the record who was physically present in the Cowles Council Chambers and what steps were currently being taken with regards to the COVID 19 pandemic and Emergency Declarations.

SMITH/VENUTI MOVED TO SUSPEND THE RULES TO ALLOW COUNCILMEMBERS TO PARTICIPATE TELEPHONICALLY TO SUPPORT SOCIAL DISTANCING AS AN EFFORT TO MITIGATE THE SPREAD OF COVID 19 IN OUR COMMUNITY.

There was no discussion.

VOTE: YES. SMITH, VENUTI, EVENSEN, LORD, ADERHOLD, HANSEN-CAVASOS

Motion carried.

AGENDA APPROVAL (Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 2.08.040.)

The following changes were made: **CONSENT AGENDA** Homer City Council unapproved Special Meetings of February 25 and 26, and March 9, 2020 and Regular Meeting Minutes of March 9, 2020. Copy of meeting minutes **VISITORS** City of Homer, South Peninsula Hospital, and Public Health will provide a COVID-19 update. **ORDINANCES** Ordinance 20-18, An Emergency Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 5.42 Single Use Plastic Carryout Bags by Adding Section 5.42 Suspending the Chapter until the State of Emergency Due to COVID-19 is Lifted. Smith. **RESOLUTIONS** Resolution 20-030, A Resolution of the City Council of Homer, Alaska, Approving an Employment Contract for Interim City Manager with Marvin Yoder and Authorizing the Mayor to Execute the Appropriate Documents. City Manager. Amended contract.

LORD/VENUTI MOVED TO ADOPT THE CONSENT AGENDA AS AMENDED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

MAYORAL PROCLAMATIONS AND RECOGNITIONS

PUBLIC COMMENT ON MATTERS ALREADY ON THE AGENDA

Larry Slone, city resident, commented with regard to Resolution 20-028, Amending the Personnel Regulations; Resolution 20-029, Ratifying the Disaster Emergency Declaration and Resolution 20-030, Approving Employment Contract for Interim City Manager Marvin Yoder, he approves all three. There was discussion at the Committee of the Whole about shutting down the Homer Library for those folks with no place to go and thinks that this declaration was absolutely necessary and as pointed out by Councilmember Smith earlier that there is no natural immunity to this virus and it is extremely contagious and they need to restrict access and be involved in flattening the curve and this involves social distancing to flatten the curve and he highly concurs.

City Clerk Jacobsen read the following public comments into the record:

Terry Jones,

“Please reverse the ban on plastic grocery bags. The reusable cloth bags are unsanitary and dangerous to the health of all the workers that handle them. They also are dangerous to fellow customers as the germs from them can transfer from the bag to the carts and onto the belt that transfers the groceries.. then onto the checkers hands. This is totally not safe.”

Cassie Lawver,

“Hello all, I am writing to support Ordinance 20-14. But I believe it should be amended to include the lift on the ban is due to limiting the spread of the CORVID-19 virus. As our community is doing everything we can to protect its citizens during this pandemic, taking this step is the responsible thing to do. I hope you consider amending to state the above and then pass this ordinance.”

She provided the following six links which were provided to the City Council

<https://nypost.com/2020/03/14/using-tote-bags-instead-of-plastic-could-help-spread-the-coronavirus/>

https://www.unionleader.com/news/health/coronavirus/grocers-now-banned-from-using-customers-reusable-bags/article_f6e76317-11d1-5405-a094-ade6744bba58.html

<https://patch.com/massachusetts/beverly/ma-coronavirus-grocery-stores-want-plastic-bag-ban-ended>

<https://www.wsj.com/articles/war-on-plastic-takes-a-back-seat-in-coronavirus-crisis-11584624140>

<https://reason.com/2020/03/20/state-governments-are-delaying-their-plastic-bag-bans-during-covid-19-pandemic/>

<https://www.washingtonexaminer.com/opinion/plastic-bag-bans-arent-helping-us-fight-against-coronavirus>

Ms. Lawver followed up with a second email stating she supported Ordinance 20-18 asking Council to please pass it.

Ralph Crane, City Resident:

“Good Evening, Mayor Castner and Members of the Homer City Council I’m asking you to support Homer Ordinance 20-14 and vacation the current plastic bag ban ordinance until the current COVID-19 pandemic has sufficiently subsided.

My reasoning is simply this;

- 1. Recently released research regarding the survivability of COVID-19 pathogens indicates that the virus can remain active and transferable on many solid and soft surfaces from a few hours to several days and even longer under certain environmental conditions.*
- 2. The “Bring Your Own Bag” (BYOB) concept now in use in Homer encourages bags made of whatever material an individual desires to use and has absolutely no controls in place over the maintenance, storage, or condition of the BYOB containers.*
- 3. In my recent discussions with retail clerks in our grocery stores, the condition of some bags placed upon the food handling surfaces of shopping carts, floors, and cashier belts/stands is sometimes “disgusting”, “smelly”, “gross”... not surprising when one walks around the grocery store parking lot and merely glances into the interiors of some vehicles as I have, prior to this email.*
- 4. The single use bags previously given out by grocery store cashiers are at least newly manufactured and, I reasonably suspect, have never been stored in a private vehicle full of “whatever”, including at least traces of pet and human feces and bodily fluids, and thus, could be safely assumed to be at least cleaner than those that are.*
- 5. Our official advice from members of the medical and governmental fields is to distance, wash hands, avoid touching the face and other people...that is wise and proven advice yet we still allow this high risk behavior of BYOB into food centers, compromising such advisable cleanliness practices.*

For these reasons, I am respectfully requesting that you support the safety and welfare of all users of Homer food centers by supporting at least this proposed temporary vacation of the current plastic bag ban.”

Mr. Crane followed up with an email that this comment applies to Ordinance 20-18 also.

Kate Finn

“OK Dear Council and Mayor, I’d like to talk about Ordinance 20-14, “Extending the deadline date for single use plastic carry out bags” First of all I could almost-maybe-kinda accept this for seasonal businesses only. However the way it seems to be written, it does not limit this extended use to seasonal businesses.so here we are again!!

On hearing that a seasonal version of this was coming up, as I shopped, I re-envisioned how to sustain this really important NON-use of single use plastic bags during the CoVid-19 pandemic:

1-It seems to me the biggest “fomite” (object or material which are likely to carry infection) in the stores is the shopping carts. And i believe i am correct in finding, that plastic and steel have about the same retention time for sustaining infection capacity. Sites do vary, but steel, plastic and cardboard all can sustain infection potential for about 48-72 hours.

2-When we bring our own re-usable plastic bags, no-one else needs, in any way, to be touching them—we don’t share these bags. We bring them, fill them, and take them home. And many of us wash them.

3-It would make sense, if one feels especially vulnerable, to wear gloves to handle the cart and to pick items off the shelves. Personal gloves that we wear and wash anyhow-sustainably.

In summary:

We DO NOT need to re-allow single use plastic bags!!

**1st to remember is that Co-Vid survives in the air for hours, so social distancing is basic.*

** Transmission of the virus can really be mitigated by not touching the shopping carts or the items on the shelves, that dozens to hundreds of people may have handled—gloves might be best suited for this—personal, reusable, washable gloves.*

**Wiping the cart, handles especially with a disinfectant cloth, could help reduce transmission.*

**Bring your own reusable bags where-ever you shop!!*

Thank you as always council for you work, your attention and your time!!”

Brian Nahmis,

“To The Homer city Council

My name is Brian Nahmis I am a manager at Save U More here in Homer and wanted to express my concern about the use of personal bags for groceries. We are no longer are going to allow them in the store until the coronavirus is under control. Safety for our employees is first, Our employees are starting to get concerned about their own health and rightfully so. We would greatly appreciate you considering allowing us to bring back the T-shirt bags until we are through this health crisis. We have limited supplies as it stands now to properly sanitize our register area and belts. By allowing the T-shirt bags to come back for a brief time we can limit the spread of this virus to our employees. I myself am in one of the high risk categories, If we can’t keep employees then we would have to close the doors so anything we can do to prevent this would be

greatly appreciated. We also cannot guarantee our access to paper bags, so we need some options. The T-shirt bags are sanitary and that's a huge plus for the time being. Thanks For your understanding and hope your vote yes to allow us a temporary lift on the bag ban."

Mark Hemstreet, Store Manager, Save U More:

"Dear Homer City Council Members:

I would like there to be some discussion and action taken to temporarily repeal the plastic bag ban in Homer. As manager of the local Save-U-More I have some serious health concerns raised by my cashiers about the reusable bags. Many customers fail to regularly clean their bags and with the corona virus on the increase we feel that the reusable bags may be a significant gateway to spread unwanted germs.

Today we have posted signs asking our customers to leave their reusable bags in their car or at home until we are in the clear.

In the interest of public health I ask the Homer City Council to repeal the plastic bag ban temporarily so that we can safely serve our customers and help to protect our employees."

Zack Wallace

"To Whom it may Concern,

My Name is Zack Wallace and I have been an Assistant Manager at the Save-U-More for more than 5 years. Since the reinstatement of the plastic bag ban, our store has worked hard to keep in compliance. I have personally been in communication with Council Member Smith several times over the past few months.

During the recent health outbreak, several states (Maine, New York) have already set aside their plastic bag bans for the health and safety of the public. Our staff must interact with a huge percentage of the general public each and every day. From first hand experience I can ensure you that many of the reusable bags brought into our store are far from what one would consider clean.

Our hardworking cashiers are very concerned about their health in these times in addition to the health of our customers.

I am personally working very hard to get the mandated 2.5 mil bags to our store in order to be in compliance, but I need another 45-60 days to make that happen.

For the time being, I would ask the council to set aside the bag ban for a minimum of 90 days, thus allowing us to temporarily use the thinner t-shirt bags. This would help ensure that our employees and customers both feel safe knowing that they are getting a CLEAN, NEW, bag for each and every purchase. Thank You for your time"

John McCullough

"To Whom It May Concern

I support the bag ban lift due to the COVID 19 pandemic. The use of reusable bags unnecessarily puts people at risk of spreading the virus. This issue should be taken seriously and appropriate action needs to be taken."

RECONSIDERATION

CONSENT AGENDA (Items listed below will be enacted by one motion. If a separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- a. Homer City Council unapproved Special Meetings of February 25 and 26, 2020, March 9, 2020 and Regular Meeting Minutes of March 9, 2020. Recommend adoption. (Supplemental Packet)
- b. Memorandum 20-041 from Mayor re: Reappointment to the Library Advisory Board and Economic Development Advisory Commission. Recommend approval.
- c. Memorandum 20-042 from Deputy City Clerk re: Liquor License Renewals for Capt. Pattie's Fish House, Little Mermaid, Save U More Liquor #6, Salty Dawg, BPO Elks Lodge #2127 Recommend approval.
- d. Resolution 20-027, A Resolution of the Homer City Council Adopting a Point of Dispensing Plan as Part of the City of Homer Emergency Operations Plan. City Manager/Fire Chief. Recommend adoption.
- e. Resolution 20-031, A Resolution of the City Council of Homer, Alaska, Assigning the Management and Use of the Old Homer Police Station to the Homer Volunteer Fire Department (HVFD) with Operating and Maintenance Costs Associated with the Building Funded out of the HVFD Budget. Smith. Recommend adoption.

Mayor Castner requested a motion to approve the recommendations of the Consent Agenda as read.

SMITH/ADERHOLD- SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS

- a. South Kenai Peninsula Opioid Task Force

Mayor Castner stated that the South Kenai Peninsula Opioid Task Force has provided a written report and noted it could be found on page 158 of the Council packet.

- b. City of Homer, South Peninsula Hospital, and Public Health (Unified Command) will provide a COVID-19 update

HVFD Chief Kirko, Jenny Carroll, Public Information Officer (PIO), Lorne Carroll, Public Health Nurse and Derotha Ferraro, South Peninsula Hospital Public Relations and Marketing Director representing the Unified Command provided the following COVID 19 status updates:

- South Peninsula Hospital Briefing
 - o Activate EOC on March 8, 2020
 - o Teleconference Seven Days a Week
 - o Meeting Regularly with City, Borough and State Operations Center
 - o Following guidance from State Dept. of Health & Social Service Div. of Public Health
 - o All entry into all facilities are restricted and confined to Employees, Persons with Appointments, Persons seeking critical and medical care in the Emergency Room and select pre-approved visitors for patients who do not have symptoms, have not traveled, or been exposed to a confirmed case are admitted.
 - o No visitors to Long Term Care is allowed
 - o All non-essential surgical procedures and appointments have been postponed
 - o Telehealth clinic visits should be starting shortly
 - o The cafeteria is closed to the Public and food services have been modified
 - o Over 30 Employees are now working from home
 - o Testing is conducted only if recommended by a provider who will prequalify the patient in accordance with DHSS established guidelines.
 - the patient will be directed to the designated area in the hospital parking lot and call a number
 - Hospital staff will administered the test to the patient who will remain in the vehicle.
 - Test results take 4-5 days to complete and patients will be notified
 - 25 samples have been submitted 10 results have been received, they were negative.
 - Public can visit the following website for prescreening to eliminate pressure on medical personnel is <https://c19check.com/start> this is a service provided by Emory University Hospital
 - o Current priorities are patient and staff safety, reassigning licensed staff to areas of highest need, establishing a different testing location to handle the expected increase, working on the Hospital's part of the Statewide COVID 19 plan – persons with mild will be directed to home care, persons with medium case of symptoms would be treated at the local hospital, persons with severe symptoms would be sent to Anchorage where there are specific hospitals and surgery centers that can house/care for those patients.

- There is a need for supplies – masks, faceshield, swabs. Please check on the website to see what is needed and where to send.
- Those interested in volunteering please check out the state volunteer pool to start getting prequalified

Lorne Carroll, Public Health Center reported on the following:

- Still offering mission critical services to the area with vaccines for flu and preventable diseases
 - EOC for Borough, Tribal locations across the bay, and COH
 - Furthering developing communications which rely on Homer as a hub
 - One person under investigation and one person under monitoring
 - 36 cases state wide at this time
 - There may be community transmission going on since there are cases that did not travel
 - Provided a synopsis of processes and actions of health providers if a known or suspected case

Jenny Carroll, City of Homer, Public Information Officer

- Anne Zink reported that in comparison to the Lower 48 the transmission rate for Alaska is very low.
 - This relates to the ability for the State to contain the spread by non-medical means
 - Assist in flattening the curve
 - Promoting the Public health and well being
 - Messaging to flatten the curve which helps keep the health care workers safe
 - If the rise in cases occurs this would affect the ability to effectively care for all health related issues
 - Encouraging social distancing, all persons traveling into the state should be in quarantine for 14 days, checking the city website with information for the public to include mailings, notices, and on Thursday and new website and call in phone

Chief Mark Kirko, Homer Volunteer Fire Department, Emergency Operations Center, Homer

- EOC functioning and performing telephonic meetings
- Last of the PPE supplies for Emergency Personnel
 - Committees working on these challenges in house in conjunction with the KPB and Fire personnel
- Working on a Plan with Volunteers in the Community such as shopping, etc.
- Medical Transports in Rural/Bush areas
- Thanked the PIO staff and IT Staff for their efforts in completing tasks

- Working with the Planning Chief to coordinate a list and plan

Discussion following the report included responses to questions on the following:

- Recommendation to schedule a flu shot for those 6 months and older
 - Please call first to arrange
- Isolation locations will rely on the family and friends determining the best solution
 - This is an item that is being worked on for the community
- Use of the Statewide Resource Pool is for licensed medical personnel only
- Working on the details on contacts for that once a system is in place
- All licensed healthcare professionals that are licensed in the state are encouraged to go to <https://www.akrespond.alaska.gov>
- If the virus can live on surfaces such as the plastic bags and there is not a study that indicates but strongly recommended washing hands and surfaces

ANNOUNCEMENTS / PRESENTATIONS / REPORTS (5 Minute limit per report)

a. Committee of the Whole Report

Councilmember Lord reported Council received an update from the City Manager Koester on the Continuity of Operations Plan (COOP) and discussed the city manager hiring process and Councilmember Evensen's Memorandum 20-040 regarding revisiting two city manager candidates again.

b. Mayor's Report

Mayor Castner stated that when he was recently on a local radio show that he was a small town mayor looking at a global problem and it was way above his pay grade but the three headed monster is when you have a global pandemic with a what they call a novel coronavirus, which means that by being "novel" there is no known immunity, the what they call the HURD immunity is very, very low and incredibly communicable. The second head of this monster are the economic consequences that are falling on everyone equally all around the earth, for us to contract the coronavirus we must come in contact with it but the economic consequences is like nuclear fallout, it is everywhere and immediate. The extreme measures that we are taking to flatten the curve and lower the risk to the population are having real dire consequences to the workforce and to the economic prosperity of the world. The measures that the United States government is taking to try and address some of those problems, just accelerate other problems, such as printing more money and going a couple trillion of dollars further in debt are going to have lingering consequence. The third head of the monster is the psychological effect, and they are already seeing the cracks in that where young people especially are stating that they would rather be sick than broke. We are looking at a virus that one person can infect 3 persons very easily, with a regular virus one person could infect 1.28 persons very easily and after that is passed 10 x you have 14, with this virus you infect 3 and those 3 infect 3 10x down

the line can infect 59,000 people. That is the math of the situation. It is incredibly, incredibly communicable. There is no half measures that need to be taken now. There is no over-reaction. This is incredibly scary. The last time the world saw something like this was 1918 with the Spanish Influenza where 5,000,000 people died. It would be irresponsible for your local elected officials to do anything other than take extreme measures. It is not just us. The President of the United States has declared this a National Emergency. I really hope that people do take this seriously, because this is a death sentence to people at risk. We cannot allow this disease to take hold in Homer and the only way we can do that is by taking these extreme measures. If we are successful everyone is going to say, "Oh, look it was no big deal, nobody got sick." No! We did a really good job, we did a really perfect job, and kept it out of the community and keep everybody safe. There are two outcomes on this thing, someone will come up with a vaccine very quickly, but that is at least a year away according to the Health Officials, the other thing is that you allow the spike to wash through and have everybody get sick and the natural immunity builds up and part of the Herd cannot longer catch it and pass it on but that results in a lot of deaths. You can just look at Italy, the death rate is 4%, the numbers are not to be ignored, we are probably 4 weeks behind Italy. We need to come together as a community and stay safe. There are kids coming back from college, people coming back to get their fishing boats ready and we need to take some measures to protect the community it just does not help to get into discussions with anyone on over-reaction. No one who understands the implications of this disease would think that it is an over-reaction.

- c. Borough Report
- f. Library Advisory Board
- g. Planning Commission

City Clerk Jacobsen read a report as follows:

The Planning Commission last met on March 4th. The March 18th meeting was cancelled because of the lack of a quorum. The April 1st meeting is being cancelled because there are no complete applications. The April 15th meeting is currently scheduled and we understand that Clerks and City Attorney will devise a process for conducting that meeting virtually. The planning staff is presently conducting business via phone and email from the office. They are practicing 6 feet of separation, disinfecting, and hand washing. I hope everyone stays healthy and this virus crisis soon goes away.

*Respectfully Submitted,
Franco Venuti ~ Chair, Homer Planning Commission*

- h. Economic Development Advisory Commission

City Clerk Jacobsen read the following report:

1) EDC Chair Karin Marks is working with Councilman Heath Smith in his effort to revise the EDC to better serve the city and to be more efficient with staff time and city resources. They have given attention to purpose section of the EDC Bylaws, as this would need amending if the EDC's commission work is restructured.

2) At our March 10th meeting the EDC discussed looking into job training needs within the community and ways we might be able to gather insight from employers and those seeking work. This topic is also recently being discussed at the borough level during a series of workforce development planning meetings hosted by The Kenai Peninsula Economic Development District (or KPEDD). I was invited to participate, but was unable to attend their March 9th meeting. However, their purpose is to share ideas for growth and identify workforce gaps in our communities, and to identify current and projected industry and community training needs. Commissioner Bill Richardson has volunteered to speak with people at the Homer Job Center for their insights into which job training needs may exist in our area. The option of a brief survey was discussed that would aim to gather community input. We will take up the topic again at our next meeting.

3) KPEDD is getting ready to update their borough-wide Comprehensive Economic Development Strategy (or CEDS), which is done every 5 years. The commission briefly discussed the role of the City of Homer for providing input in this process. The city currently uses the KPEDD CEDS to assist with things like regional plans to apply for federal money for a variety of types of purposes, for example disaster resilience. Chair Marks plans to report back to the group with some information on the process that KPEDD plans to use.

4) Since the EDC is still an active city commission, we still have two open seats open to people in the greater homer area, including outside of city limits.

Report submitted by commission member Nicole Arevalo

i. Parks Art Recreation and Culture Advisory Commission

j. Port and Harbor Advisory Commission

i. Memorandum from Deputy City Planner re: Overslope Recommendations

k. Americans with Disabilities Act Compliance Committee

PUBLIC HEARING(S)

ORDINANCE(S)

- a. Ordinance 20-14, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 5.42, Single Use Plastic Carryout Bags, Section 5.42.040, Exceptions, to Change the Deadline for Providing Single-Use Plastic Carryout Bags from February 14, 2020 to September 15, 2020. Smith. Recommended dates: Introduction March 23, 2020, Public Hearing and Second Reading April 13, 2020.

SMITH/LORD - MOVED FOR INTRODUCTION BY READING OF TITLE ONLY.

Discussion ensued on a request from the seasonal businesses at the last meeting stating that they were not given the opportunity to dispose of their inventory as other businesses open year round. Points made during discussion included:

- extension of this will only extend the deadline from February to September 15, 2020
- Emergency Ordinance 20-18 only suspends the section of city code for 60 days and if the virus clears out
- the science has not changed and there is no ability recycle
- Other communities gave allowances to get through the summer.
- The plastic bags will end up in the community, on the streets or in the landfill, or we can allow the businesses to use up the stock and not incur additional expenses
- This appeared to be a reasonable and fair solution
- The seasonal businesses were closed before the vote
- It is the responsibility of a business owner to be informed on upcoming legislation that may affect them
- Homer is surrounded by critical habitat
- This was approved by the voters and that should not be ignored

VOTE. YES. LORD, ADERHOLD, HANSEN-CAVASOS, SMITH

VOTE. NO. EVENSEN, VENUTI

Motion carried.

- a. Emergency Ordinance 20-15, An Emergency Ordinance of the City Council of Homer, Alaska, Suspending the Proceedings of the City of Homer Advisory Commissions, Board and Committees for 60 Days or Until the COVID-19 Emergency Declaration is Lifted, with the exception of Planning Commission business Related to Quasi-Judicial and Other Time Sensitive Actions Legally Required in Homer City Code, Statute, Order or Regulation, and Review of City Leases on the Homer Spit by the Port and Harbor Advisory Commission. City Manager.

SMITH/ADERHOLD - MOVED TO ADOPT EMERGENCY ORDINANCE 20-15 BY READING OF TITLE ONLY

Discussion by Council centered on clarification of time sensitive items that would require the Planning Commission to have a meeting.

VOTE. YES. HANSEN-CAVASOS, VENUTI, LORD, EVENSEN, ADERHOLD, SMITH

Motion carried.

- a. Emergency Ordinance 20-16, An Emergency Ordinance of the City Council of Homer, Alaska, Amending the 2020 Budget by Appropriating Funds in the Amount of \$50,000

from the General Fund Fund Balance for the Purpose of COVID-19 Preparation and Response. City Manager.

SMITH/ADERHOLD - MOVED TO ADOPT EMERGENCY ORDINANCE 20-16 BY READING OF TITLE ONLY

Discussion by Council with input from the City Manager included the following:

- identifying the restricted fund amount within the general fund and that there was no emergency fund created
- it was indicated in the ordinance that a project account would be established to track the expenses.
- there is no currently no policy or process and Councilmember Lord volunteered to work on that issue.
- all monies expended for the declared emergency be accounted for so the City would possibly be reimbursed from FEMA.

VOTE. YES. EVENSEN, HANSEN-CAVASOS, SMITH, LORD, VENUTI, ADERHOLD

Motion carried.

- a. Emergency Ordinance 20-17, An Emergency Ordinance of the City Council of Homer, Alaska, to Allow for Telephonic Meetings of Homer City Council to Mitigate Spread of Novel COVID-19. City Manager.

SMITH/LORD MOVED TO ADOPT EMERGENCY ORDINANCE 20-17 BY READING OF TITLE ONLY

Discussion by Council included inclusion of video conference meetings.

EVENSEN/SMITH MOVED TO AMEND EMERGENCY ORDINANCE 20-17 TO ADD THE WORDS “OR WEB HOSTED” AFTER TELEPHONIC.

Councilmember Venuti asked if that would include a program called “Zoom”

Councilmember Evensen responded that it would and noted that there were a host of programs available and recently the Assembly approved such use also.

Mayor Castner commented on the existing use of the iPads by Council but hope that they will find a solutions to be able to conduct a meeting.

Council discussed additional sections to amend the ordinance with the words “web hosted” and “internet” to provide more clarification to the amendment.

Mayor Castner requested a motion from Councilmember Evensen to amend the motion on the floor.

Councilmember Evensen deferred to Councilmember Lord for the stating of the amendment.

LORD/SMITH MOVED TO AMEND THE AMENDMENT BY INSERTING “OR WEB HOSTED” ON LINE 7, AFTER THE WORD TELEPHONIC, LINE 24, AFTER THE WORD TELEPHONICALLY; LINE 27, STRIKE THE WORD “AND” BEFORE TELEPHONE AND LINE 28 INSERT THE WORDS AND INTERNET BEFORE THE WORD PROVIDERS

Discussion ensued on the ability to obtain and institute new software and applications by the stretched thin city personnel and that it was in the best interest to hold effective meetings that would also allow the public to hear clearly the business being conducted. Councilmembers expressed their understanding that personnel were consumed with the emergency but it was in the best interests of the city to obtain tools that would provide options to conduct meetings optimally.

VOTE. (Secondary Amendment). NON-OBJECTION.UNANIMOUS CONSENT.

Motion carried.

There was no additional discussion on the primary amendment as amended.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further comments or discussion on the main motion as amended.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- a. Emergency Ordinance 20-18 , An Emergency Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 5.42 Single Use Plastic Carryout Bags by Adding Section 5.42 Suspending the Chapter until the State of Emergency Due to COVID-19 is Lifted. Smith.

SMITH/LORD - MOVED TO ADOPT EMERGENCY ORDINANCE 20-18 BY READING OF TITLE ONLY.

Discussion ensued on the following:

- Short term solution

- Consideration for the health and safety of the employees as well as the public
- Public comments received were very persuasive
- There is no evidence to support the overarching health risks associated with personal use bags but this will be a simple fix to provide some assure to the public in general
- The public could use gloves and just put items in a cart then put the items into their personal bags at the car
- Local stores requesting the ban to be rescinded and whether they do so or not the stores will not be allowing them into their facility
- Consideration of testimony provided by local health officials on the likelihood of the virus living on plastic bags does not support them rescinding the ban

VOTE. YES. VENUTI, SMITH, ADERHOLD, LORD, EVENSEN, HANSEN-CAVASOS

Motion carried.

CITY MANAGER'S REPORT

a. City Manager's Report

City Manager Koester reported on the following:

- the city ranked number five in the nation for a grant for the raw water main transmission line which is cast iron and from FEMA that was issued from the last emergency declaration of the state when they had the earthquake. This is going to be great, they still have another round of review to work through; Jenny Carroll who is a great PIO but also an excellent grant writer and this will protect the city and residents from additional vulnerability.
- City Manager transition between Mr. Yoder and herself plan on a telephonic transmission on the duties and responsibilities. Chief Kirko will be taking over the Incident Command, he has instrumental in requirements of EOC/ICS and there is a lot to do just to keep the city going and incidentals.
- She will be finishing up with the city the first week of the April dependent on how things finish up with Mr. Yoder
- Scheduling teleconference meeting with each Councilmember and Mr. Yoder to go over their priorities and focus.

Councilmember Aderhold appreciated the report, and could not believe that this was Katie's last meeting.

Councilmember Lord thanked Katie for everything, but wanted to give a big shout out to Jenny Carroll for her grant writing and her report on the standing for the grant for the raw water main is great. Thank you.

Councilmember Venuti knew this was Katie's last meeting but wished she was present to give her a cake, she really appreciated her. She expressed her hopes that Marvin Yoder continues Katie's personal style with her reports to the Council. Your voice comes through your reports and hopes he does the same. Thank you so much.

Councilmember Hansen –Cavasos thanked Katie for everything.

Councilmember Evensen commented many, many thanks Katie.

Councilmember Smith had no comments or questions for the City Manager.

PENDING BUSINESS

a. Resolution 20-020(A), A Resolution of the City Council of Homer, Alaska Establishing a **Library Endowment** Field of Interest Fund with the Homer Foundation, Outlining the Process for Oversight of those Funds and Authorizing the City Manager to Execute the Appropriate Documents. Aderhold/Venuti.

Resolution 20-020(A)(S), A Resolution of the City Council of Homer, Alaska Establishing a **Library Endowment** Field of Interest Fund with the Homer Foundation, Outlining the Process for Oversight of those Funds and Authorizing the City Manager to Execute the Appropriate Documents. Aderhold/Venuti.

VENUTI/ADERHOLD MOVED FOR THE SUBSTITUTION OF RESOLUTION 20-020(A) (S) FOR RESOLUTION 20-020(A)

A brief discussion by Council ensued on the shared efforts to amend the resolution and the presentation on the benefits to have an endowment fund for the Library as a means for the public to make donations to support their public library.

VOTE. YES. ADERHOLD, HANSEN-CAVASOS, LORD, VENUTI, SMITH, EVENSEN

Motion carried.

There was no discussion on the Substituted Resolution 20-020(A)(S)

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

NEW BUSINESS

- a. Memorandum 20-040 from Councilmember Evensen re: Revisiting City Manager Candidates

EVENSEN/VENUTI MOVED TO APPROVE THE RECOMMENDATION IN MEMORANDUM 20-040 TO AUTHORIZE THE CITY MANAGER TO ENTER INTO NEGOTIATIONS WITH A CANDIDATE FOR THE POSITION OF HOMER CITY MANAGER.

Council provided lengthy discussion on the prior actions and discussed again the process that was conducted to narrow the selection of applicants, fit for city, qualifications and experience of the candidates and whether they should re-advertise the position. It was believed that there was majority support for one previous candidate over the other but there was also a desire to have 100 percent support of the Council for the selection of the next City Manager and without that there was not a majority.

EVENSEN/VENUTI MOVED TO AMEND THE MOTION TO REMOVE THE WORD CANDIDATE AND INSERT MICHAEL BORK.

Discussion by Council included finding unanimous consent for the candidate, knowing that if they were not successful that they would be entering into a contract for the interim city manager, that there was not a sense of emergency to select a candidate, all decisions by Council did not require unanimous consent as they were elected as individuals; decisions were made as the body, City Council only had two responsibilities when it came to personnel, hiring the city manager and the city attorney , so it was believed that it would be stronger decision if based on 100% agreement.

VOTE.(Amendment). YES. EVENSEN, VENUTI

VOTE.(Amendment). NO. HANSEN-CAVASOS, LORD, ADERHOLD, SMITH

Motion failed.

There was no further discussion on the main motion.

VOTE.(Main motion). YES, HANSEN-CAVASOS, VENUTI, EVENSEN

VOTE.(Main motion). NO. LORD, ADERHOLD, SMITH

Motion failed.

RESOLUTIONS

- a. Resolution 20-028, A Resolution of the City Council of Homer, Alaska, Amending City of Homer Personnel Regulations, Chapter 1, Adding Section 1.8, Emergency or Disaster

Declaration; Chapter 3, Amending Section 3.9, Emergency Appointments; and Chapter 5, Amending Section 5.9.3, Exempt Employees. City Manager/Personnel Director.

SMITH/LORD MOVED THE ADOPTION OF RESOLUTION 20-028 BY READING OF TITLE ONLY.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- b. Resolution 20-029, A Resolution of the City Council of Homer, Alaska, Ratifying the Disaster Emergency Declaration Issued for the City of Homer and Extending the Declaration Due to the Current and Expected Impacts of the COVID-19 Novel Coronavirus Pandemic. Mayor.

Mayor Castner requested a motion for the Adoption of Resolution 20-029 by reading of title only.

VENUTI/SMITH – SO MOVED.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- c. Resolution 20-030, A Resolution of the City Council of Homer, Alaska, Approving an Employment Contract for Interim City Manager with Marvin Yoder and Authorizing the Mayor to Execute the Appropriate Documents. City Manager.

Mayor Castner requested a motion for the Adoption of Resolution 20-030 by reading of title only.

VENUTI/LORD - SO MOVED

Councilmember Smith did not want to provide professional development expenses since this would be a short term contract.

SMITH/ADERHOLD – MOVED TO AMEND THE CONTRACT REMOVING ITEM D IN SECTION 2 “OR PROFESSIONAL DEVELOPMENT EXPENSES”

There was a brief discussion on this being a point of contention with Mr. Yoder, that this only deleted Professional Development not Travel and that all travel, professional development

was approved by Council and any meetings such as the Summer AML meeting could be canceled.

VOTE. (Contract Amendment) NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

There was no further discussion on the main motion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

COMMENTS OF THE AUDIENCE

Larry Slone, city resident, commented on the appropriateness of the emergency ordinances approved by Council tonight and the effects that will have on the current situation. He did not think the community realized they're importance to control the spread of the virus. He added further comment on the effects of spread, noting that for everyone that has been diagnosed there are 10 others out there that haven't been diagnosed and then there are people who are super spreaders that could infect 100's of people without realizing it. He wished City Manager Koester good luck and agreed with the decisions Council made on the bag ban and hiring a new city manager. He wished the Council stay well.

City Clerk Jacobsen read into the record comments received:

Hello Mr Mayor and Members of the Council My name is Malcolm Milne and I am the president of the North Pacific Fisheries Association which represents over sixty commercial fishing operations based on the Kenai Peninsula. I'd like to make sure that the City of Homer considers the fishing industry an essential service with regards to any upcoming decisions. It will be crucial on many levels to assure that fisherman and processors can operate in these uncertain times. Both sectors are actively working to develop protocols to protect the health and safety of our workers and the communities we operate in as that is fundamental to us being able to prosecute our fisheries and bring food to markets both local and beyond. Thank you for your consideration.

Good evening, I'm David Lewis and a city resident, First off, Thank You Katie for your years of service. It has been an interesting term for you and thank you for putting more women in positions of authority. You will be missed once the powers that be lets you leave here. Secondly, to the Mayor and Council, I wish you luck in the coming months. You are entering uncharted waters. You will be making decisions that will be affecting people and business' in ways we could not have predicted. So again, I wish you all the best and stay healthy.

COMMENTS OF THE CITY ATTORNEY

Counselor Gatti commented on the interesting debate and there are hard decisions that Council will be making and the City Manager hiring is one of those and that they made a good choice; he will be talking with the City Manager and coordinating with the Finance Director on the savings with the Harbor Bonds.

He believes that the city is working very hard on the COVID 19 processes which he believes is very important that the city implement affirmative actions to stem the flow to bring the city and country back to normal

He hasn't worked very long with the City Manager but complimented her dedicated and hardworking individual and wishes her well in Juneau and while he enjoyed working with her he hopes the Council hires someone with the same qualities.

COMMENTS OF THE CITY CLERK

COMMENTS OF THE CITY MANAGER

City Manager Koester commented on the immense amount of work that has been done in the last two weeks, and how exhausted the staff that has shown up tonight are, it has made it really hard to leave and the team has really come together, making incredible sacrifices, especially to see staff volunteering and stepping up to the challenge, including Council making PSA's and not bothering or coming to her for anything. She thanked them for being great and stepping up. She stated that she was a child of Homer and feels like she is being launched out into the world. Katie stated she will be back so she can see everyone, and as a visitor and especially if she can get some of Councilmember Venuti's chocolate cake.

COMMENTS OF THE MAYOR

Mayor Castner stated that City manager Koester has requested a release date if April 3, 2020 and asked Councilmembers if there was any disagreement with that date since it was a week earlier than stated.

Councilmember Smith responded, "Make it so."

City Manager Koester stated that she will probably be leaving sooner and will be working the final week remotely due to possible travel restrictions.

Mayor Castner then reported receiving a call from a Ms. Bolling from Ketchikan who was interested in lobbying for the City. He requested the City Manager to see if the RFP for the Lobbyist could be completed before she left if possible.

Mayor Castner further stated that he understood the stress everyone is under including the stores in trying to provide essentials to the community. HE requested everyone to try to be patient and kind to each other.

COMMENTS OF THE CITY COUNCIL

Councilmember Lord thanked City Manager Koester and City Clerk Jacobsen for running through this process and keeping the public informed. She thanked everyone for their patience. Moving forward, she stated that the RFP for a Lobbyist would be pretty low on her list, hoping that the City Manager and Human Resources will work on getting the Council a plan on hiring process two so that they have something to guide them for this very important decision. A reminder to everybody, that they should know our supply chains are intact, please do not binge buy and create an illusion of shortages that actually do not exist; this actually creates a lot of stress in the community beyond the stress that everyone is feeling. We will be picking up totes on Tuesday from Paul Banks to embark on whatever distance learning looks like for our kiddos and this is a really big undertaking and I appreciate the effort. She related her feelings during this event and noted that this is a moment in time and they will get thru it. She thanked everyone for their patience with the telephonic meetings and echoed the Mayor's sentiments to be kind.

Councilmember Hansen-Cavasos complimented the schools and community, stating that they are amazing and appreciated the Council for working together from afar and requesting the Council's attention on some very important matters.

Councilmember Smith commented that this is not a test and as challenging as that may be and as serious as the circumstances are he would hope that people keep things in perspective. Over the course of time and history they have seen challenging times come before, not only this nation but the world and made it through. He would hope that they can stay positive more than anything and that they do their part. That they are clear with those around us what the expectation to secure the community. People are returning home, he related that his daughter and 8 other college students returned home and they were able to find a place for them for the next two weeks. We may need to get creative in the ways that we provide for those instances and we should not expect any less from anyone in the community. He related a personal experience regarding a family member who had friends in Italy that have passed away from the virus. More importantly he believes that they need to stay positive and on that note related that the singer/actor Kenny Rogers passed away recently at 81, and he had a song that fitted the occasion. He then recited the lyrics to the song by Kenny Rogers called The Greatest:

*Little Boy, in a baseball hat
Stands in the field with his ball and bat*

*Says I am the greatest player of them all
Puts his bat on his shoulder and he tosses up his ball*

*And the ball goes up and the ball comes down
Swings his bat all the way around
The world's so still you can hear the sound
The baseball falls to the ground*

*Now the little boy doesn't say a word
Picks up his ball, he is undeterred
Says I am the greatest there has ever been
And he grits his teeth and he tries it again*

*And the ball goes up and the ball comes down
Swings his bat all the way around
The world's so still you can hear the sound
The baseball falls to the ground*

*He makes no excuses, He shows no fears
He just closes his eyes and listens to the cheers*

*Little boy, in a baseball hat
Picks up his ball, stares at his bat
Says I am the greatest the game is on the line
And he gives his all one last time*

*And the ball goes up like the moon so bright
Swings his bat with all his might
And the world's so still as still can be
And the baseball falls, and that's strike three*

*Now it's supper time and his mama calls
Little boy starts home with his bat and ball
Says I am the greatest that is a fact
But even I didn't know I could pitch like that*

*He says I am the greatest that is understood
But even I didn't know I could pitch that good.*

Mr. Smith final comment was “It is all perspective.”

Councilmember Aderhold thanked the Community and everyone on the front lines and she admitted to being on an emotional rollercoaster herself just like everyone else. Everybody take a deep breath and be kind to one another and be patient with one another. She reminded

everyone that it is still Census season and is something that can be done in social distancing, this will come back to the community in federal Funds so take a few moments and respond. She then reported on attending a three hour Climate Workshop via video conferencing with Councilmember Evensen and Deputy City Planner Julie Engebretsen on March 19, 2020 regarding Climate Planning. The workshop partnering with a non-profit organization called Geo Institute to form a Alaska co-hort on climate planning to seek grant funds to pay for that planning effort. She then expressed her appreciation for City Manager Koester's integrity and professionalism and that Katie had really taught her a lot. She will be missed.

Councilmember Evensen appreciated Councilmember Aderholt's comments on the Climate Planning look for more to come there. He then provided information on the use and effects of bleach in cleaning and recommended the use of alcohol in cleaning which offers better, healthier and safer option. He wished City Manager Koester bon voyage and a great journey and complimented the Mayor on his mayoral report and leadership during the these difficult times.

Councilmember Venuti commented that she did learn to mute, so it wasn't her, she wanted to express a big WOW for those working on the Police Station it is looking really good she took a tour of the new facility and it is really looking great. She expressed her appreciation for KBBI, would not know what they would do without them; city employees for stepping up; HEA for keeping the power on, relating her experiences getting through the Earthquake in Kodiak with power and water. She expressed her appreciation for the Mayor and the proclamation and the issued a request for the community to assist the Food Bank as they are low on donations and funds. Ms. Venuti then expressed her appreciation of City Manager Koester and that she will be missed greatly.

ADJOURN

There being no further business to come before the Council, Mayor Castner adjourned the meeting at 9:15 p.m. The next Regular Meeting is Monday, April 13, 2020 at 6:00 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Renee Krause, MMC, Deputy City Clerk

Approved: _____



Memorandum 20-045

TO: Mayor Castner and Homer City Council

FROM: Councilmember Aderhold

DATE: April 7, 2020

SUBJECT: Alaska Climate Change Planning Cohort Support

During our January 11, 2020 council retreat and through Memorandum 20-015, City Council identified work on our Climate Action Plan as a priority for 2020, championed by councilmembers Aderhold and Evensen.

Councilmembers Aderhold and Evensen, along with Deputy City Planner Julie Engebretsen, participated in a statewide Municipal Leaders Climate Policy Workshop on March 19, 2020. The 3-hour online workshop was sponsored and facilitated by the Alaska Center and included municipal participants from the Fairbanks North Star Borough, Municipality of Anchorage, Kenai Peninsula Borough, City of Seward, City and Borough of Juneau, and, of course, City of Homer. Attendees also included Geos Institute, Lotus Engineering and Sustainability, and the University of Alaska who are interested in forming a cohort of Alaska municipalities to seek grant funds for climate action planning (please see attached support letter and proposal).

The benefits of joining the cohort would include working collaboratively with other Alaska communities toward climate sustainability; support from experts at the University of Alaska, Geos Institute, and Lotus Engineering and Sustainability to achieve our goals for greenhouse gas reductions and climate adaptation; and renewed energy and new ideas for climate action in Homer. Municipalities that may be part of the cohort are in different stages of climate action planning and would each have the opportunity to learn from each other while individually pursuing community-specific goals. In addition, non-profit organizations such as the Alaska Center, Kachemak Bay Conservation Society, and/or others may be interested in participating in the cohort and supporting the City of Homer in advancing climate action work.

While we are currently focused on response to the novel coronavirus pandemic, climate action should remain a priority. Formal proposal development, led by Geos Institute, would require minimal city staff time.

Recommendation: Discuss the Alaska Climate Change Planning Cohort proposal and approve the support letter.

Enc:
-Alaska Climate Change Planning Cohort support letter
-Alaska Climate Change Planning Cohort proposal



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

April 13, 2020

City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

Dear Potential Funder,

On behalf of the City Council of Homer, Alaska, we offer this letter in support of the Alaska Climate Change Planning Cohort proposal put forward by the Geos Institute, Lotus Sustainability, and University of Alaska (Anchorage and Fairbanks). Alaskan communities are some of the first to feel the impacts of a rapidly changing climate and some of the first to suffer the consequences. Melting permafrost, changing patterns of subsistence food sources, and increasing wildfire seasons are few of the challenges that communities in Alaska are facing as a result of climate change.

To navigate those changes, many communities in our state are working to develop and implement climate plans that build resilience to the impacts that are underway, while also addressing the root causes of the climate change through the reduction of greenhouse gas emissions.

The proposal put forward will provide our community with the technical support and guidance it needs to develop and implement a climate change plan that is based on the best available science and traditional knowledge, addresses our most pressing needs, and aligns with our community values. By doing much of the planning work ourselves, we will also strengthen our adaptive capacity and our ability to implement and update our plan over time as conditions and projections continue to change.

We support the proposal put forward by this research team and are excited to be included in the cohort.

Sincerely,

Ken Castner
Mayor, City of Homer

Alaska Communities Climate Action Planning

A Cohort Proposal

March 17, 2020

As the impacts of climate change are being felt much more severely in Alaska than in the lower 48, it is no surprise that so many local leaders and the communities they serve are stepping up to address both the causes and impacts of the climate crisis. The proposal that follows outlines a possible support structure that will allow diverse communities in Alaska to move through their planning efforts in a way that is cost effective and efficient, and results in actionable, community-based climate plans. This cohort structure is designed to allow individual communities to chart their own unique course while taking advantage of the efficiencies and personal support that comes from working with others in a cohort.

Community Participation

The cohort would be made up of mid-sized communities that serve as hubs for surrounding areas in Alaska. This allows smaller neighboring communities to learn from the plans of the larger communities in the region, creating a long-term synergy and strengthening community relationships. These communities will be starting at various parts of the process given that many communities have already done some, if not quite a lot, of climate work already.

Structure

Fundraising efforts (philanthropic sources, State/Federal government, and industry donations) would be implemented to supply each community with the following:

- Some amount of funding (likely \$10-\$15k) for communities to support the local work of participating in the process
- A technical services budget (likely \$30-\$40k for communities working on comprehensive climate plans that address both mitigation and adaptation, \$15 - \$20K for communities working on climate plans that address only one). This budget can be used to secure specific support services (see below) with Geos Institute (adaptation), Lotus Engineering and Sustainability (mitigation), and/or SNAP (climate projections).
- Annual Subscription to Climate Ready Communities (www.climatereadycommunities.org)
- Greenhouse gas assessment and mitigation tracking program from Lotus Engineering and Sustainability (www.lotussustainability.com)
- Monthly video calls that include presentations from experts (most if not all Alaska-based) on climate resilience topics of interest to the cohort communities, progress check ins, and coordination of support elements when appropriate. Through this monthly process, Geos Institute will connect cohort communities with the federal, state,

and university programs in the state that are listed in the Toolkit developed in Anchorage and can offer assistance for community climate planning.

Support Organizations

The core team of Support Organizations would include University of Alaska-Anchorage, University of Alaska-Fairbanks (Scenarios Network for Alaska and Arctic Planning), Geos Institute, and Lotus Engineering and Sustainability.

Support Services

Cohort communities would be able to access the following services with their Technical Support budgets:

University of Alaska-Anchorage: One-on-one consultation for subject matter expertise in specific sectors (e.g. health impacts, food systems, transportation, energy). Consultation and assistance with external grant writing for project implementation.

University of Alaska-Fairbanks (Scenarios Network for Alaska and Arctic Planning): Local climate change projections to serve as the foundation for adaptation and resilience planning, training on how to use the data and projections, one-on-one consultation

Geos Institute: Adaptation workshop facilitation and/or training, community engagement training (focused on adaptation and equity), adaptation strategy menu, assistance with report writing, one-on-one consultation regarding adaptation and resilience planning

Lotus Engineering and Sustainability: Greenhouse gas emissions inventories and scenario modeling, GHG reduction strategies, carbon sequestration emissions accounting, mitigation workshop facilitation and/or training, workshop facilitation, community engagement training (focused on mitigation and equity), assistance with plan writing, one-on-one consultation regarding mitigation planning

While the initial structure focuses on climate planning, it is designed to be extended to continue to support cohort communities as they implement the plans they develop in this first stage, potentially while a new cohort begins the planning phase.

Benefits

- Builds on local knowledge of residents regarding the values of the community and the impact of climate change on those values
- Allows each community to access high quality planning assistance and one-on-one support without the costs associated with completing a process like this entirely on their own

- Creates actionable climate plans that are community-based, complete, and ready for implementation within 12-16 months
- Develops and/or strengthens relationships between local leaders and communities
- Provides personal support to help process leaders in each community effectively deal with the emotional toll that working on climate change takes
- Meets existing efforts where they are and helps cohort communities move forward by providing only what the communities themselves determine they need
- Strengthens local adaptive capacity and trains local leaders to be able to update their plans going forward with little outside help at a reasonable cost
- Keeps cohort communities together through at least the first phase of implementation to ensure that they are moving forward toward their goals
- Allows participants to leverage their technical support budget. For example, if multiple communities want workshop facilitation training, they could all receive that training at the same time for a fraction of what it would cost any one community by themselves.

Next Steps

If this cohort proposal, in its current form or revised, appeals to your community, the next steps will be to secure support from your local governing council to commit to the project contingent on funding being secured. Once the cohort communities are identified, we would work together to finalize a budget and begin fundraising.

Contact

Micah Hahn

Institute for Circumpolar Health Studies
 University of Alaska-Anchorage
 mbhahn@alaska.edu
 907.786.6577

Tonya Graham

Geos Institute
 tonya@geosinstitute.org
 541.778.0718

Nancy Fresco

University of Alaska, Fairbanks
 nlfresco@alaska.edu
 907.474.2405

Emily Artale

Lotus Engineering and Sustainability
emily@lotussustainability.com
 303.709.9948

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-19

An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Title 19 to add Chapter 19.01 Closures of Use Areas to Reflect the City Manager’s Authority to Close City Parks, Campgrounds, and Public Places in an Emergency or other Exigent Circumstances.

Sponsor: City Manager

1. City Council Regular Meeting April 13, 2020
 - a. Memorandum 20-046 from Public Works Director as backup

1 CITY OF HOMER
2 HOMER, ALASKA

City Manager

3
4 ORDINANCE 20-19

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING HOMER CITY CODE TITLE 19 TO ADD CHAPTER 19.01
8 CLOSURES OF USE AREAS TO REFLECT THE CITY MANAGER'S
9 AUTHORITY TO CLOSE CITY PARKS, CAMPGROUNDS, AND PUBLIC
10 PLACES IN AN EMERGENCY OR OTHER EXIGENT CIRCUMSTANCES.

11
12 WHEREAS, The City Manager's authority to close public use areas to protect the public
13 during emergencies and other exigent circumstances is not reflected in Homer City Code.

14
15 NOW THEREFORE, THE CITY OF HOMER ORDAINS:

16
17 Section 1. Homer City Code Chapter 19 is amended to add 19.01 Closure of use areas as
18 follows:

19
20 **19.01 Closure of use areas.**

21
22 **The City Manager may close any public use area to the public upon a written**
23 **finding that it is in the public interest to do so.**

24
25 Section 2. This ordinance is of a permanent nature and general character and shall be
26 included in Homer City Code.

27
28 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of _____, 2020.

29
30 CITY OF HOMER

31
32 _____
33 KEN CASTNER, MAYOR

34 ATTEST:

35
36 _____
37 MELISSA JACOBSEN, MMC, CITY CLERK

38
39 YES:

40 NO:

41 ABSTAIN:

42 ABSENT:

43

44 First Reading:

45 Public Hearing:

46 Second Reading:

47 Effective Date:

48

49

50 Reviewed and approved as to form.

51

52

53 _____
Marvin Yoder, Interim City Manager

54

55 Date: _____

Michael Gatti, City Attorney

Date: _____



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 20-046

TO: City Council
THROUGH: Marvin Yoder, City Manager
FROM: Jan Keiser, Director of Public Works
DATE: April 6, 2020
SUBJECT: Proposed amendment to Parks, Campgrounds, and Public Spaces Ordinance

Issue: The current ordinance regarding parks, campgrounds and public spaces, Homer City Code Title 19, does not provide the City Manager with the authority to close City public spaces. It is possible the City may want to take this action in the interests of public health during the pandemic or other emergency situations.

Background: In the interests of public health, safety and security, the City may decide to close some or all City campgrounds and parks. Other exigent circumstances might arise in the future where similar needs exist, such as in the cases of earthquakes, floods, etc. It is in the best interests of the City to specifically empower the City Manager with the authority to take this action.

Proposed Solution: Amend the existing ordinance, HCC 19, Parks, Campgrounds and Public Spaces to add a section that identifies the City Manager's authority to close the public spaces during an emergency or other exigent circumstances.

Action Recommended: That the City Council pass the proposed amendment to the City's ordinance, HCC 19.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **RESOLUTION 20-032**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 RATIFYING AND CONFIRMING THE APPOINTMENT OF MARVIN
8 YODER AS INTERIM CITY MANAGER, AND PROVIDING FOR
9 RELATED MATTERS.

10
11 WHEREAS, Katie Koester’s term of employment as City Manager ended on April 3, 2020;
12 and

13
14 WHEREAS, The Council by Resolution 20-030 approved an employment contract with
15 Marvin Yoder for a term, beginning April 1, 2020 for up to six months while the Council proceeds
16 with the City Manager hiring process; and

17
18 WHEREAS, It is in the best interest of the City that the Council ratify and confirm the
19 Committee’s appointment of Mr. Yoder as Interim City Manager and the terms of his
20 employment in the Agreement.

21
22 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby
23 ratifies and confirms the appointment of Marvin Yoder as Interim City Manager effective April
24 1, 2020, and ratifies and confirms in all respects all official acts taken by Mr. Yoder in the
25 capacity of Interim City Manager from April 1, 2020 through the effective date of this resolution.

26
27 PASSED AND ADOPTED by the Homer City Council on this 13th day of April, 2020.

28
29 CITY OF HOMER

30
31
32
33 _____
34 KEN CASTNER, MAYOR

35 ATTEST:

36
37 _____
38 MELISSA JACOBSEN, MMC, CITY CLERK

39
40 Fiscal Note: N/A

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 20-033**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 DESIGNATING SIGNATORIES OF CITY ACCOUNTS AND
8 SUPERSEDING ANY PREVIOUS RESOLUTIONS SO DESIGNATING.
9

10 WHEREAS, Marvin Yoder has been confirmed as Interim City Manager in Resolution 20-
11 032; and
12

13 NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska, that the
14 designated signatories, effective April 13, 2020 are as follows with the number of signatories
15 defined:
16

17 On the regular Wells Fargo Bank Alaska checking account #016030109 that the following are
18 the designated signatories for this account, with dual signatures required for checks over
19 \$5,000; on the investment accounts with Alaska Municipal League, First National Bank,
20 Raymond James Investments, Wells Fargo Bank Alaska, and other institutions, and for
21 Department of Administration Grants and other grants, one of the following authorized
22 signatories or the dual electronic authorization system is required for all transactions:
23

24 KEN CASTNER, MAYOR
25 MARVIN YODER, INTERIM CITY MANAGER
26 RACHEL LORD, MAYOR PRO-TEMPORE
27 RICK ABBOUD, ACTING CITY MANAGER
28 MELISSA JACOBSEN, CITY CLERK
29 ELIZABETH WALTON, FINANCE DIRECTOR/TREASURER
30

31 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 13th day of April, 2019.
32
33

34 CITY OF HOMER

35
36 _____
37 KEN CASTNER, MAYOR

38 ATTEST:

39
40 _____
41 MELISSA JACOBSEN, MMC, CITY CLERK
42

43 Fiscal Note: N/A

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Aderhold

4 **RESOLUTION 20-034**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 APPROVING THE CITY TO APPLY FOR MEMBERSHIP TO ICLEI
8 USA—LOCAL GOVERNMENTS FOR SUSTAINABILITY.
9

10 WHEREAS, Memorandum 20-015, which identifies the council-initiated 2020 priorities,
11 includes work on Homer’s Climate Action Plan (CAP) as a medium priority; and
12

13 WHEREAS, The City of Homer joined ICLEI—Local Governments for Sustainability in
14 March 2007 while the Global Warming Task Force prepared the Homer CAP; and
15

16 WHEREAS, Deerstone Consulting and Joel Cooper conducted an inventory of the City of
17 Homer’s greenhouse gas emissions and submitted the report “City of Homer CAP
18 Implementation Final Report” to the city in December 2009; and
19

20 WHEREAS, The Implementation Report used ICLEI’s Clean Air and Climate Protection
21 (CACP) software to calculate Homer’s greenhouse gas emissions for 2006 (baseline), 2007, and
22 2008; and
23

24 WHEREAS, The City has continued to collect greenhouse gas emissions data following
25 the methods developed in the 2009 report but the membership to ICLEI has lapsed; and
26

27 WHEREAS, The City has implemented numerous strategies and recommendations from
28 the CAP and Implementation Report to reduce greenhouse gas emissions; and
29

30 WHEREAS, Concurrently the City has added square footage of buildings with the
31 replacement of the Harbormaster’s Office, remodel of City Hall, construction of new public
32 restrooms, and other capital projects; and
33

34 WHEREAS, As Homer City Council moves forward with new priorities related to the CAP,
35 it is in the City’s best interest to update greenhouse gas emission calculations based on ICLEI’s
36 CACP software; and
37

38 WHEREAS, Additional benefits of ICLEI membership include access to technical experts
39 and fresh and innovative ideas and solutions for climate sustainability from around the world;
40 and
41

42 WHEREAS, Annual membership to ICLEI, which includes use of the CACP software, is
43 based on population and gross national income per capita, and for the City of Homer would be
44 \$600, and funds for the membership would be drawn from the General Fund—Mayor-Council
45 Membership Dues account.

46
47 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska approves the
48 City to apply for membership to ICLEI USA—Local Governments for Sustainability.

49
50 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____day of _____,
51 2020.

52
53 CITY OF HOMER

54
55
56 _____
57 KEN CASTNER, MAYOR

58
59 ATTEST:

60
61 _____
62 MELISSA JACOBSEN, MMC, CITY CLERK

63
64 Fiscal Note: Mayor-Council Membership Dues 0100-5235; \$600

Who We Are

We build and serve the movement of local governments pursuing deep reductions in carbon pollution and tangible improvements in sustainability and resilience. For nearly 30 years, we have achieved results that have helped communities reduce emissions and become healthier, stronger, more equitable, and more prepared.

Our History

ICLEI USA was founded in 1991 and is currently based in Denver, CO, with staff strategically located across the country. The USA regional office has long been the largest regional network of the broader international ICLEI community, which is now located in Bonn, Germany, with [regional offices across the world](#).

ICLEI USA's first program was the Cities for Climate Protection™ (CCP), the world's first and largest program supporting cities in climate action planning using a [Five Milestone](#) process to measurably and systematically reduce greenhouse gas emissions. Today, our climate programs continue to offer cutting-edge resources, while newer programs and campaigns embrace wider sustainability and resilience issues. The ICLEI Council acknowledged this and formally broadened the mandate of the association in 2003, renaming the association ICLEI – Local Governments for Sustainability.

In addition to our [current programs](#) addressing the most urgent opportunities for local governments and their communities, ICLEI USA has launched and partnered on many initiatives that continue to benefit communities today but are no longer under ICLEI management, including the nationally recognized STAR Communities Rating System®, now [STAR Communities](#).

Our Impact

In the U.S.:

- Our network of hundreds of local governments has consistently led the way on climate and sustainability.
- Academic research has shown that ICLEI USA members implement more sustainability solutions, regardless of political ideology, wealth, or other factors.
- More than 600 U.S. local governments have utilized ICLEI USA's [Five Milestones](#) frameworks for climate action.
- We consistently provide the most widely used standards and software tools for local climate action.
- Through partnerships, our frameworks and tools have been institutionalized into state-level climate policy.
- We've supported leaders in our network in engaging in national policy dialogues at the highest levels, leading to meaningful changes in federal programs.

Internationally:

- We have built a global sustainability network of more than 1,750 local governments of all sizes.
- We work with our Members through a network of 11 regional offices and global centers.
- We have provided leadership in linking local governments to global policy processes and multilateral environmental agreements.
- More than 50,000 local government officials have benefited from more than 1,000 capacity-building events organized by ICLEI over the years.
- The efforts of more than 1,000 cities participating in the Cities for Climate Protection (CCP) Campaign resulted in annual emissions reductions of more than 60 million metric tons of CO₂ equivalent greenhouse gas emissions.

**CITY OF HOMER
HOMER, ALASKA**

Aderhold

RESOLUTION 20-035

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
SUPPORTING THE ESTABLISHMENT OF A KENAI PENINSULA
BOROUGH RESILIENCE AND SECURITY COMMISSION

WHEREAS, Annual air temperatures in the Kenai Peninsula Borough have risen by 3.4 degrees Fahrenheit since 1969 and July 2019 was the warmest month on record in Alaska; and

WHEREAS, Over the past half-century annual available water on the western Kenai Peninsula has declined 55%; and

WHEREAS, In August 2019, most of the Kenai Peninsula Borough was in “Severe Drought” status, and for the first time parts of the northern peninsula reached “Extreme Drought” status; and

WHEREAS, The Kenai Peninsula Borough issued three disaster declarations in summer 2019 in response to multiple fires and droughts caused or exacerbated by increased average temperature and decreased level of rainfall; and

WHEREAS, The 2019 Swan Lake Fire was far and away the most expensive fire in the country at an estimated cost to fight of \$46 million; and

WHEREAS, Continuation of current climate trends may increase the risk and intensity of wildfires resulting from drought and increasing temperatures across the Borough; and

WHEREAS, Current winter trends indicate that the southern Kenai Peninsula will lose 10-20% of its snowpack by 2030-2059; and

WHEREAS, Water temperatures in non-glacial Cook Inlet streams are exceeding physiological thresholds for salmon; and

WHEREAS, Continuation of current climate trends threatens the future of salmon runs on the Kenai Peninsula by depleting water levels and raising temperatures in local watersheds; and

WHEREAS, Ocean acidification will continue to damage vital nurseries for many fish stocks in Kachemak Bay and Cook Inlet; and

43 WHEREAS, The Alaska Department of Fish and Game has determined that the effects
44 of the changing climate are “beginning to impact Alaska’s natural systems and the uses they
45 sustain;” and

46
47 WHEREAS, Infrastructure and private property values are threatened by increasing
48 instances of flash flooding, which results in erosion and bluff instability; and

49
50 WHEREAS, Bluff erosion rates on the eastern shores of Cook Inlet are 1 foot per year,
51 and 2.3 feet per year in the western Homer area; and

52
53 WHEREAS, The Caribou Hills was the epicenter of a spruce bark beetle outbreak that
54 killed about 1 million acres of spruce on the Kenai Peninsula from the mid-1980s through the
55 1990s, sustained by consecutive summers of above-average temperatures; and

56
57 WHEREAS, The spruce bark beetle’s range is expanding as the state warms, and the
58 scale of outbreaks is increasing; and

59
60 WHEREAS, The City of Homer stands at risk of significant economic and social harm
61 should the integrity of local fisheries and surrounding natural environment be further
62 compromised; and

63
64 WHEREAS, The City of Homer has already formally recognized the importance of
65 climate action by being the first city in the State to adopt a climate action plan; and

66
67 WHEREAS, The City of Homer passed Resolution 19-078 supporting the inclusion of a
68 “Kenai Peninsula Borough Commission on Sustainability” in the Kenai Peninsula Borough’s
69 final 2019 Comprehensive Plan; and

70
71 WHEREAS, The 2019 Kenai Peninsula Comprehensive Plan includes multiple
72 references to the need for a commission related to resilience and security, including the
73 following:

- 74
75
- Focus Area: Land Use, Objective G
 - Strategy 1 states, “Form a Kenai Peninsula Borough Commission on Sustainability”
 - Strategy 2 states, “Develop a climate change action plan ...”
 - Focus Area: Energy & Utilities, Objective C states, “Support residential, community and region wide renewable energy initiatives and projects ... Charge the commission with developing a renewable energy strategy to investigate and make recommendations for feasible renewable energies for Kenai Peninsula”
- 76
77
78
79
80
81
82
83

84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124

- Focus Area: Agriculture & Mariculture
 - Objective A states, “Support a more sustainable and resilient Kenai Peninsula by increasing production and distribution of quality, healthy agricultural products for local, state and export markets”
 - Objective B states, “Sustain and create new agriculture-related jobs and businesses”
 - Objective C states, “Encourage greater local and regional self-sufficiency”
- Focus Area: Solid Waste Services, Objective C states, “Increase awareness of and opportunities for waste reduction and landfill diversion, including Reduce, Recycle, Reuse”; and

WHEREAS, It is in the Kenai Peninsula Borough’s interest to implement policies that mitigate against known hazards, invest in local agriculture, improve the efficiency of buildings and transportation, reduce solid waste, protect habitats of fish and wildlife, and invest in modern, clean, local sources of energy.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska supports the establishment of a Kenai Peninsula Borough Resilience and Security Commission.

NOW, THEREFORE BE IT FURTHER RESOLVED that copies of this resolution shall be mailed to the Kenai Peninsula Borough Mayor Charlie Pierce, members of the Kenai Peninsula Borough Assembly, and members of the Kenai Peninsula Borough Planning Commission.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____day of _____, 2020.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 20-036

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
APPROVING A FIVE YEAR LEASE WITH SEA TOW SOUTH CENTRAL
ALASKA FOR THE CITY PROPERTY LOCATED AT 4667 HOMER SPIT
ROAD AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, On February 27, 2020, the City issued a Request for Proposals to Lease City Property on the Homer Spit; and

WHEREAS, The sole proposal received was from Sea Tow South Central Alaska for the Old Ferry Terminal Building located at 4667 Homer Spit Road; and

WHEREAS, At their March 25, 2020 meeting, the Port and Harbor Advisory Commission recommended approval of Sea Tow South Central Alaska's proposal, which includes the primary use of providing recreational and commercial boater assistance with tows, jumpstarts fuel/part drops, and salvage/recovery services and the secondary use of being employee housing, both of which are permitted through HCC 21.30.020 (f); and

WHEREAS, Sea Tow South Central Alaska has proposed a five year lease with the City with no option to renew at an annual lease rate of \$7,772.10 plus tax and subject to annual CPI adjustments for the ground level office, second story of the main building, and four parking spaces; and

WHEREAS, Sea Tow South Central will also make improvements to the building including interior paint, flooring, bathroom and laundry remodeling, and kitchen upgrades, which will be reviewed by staff and all necessary agencies before execution and will be assumed by the City upon termination of the lease; and

WHEREAS, Given the base rent rate associated with this lease, any increase to base rent as a result of an appraisal may not equal or exceed the cost of the appraisal itself within the five year term of the lease. Therefore this lease is exempt from the appraisal requirement per HCC 18.08.100 (a) as a cost saving measure to the City.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a five year lease for the ground level office, second story of the main building, and four parking spaces located at 4667 Homer Spit Road to Sea Tow South Central, effective May 1, 2020 through April 31, 2025, at an annual rate of \$7,772.10 plus tax and authorizes the City Manager to execute the appropriate documents.

45 PASSED AND ADOPTED by the Homer City Council this 13th day of April, 2020.

46

47

CITY OF HOMER

48

49

50

KEN CASTNER, MAYOR

51 ATTEST:

52

53

54

MELISSA JACOBSEN, MMC, CITY CLERK

56

57 Fiscal Note: Annual lease rate of \$7,772.10 plus tax, subject to annual CPI adjustments



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road
Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Memorandum 20-049

TO: HOMER CITY COUNCIL

THROUGH: MARVIN YODER, INTERIM CITY MANAGER

FROM: BRYAN HAWKINS, PORT DIRECTOR/HARBORMASTER

DATE: APRIL 8, 2020

SUBJECT: LEASE APPLICATION – SEA TOW SOUTH CENTRAL ALASKA-TREY HILL

Sea Tow South Central Alaska has submitted a completed Lease Application for the portion of Lot 48, also known as 4667 Homer Spit Rd. The property was included in a City Land Available for Lease RFP advertised starting February 28th, 2020 and closing on March 17th, 2020. The applicant was the sole responding proposer. This property was leased in the past to Kachemak Port Services as a ferry ticket office until 2013 and includes a single story ground floor office building (336 sq. ft.), and the 2nd floor of the connected 2 story building providing additional office space and restrooms with exterior stair access (960 sq.). The first floor of the 960 sq. footprint building is a City owned pump house equipped with a water storage tank and not available or included in this lease proposal. This property is currently vacant, and because it houses critical City infrastructure, must be maintained. The main details, staff comments, and notes of the lease proposal are listed below.

Basic Notes:

- Term requested is - 5 years. City does not have to renew lease at end of 5 year term as lease is exempt from HCC 18.08.110. At the end of the term, the City may reissue the RFP to ensure competitiveness of the lease rate and assess if additional public interest in the building exists.
- Primary proposed business is a maritime business - 24/7/365 On-water Service Provider, providing recreational and commercial boater assistance with tows, jumpstarts fuel/part drops, and salvage/recovery services. This proposal also includes an exterior public use safety life-jacket station and arrangement for 4 employee parking spaces to be included in the land lease square footage
 - HCC 21.30.020 (f) Marine Industrial- permits use in the area of marine equipment sales, rental, services, repair and storage
- Secondary proposed use for the property is employee housing.
 - HCC21.30.020 (l) permits “caretaker, business owner or employee housing as an accessory use to primary use, limited to no more than 50 percent of the floor area of a building”, and occupants have to live there for more than 30 consecutive days.
 - The first floor (other 50%) of this building houses City facilities as a pump house and water tank storage and falls under a primary permitted use listed in HCC 21.30.020 (a) Port and Harbor facilities.

- The \$30 lease Application fee has been paid as of 3/18/20. \$300 lease fee due at time of lease finalization.
- Tenant improvements and benchmarks for development- Interior flooring replaced and interior paint applied to building upon one week of occupancy. Remodel of bathroom to include shower/laundry and kitchenette upgrade to be completed 6 months from time of occupancy. Estimated cost of improvements to be covered by tenant \$9,000- \$11,000. The City is willing to work with applicant regarding timeline for improvements in light of COVID-19's impact. All improvements to the building will be reviewed and owned by the City.
- In 2013 the last set base rent for this property was:
 - Land (foot print of lower building and parking spaces) = a base rent rate of \$5.90/sf/annum
AND
 - 960 sq ft (of office space where they didn't have control of the land underneath or the entire building) = a base rent rate of \$1.61/sf/annum
 - At the Port and Harbor Advisory meeting on March 25, 2020 day, the Commission approved the original proposal submitted by Seatow's through the RFP, which was initially at a lower rate. Ensuing staff negotiations with the applicant resulted in Seatow submitting a higher base lease rate while also providing additional clarification on what improvements they were going to complete. The current proposal offers a bid matching the 2013 base rent rates, plus the addition of \$9,000- \$11,000 of improvements to the City owned property, the cost of which will be covered by the tenant.
- Any proposed improvements to the building will be reviewed by staff prior to execution. Applicant may be required to go through State Fire Marshal review as well; all expenses would be the responsibility of the tenant. Estimated timeline for Fire Marshal Review can be at minimum 4 months.
- The cost of an appraisal of the vacant City owned property and improvements is estimated at a minimum of \$1,500 and has the possibility to exceed this cost. Given the base rent rate, it's believed that any increase to base rent as a result of appraisal will not equal or exceed the cost of the appraisal itself within the 5 year term of the lease. Staff recommends that City Manager and City Council waive the appraisal requirement per HCC 18.08.100 (a) as a cost saving measure to the City. The proposed draft lease does retain the option for the City to appraise the property at a later date. Base Rent will however be subject to annual CPI increases.
- As stated before, this building is currently vacant. Applicant has requested the City consider upgrades to the building, including converting the current electric heat to gas and exterior improvements including "repairing trim work, giving the building's exterior a fresh coat of paint and repairing any dry rot." Under the "City of Homer Derelict Building Maintenance Needs (2020-2025)" section of the FY20/FY21 budget, improvements for the Old Ferry Office building include replacing the roof (\$21,000) and exterior paint (\$9,100) in FY21 for a total of \$30,100 in capital improvement expenses to the City. Because this property houses essential City equipment it must be maintained. Lease income generated by the property could be used to off-set the price of that required maintenance. Over the proposed 5 year term of this lease, projected revenue through lease payments would total at least \$38,860.50 in addition to the tenant making \$9,000 - \$11,000 in improvements. The tenant's request to change from electric heat to gas will be further evaluated by staff but at this time is not considered essential.

- This building is insured by AMLJIA and currently has a replacement value of \$580,908. AMLJIA will insure the building but will not cover tenant's content and betterments in the building which is why the tenant is required to maintain separate insurance/liability coverage. If tenant's improvements increase value of the building when City assumes all improvements at end of lease, AMLJIA may adjust the replacement cost of the building at that time.

Recommendation:

At their March 25, 2020 meeting, the Port and Harbor Advisory Commission moved unanimously to approve Seatow's proposal. Staff subsequently forward the Commission's positive recommendation to Council for consideration.

Attachments:

- HCC 21 Marine Industrial
- RFP document

CITY OF HOMER LEASE APPLICATION CHECKLIST

Applicant Name: Sea Tow South Central Alaska - Trey Hill

Synopsis: Sea Tow South Central Alaska has submitted a completed Lease Application for the portion of Lot 48 also known as 4667 Homer Spit Rd. This property includes a single story ground floor office building (336 sq. ft.), with the 2nd floor of the connected two story building providing additional office space and restrooms with exterior stair access (960 sq.). The first floor of the 960 sq. footprint building is considered the City's pump house and is occupied with a water storage tank that is not available or included in this lease proposal. Sea Tow's proposal is to use the ground story building as its office and operations center for a maritime 24/7/365 On-water service business provider for recreational and commercial boater assistance (SEA boat tows, jump starts, fuel/parts drops etc.), while renovating the second floor of the connected building to serve as an accessory use for the business owner/employee housing.

Action:

- Lease approval.**
- Lease approval with conditions. Explain.
- Lease denial. Explain.
- Lease application incomplete.

Marvin Yoder, City Manager Date

A. A responsive lease application / proposal shall include:

1. A completed application form provided by the City

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: Lease is the result of tenant submitting proposal to RFP issued February 27, 2020; positive recommendation for Lease granted by Port and Harbor Advisory Commission on March 25, 2020.

2. Any applicable fees.

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: \$30 Application fee paid on 3/18/2020. \$300 lease fee due.

3. A clear and precise narrative description of the proposed use of the property

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: Office for maritime 24/7/365 On-Water Service business provider (boater assistance with tows, jumpstarts, fuel/part drops, salvage/recovery services, etc. Secondary use- Employee housing.

4. A specific time schedule and benchmarks for development

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: Interior flooring replaced and interior paint applied to building upon one week of occupancy. Remodel of bathroom to include shower/laundry and kitchenette upgrade = 6 months from time of occupancy. Estimated \$9,000-\$11,000 property improvements. The City is willing to work with applicant regarding timeline for improvements in light of COVID-19's impact. All improvements will be reviewed by staff and potentially State Fire Marshal's Office prior to execution.

5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: Plat map for Lot with easements included. City owns buildings.

6. Any other information that is directly pertinent to the proposal scoring criteria contained herein

YES	NO	N/A	INCOMPLETE
------------	-----------	------------	-------------------

NOTES: This property was put out to RFP in February 2020. Applicant was the only proposal received. Proposed use is within the required zoning requirements for Marine Industrial. Base rent proposed is the same as the ending base rent from last tenant in 2013 with the addition of \$9,000-\$11,000 of required tenant funded improvements to the property.

7. All other **required attachments** requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership or corporation statement, certificate of good standing issued by an entity's state of domicile, and references.

- Applicant information
- Plot Plan
- Development Plan
- Insurance
- Proposed Subleases N/A
- Environmental Information N/A
- Agency approvals and permits
- Financial Information (Financial Statement **REQUIRED**, Surety, bankruptcy, pending litigation are situational.)
- Partnership information and a copy of the partnership agreement OR
- Corporation information and a copy of the Articles of Incorporation and Bylaws
- Certificate of good standing issued by the entity's state if domicile
- Appropriate References

8. Any other information required by the solicitation or request for proposals.
See Harbormaster's accompanying April 8th, 2020 memo



Lease Application/Assignment Form

Directions:

1. Please submit this application form to the City Manager's Office, 491 Pioneer Avenue, Homer, AK, 99603.
2. Please answer all questions on this form, or put "N/A" in the space if it is non-applicable.
3. Please include all applicable fees in the form of a check, made payable to the City of Homer.

Applicant Name:	Trey Hill
Business Name:	Sea Assist Alaska Inc. DBA: Sea Tow SouthCentral Alaska
Email Address:	thill@seatow.com
Mailing Address	PO Box 2729
City, State, ZIP code:	Homer, Alaska 99603
Business Telephone No.	907-315-6688
Representative's Name:	Trey Hill
Mailing Address:	PO Box 2729
City, State, ZIP code:	Homer, Alaska 99603
Business Telephone No.	907-677-2628
Property Location:	Portion of Lot 48, AKA 4667 Homer Spit Rd.
Legal Description:	HM0890034 T07S R13W S01 Homer Spit Sub Amended Lot 48
Type of Business to be placed on property:	Maritime Buisness, 24/7/365 On-water Service Provider. We provide recreational and Commercial boaters assistance i.e. tows, jump starts fuel/Part drops, etc. We also provide salvage/recovery services.
Duration of Lease requested:	minimum of 5 years
Options to re-new:	Yes

**The following materials must be submitted when applying for a lease of
City of Homer real property**

<p>1.</p>	<p>Plot Plan N/A</p> <p>Already Existing Building</p>	<p><u>A drawing of the proposed leased property showing:</u></p> <p><input type="checkbox"/> Size of lot - dimensions and total square footage (to scale)</p> <p><input type="checkbox"/> Placement and size of buildings, storage units, miscellaneous structures planned (to scale).</p> <p><input type="checkbox"/> Water and sewer lines – location of septic tanks, if needed.</p> <p><input type="checkbox"/> Parking spaces – numbered on the drawing with a total number indicated</p>																				
<p>2.</p>	<p>Development Plan</p> <p>Please refer to the Supporting Document, "Proposed Use of Property"</p>	<p><input type="checkbox"/> <u>List the time schedule from project initiation to project completion, including major project milestones.</u></p> <table border="0"> <thead> <tr> <th align="left">Dates</th> <th align="left">Tasks</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table> <p>For each building, indicate:</p> <table border="0"> <thead> <tr> <th align="left">Building Use</th> <th align="left">Dimensions and square footage</th> </tr> </thead> <tbody> <tr> <td>Sea Tow Main Office (single story)</td> <td>336 sq. ft</td> </tr> <tr> <td>Housing & Captains Quaters (2nd story of main)</td> <td>960 sq. ft.</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Dates	Tasks	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	Building Use	Dimensions and square footage	Sea Tow Main Office (single story)	336 sq. ft	Housing & Captains Quaters (2nd story of main)	960 sq. ft.	_____	_____
Dates	Tasks																					
_____	_____																					
_____	_____																					
_____	_____																					
_____	_____																					
_____	_____																					
Building Use	Dimensions and square footage																					
Sea Tow Main Office (single story)	336 sq. ft																					
Housing & Captains Quaters (2nd story of main)	960 sq. ft.																					
_____	_____																					
<p>3.</p>	<p>Insurance</p> <p>Our current business insurance is provided as supporting doc. to prove insurability.</p>	<p><input checked="" type="checkbox"/> Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.</p>																				
<p>4.</p>	<p>Subleases N/A</p>	<p><input type="checkbox"/> Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to chapter 13 of the Property Management Policy and Procedures manual.</p>																				
<p>5.</p>	<p>Health Requirements N/A</p>	<p><input type="checkbox"/> Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.</p>																				

6.	Agency Approval N/A	<input type="checkbox"/> Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.
7.	Fees	<p><u>All applicable fees must be submitted prior to the public meeting preparation.</u></p> <input checked="" type="checkbox"/> Application fee - \$30.00. Please make check payable to the City of Homer. <input type="checkbox"/> Lease fee - \$300.00. Please make check payable to the City of Homer.
8.	Financial Data	<p><u>Please indicate lessee's type of business entity:</u></p> <input type="checkbox"/> Sole or individual proprietorship. <input type="checkbox"/> Partnership. <input checked="" type="checkbox"/> Corporation. <input type="checkbox"/> Other – Please explain: _____ _____ _____ <input checked="" type="checkbox"/> Financial Statement – <u>Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</u> <input type="checkbox"/> Surety Information – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance. <input type="checkbox"/> Bankruptcy information - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt. <input type="checkbox"/> Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.

9.	Partnership Statement N/A	<input type="checkbox"/> <u>If the applicant is a partnership, please provide the following:</u> Date of organization: _____ Type: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership Statement of Partnership Recorded? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Has partnership done business in Alaska? <input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When _____ Name, address, and partnership share. If partner is a corporation, please complete corporation statement. <i>Please attach a copy of your partnership agreement.</i>																						
10.	Corporation Statement	<input checked="" type="checkbox"/> <u>If the applicant is a corporation, please provide the following:</u> Date of Incorporation: <u>07//19/2017</u> State of Incorporation: <u>Alaska</u> Is the Corporation authorized to do business in Alaska? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Is so, as of what Date? <u>Business License: Dec 17, 2018-Dec 17, 2020</u> Corporation is held? <input type="checkbox"/> Publicly <input checked="" type="checkbox"/> Privately If publicly held, how and where _____ is _____ the _____ stock _____ traded? _____ Officers & Principal Stockholders [10%+]: <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Title</u></th> <th><u>Address</u></th> <th><u>Share</u></th> </tr> </thead> <tbody> <tr> <td>Grover L Hill III (Trey)</td> <td>CEO/President</td> <td>3850 Heath St., Homer, AK</td> <td>41%</td> </tr> <tr> <td>Alyssa Hill</td> <td>Vice President</td> <td>3850 Heath St, Homer, AK</td> <td>40%</td> </tr> <tr> <td>Grover Hill Jr.</td> <td>Shareholder</td> <td>3194 E Coles Rd, Wasilla AK</td> <td>10%</td> </tr> </tbody> </table> _____ <input checked="" type="checkbox"/> Please furnish a copy of Articles of Incorporation and By-laws. Please furnish name and title of officer authorized by Articles and/or By-laws to execute contracts and other corporate commitments. <table border="1"> <thead> <tr> <th><u>Name</u></th> <th><u>Title</u></th> </tr> </thead> <tbody> <tr> <td>Grover Hill III (Trey)</td> <td>CEO/President</td> </tr> <tr> <td>Alyssa Hill</td> <td>VP/Secretary</td> </tr> </tbody> </table> _____ _____	<u>Name</u>	<u>Title</u>	<u>Address</u>	<u>Share</u>	Grover L Hill III (Trey)	CEO/President	3850 Heath St., Homer, AK	41%	Alyssa Hill	Vice President	3850 Heath St, Homer, AK	40%	Grover Hill Jr.	Shareholder	3194 E Coles Rd, Wasilla AK	10%	<u>Name</u>	<u>Title</u>	Grover Hill III (Trey)	CEO/President	Alyssa Hill	VP/Secretary
<u>Name</u>	<u>Title</u>	<u>Address</u>	<u>Share</u>																					
Grover L Hill III (Trey)	CEO/President	3850 Heath St., Homer, AK	41%																					
Alyssa Hill	Vice President	3850 Heath St, Homer, AK	40%																					
Grover Hill Jr.	Shareholder	3194 E Coles Rd, Wasilla AK	10%																					
<u>Name</u>	<u>Title</u>																							
Grover Hill III (Trey)	CEO/President																							
Alyssa Hill	VP/Secretary																							

11. Applicant References

Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.

Name: Laura Albright
Firm: N/A
Title: Landlord
Address: 100 Kenai St., Whittier, AK
Telephone: _____
Nature of business association with Applicant: We are currently renting an apartment in Whittier from the Albrights. This apartment is housing for our captains working in Whittier.

Name: Yolanda Ochoa
Firm: Heath Street Investments
Title: Property Manager
Address: 127 W. Pioneer Ave, Homer, AK
Telephone: 907-299-8555
Nature of business association with Applicant: Sea Tow is currently leasing an office space from Heath Street Investments. Office is located at 3850 Heath St.,

Name: Renee Bronson
Firm: Petro Marine
Title: Accounts Receivable
Address: 4755 Homer Spit Rd.
Telephone: 907-235-8818
Nature of business association with Applicant: Sea Tow has a commercial Fuel account with Petro Marine Services.

Name: Shoreside Petroleum- Megan
Firm: Shoreside Petroleum
Title: Accountns Receivable
Address: 700 Port Ave, Seward, AK
Telephone: 907-224-8040
Nature of business association with Applicant: Sea Tow has a commercial Fuel account with Shoreside Petroleum.

I hereby certify that the above information is true and correct to the best of my knowledge.

Signature:

Date:



3-12-20



Proposed use of property

(Portion of Lot 48, 4667 Homer Spit Rd.)

City of Homer,

As you may know the property, 4667 Homer Spit Rd, is comprised of a ground level office (336 sq. ft.), the second story of the main building (960 sq. ft.) and 10 parking spaces (1800 sq. ft.). For a total area of 3096 sq. ft. Our proposal will be for a total area of 2016 sq. ft. because we only need 4 parking spaces versus 10.

We intend on using the ground level office as our main Sea Tow office. This office will serve as our dispatch office and a place where our customers can walk in to discuss matters pertaining to Sea Tow and our services. The office itself will consist of desks, Sea Tow marketing material and VHF radio base stations. We will also have a lifejacket loaner station in front of our building to encourage safe boating. This will be a self-help display with various sizes of lifejackets for borrow. Our dispatcher and other Sea Tow personnel will attend to daily Sea Tow administrative duties using this office, as well as, monitoring the radio, answering phone calls and providing customer relations.

For the second story, we would like to use this space as housing and captain's quarters. As you may know, Sea Tow is open 24/7/365. We have captain's on-call year round, 24 hours a day, 7 days a week. Many of our captains work rotation between Homer, Seward, and Whittier from April 15th to Oct 1st. We provide all of our captains housing in all the aforementioned areas. As it is now, the second floor of the property has a lobby area, breakroom, two bathrooms and three offices. Our plan is to essentially have a 3 bedroom/2 bath accommodation for owners and captains.

We would like to invest in this property by making upgrades to the second floor. We would suggest a fresh coat of paint on all interior walls and new flooring throughout the second floor. We would like to convert one of the bathrooms to accommodate a shower and washer/dryer unit. We want to keep the second bathroom as is with a toilet and sink. We would also like to upgrade the breakroom into a more functional kitchen and dining area. The breakroom currently has a very small kitchenette space i.e. countertop, sink, and cabinets. We would like to install more cabinet space or island, and install kitchen appliances i.e. range and refrigerator. We would make great improvements to the second story with these upgrades. The improved second floor will make a great space for the owners, employees, and on-call captains of our company.

In our business, being close to the harbor and our Sea Tow vessels is a must. This location gives us the ability to respond to distress calls and provide boat watch in a timelier manner. Sea Tow SouthCentral Alaska and its operations are a great fit for this building. Our business provides very essential services to the recreational & commercial boaters of Homer and makes a great addition to the Homer Harbor. We work very hard to keep Alaskan boaters safe and having this opportunity to lease on the spit will only allow Sea Tow to better serve our customers.

Lastly, we do understand that we will be sharing this building. We know that the first floor of the building is a back-up water pump for the spit. It is our understanding that the city will be accessing, maintaining, and testing the pump equipment throughout the year. It is our understanding the city has a separate entrance to this space and it will not impede in the day to day operations of our business. Sea Tow SouthCentral Alaska is willing to work with the city of Homer for further access or maintenance to the building when required.

Parking Spaces:

As per the RFP, this property comes with 10 parking spaces (1800 sq. ft.). We do not need all 10 spaces. For our proposal, we will only be seeking 4 spaces. For total area of 720 sq. ft.

Upgrades & Timeline:

The 1st floor office and the second story are move in ready and the upgrades we have suggested are not items that we feel need to be completed quickly or needing to be done before we inhabit the building.

With this said, there are items we will perform right away. Painting the interior walls and laying down new flooring will take priority and will be completed within a week of occupying the building.

Remodeling one of the bathrooms into a laundry/shower room and upgrading the kitchenette will likely be done a 1-6 months after we occupy the building. These two items are higher in value and we will need to get bids from the individuals we seek to perform the work.

We would like the city to know that Sea Tow SouthCentral Alaska and its owners will take financial responsibility for all the interior remodeling to include paint, flooring, bathroom/laundry room remodel and all other cosmetics.

Estimated Improvement Cost: *Tenant Responsibility*

Interior Paint: \$500

2nd Floor Flooring: \$3000 (\$3.0 sq/ft +/-)

Kitchen upgrades: \$2500 (cabinets, countertops & appliances)

Bathroom/Laundry: \$3000-5000 (plumbing, shower, washer/dryer)

Recommended Improvements & Upgrades by the CITY

We would also like to suggest some improvements and upgrades that to would be the cities responsibility.

First, this building is currently heated by electric. Electric heat is outdated and not economical to long term leasing. It would be our suggestion that the city converts from electric to gas heat in the near future. It is our understanding that there is a gas line in the vicinity of the property and hooking up natural gas to the building is logistical and economical possibility.

Second, this building's exterior is in poor shape. There is trim that is crumbling apart & rotted, paint is peeling, the exterior paint is faded, and the roof could use some maintenance. We would recommend that at some point, the city needs to repair trim work, give the building's exterior a fresh coat of paint and repair any dry rot.

To clarify, these recommended improvements would be the responsibility of the city not the tenant.

Bid:

We propose a 5 year minimum lease. Our proposed bid is \$5.60 per sq. ft./year for the land based 1056 sq ft(ground office & 4 parking spaces) and \$1.61 sq. ft./year for the 2nd story of main building(960 sq./ft.).

Land Based Rent: \$5.90 per square foot per annum (ground floor office & 4 parking spaces) :
 $1056\text{sq ft} \times \$5.90 = \$6230.40/\text{Year}$

Non-Land: Building 2nd Story, \$1.61 per square foot per annum:
 $960\text{sq ft} \times \$1.61 = 1541.70/\text{Year}$

Total: $\$6230.40 + \$1,541.70 = \$7772.10$ per annum base rent or a monthly payment of \$647.68.

We believe that \$647.68/Month plus utilities is fair for this building. Particularly in its current condition. This building has been sitting vacant for 7 years. During this time it has had very little maintenance and upkeep. This fair monthly/annual proposal allows us to inhabit the building and make all the necessary improvements economically. This proposed bid is also on par with the lease rates in 2013 when it was last occupied.

If Turnkey, this property has a lot of potential and could bring in more lease revenue in the future. This of course is contingent upon the improvements we intend on completing along with our recommended improvements by the city.

Insurance:

In the applications supporting documents you will find our current insurance declarations and proof of insurability. We will add the building to the insurance if we are granted the opportunity to lease. Along with the City of Homer listed as additionally insured.

Move-In Schedule:

We would like to move in ASAP. We have told our current landlord for our existing Sea Tow office in Homer that we will be moving out and not renewing our 2020 lease contingent upon this lease opportunity. As well as gave them a tentative move-out date of Mid-April.

Contact Information:

Trey Hill: 907-315-6688, thill@seatow.com

Alyssa Hill: 907-726-3929, ahill@seatow.com

OCEAN MARINE PACKAGE POLICY DECLARATIONS

POLICY NUMBER: OHL92013181 **Effective From:** 8/22/2019 **TO:** 8/22/2020
 at 12:01 A.M. Standard time at place of issuance

NAMED INSURED: Sea Assist Alaska, Inc.

ADDRESS: 19111 Second Street, Eagle River, AK 99577

PART I. – PROPERTY COVERAGE

SECTION A – HULL AND MACHINERY

PREMIUM: \$3,535

SCHEDULED VESSELS

Vessel #	Vessel	Value	Deductible
1	1986 25' Boston Whaler	\$55,000	\$2,500
2	1989 27' Boston Whaler	\$45,000	\$2,500
3	1992 27' Boston Whaler	\$65,000	\$2,500

*If more than three vessels see attached schedule

SECTION B – INLAND MARINE

PREMIUM: \$150

SCHEDULED EQUIPMENT

Item #	Description	Value	Deductible

*If more than three items see attached schedule

UNSCHEDULED EQUIPMENT

Limit: \$10,000	Max Any One Item: \$1,000	Deductible: \$500
-----------------	---------------------------	-------------------

PART II. – LIABILITY COVERAGE

Combined Single Limits Apply - Applicable to all Part II. Coverage Sections

It is understood and agreed that in the event of an occurrence involving more than one policy form, section, or endorsement the maximum limit of liability under this policy for any one occurrence shall not exceed \$1,000,000.

SECTION A – PROTECTION & INDEMNITY

PREMIUM: \$3,082

Includes Crew Coverage for Two (2) Crew Members

SCHEDULE VESSELS

Vessel #	Vessel	Occurrence Limit	Deductible
1	1986 25' Boston Whaler	\$1,000,000	\$1,000
2	1989 27' Boston Whaler	\$1,000,000	\$1,000
3	1992 27' Boston Whaler	\$1,000,000	\$1,000

*If more than three vessels see attached schedule

SECTION B – MARINE GENERAL LIABILITY

PREMIUM: \$1,650

LOCATIONS: 3850 Heath St. bldg. A, Homer AK 99603

Each Occurrence Limit: \$1,000,000
 General Aggregate Limit: \$2,000,000
 Products-Completed Operations Aggregate Limit: \$1,000,000
 Personal Injury & Advertising Injury Liability Limit: \$1,000,000
 Fire Damage Limit: \$100,000
 Medical Expense Limit: \$5,000

Gross Receipts Rate: Flat Minimum Premium

Deductible: \$5,000 Each Occurrence, except:
 \$25,000 For Sudden & Accidental Pollution Buy-Back Coverage

POLICY PARTS PREMIUM: \$8,417

TERRORISM PREMIUM (Additional, Optional): Excluded

TOTAL POLICY PREMIUM: \$8,417

FORMS & CONDITIONS: As per attached policy forms schedule.

In consideration of the premium hereinafter stated, the Companies named herein agree to insure the assured named herein in the amount(s) and subject to the terms, conditions, stipulations, forms, clauses and endorsements attached hereto and which are hereby made a part of this Policy.

COUNTERSIGNED BY: Christopher S. Poca DATE: 8/22/2019

Alaska Business License # **1058250**

Alaska Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

SEA TOW SOUTHCENTRAL ALASKA

3850 HEATH ST., BLDG A HOMER AK 99603

owned by

SEAASSIST ALASKA INC.

is licensed by the department to conduct business for the period

December 27, 2018 through December 31, 2020
for the following line of business:

48 - Transportation and Warehousing



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Anderson

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Incorporation

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Sea Assist Alaska Inc.



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective **July 19, 2017**.

A handwritten signature in cursive script, appearing to read "Chris Hladick".

Chris Hladick
Commissioner

CORPORATE BYLAWS
OF
Sea Assist Alaska Inc.

These are general Bylaws that have been customized with your company's information. These Bylaws should be reviewed and edited by the company's Board of Directors and/or attorney to meet your company's specific needs and to conform to any statutory changes before adoption.

Table of Contents

Article 1---Organization

1.1	Principal Office	4
1.2	Registered Agent	4
1.3	Bylaw Amendments	4

Article 2---Shareholder's Meetings

2.1	Annual Meeting	4
2.2	Purpose of Annual Meeting	4
2.3	Telephone Meetings	5
2.4	Action Without a Meeting	5
2.5	Notice of Meeting	5
2.6	Voting	5
2.7	Quorum	5

Article 3---Board of Director Meetings

3.1	Meeting Location	5
3.2	Regular Meetings	5
3.3	Special Meetings	6
3.4	Telephone Meetings	6
3.5	Action Without a Meeting	6
3.6	Quorum	6

Article 4---Directors

4.1	Authority	6
4.2	Election	6
4.3	Number of Directors	6
4.4	Resignation	6
4.5	Vacancies	7
4.6	Compensation	7

Article 5---Officers		
5.1	Number of Officers	7
5.2	Election	7
5.3	Removal and Resignation	7
5.4	President	7
5.5	Secretary	7
5.6	Compensation	8
 Article 6---Authority to Execute		
6.1	Binding Power	8
6.2	Signatories	8
 Article 7---Shares		
7.1	Classes	8
7.2	Certificates	8
7.3	Transfer of Shares	8
 Article 8---Corporate Records		
8.1	Corporate Minutes	8
8.2	Share Records	9
8.3	Financial Records	9
8.4	Inspection of Records	9
8.5	Fiscal Year	9
 Article 9---Indemnification and Insurance		
9.1	Indemnification	9
9.2	Insurance	9
 Article 10---Adoption		10

CORPORATE BYLAWS

OF

Sea Assist Alaska Inc.

Article 1---Organization

- 1.1 PRINCIPAL OFFICE. The principal office of the Corporation will be determined by the Board of Directors. Other offices may also be established at such places that the Board deems necessary for the conduct of business. A copy of these bylaws will be kept at the principal office.
- 1.2 REGISTERED AGENT. The name and address of the Registered Agent is provided in the Articles of Incorporation that was filed with the Secretary of State. The Registered Agent may only be changed by filling out the appropriate paperwork with the Secretary of State. Each change of Registered Agent must be approved by the Board of Directors.
- 1.3 BYLAWS AMENDMENTS. These Bylaws may be amended by the shareholders or Board of Directors. Notice of all changes must be given to the shareholders before the next Shareholder's meeting after the adoption of the changes.

Article 2---Shareholder's Meetings

- 2.1 ANNUAL MEETING. On the anniversary of the Corporation's formation, an annual meeting of the Shareholders will be held at the principal place of business or at an alternate location chosen by the Board of Directors.
- 2.2 PURPOSE OF ANNUAL MEETING. The purpose of the annual meeting will be the election of Board members and to address other issues that require shareholder approval.

- 2.3 TELEPHONE MEETINGS. When necessary or desired, Shareholders may elect to meet via conference call or any other means where all participants can hear each other. Decisions made at such meetings will have the same authority and power as a decision made at meetings where the participants were physically present.
- 2.4 ACTION WITHOUT A MEETING. Any action that may be taken at a meeting of the Shareholders may be taken without a meeting if all members entitled to vote, in writing, files consent to the action with the Secretary of the Corporation. All such actions will have the same authority and power as actions passed at meetings where the participants were physically present. Consent documents will be kept in the Corporate Record Book at the principal place of business.
- 2.5 NOTICE OF MEETING. The Board or person calling a meeting of the shareholders will provide notice of the meeting no less than 10 days before the meeting to all shareholders who have a right to vote. A shareholder or group of shareholders must hold at least 10 percent of the shares entitled to vote in order to call a meeting. The notice must include the date, time, and place of meeting. In the case of a special meeting the purpose of the meeting must be included in the notice.
- 2.6 VOTING. Voting rights will be determined by the Secretary based on the Corporation's Share Transfer books. Each share is entitled to one vote regardless of the class. Votes may be cast in person or by proxy executed in writing.
- 2.7 QUORUM. A majority of the qualified voting shareholders, in person or by proxy, will constitute a quorum. A quorum is required for actions taken to be considered Shareholder approved.

Article 3---Board of Director Meeting

- 3.1 MEETING LOCATION. Meetings shall be held at the Corporation's principal place of business or at an alternate location chosen by the Board.
- 3.2 REGULAR MEETINGS. Regular Meetings shall be held at a date and time that is acceptable to the Board members and at a frequency that promotes the growth of the Corporation.

- 3.3 SPECIAL MEETINGS. Special meetings may be called at any time by president of the Board of Directors. Notice of the meeting must be received by each Director at least 3 days before the meeting. The notice must include the agenda for the meeting along with the place and time of the meeting.
- 3.4 TELEPHONE MEETINGS. When necessary or desired, the Board may elect to meet via conference call or any other means where all participants can hear each other. Decisions made at such meetings will have the same authority and power as a decision made at meetings where the participants were physically present.
- 3.5 ACTION WITHOUT A MEETING. Any action that may be taken at a regular or special meeting of the Board may be taken without a meeting if all members of the Board, in writing, consent to the action. All such actions will have the same authority and power as actions passed at meetings where the participants were physically present.
- 3.6 QUORUM. A majority of the authorized Directors will constitute a quorum. A quorum is required for actions taken to be considered Board approved.

Article 4---Directors

- 4.1 AUTHORITY. The business and affairs of the Corporation shall be managed by a Board of Directors subject to any limitations in the Articles of Incorporation.
- 4.2 ELECTION. The members of the Board of Directors will be elected by the voting members at the annual meeting. The Director will serve for the time specified at his or her election but for no less than one year.
- 4.3 NUMBER OF DIRECTORS. The number of authorized directors will be determined by the Board. This number may be increased or decreased as needed by a vote of the Board. No decrease in the number of Directors may shorten the term of an incumbent Director.
- 4.4 RESIGNATION. At any time, a Director may resign by giving a letter of resignation to the Secretary of the Corporation. The resignation will become effective immediately or at the date specified without a vote of

the Board. A vote of a quorum of Directors or Shareholder will be required to remove a Director for cause.

4.5 VACANCIES. Vacancies on the Board will be filled by a vote of the Board. A majority vote of the current Directors will be required for election. Board elected directors will serve until the next Shareholder's annual meeting when a Board of Directors election will be held.

4.6 COMPENSATION. Directors will serve on a voluntary basis and will not receive compensation for their services except for expenses incurred and specified by Board resolutions. A Director may be compensated for services provided to the Corporation if he also serves in another position such as an officer, agent, or employee.

Article 5---Officers

5.1 NUMBER OF OFFICERS. The Corporation shall have at least a President and a Secretary. Other officers, along with titles and responsibilities, may be added by the Board of Directors. One person may be selected to serve in more than one position.

5.2 ELECTION. Officers' election, length of term, and compensation is set by the Board.

5.3 REMOVAL AND RESIGNATION. An officer may be removed or resign at any time, with or without cause. Removal requires an action of the Board. Resignation requires that the officer submit a written notice of his resignation to the Secretary.

5.4 PRESIDENT. The President will serve, at the discretion and under the supervision of the Board, as the general manager and chief executive officer of the corporation. The President will have the authority and power to run the day-to-day operations of the company under the guidelines provided by the Board. In the absence of a Treasurer, the President will also serve as the chief financial officer.

5.5 SECRETARY. The Secretary will be responsible for: (1) sending out notices for all meetings, (2) keeping minutes for all meetings, (3) maintaining the Corporate Record Book, (4) maintaining Corporation records and seal.

5.6 COMPENSATION. The Board of Directors will set the compensation for officers. No officer will be denied compensation due to the fact that they are also a shareholder, Director, or both.

Article 6---Authority to Execute

6.1 BINDING POWER. No shareholder, officer, agent, or any other person or company has the right or power to bind the Corporation by pledge, agreement, contract, or any other means without the expressed written permission of the Board of Directors.

6.2 SIGNATORIES. With authorization from the Board of Directors, the President and Secretary will sign all documents, including all financial documents that require the signature or endorsement of a corporate officer.

Article 7---Shares

7.1 CLASSES. The Corporation may issue one or more classes of shares. Each share in each class will have the same value, voting rights, and restrictions as any other share in the class.

7.2 CERTIFICATES. Certificates for shares will be issued only after the full value of the share has been paid to the Corporation. Acceptable forms of payment include donated property, work rendered, and money paid. Certificates will be signed by the Secretary or other officer as designated by the Board.

7.3 TRANSFER OF SHARES. Shares may be transferred when endorsed, written documentation from the shareholder is presented to the Secretary. The Secretary will issue a new certificate bearing the name of the new shareholder, cancel the old certificate, and record the transaction in the Corporate Record Book.

Article 8---Corporate Records

8.1 CORPORATE MINUTES. A record of all meetings of shareholders and directors will be kept at the principal place of business or at an alternate location chosen by the Board of Directors. The minutes shall include the

date, time, location, names of attendees, purpose, and acts of each meeting.

- 8.2 **SHARE RECORDS.** Share information will be kept at the principal place of business or at an alternate location chosen by the Board of Directors. The information to be kept includes the shareholder name and address, class and number of shares, date issued, date transferred, date cancelled, and certificate numbers.
- 8.3 **FINANCIAL RECORDS.** The chief financial officer will be responsible for maintaining accurate records of all corporate financial transactions. Industry acceptable accounting procedures are to be followed so that the records may be used in the preparation of the Corporation's tax returns.
- 8.4 **INSPECTION OF RECORDS.** Corporate records and Bylaws are available for inspection by Directors and Shareholders. Before examination, the inspecting party must sign an affidavit stating that the information will be kept confidential.
- 8.5 **FISCAL YEAR.** The Board of Directors will determine the fiscal year of the Corporation based on the prevailing guidelines of the Internal Revenue Service.

Article 9---Indemnification and Insurance

- 9.1 **INDEMNIFICATION.** The directors and officers will be indemnified to the fullest extent of the law by the Corporation. Any director or officer that is found to be negligent or guilty of misconduct will forfeit their indemnification.
- 9.2 **INSURANCE.** The Corporation shall have the power to purchase and maintain insurance for any agent of the Corporation including but not limited to directors, officers, and employees.

Article 10---Adoption

This is to certify that the foregoing is a true and correct copy of the Initial Bylaws duly adopted by undersigned Board of Directors.

Date: August 17, _____, 2017

[Signature]

Director

[Signature]

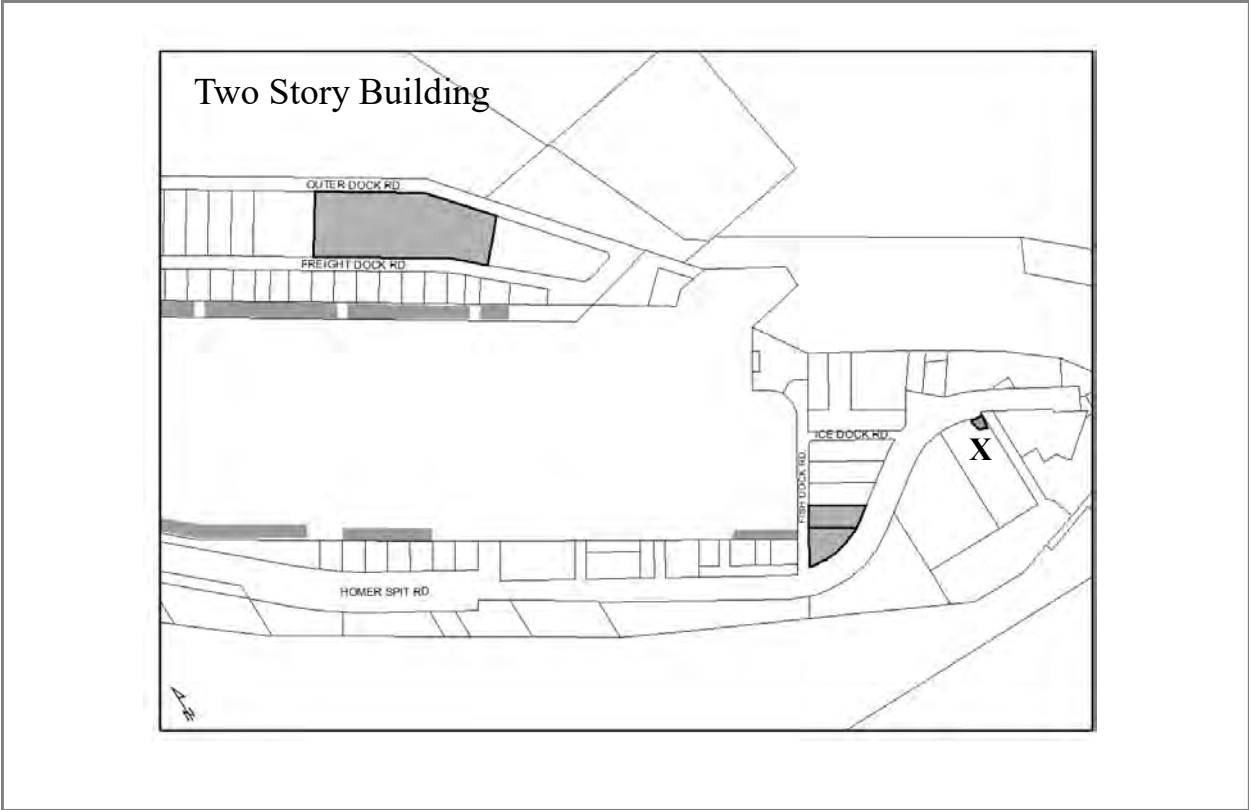
Director

Seal

Director

[Signature]

Secretary



Designated Use: Lease Lands	
Acquisition History:	
Area: 1.05 acres (0.52 and 0.53 acres)	Parcel Number: 18103477, 78
2019 Assessed Value: Land value \$325,700	
Legal Description:	
Zoning: Marine Industrial	
Infrastructure: Water, sewer, natural gas, paved road access	Address: 4667 Homer Spit Road
<p>Prior to a long-term lease the site is appraised. The appraised lease rates for uplands is approximately \$0.90 per square foot, per annum. Lease rates vary; contact the Harbor Office at 907-235-3160.</p> <p>Lower level of the building contains a large water pump and is part of the city water infrastructure. That portion of the building is not available for lease.</p>	

Finance Dept. Code:



Recent aerial imagery of Lot 48

4667 Homer Spit Rd. 1.18.2011



CERTIFICATE OF OWNERSHIP
 I hereby certify that I am the owner of the property shown and described hereon. I hereby request approval of this plat showing such easements for public utilities and roadways dedicated by me for public use, or to the uses shown.

Phil Shealy 8/10/87
 Date
 CITY OF HOMER
 by: PHIL SHEALY, City Manager
 190 East Pioneer Avenue
 HOMER, ALASKA 99603

JERRY ANDERSON
 NOTARY PUBLIC
 STATE OF ALASKA

NOTARY'S ACKNOWLEDGEMENT
 Subscribed and sworn to before me this 10th day of Aug 1987.

[Signature] 11-7-87
 Notary public for Alaska My Commission Expires

SURVEYORS CERTIFICATE
 I hereby certify that this survey was performed by me or under my direct supervision. I declare that the information shown hereon is true and correct to the best of my knowledge and belief.

[Signature] 8-8-87
 Jerry A. Anderson Date

PLAT APPROVAL
 This plat was approved by the Kenai Peninsula Borough Planning Commission at the meeting of 5-18-87
 KENAI PENINSULA BOROUGH
 BY *[Signature]*
 Authorized Official

1.) All former Boundaries, Rights of Way and Easements within the boundaries of this Plat are vacated herein.

2.) The Boundaries Rights of Way and Easements instituted per this Plat constitute BOUNDARY AGREEMENTS among all Signators.

3.) Soils on these lots may or may not be suitable for conventional on-site waste disposal systems. No person may construct, install, operate or maintain a pressurized water system or a water-borne waste disposal system unless approval of the Alaska Department of Environmental Conservation is obtained. The burden of providing soils data, groundwater information, engineering designs and any other information required by the Department to complete a review of the proposed system rests solely on the individual lot owner.

Basis of bearing is the City of Homer Coordinate system, as shown on plat 87-37RS HRD, "CITY OF HOMER AREA RECORD OF SURVEY".

Where Private Property is adjacent to the City Owned Tidelands, the meanders as established by ATS 612, Plat 77-64 have been adhered to as closely as possible.

Pedestrian access shall be provided across all City-owned lands from the dedicated rights of way to the Shorelines. Such access-ways shall be at least twenty feet wide, and not be further than six hundred feet apart.

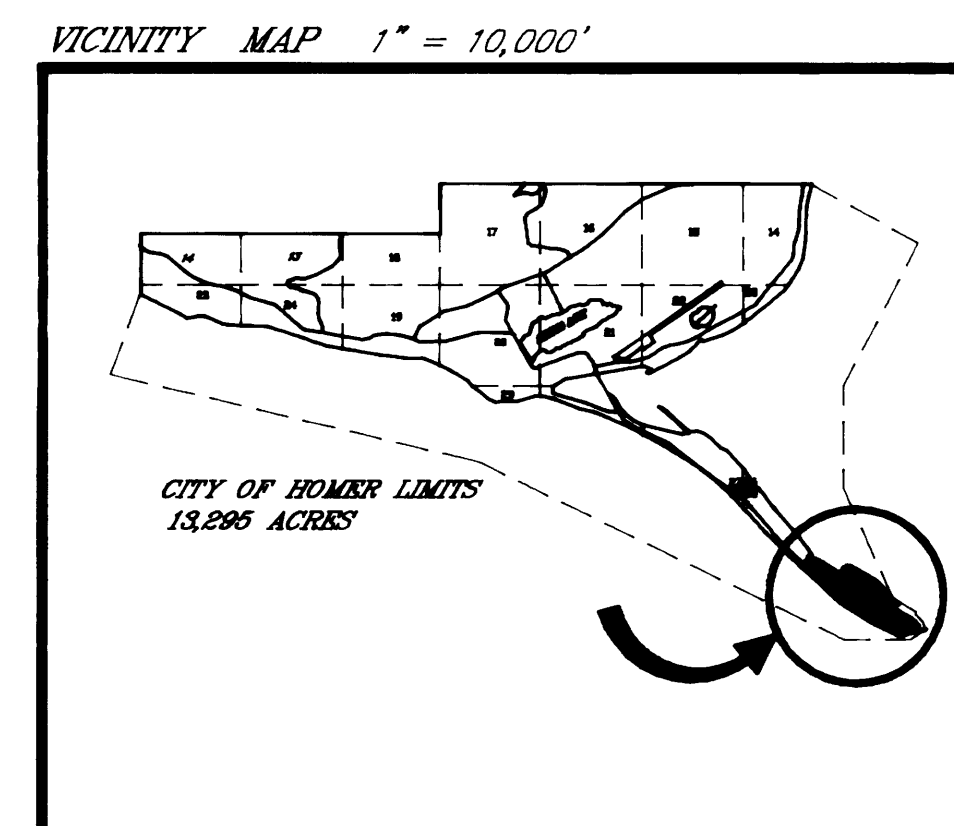
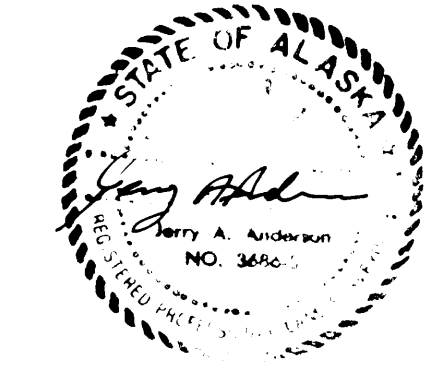
A five foot utility easement exists on each side of all electric, telephone, water, sewer or other utility lines existing as of the date of the filing of this plat.

THE FOLLOWING AMENDMENT HAS BEEN MADE TO THIS PLAT: A FIFTEEN (15) FOOT WIDE ACCESS AND UTILITY EASEMENT HAS BEEN ADDED TO THE EXTERIOR OF LOT EIGHT. SAID LOT IS DEPICTED ON SHEET THREE HEREON. THE WORD "AMENDED" HAS BEEN ADDED TO THE TITLE BLOCK OF EACH SHEET.

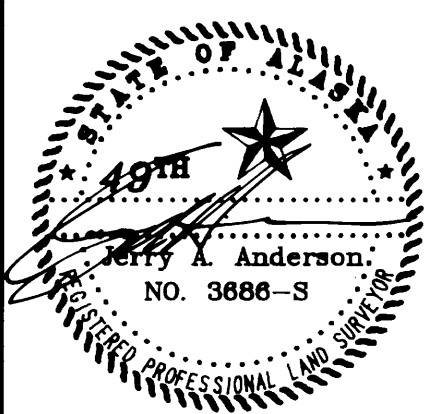
THE ABOVE REVISION DOES NOT ALTER LOT AREAS, AND DOES NOT AFFECT OR INFLUENCE ANY CHANGE OF OWNERSHIP, DRAINAGE FEATURES, RIGHTS OF WAY, OR OTHER ITEMS WHICH WOULD ADVERSELY AFFECT THIS OR ADJACENT PROPERTIES.

THIS NOTE AND THE ABOVE REFERENCED EASEMENT CONSTITUTE THE SOLE CHANGES MADE TO THIS PLAT.

[Signature]
 JERRY A. ANDERSON PLS No. 3686-S



DATE	MAY 1986
SCALE	1" = 300
GRID No.	H 1 THRU 5
FLD. BK. No.	176
DISK No.	C.1.18
JOB No.	1776



HOMER SPIT
 AMENDED
 A RESUBDIVISION OF PORTIONS OF SEC. 35 AND 36 TWP. 6S, AND PORTIONS OF SEC. 1 AND 2, TWP. 7S ALL WITHIN RGE. 13W, S.M. AND WITHIN THE CITY OF HOMER, ALASKA; HOMER RECORDING DISTRICT

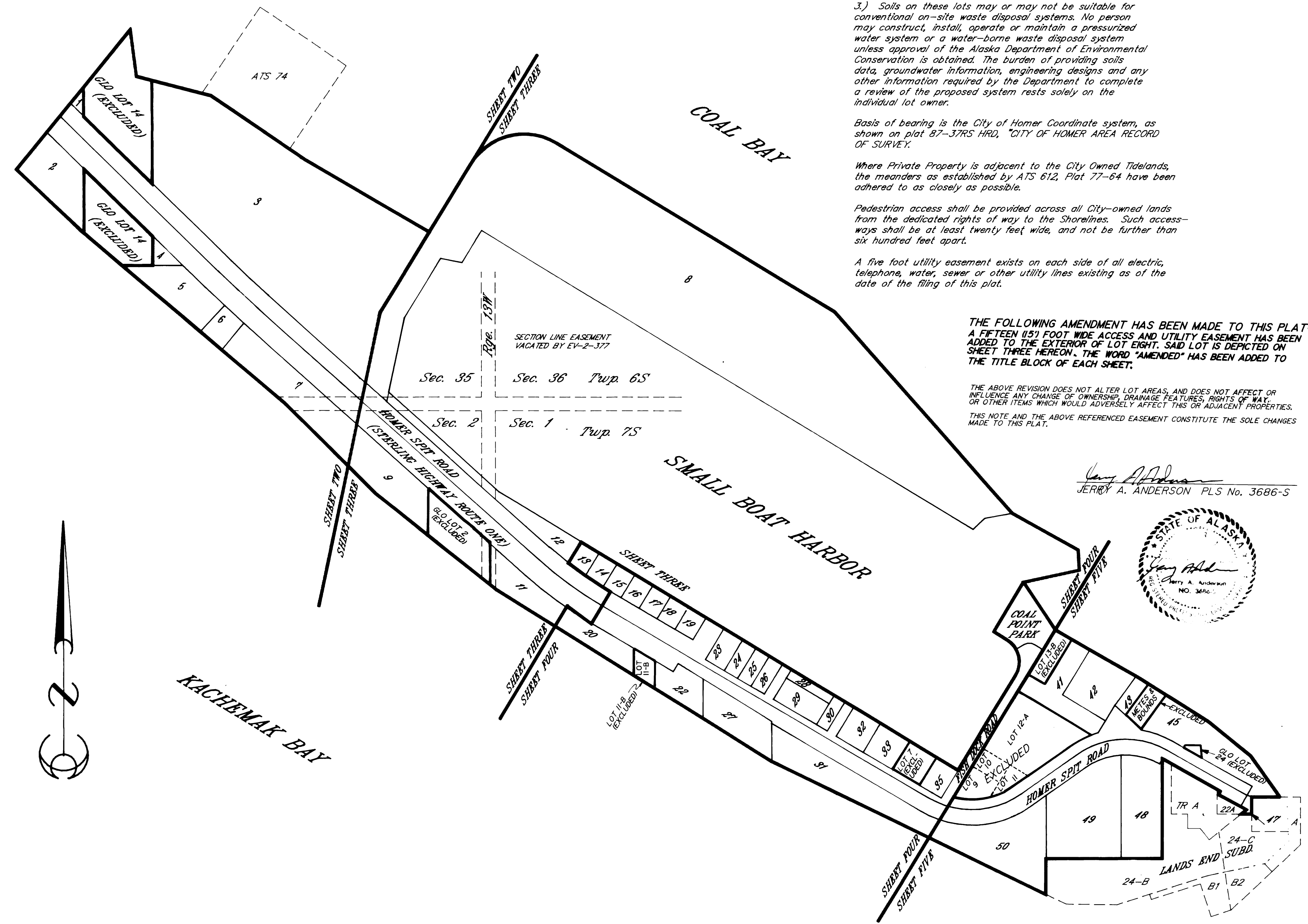
CING. 199.429 ACRES TOTAL

ABILITY SURVEYS
 JERRY A. ANDERSON PLS

HANSON & CO.
 MARVIN L. HANSON PLS
 (A JOINT-VENTURE)
 (907) 235-8440
 BOX 378, HOMER ALASKA 99603

89-34
 HOMER REC. DIST
 9-21-89
 10-22-A
 Ability

89-15
 HOMER REC. DIST
 DATE 5-19-89
 TIME 1:50 P.M.
 REQUESTED BY: ABILITY SURVEYS
 ADDRESS: P.O. BOX 378
 HOMER, ALASKA 99603



HOMER

SPIT

SHEET ONE

(INDEX SHEET)

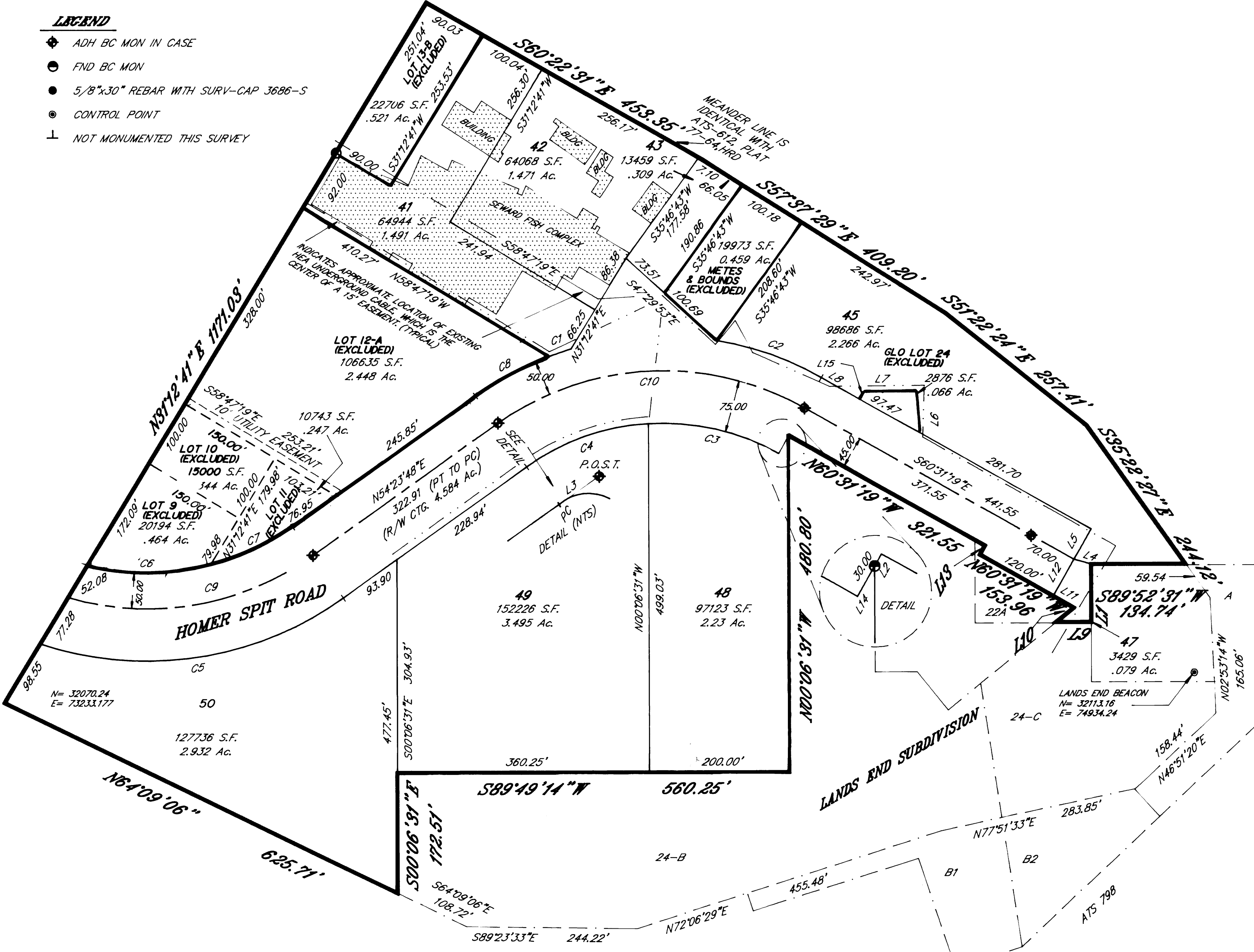
NOTE: SHEET 6 THROUGH SHEET 10 ARE SIGNATURE SHEETS ONLY.

HA 89-34
 HW 89-17H

LEGEND

- ◆ ADH BC MON IN CASE
- FND BC MON
- 5/8"x30" REBAR WITH SURV-CAP 3686-S
- CONTROL POINT
- ⊥ NOT MONUMENTED THIS SURVEY

N=33071.78
E= 73940.00



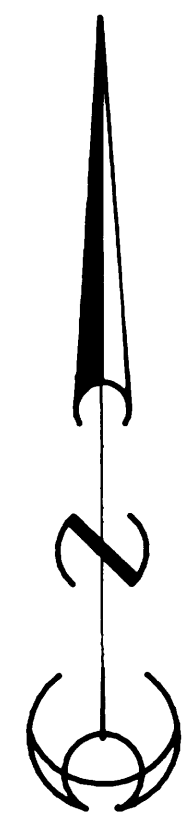
No.	Bearing	Distance
L1	S00°08'29"E	82.50'
L2	S29°28'41"W	1.22'
L3	S54°23'48"W	3.03'
L4	N74°29'00"W	25.89'
L5	S29°28'41"W	50.00'
L6	S03°13'34"E	59.69'
L7	S89°51'04"W	75.03'
L8	N60°31'19"W	62.38'
L9	S89°52'31"W	50.36'
L10	N50°48'03"E	32.58'
L11	N60°31'19"W	33.96'
L12	N29°28'41"E	60.00'
L13	S29°28'41"W	15.00'
L14	N29°28'41"E	28.78'
L15	N29°28'41"E	13.14'

No.	Delta	Radius	Arc Length
C1	04°11'43"	459.69	33.66
C2	19°57'03"	459.69	160.07
C3	33°06'20"	334.69	193.38
C4	31°59'25"	334.69	186.87
C5	54°01'23"	484.1	456.45
C6	28°22'28"	359.1	177.84
C7	21°04'26"	359.1	132.08
C8	14°48'30"	459.69	118.81
C9	51°37'34"	409.1	368.62
C10	65°04'53"	409.69	465.36

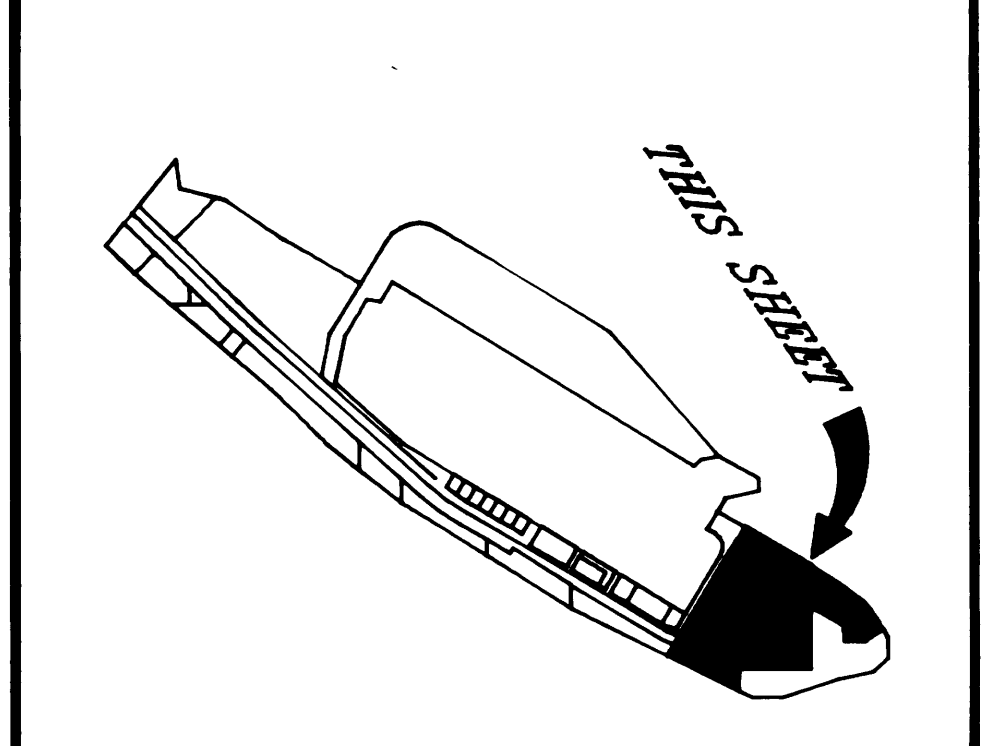
- 1.) All former Boundaries, Rights of Way and Easements within the boundaries of this Plat are vacated herein.
- 2.) The Boundaries Rights of Way and Easements instituted per this Plat constitute BOUNDARY AGREEMENTS among all Signators.
- 3.) Soils on these lots may or may not be suitable for conventional on-site waste disposal systems. No person may construct, install, operate or maintain a pressurized water system or a water-borne waste disposal system unless approval of the Alaska Department of Environmental Conservation is obtained. The burden of providing soils data, groundwater information, engineering designs and any other information required by the Department to complete a review of the proposed system rests solely on the individual lot owner.

89-34
RECORDED
Homer
DATE 9-21-89
TIME 10:22 A
Ability

89-15
RECORDED
Homer
DATE 5-19-89
TIME 9:50 A
Ability



VICINITY MAP



DATE	MAY 1986
SCALE	1" = 100'
GRID No.	H 1 THRU 5
FLD. BK. No.	176
DISK No.	C.1.18
JOB No.	1776



HOMER SPIT
AMENDED
A RESUBDIVISION OF PORTIONS OF SEC. 35 AND 36 TWP. 6S, AND PORTIONS OF SEC. 1 AND 2, TWP. 7S ALL WITHIN RGE. 13W, S.M. AND WITHIN THE CITY OF HOMER, ALASKA
THIS SHEET SHOWING 18,857 ACRES

ABILITY SURVEYS
JERRY A. ANDERSON PLS
HANSON & CO.
MARVIN L. HANSON PLS
(A JOINT-VENTURE)
(907) 235-8440
BOX 378, HOMER ALASKA 99603

SHEET FIVE

HM 89-34

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

Dated May 1, 2020

GROUND LEASE AND SECURITY AGREEMENT

GROUND LEASE AND SECURITY AGREEMENT (“Lease”) dated as of May 1, 2020, between the CITY OF HOMER, an Alaska municipal corporation (“Landlord”), whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Sea Assist Alaska Inc. DBA: Sea Tow South Central Alaska an Alaskan Corporation (“Tenant”), whose address is PO Box 2729 Homer AK 99603 .

[Attached as **Exhibit A** is a schedule naming each owner of Tenant and describing the percentage of ownership of each. Also attached to **Exhibit A** are a certificate of good standing issued by the state under whose laws Tenant is organized, and, if Tenant is a foreign entity, a certificate of authority issued by the State of Alaska. Attached as **Exhibit B** is a true and correct copy of a resolution of Tenant authorizing Tenant to enter into this Lease and authorizing the undersigned individual(s) or officer(s) to execute the Lease on behalf of Tenant.]

RECITALS

WHEREAS, Landlord owns certain properties having a strategic location near the waterfront and marine-related public infrastructure; and

WHEREAS, it is the policy of Landlord to retain ownership of these properties, and to make them available for leasing, in order to encourage growth in targeted economic sectors, to insure that Landlord receives the maximum benefit from a large investment in public infrastructure, and to provide land for businesses that require close proximity to the waterfront or infrastructure to operate efficiently and profitably; and

WHEREAS, Landlord has accepted Tenant’s proposal to lease and develop the property leased herein, because Tenant’s proposed use of the property should further Landlord’s goals for the development of Landlord’s properties, and Tenant’s proposal to lease and develop the property is a material inducement to Landlord leasing the property to Tenant; and

[WHEREAS, Tenant has made its own determination that its proposed development 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 under Tenant’s proposal.]

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

ARTICLE 1. DEFINITIONS AND ATTACHMENTS

1.01 Definitions. As used herein, the term:

(a) “Additional Rent” includes all amounts defined or referred to in this lease as additional rent, as well as all charges in the nature of rent such as taxes, utilities and insurance, regardless of whether such amounts are due directly to or collectible by Landlord or to a third party under the terms of this Lease or under applicable law and including any of the preceding amounts that Landlord pays to a third party on behalf of Tenant, before or after any event of default.

(b) “Annual Rent Adjustment” and “Annual Rent Adjustment Date” are defined in Section 4.01(b).

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

(d) “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.

(e) “Council” means the City Council of the City of Homer, Alaska.

(f) “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%).

(g) “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.

(h) “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.

(i) “Extended Term” is defined in Section 3.05 if this Lease provides for extension at the option of the Tenant.

(j) “Five Year Rent Adjustment” and “Five Year Rent Adjustment Date” are defined in Section 4.01(a).

(k) “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.

(l) “Initial Term” is defined in Section 3.01.

(m) “Lease Ordinance” means such ordinances or other portions and provisions of the Homer City Code as may be enacted from time to time to dictate Landlord’s policies and requirements in leasing real property, currently enacted as Chapter 18.08 of the Homer City Code, as such may be amended, reenacted, supplemented or recodified from time to time, and as used herein the term shall refer to the Lease Ordinance as currently in effect at the time its terms would have operative effect on this Lease.

(n) “Leasehold Mortgage” is defined in Section 13.01.

(o) “Property” is defined in Section 2.01.

(p) “Rent” means Base Rent plus any Additional Rent.

(q) “Qualified Mortgagee” is defined in Section 13.03.

(r) "Required Improvements" is defined in Section 6.02.

(s) "Term" means the Initial Term plus any Extended Term.

1.02 Attachments. The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto and all documents, policies and endorsements delivered hereunder, including without limitation all copies of required insurance policies and/or endorsements, shall be deemed to be a part hereof:

Exhibit "A" Schedule of Organization, Owners, Percentage of Ownership

Exhibit "B" Conformed Copy of Resolution Authorizing Lease and Authorizing Signers to Sign Lease Agreement on Behalf of Tenant

Exhibit "C" Legal Description of Property

Exhibit "D" Tenant's Lease Proposal

Exhibit "E" Site Plan

Exhibit "F" Permission to Obtain Insurance Policies

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 (the "Property"):

Land: A PORTION OF LOT 48, HOMER SPIT SUBDIVISION, AMENDED CONSISTING OF 720 SQUARE FEET FOR 4 PARKING SPACES AND 336 SQUARE FEET FOR A SINGLE STORY OFFICE; A TOTAL OF 2136 SQUARE FEET AS DEPICTED IN EXHIBIT E

Building: 960 SQUARE FEET OF OFFICE SPACE ON THE SECOND FLOOR OF THE OLD PORT BUILDING; A BUILDING OWNED BY THE CITY OF HOMER, AS DEPICTED IN EXHIBIT E

ALSO KNOW AS KENAI PENINSULA BOROUGH PARCEL NO 18103404LH1;

THE 1,056 SQUARE FEET OF LAND AND 960 SQUARE FEET OF OFFICE SPACE DESCRIBED ABOVE IS REFERRED TO COLLECTIVELY HEREIN AS THE "PROPERTY";

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." 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." None of landlord, its agents, or its employees make any 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, including the presence of any Hazardous Substance.

2.04 No Subsurface or Mineral Rights. This Lease does not confer mineral rights, any rights to extract natural resources, or any rights with regard to the subsurface of the Property below the level necessary for the uses of the Property permitted in this Lease, all of which rights are, as between Landlord and Tenant, reserved to Landlord.

ARTICLE 3. TERM

3.01 Lease Term. The term of this Lease is 5 years, commencing On May 1, 2020, and ending on April 30, 2025 (the “Term”).

3.02 Lease Renewal.

(a) Tenant represents and warrants that it has determined that the duration of the Term, including any available Extended Terms, 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, including any Required Improvements as Tenant may be required to develop. 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 other than as may be provided in Section 3.05.

(b) Notwithstanding the preceding subsection (a), not less than 12 months and not more than 18 months before the expiration of the Term, Tenant may apply to Landlord to enter into a new lease for the Property that is exempted from competitive bidding under and pursuant to the Lease Ordinance.

3.03 Surrender of Possession. Upon the expiration or earlier termination of the Term, unless Tenant and Landlord have entered into a new lease for the Property commencing upon the 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. 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.

[3.05. Omitted.]

ARTICLE 4. RENT, TAXES, ASSESSMENTS AND UTILITIES

4.01 Base Rent. Tenant shall pay to Landlord an initial annual rent of \$7772.10(as such may later be adjusted per the terms of this Lease, the “Base Rent”). Base Rent is payable monthly in advance in installments of \$647.68, plus sales and all other taxes Landlord is authorized or obligated to collect on such transactions, on May 1, 2020, and on the 1st day of each month thereafter, at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, 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.

(a) **Five-Year Appraised Rent Adjustments.** Starting on January 1 2025, and in every fifth year thereafter, Landlord may obtain an appraisal by a qualified real estate appraiser of the fair rental value of the Property as if privately owned in fee simple, excluding the value of alterations, additions or improvements (other than utilities) made by Tenant (or by Tenant’s predecessors under the Lease, if Tenant is party to this Lease by assignment). Following receipt of each such appraisal, the Base Rent will be adjusted (the “Five Year Rent Adjustment”), effective on the anniversary of the commencement of the term (each such date is a “Five Year Rent Adjustment Date”), to an amount equal to the greater of (1) the area of the Property in square feet, multiplied by the fair rental value per square foot determined by the appraisal, and (2) the Base Rent in effect immediately before the Five Year Rent Adjustment Date. The Base Rent as adjusted on a Five Year Rent Adjustment Date thereafter shall be the Base Rent.

(b) **Annual Rent Adjustments.** In addition to the rent adjustments under Section 4.02(a), the Base Rent also shall be adjusted annually (the “Annual Rent Adjustment”), effective on the anniversary of the commencement of the term in every year without a Five Year Rate Adjustment (each such date is an “Annual Rent Adjustment Date”), by the increase, if any, for the previous year in the cost of living as stated in the Consumer Price Index, All Urban Consumers, Anchorage, Alaska Area, All Items 2000 – present = 100 (“CPI-U”), as published by the United States Department of Labor, Bureau of Labor Statistics most recently before the Annual Rent Adjustment Date. If the CPI-U is revised or ceases to be published, Landlord instead shall use such revised or other index, with whatever adjustment in its application is necessary, to most nearly approximate in Landlord’s judgment the CPI-U for the relevant period.

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 number of years remaining in the Term by 10. If the Term of this Lease is subsequently extended renewed (i.e. if Tenant and Landlord later enter into a new lease without putting the Property out for competitive bidding as referenced in Section 2.02), then the part of the assessment that Tenant shall be liable for 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. Any taxes, installments of assessments on the Property that are due to or collectible by Landlord, or for which Landlord becomes liable that are attributable to any portion of the Term, shall be Additional Rent.

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, telephone, internet service and refuse removal. Tenant shall be solely responsible for the cost of utility connections. Any of the preceding due to or collectible by Landlord shall be Additional Rent.

4.05 Tenant to Pay for City Services. Tenant shall pay for all services provided by the City of Homer that are related to the use or operation of the Property, improvements thereon and Tenant's activities thereon, at the rates established by the City of Homer from time to time for such services, including without limitation wharfage, crane use, ice, and other Port and Harbor services. Tenant shall provide the City of Homer with the information necessary to determine the amount of service charges owed, keep written records of such information for not less than two years after such charges are due, and, upon request, make such records available to the City of Homer for inspection and audit.

4.06 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.

4.07 Security Deposit. Upon execution of this Lease, and in addition to any other security or credit support provided by or for the benefit of Tenant in entering into 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 may commingle the security deposit with other funds of Landlord, and its obligations with respect to such security deposit shall only be as a debtor and not as a trustee or fiduciary. 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.

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 lien and 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; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; (4) all rents from Tenant's subletting of all or a part of the Property; and (5) all improvements on the Property, including any Required Improvements. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease shall constitute a mortgage by Tenant as mortgagor of all right, title and interest of Tenant in and to any and all improvements on the Property, including any Required Improvements, in favor of Landlord as mortgagee, and the recorded memorandum of this Lease shall reference Landlord as mortgagee of such improvements. In addition, Tenant shall execute,

such financing statements and other instruments as Landlord may now or hereafter reasonably request to evidence the liens, mortgages and security interests granted by Tenant hereunder, including any deed of trust pertaining to additions, alterations and improvements on the Property. This Lease also 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.

ARTICLE 6. USE AND IMPROVEMENT OF PROPERTY

6.01 Use of Property. Tenant shall use and, if applicable, improve the Property only in the manner described in Tenant’s proposal or application for the Property as more fully set forth on **Exhibit D**. Tenant’s undertaking to use and, if applicable, improve the Property as described on Exhibit D is a material inducement to Landlord leasing the Property to Tenant, and Tenant shall not use or improve the Property for any purpose other than as described on Exhibit D without Landlord’s written consent, which consent Landlord may withhold in its sole discretion.

6.02 Required Improvements. Tenant shall, at Tenant’s sole expense, construct, and at all times during the Term keep and maintain as the minimum development on the Property the Required Improvements as described on Exhibit D and as depicted more specifically in the site plan and floor plans in **Exhibit E** and **Exhibit F**, respectively. If the Required Improvements are not in place at the commencement of the Term, Tenant shall commence construction of the Required Improvements within one year after the date of commencement of the Term, prosecute the construction of the Required Improvements with diligence, and Complete construction of the Required Improvements within one additional year.

6.03 Construction Prerequisites. Tenant may not commence any construction on the Property, including without limitation construction of the Required Improvements, without first satisfying the following conditions:

(a) Not less than thirty (30) days before commencing construction, Tenant shall submit to Landlord preliminary plans and specifications, and an application for a City of Homer zoning permit, 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 for the zoning permit or other required permits. The preliminary plans and specifications are subject to Landlord’s approval, which will not be unreasonably withheld, as well as all specific requirements for the issuance of any permits or zoning variances. Landlord shall communicate approval or disapproval in the manner provided for notices hereunder, accompanying any disapproval with a statement of the grounds therefor. Tenant shall be responsible for complying with all laws governing the construction, including any specific requirements for the issuance of any permits or zoning variances, notwithstanding Landlord’s approval of preliminary plans and specifications under this paragraph.

(b) Not less than fifteen (15) 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 (5) 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) For construction, alteration or restoration of Required Improvements, a current certificate of insurance with the coverages specified in Section 9.04(c).

6.04 Extensions of Time for Completion of Required Improvements. Landlord shall grant an extension of the time to Complete the Required Improvements for a period of time equal to the duration of an Excusable Delay, upon Tenant's written request describing the nature of the Excusable Delay, provided Tenant has commenced construction in a timely manner and is proceeding diligently to Complete construction.

6.05 Additional and Replacement Improvements.

(a) Construction of alterations, additions improvements that are not consistent with terms of this Lease or the proposed uses for the Property set forth on Exhibit D is prohibited unless the improvements are authorized by an amendment to this Lease approved by the Council via resolution.

(b) Subject to Section 6.05(a), upon satisfying the conditions in section 6.03, 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 and provided further that Tenant continuously maintains on the Property the Required Improvements, or their equivalent of equal or greater value. 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.

6.06 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.

6.07 Ownership of Improvements. Other than the Required 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 during the Term, subject to the provisions Section 6.08.

6.08 Disposition of Improvements at End of Term.

(a) Unless excepted by operation of the following subsection (b), any and all buildings, fixtures and improvements of any nature whatsoever constructed or maintained on the Property become the property of Landlord upon expiration or earlier termination of the Term.

(b) One year before the expiration of the Term, the Landlord and Tenant shall determine if the buildings, fixtures and improvements constructed or maintained on the Property, including the Required Improvements, are structurally sound and in good condition. If such buildings, fixtures and improvements constructed or maintained on the Property are structurally sound and in good condition, 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, upon expiration of the Term, and 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 buildings, fixtures and improvements. Tenant shall be obligated to and shall remove, prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property that are not structurally sound and in good condition, and Landlord shall not have or obtain any ownership interest in such buildings, fixtures and improvements by reason of this Lease.

(c) If Landlord terminates this Lease because of a default by Tenant prior to the expiration of the Term, any buildings, fixtures and improvements constructed or maintained on the Property shall, at Landlord's option, become the property of Landlord, which may use or dispose of them in its sole discretion. If Landlord elects not to obtain ownership of such buildings, fixtures and improvements under the preceding sentence or elects to remove any of such buildings, fixtures or improvements for any reason, Tenant shall be obligated to and shall remove such buildings, fixtures or improvements.

(d) Tenant shall notify Landlord before commencing the removal of an improvement as required under the preceding subsections (b) and/or (c) 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.

(e) If Tenant fails to remove any improvements from the Property that Tenant is required to remove under and per the terms of the preceding subsections (b), (c) and/or (d), Tenant shall pay Landlord the costs that Landlord 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.

(a) Except as provided in Section 7.02(b), in the event any buildings or improvements situated 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.

(b) Unless Tenant is excused from the obligation under this paragraph, if the Required Improvements or any part thereof are damaged or destroyed by fire, earthquake, tsunami, or other casualty, rendering the Required Improvements totally or partially inaccessible or unusable, Tenant shall at Tenant's expense restore the Required Improvements to substantially the same condition as they were in immediately before such damage, provided that:

- (1) if the cost of repairing or restoring the Required Improvements, less any available insurance proceeds not reduced by applicable deductibles and coinsurance, exceeds 10% of the replacement cost of the Required Improvements, then Tenant may terminate this Lease by giving notice to Landlord of Tenant's election to terminate within 15 days after determining the restoration cost and replacement cost, and this Lease shall terminate as of the date of such notice;

- (2) if the repair or restoration of the Required Improvements would be contrary to law, either party may terminate this Lease immediately by giving notice to the other party; or
- (3) if such damage or casualty to the Required Improvements occurs within three years before the end of the Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

Nothing in this paragraph 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 (4) four hour 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 Homer to abate any nuisance or for the violation of the Homer 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 City of Homer 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 Radio Interference. Upon Landlord's request, Tenant shall discontinue the use on the Property of any source of electromagnetic radiation that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

7.07 Signs. Tenant may only erect signs on the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.

7.08 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 a Kenai Peninsula Borough solid waste facility or transfer station at least once a week. Tenant may not place garbage, trash, rubbish or other refuse

from the Property in Landlord's garbage disposal facilities on the Homer Spit or any other public facility.

7.09 Access Rights of Landlord. Landlord's agents and employees shall have the right, but not the obligation, 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 SUBLEASE

8.01 Assignment or Sublease Absent Consent is Void.

(a) Tenant shall not assign or sublease its interest in this Lease or in the Property without compliance with applicable provisions of the Lease Ordinance, including applying for and receiving consent of Council, and any attempted assignment or sublease absent such compliance is and shall be null and void and of no effect and, at Landlord's election, will constitute an event of default hereunder.

(b) If Tenant seeks to assign or sublease its interest in this Lease or in the Property, in addition to compliance with applicable provisions of the Lease Ordinance, Tenant shall request consent of Council to such assignment or sublease 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. If Tenant subleases any portion of the Property, Tenant shall be assessed Additional Rent equal to 10% of the current Base Rent for the subleased area.

(c) 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 25% or more of the entity, or the dissolution of the entity, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance. 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 25% of the value of the assets of Tenant, will be deemed an assignment to the Tenant as reconstituted, subject to Section 8.01 and the Lease Ordinance; 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 such an assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 25% 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 and the Lease Ordinance, 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 Indemnity for Emergency Service Costs. Without limiting the generality of Section 9.02, in the event of a major fire or other emergency, Tenant shall reimburse Landlord for the cost of providing fire-fighting and other emergency service to Tenant, the Property or at any other location where the fire or emergency requiring response arises from or is related to the use of the Property or Tenant's operations. For purposes of this section, a major fire or other emergency is one that requires more than five man-hours of effort by the City of Homer Fire Department.

9.04 Insurance Requirements.

(a) Without limiting Tenant's obligations to indemnify under this Lease, Tenant at its own expense shall maintain in force such policies of insurance with a carrier or carriers reasonably satisfactory to Landlord and authorized to conduct business in the state of Alaska, as Landlord may reasonably determine are required to protect Landlord from liability arising from Tenant's activities under this Lease, including the minimum insurance requirements set forth for tenants under the Lease Ordinance. Landlord's insurance requirements in the Lease Ordinance (or any superseding policy permitted under the Lease Ordinance) specify only the minimum acceptable coverage and limits, and if Tenant's policy contains broader coverage or higher limits, Landlord shall be entitled to such coverage to the extent of such higher limits.

(b) Without limiting the generality of the foregoing, Tenant shall maintain in force at all times during the Term the following minimum policies of insurance:

- (1) Comprehensive general liability insurance with limits of liability not less than a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence and \$2,000,000 aggregate. This insurance shall also be endorsed to provide contractual liability insuring Tenant's obligations to indemnify under this Lease.
- (2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 occurrence combined single limit for bodily injury and property damage.
- (3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than \$1,000,000 per person, \$1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of Landlord.
- (4) Based on the authorized uses of the Property stated in Section 6.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph

Section 6.01, if Landlord so elects, and within 10 days after Landlord gives notice of such election, Tenant shall procure and at all times thereafter maintain, at its expense, environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease

(5) Property insurance covering the Required Improvements described in Section 6.02 in an amount not less than full replacement cost of the Required Improvements. This policy shall include boiler and machinery coverage.

(c) During any construction of the Required Improvements and during any subsequent alteration or restoration of the Required Improvements at a cost in excess of \$250,000 per job, Tenant shall maintain builder's risk insurance in an amount equal to the completed value of the project.

(d) Tenant shall furnish Landlord with certificates evidencing the required insurance not later than the date as of which this Lease requires the insurance to be in effect, and the provision of any such certificates due at or prior to the commencement of the Term shall be a condition precedent to the commencement of the Term. The certificates and the insurance policies required by this Section shall contain a provision that coverages afforded under the policies will not be cancelled or allowed to expire, and limits of liability will not be reduced, without at least 30 days' prior written notice to Landlord. Landlord shall be named as an additional insured under all policies of liability insurance required of Tenant. Landlord's acceptance of a deficient certificate of insurance does not waive any insurance requirement in this Lease. Tenant also shall grant Landlord permission to obtain copies of insurance policies from all insurers providing required coverage to Tenant by executing and delivering to Landlord such authorizations substantially in the form of **Exhibit F** as Landlord may request.

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 purpose of operation thereon of Tenant's business, 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 operation of Tenant's business, 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, even if Landlord is 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 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 ten (10) days after the date such payment is due.

(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 the preceding subsection (a), which is not cured within thirty (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 ten (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) Landlord may terminate this Lease by written notice to Tenant, upon which termination Tenant shall immediately surrender possession of the Property, vacate the Property, and deliver possession of the Property to Landlord. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates this Lease in accordance with this subsection (a), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(b) Landlord may by written notice declare Tenant's right to possession of the Property terminated without terminating this Lease. Tenant hereby makes a present grant to Landlord of a full, free and irrevocable license to enter into and upon the Property, in the event Landlord terminates Tenant's right of possession in accordance with this subsection (b), and to repossess the Property, to expel or remove Tenant and any others who may be occupying or within the Property, and to remove any and all property therefrom, using such force as may be necessary, with or without process of law, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

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

(d) Landlord may 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, 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.

ARTICLE 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 but which assignment will be subject to all of the other provisions of Article 8 and any provisions of the Lease Ordinance concerning acceptable assignees. 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 Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148
Email: citymanager@cityofhomer-ak.gov

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

Sea Tow South Central Alaska
C/O Trey Hill
PO Box 2729
Homer AK 99603

Email: thill@seatow.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 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 Homer.

EXHIBIT A

**SCHEDULE OF ORGANIZATION, OWNERS,
PERCENTAGE OF OWNERSHIP**

Tenant, Sea Assist Alaska Inc. DBA Sea Tow South Central Alaska, is a Corporation organized under the laws of the state of Alaska. Attached to this exhibit is a certificate issued by that state certifying that Tenant is in good standing and describing its legal organization. If Tenant is a foreign entity authorized to conduct business in Alaska, its certificate of authority is also attached

The Principal Shareholders and their percentage of ownership are as follows:

Name <u>Grover L Hill III (Trey)</u>	<u>41</u> %
Address: <u>3850 Heath St, Homer AK 99603</u>	
Name <u>Alyssa Hill</u>	<u>40</u> %
Address: <u>Same as above</u>	
Name <u>Grover Hill Jr.</u>	<u>10</u> %
Address: <u>3194 E Coles Rd, Wasilla AK</u>	
TOTAL	100 %

EXHIBIT B

**CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE AND
AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON BEHALF
OF TENANT**

DRAFT

EXHIBIT C

LOCATION OF PROPERTY

(Section 2.01)

Land: A PORTION OF LOT 48, HOMER SPIT SUBDIVISION, AMENDED CONSISTING OF 720 SQUARE FEET FOR 4 PARKING SPACES AND 336 SQUARE FEET FOR A SINGLE STORY OFFICE; A TOTAL OF 2136 SQUARE FEET AS DEPICTED IN EXHIBIT E

Building: 960 SQUARE FEET OF OFFICE SPACE ON THE SECOND FLOOR OF THE OLD PORT BUILDING; A BUILDING OWNED BY THE CITY OF HOMER, AS DEPICTED IN EXHIBIT E

ALSO KNOW AS KENAI PENINSULA BOROUGH PARCEL NO 18103404LH1;

THE 1,056 SQUARE FEET OF LAND AND 960 SQUARE FEET OF OFFICE SPACE DESCRIBED ABOVE IS REFERRED TO COLLECTIVELY HEREIN AS THE "PROPERTY";

EXHIBIT D
TENANT'S PROPOSED USE OF THE PROPERTY
(Section 6.01)

DRAFT



Proposed use of property

(Portion of Lot 48, 4667 Homer Spit Rd.)

City of Homer,

As you may know the property, 4667 Homer Spit Rd, is comprised of a ground level office (336 sq. ft.), the second story of the main building (960 sq. ft.) and 10 parking spaces (1800 sq. ft.). For a total area of 3096 sq. ft. Our proposal will be for a total area of 2016 sq. ft. because we only need 4 parking spaces versus 10.

We intend on using the ground level office as our main Sea Tow office. This office will serve as our dispatch office and a place where our customers can walk in to discuss matters pertaining to Sea Tow and our services. The office itself will consist of desks, Sea Tow marketing material and VHF radio base stations. We will also have a lifejacket loaner station in front of our building to encourage safe boating. This will be a self-help display with various sizes of lifejackets for borrow. Our dispatcher and other Sea Tow personnel will attend to daily Sea Tow administrative duties using this office, as well as, monitoring the radio, answering phone calls and providing customer relations.

For the second story, we would like to use this space as housing and captain's quarters. As you may know, Sea Tow is open 24/7/365. We have captain's on-call year round, 24 hours a day, 7 days a week. Many of our captains work rotation between Homer, Seward, and Whittier from April 15th to Oct 1st. We provide all of our captains housing in all the aforementioned areas. As it is now, the second floor of the property has a lobby area, breakroom, two bathrooms and three offices. Our plan is to essentially have a 3 bedroom/2 bath accommodation for owners and captains.

We would like to invest in this property by making upgrades to the second floor. We would suggest a fresh coat of paint on all interior walls and new flooring throughout the second floor. We would like to convert one of the bathrooms to accommodate a shower and washer/dryer unit. We want to keep the second bathroom as is with a toilet and sink. We would also like to upgrade the breakroom into a more functional kitchen and dining area. The breakroom currently has a very small kitchenette space i.e. countertop, sink, and cabinets. We would like to install more cabinet space or island, and install kitchen appliances i.e. range and refrigerator. We would make great improvements to the second story with these upgrades. The improved second floor will make a great space for the owners, employees, and on-call captains of our company.

In our business, being close to the harbor and our Sea Tow vessels is a must. This location gives us the ability to respond to distress calls and provide boat watch in a timelier manner. Sea Tow SouthCentral Alaska and its operations are a great fit for this building. Our business provides very essential services to the recreational & commercial boaters of Homer and makes a great addition to the Homer Harbor. We work very hard to keep Alaskan boaters safe and having this opportunity to lease on the spit will only allow Sea Tow to better serve our customers.

Lastly, we do understand that we will be sharing this building. We know that the first floor of the building is a back-up water pump for the spit. It is our understanding that the city will be accessing, maintaining, and testing the pump equipment throughout the year. It is our understanding the city has a separate entrance to this space and it will not impede in the day to day operations of our business. Sea Tow SouthCentral Alaska is willing to work with the city of Homer for further access or maintenance to the building when required.

Parking Spaces:

As per the RFP, this property comes with 10 parking spaces (1800 sq. ft.). We do not need all 10 spaces. For our proposal, we will only be seeking 4 spaces. For total area of 720 sq. ft.

Upgrades & Timeline:

The 1st floor office and the second story are move in ready and the upgrades we have suggested are not items that we feel need to be completed quickly or needing to be done before we inhabit the building.

With this said, there are items we will perform right away. Painting the interior walls and laying down new flooring will take priority and will be completed within a week of occupying the building.

Remodeling one of the bathrooms into a laundry/shower room and upgrading the kitchenette will likely be done a 1-6 months after we occupy the building. These two items are higher in value and we will need to get bids from the individuals we seek to perform the work.

We would like the city to know that Sea Tow SouthCentral Alaska and its owners will take financial responsibility for all the interior remodeling to include paint, flooring, bathroom/laundry room remodel and all other cosmetics.

Estimated Improvement Cost: *Tenant Responsibility*

Interior Paint: \$500

2nd Floor Flooring: \$3000 (\$3.0 sq/ft +/-)

Kitchen upgrades: \$2500 (cabinets, countertops & appliances)

Bathroom/Laundry: \$3000-5000 (plumbing, shower, washer/dryer)

Recommended Improvements & Upgrades by the CITY

We would also like to suggest some improvements and upgrades that to would be the cities responsibility.

First, this building is currently heated by electric. Electric heat is outdated and not economical to long term leasing. It would be our suggestion that the city converts from electric to gas heat in the near future. It is our understanding that there is a gas line in the vicinity of the property and hooking up natural gas to the building is logistical and economical possibility.

Second, this building's exterior is in poor shape. There is trim that is crumbling apart & rotted, paint is peeling, the exterior paint is faded, and the roof could use some maintenance. We would recommend that at some point, the city needs to repair trim work, give the building's exterior a fresh coat of paint and repair any dry rot.

To clarify, these recommended improvements would be the responsibility of the city not the tenant.

EXHIBIT E
SITE PLANS
(Section 6.02)

DRAFT

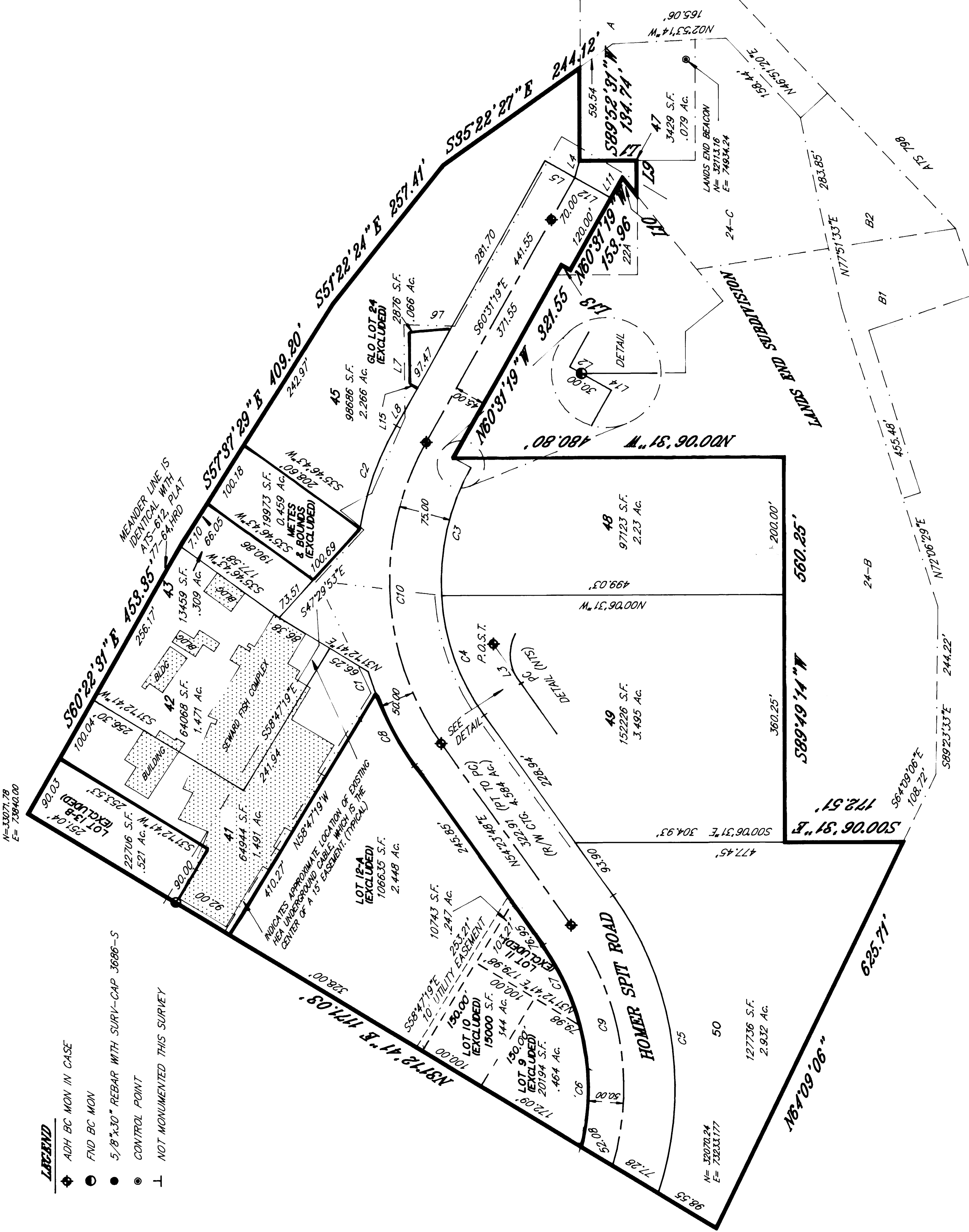


Recent aerial imagery of Lot 48

No.	Delta	Radius	Arc Length
C1	04°11'43"	458.69	31.66
C2	19°57'03"	458.69	160.07
C3	37°06'20"	334.69	193.38
C4	54°01'23"	248.41	166.87
C5	70°22'28"	177.84	118.81
C6	85°54'35"	129.69	86.82
C7	100°46'03"	92.58	63.86
C8	114°29'41"	70.00	50.00
C9	127°26'51"	52.50	37.50
C10	139°03'14"	39.00	27.00

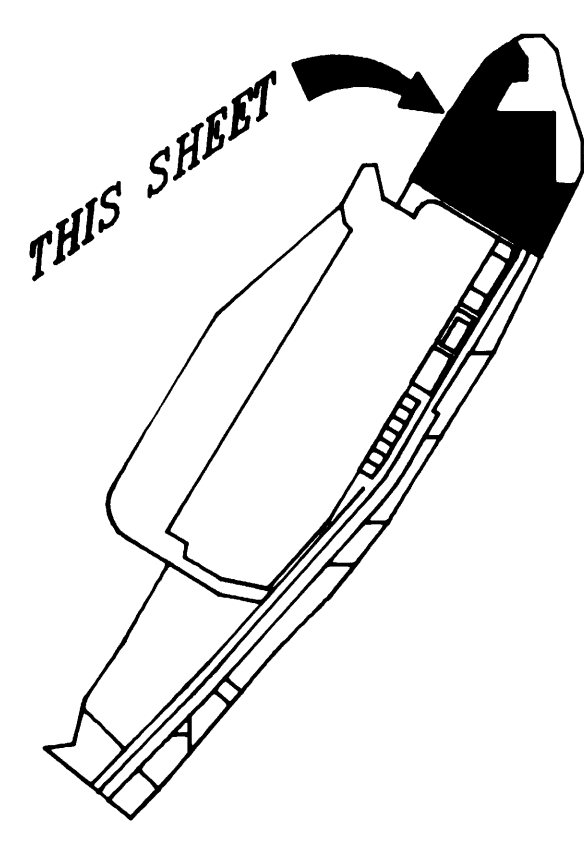
No.	Bearing	Distance
L1	S00°06'31"E	62.50'
L2	S29°28'41"W	1.22'
L3	S54°23'48"W	3.03'
L4	N74°28'00"W	29.89'
L5	S29°28'41"W	50.00'
L6	S03°13'34"E	50.00'
L7	S89°51'04"W	75.03'
L8	N60°31'19"W	62.38'
L9	S89°52'31"W	50.36'
L10	N60°46'03"E	32.58'
L11	N60°31'19"W	33.96'
L12	N29°28'41"E	60.00'
L13	S29°28'41"W	15.00'
L14	N29°28'41"E	28.78'
L15	N29°28'41"E	13.14'

- LEGEND**
- ADH BC MON IN CASE
 - FND BC MON
 - 5/8" x 30" REBAR WITH SURV-CAP 3686-S
 - CONTROL POINT
 - NOT MONUMENTED THIS SURVEY



- 1.) All former Boundaries, Rights of Way and Easements within the boundaries of this Plat are vacated herein.
- 2.) The Boundaries Rights of Way and Easements instituted per this Plat constitute BOUNDARY AGREEMENTS among all Signatories.
- 3.) Soils on these lots may or may not be suitable for conventional on-site waste disposal systems. No person may construct, install, operate or maintain a pressurized water system or a water-borne waste disposal system unless approval of the Alaska Department of Environmental Conservation is obtained. The burden of providing soils data, groundwater information, engineering designs and any other information required by the Department to complete a review of the proposed system rests solely on the individual lot owner.

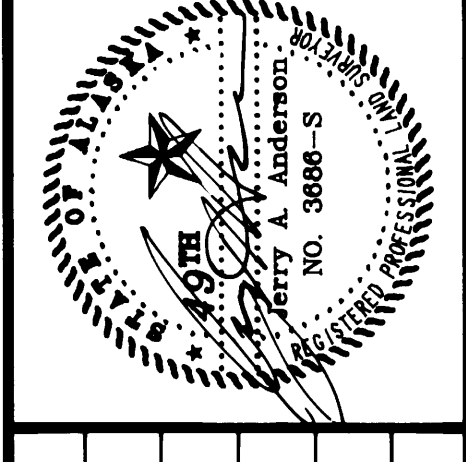
VICINITY MAP



DATE MAY 1986
 SCALE 1" = 100'
 GRID No. H 1 THRU 5
 FLD. BK. No. 176
 DISK No. C.1.18
 JOB No. 1776

89-34
 RECORDED
 HOMER
 9-21-89
 10 22 A
 Ability

89-15
 RECORDED FILED 40
 HOMER DIST.
 5-19-89
 9:50 AM
 Ability



HOMER SPIT
 AMENDED
 A RESUBDIVISION OF PORTIONS OF SEC. 35 AND 36
 TWP. 6S AND PORTIONS OF SEC. 1 AND 2, TWP. 7S
 ALL WITHIN ROE. 13M. S.M. AND WITHIN THE CITY OF
 HOMER, ALASKA

THIS SHEET SHOWING 18.887 ACRES
ABILITY SURVEYS
 JERRY A. ANDERSON PLS
HANSON & CO.
 MARTIN L. HANSON PLS
 (A JOINT-VENTURE)
 BOX 378, HOMER, ALASKA, 99603

SHEET FIVE

HS-68 WH

EXHIBIT F

PERMISSION TO OBTAIN INSURANCE POLICIES

(Section 9.04(d))

The City of Homer is hereby granted permission to request and obtain copies of _____ (“Tenant”) insurance policies from Tenant’s broker and/or insurer, _____. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant’s insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

It is understood that the Tenant may revoke this permission at any time by written notice to City of Homer and to Tenant’s broker and/or insurer; however, such revocation will constitute a default of Tenant’s lease from the City of Homer.

Date: _____

TENANT NAME

By:

_____ (printed name)
_____ (title)

By: _____
_____ (printed name)
_____ (title)

Chapter 21.30 MI MARINE INDUSTRIAL DISTRICT

Sections:

- [21.30.010](#) Purpose.
- [21.30.020](#) Permitted uses and structures.
- [21.30.030](#) Conditional uses and structures.
- [21.30.040](#) Dimensional requirements.
- [21.30.050](#) Site and access plan.
- [21.30.060](#) Traffic requirements.
- [21.30.070](#) Site development requirements.
- [21.30.080](#) Nuisance standards.
- [21.30.090](#) Lighting standards.

21.30.010 Purpose.

The purpose of the Marine Industrial District is primarily to provide adequate space for those [water-dependent](#) industrial [uses](#) that require direct marine access for their operation, such as fishing, fish processing, marine transportation, off-shore oil [development](#) and tourism, giving priority to those [water-dependent](#) uses over other industrial, commercial and recreational [uses](#). [Ord. [08-29](#), 2008].

21.30.020 Permitted uses and structures.

The following [uses](#) are permitted outright in the Marine Industrial District, except when such [use](#) requires a conditional [use](#) permit by reason of size, traffic volumes, or other reasons set forth in this chapter:

- a. Port and harbor facilities;
- b. Manufacturing, processing and packing of sea products;
- c. Cold storage;
- d. Dry docks;
- e. Wharves and docks, marine loading facilities, ferry terminals, marine railways;
- f. Marine equipment sales, rentals, service, repair and storage;
- g. Boat launching or moorage facilities, marinas, boat charter services;
- h. Warehouse and marshaling [yards](#) for storing goods awaiting transfer to marine vessels or off-loaded from a marine vessel and awaiting immediate pickup by land-based transportation;
- i. Mobile food services;
- j. Itinerant merchants, provided all activities shall be limited to [uses](#) permitted outright under this [zoning district](#);
- k. Recreational vehicle parks, provided they shall conform to the standards in Chapter [21.54](#) HCC;
- l. Caretaker, business owner or employee housing as an [accessory use](#) to a primary [use](#), and limited to no more than 50 percent of the [floor area](#) of a [building](#) and for [use](#) by an occupant for more than 30 consecutive days;
- m. More than one [building](#) containing a permitted [principal use](#) on a [lot](#);
- n. Restaurant as an [accessory use](#);

o. Parks;

p. As an [accessory use](#), one [small wind energy system](#) per [lot](#). [Ord. [13-11\(A\)](#) § 6, 2013; Ord. [09-34\(A\)](#) § 19, 2009; Ord. [08-29](#), 2008].

21.30.030 Conditional uses and structures.

The following [uses](#) may be permitted in the Marine Industrial District when authorized by conditional [use](#) permit issued in accordance with Chapter [21.71](#) HCC:

- a. Planned unit [development](#), limited to [water-dependent](#) or [water-related](#) uses and excluding all [dwellings](#);
- b. Boat sales, rentals, service, repair and storage, and boat manufacturing;
- c. Extractive enterprises related to other [uses](#) permitted in the district;
- d. Campgrounds;
- e. Bulk petroleum storage;
- f. Helipads;
- g. Heliports;
- h. Indoor recreational facilities;
- i. Outdoor recreational facilities;
- j. Public utility facilities and [structures](#);
- k. The location of a [building](#) within a [setback](#) area required by HCC [21.30.040\(b\)](#). In addition to meeting the criteria for a conditional [use](#) permit under HCC [21.71.030](#), the [building](#) must meet the following standards:
 - 1. Not have a greater negative effect on the value of the adjoining property than a [building](#) located outside the [setback](#) area; and
 - 2. Have a design that is compatible with that of the [structures](#) on the adjoining property. [Ord. [14-49\(A\)](#) § 9, 2014; Ord. [13-11\(A\)](#) § 7, 2013; Ord. [08-29](#), 2008].

21.30.040 Dimensional requirements.

The following dimensional requirements shall apply to all [structures](#) and [uses](#) in the Marine Industrial District:

- a. Lot Size. The minimum [lot](#) size is 6,000 square feet.
- b. Setbacks. No [building](#) may be located in a required [setback](#) area without an approved conditional [use](#) permit.
 - 1. Buildings shall be set back 20 feet from all dedicated rights-of-way. [Alleys](#) are not subject to a 20-foot [setback](#) requirement. The [setback](#) requirements from any [lot](#) line abutting an [alley](#) will be determined by the dimensional requirements of subsection (b)(2) of this section.
 - 2. Buildings shall be set back five feet from all other [lot](#) boundary lines.
- c. The maximum [building height](#) is 35 feet.
- d. No [lot](#) shall contain more than 8,000 square feet of [building area](#) (all [buildings](#) combined), nor shall any [lot](#) contain [building area](#) in excess of 70 percent of the [lot area](#) without an approved conditional [use](#) permit.

e. Building Area and Dimensions – Retail and Wholesale.

1. The total floor area of retail and wholesale business uses within a single building shall not exceed 25,000 square feet.
2. In no event may a conditional use permit or variance be granted that would allow a building to exceed the limits of subsection (d)(1) of this section and no nonconforming use or structure may be expanded in any manner that would increase its nonconformance with the limits of subsection (d)(1) of this section. [Ord. 13-11(A) § 8, 2013; Ord. 08-29, 2008; Ord. 08-27(S) § 1, 2008].

21.30.050 Site and access plan.

- a. A zoning permit for a building or structure within the Marine Industrial District shall not be issued by the City without a level two site plan approved under Chapter 21.73 HCC.
- b. No zoning permit may be granted without a level two right-of-way access plan approved under Chapter 21.73 HCC. [Ord. 08-29, 2008].

21.30.060 Traffic requirements.

A conditional use permit is required for every use that:

- a. Is estimated to generate more than 100 vehicle trips during any hour of the day calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers, 9th Edition;
- b. Is estimated to generate more than 500 vehicle trips per day calculated utilizing the Trip Generation Handbook, Institute of Transportation Engineers, 9th Edition;
- c. Is estimated to generate an increase in the traffic to more than 100 vehicle trips during any hour of the day due to a change in land use or intensity of use; or
- d. Is expected to generate traffic that will detract from the safety of, or degrade by one level of service, the highway, road, street, alley or intersection. [Ord. 13-27 § 11, 2013; Ord. 08-29, 2008].

21.30.070 Site development requirements.

All site development shall conform to the level three site development standards contained in HCC 21.50.040 and the following requirements:

- a. Development shall not impair public use of adjacent publicly owned tidelands.
- b. Buildings and roadways shall be located to minimize alteration to the natural terrain.
- c. Grading and filling shall not alter the storm berm except as necessary to correct unsafe conditions.
- d. Point source discharges to a waterway shall conform to the applicable regulations of the Alaska Department of Environmental Conservation. [Ord. 13-11(A) § 9, 2013; Ord. 08-29, 2008].

21.30.080 Nuisance standards.

The nuisance standards of HCC 21.59.010 apply to all development, uses, and structures in this zoning district. [Ord. 08-29, 2008].

21.30.090 Lighting standards.

The level one lighting standards of HCC 21.59.030 apply to all development, uses, and structures in this zoning district. [Ord. 08-29, 2008].

REQUEST FOR PROPOSALS
By the City of Homer, Alaska
To Lease City Property on the Homer Spit

The City of Homer, Alaska is requesting proposals from individuals or firms to lease one or more of the three City-owned parcels located on the Homer Spit in Homer, Alaska. All Lots Offered Separately. The proposals that satisfy all minimum requirements and scores best on the City's evaluative criteria will be offered the opportunity to negotiate for a lease with the City. The parcels that are available are:

Parcel A	Portion of Lot 48, also known as 4667 Homer Spit Rd
Parcel B	Lot 9A, Homer Spit Replat 2006 on Fish Dock Road
Parcel C	Lot 10A, Homer Spit Replat 2006 on Fish Dock Road

Proposals to the City's request will be received at the City Clerk's Office, 491 E. Pioneer Avenue, Homer, Alaska 99603, until **4:30 p.m. Tuesday, March 17, 2020** at which time they will be logged in and provided to City staff for evaluation. A non-refundable lease application fee of \$30 must be submitted with the proposal. Proposals received after the time specified or proposals received from proposers not listed on the plan holders list will be considered non-responsive and shall not be considered.

Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps> All proposers must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. To obtain a copy of the proposal package and to be listed on the plan holders list, contact: Office of the City Clerk, 491 E. Pioneer Avenue, Homer, AK 99603, (907) 235-3130, clerk@ci.homer.ak.us

To arrange to view or inspect any parcel, or for information regarding existing utility lines or the fish outfall line and connections, contact: Bryan Hawkins, Port and Harbor Director/Harbor Master, 4311 Freight Dock Rd, Homer, Alaska 99603, (907) 235-3160, bhawkins@ci.homer.ak.us

The City reserves the absolute right to reject any or all proposals, may waive any or all informalities or irregularities, and may permit the correction of errors or omissions in responses.

Dated this 27th day of February 2020

City of Homer


Katie Koester, City Manager

Publish: Homer News 3/5/20 & 3/12/20
Account #: 400-0600-5227

REQUEST FOR PROPOSALS
By the City of Homer, Alaska
To Lease City Property on the Homer Spit

REQUIREMENTS

The City of Homer, Alaska is requesting proposals from individuals or firms to lease one or more of the three City-owned parcels located on the Homer Spit in Homer, Alaska. All Lots Offered Separately. The proposals that satisfy all minimum requirements and scores best on the City's evaluative criteria will be offered the opportunity to negotiate for a lease with the City. The parcels that are available are:

Parcel A	Portion of Lot 48, also known as 4667 Homer Spit Rd
Parcel B	Lot 9A, Homer Spit Replat 2006 on Fish Dock Road
Parcel C	Lot 10A, Homer Spit Replat 2006 on Fish Dock Road

Proposals to the City's request will be received at the City Clerk's Office, 491 E. Pioneer Avenue, Homer, Alaska, 99603, until **4:30 p.m. Tuesday, March 17, 2020** at which time they will be logged in and provided to City staff for evaluation. A non-refundable lease application fee of \$30 must be submitted with the proposal. Proposals received after the time specified or proposals received from proposers not listed on the plan holders list will be considered non-responsive and shall not be considered.

Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>. All proposers must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. To obtain a copy of the proposal package and to be listed on the plan holders list, contact: Office of the City Clerk, 491 E. Pioneer Avenue, Homer, AK 99603, (907) 235-3130, clerk@ci.homer.ak.us.

I. Description of Parcels

Parcels A, B and C are zoned Marine Industrial under Homer City Code Chapter 21.30, and all uses of the parcels must conform to the requirements of the code. A copy of Chapter 21.30 is included as **Attachment #3**. Proposers are strongly encouraged to review the entire Homer Zoning Code for other land use requirements that may be applicable to the proposer's use of the property. The zoning code may be obtained from the Homer Planning Department or the Office of the City Clerk.

Parcel A

HM0890034 T07S R13W S01 Homer Spit Sub Amended Lot 48. See **Attachment # 1** for lot location and photos. Available for lease parcel includes a single story ground floor office building (formally used as a ferry ticket office) 336 sq. ft., the **2nd Floor** of the connected 2 story building providing additional office space and restroom (exterior stair access) 960 sq. ft., and 1800 square feet of additional land for 10 parking spaces, for a total area of 3096 sq. ft. The area of Lot 48 available for lease includes Homer Spit Road frontage access. Buildings are located directly across from the Ferry Terminal. Lower level of the 960' building contains a large water pump and is part of the city water infrastructure. That portion of the building is not available for lease.

Parcel B

Lot 9-A Homer Spit Replat 2006, Homer Recording District, Homer, Alaska. See **Attachment #2** for lot location. This lot consists of approximately 22,816 square feet of vacant land. A proposal to lease this parcel must be for a use related to the commercial fishing industry. This parcel is in a prime location and features direct access to the Homer Fish Dock and frontage on both Fish Dock Road and the Homer Spit Road.

Parcel C

Lot 10-A Homer Spit Replat 2006, Homer Recording District, Homer, Alaska. See **Attachment #2** for lot location. This lot has a total square footage of approximately 23,161. The east corner has a telephone utility building occupying 875 square feet. The leasable space is then 22,286 square feet. A proposal to lease this parcel must be for a use related to the commercial fishing industry. This parcel is in a prime location and features direct access to the Homer Fish Dock and frontage on both Fish Dock Road and the Homer Spit Road.

II. Schedule

The following is the anticipated schedule. Any date(s) may be extended by the City when in the interest of the City to do so.

- Publish dates in Homer News 3/5/20 & 3/12/20
- Proposals due to Office of the City Clerk 3/17/20 by 4:30 p.m.
- Port & Harbor Commission Review 3/25/20*
- Homer City Council Approval of Successful Proposals and Lease Agreement 4/13/20*

*Subject to change depending upon length of time necessary to complete evaluations and review

III. Response Requirements

PROPOSALS SHALL BE SUBMITTED IN A SEALED ENVELOPE CLEARLY LABELED “SPIT PROPERTY LEASE PROPOSAL”

Every proposal, to be deemed responsive, must contain the following information requested, **to include but not limited to the following:**

1. A completed application form provided by the City, **Attachment #4.**
 - a. The application should clearly state the offered rental rate and applicable period, including any proposed rent escalation factors. **Proposers should note that fair market rent is the baseline, or minimum rent. Leases for this parcel will be offered on a competitive basis. The amount offered by the proposer for lease payments is an important factor in determining the successful proposal.**
 - b. For Lot 48(Parcel A) For planning purposes, proposers can assume that fair market rent is likely to be within the range of \$0.70 to \$0.90 per square foot/per year.
 - c. Lots 9A and 10A (Parcel B and C) For planning purposes, proposers can assume that fair market rent is likely to be within the range of \$0.70 to \$0.90 per square foot/per year.

2. Any applicable fees to include, but not limited to, Lease Application fee \$30 (submitted with proposal), Lease fee of \$300 (submitted when selected as winning proposer).
3. A clear and precise narrative description of the proposed use of the property.
4. A specific time schedule and benchmarks for development.
5. A proposed site plan drawn to scale that shows at a minimum: property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.
6. Any other information that is directly pertinent to the proposal scoring criteria contained herein.
7. All other required attachments requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile, and references.
8. Any other information required by the solicitation or request for proposals.

IV. Other Requirements

A. Permits and Regulations

The lessee must comply with all appropriate federal, state, and local laws and regulations, including city zoning, water, sewer, building permits and requirements and Port and Harbor tariff.

B. Utilities

All utilities will be the responsibility of the proposer. City water and sewer are available to each parcel. It is the responsibility of the developer to extend the water and sewer into the parcel and make necessary connections, if necessary, for proposed use.

C. Fish Processor Outfall Connection

A fish processing facility of any size or scope located on Lots 9A or 10A (Parcels A and B) must connect to the City of Homer outfall line. This can be done either with a direct connection to the line for ground fish waste, or by working with the City contractor and delivering waste to the City-owned fish grinder. See sample Connection Agreement (**Attachment #7**) regarding direct connection to the outfall line.

V. Evaluation of Proposals

The selection committee will be comprised of City Staff members. Proposals that do not demonstrate financial capability, have a poor credit history, are incomplete, or are otherwise deemed nonresponsive will be rejected. Responsive proposals will be evaluated based upon their level of satisfaction of (a) the requirements of this request for proposals and (b) the evaluation criteria listed in HCC 18.8

1. Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan.
2. The development plan including all proposed phases and timetables.
3. The proposed capital investment.
4. Experience of the applicant in the proposed business or venture.
5. Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development.

6. The number of employees anticipated.
7. The proposed rental rate.
8. Other financial impacts such as tax revenues, stimulation of related spin-off economic development, or the value of improvements left behind upon termination of the lease.
9. Other long term social and economic development.

VI. Selection of Firm & Negotiation of Agreement

After evaluation and ranking of responses, the City will offer the highest ranking proposers for each lot an opportunity to negotiate lease agreements, subject to mutual agreement on terms and Homer City Council approval. See the attached ground lease (**Attachment #5**) for a sample of the agreement. The commencement date of the lease will be negotiated with the successful proposer.

If the City, in its sole discretion, determines that it will be unable to reach an acceptable agreement with a proposer within an acceptable period of time, the City may terminate negotiations with that proposer and begin negotiations with the next highest ranking proposer.

VII. Other Provisions

The City may withdraw any parcel from consideration at any time. After ranking responsive proposals, the City may determine with respect to any parcel that no proposal will sufficiently advance the City's objectives, and make no offer to negotiate with any proposer. The City reserves the absolute right to reject any or all responses, may waive any or all informalities or irregularities and permit the correction of errors or omissions in responses.

To arrange to view or inspect any parcel, or for information regarding existing utility lines or the fish outfall line and connections, contact:

Bryan Hawkins
Port and Harbor Director/Harbormaster
4311 Freight Dock Rd
Homer, Alaska 99603
(907) 235-3160
bhawkins@ci.homer.ak.us

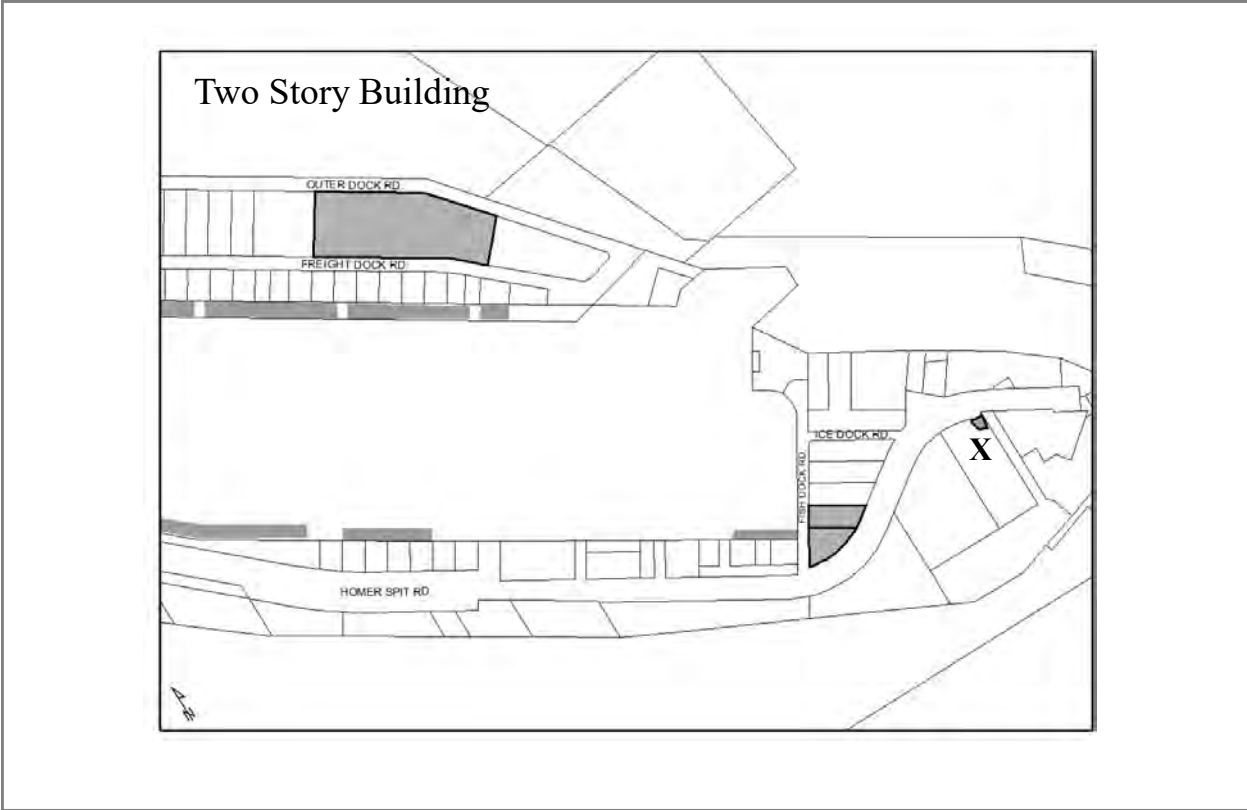
With the exception of the questions addressed above, no proposer shall contact or attempt to contact any City staff concerning the requirements of this request for proposals, or concerning the substance or evaluation of any proposal, except through written correspondence addressed to the Homer City Clerk at the address indicated below. All such correspondence will be deemed a public record and if pertinent the correspondence and any response from the City will be shared with other interested persons.

Direct general questions regarding this request for sealed proposals to:

Office of the City Clerk
491 E. Pioneer Avenue
Homer, AK 99603
(907) 235-3130
clerk@ci.homer.ak.us

Attachments:

1. Vicinity Map and Photos for Parcel A
2. Vicinity Map and Photo for Parcel B and C
3. HCC Chapter 21.30, Marine Industrial Zoning Code
4. Lease Application
5. Sample Ground Lease
6. HCC Chapter 18.8 City Property Leases
7. Sample Outfall Line Connection Agreement



Designated Use: Lease Lands	
Acquisition History:	
Area: 1.05 acres (0.52 and 0.53 acres)	Parcel Number: 18103477, 78
2019 Assessed Value: Land value \$325,700	
Legal Description:	
Zoning: Marine Industrial	
Infrastructure: Water, sewer, natural gas, paved road access	Address: 4667 Homer Spit Road
<p>Prior to a long-term lease the site is appraised. The appraised lease rates for uplands is approximately \$0.90 per square foot, per annum. Lease rates vary; contact the Harbor Office at 907-235-3160.</p> <p>Lower level of the building contains a large water pump and is part of the city water infrastructure. That portion of the building is not available for lease.</p>	

Finance Dept. Code:

**CITY OF HOMER
HOMER, ALASKA**

Lord/Smith/Aderhold

RESOLUTION 20-037

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AFFIRMING MEASURES TO PROVIDE INCREASED TIME FOR
CERTAIN PAYMENTS TO REDUCE FINANCIAL HARDSHIPS DURING
THE COVID-19 EMERGENCY.

WHEREAS, The Mayor of the City of Homer declared a local emergency in response to the Covid-19 pandemic on March 18, 2020; and

WHEREAS, The Homer City Council ratified the declaration of local emergency and extended it for 90 days; and

WHEREAS, The Covid-19 pandemic has already resulted in tremendous economic strain and hardship on many individuals, families, and businesses in Homer; and

WHEREAS, The City of Homer is committed to assisting the community with response and recovery; and

WHEREAS, Many of our residents are being faced with a financial reality of job losses, reduced or lost business, and an uncertain future; and

WHEREAS, Individuals and businesses should take advantage of federal and state economic relief programs as they come available and; and

WHEREAS, The City of Homer collects a number of different payments for services that may add to the stress and burden of this time; and

WHEREAS, The City relies on revenues from taxes, fees, and services to provide essential services, including police, fire/EMT, public works, harbor, water and sewer; and

WHEREAS, The City maintains an emergency fund level in the general fund balance to ensure sufficient cash resources to weather economic hardships; and

WHEREAS, It is in the best interest of the City and its residents to ensure the safety and long-term sustainability through this event; and

41 NOW, THEREFORE BE IT RESOLVED that residents are encouraged to pay bills as they
42 are able, and the City Manager has existing authority to work with residents on payment plans
43 for services; and
44

45 BE IT FURTHER RESOLVED that for the duration of the local emergency, the City of
46 Homer will provide for the following measures for payments related to water/sewer, natural
47 gas, and other assessment payments:

- 48 ○ Payments are eligible to be deferred upon request for up to three months
- 49 ○ The Finance Department will work on payment plans following the deferral
50 period for the payment of all accrued deferred payments
- 51 ○ All penalties and late-fees will be waived for requested deferrals during the
52 defined period
- 53 ○ No water/sewer shut offs will occur during the period of deferral for any
54 customers
55

56 BE IT FURTHER RESOLVED that all other fees and charges described under the City Fee
57 Schedule and/or the Harbor Tariff remain and the City Manager maintains the authority to
58 work on a case-by-case basis with individuals requesting assistance with these payments as
59 necessary.
60

61
62 PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA this _____ day of
63 _____, 2020.

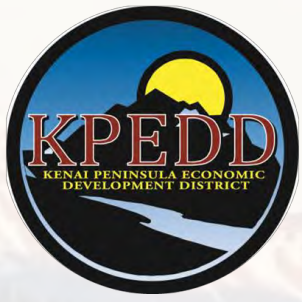
64
65 CITY OF HOMER
66

67
68 _____
69 KEN CASTNER, MAYOR
70

71 ATTEST:

72
73
74 _____
75 MELISSA JACOBSEN, MMC, CITY CLERK
76

77 Fiscal note: N/A



Leadership to Enhance, Foster & Promote Economic Development

Kenai Peninsula Economic Development District

Homer Community Update

April 13, 2020

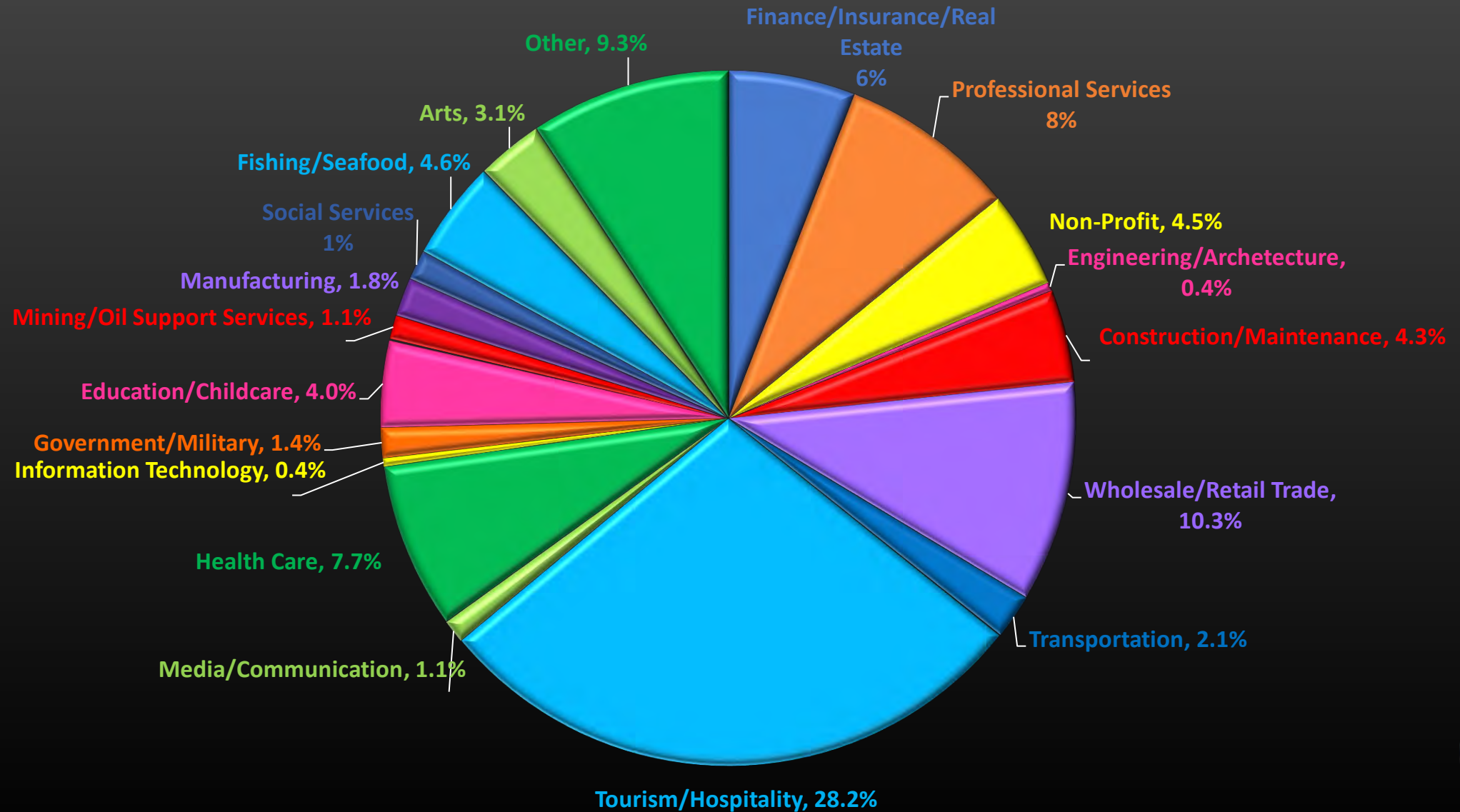
The Kenai Peninsula COVID-19 Economic Impact Survey gathered Peninsula-wide business responses to estimate the regional needs of our economy.

This survey was open from March 20th to March 27th and was completed by 721 businesses across the Borough.

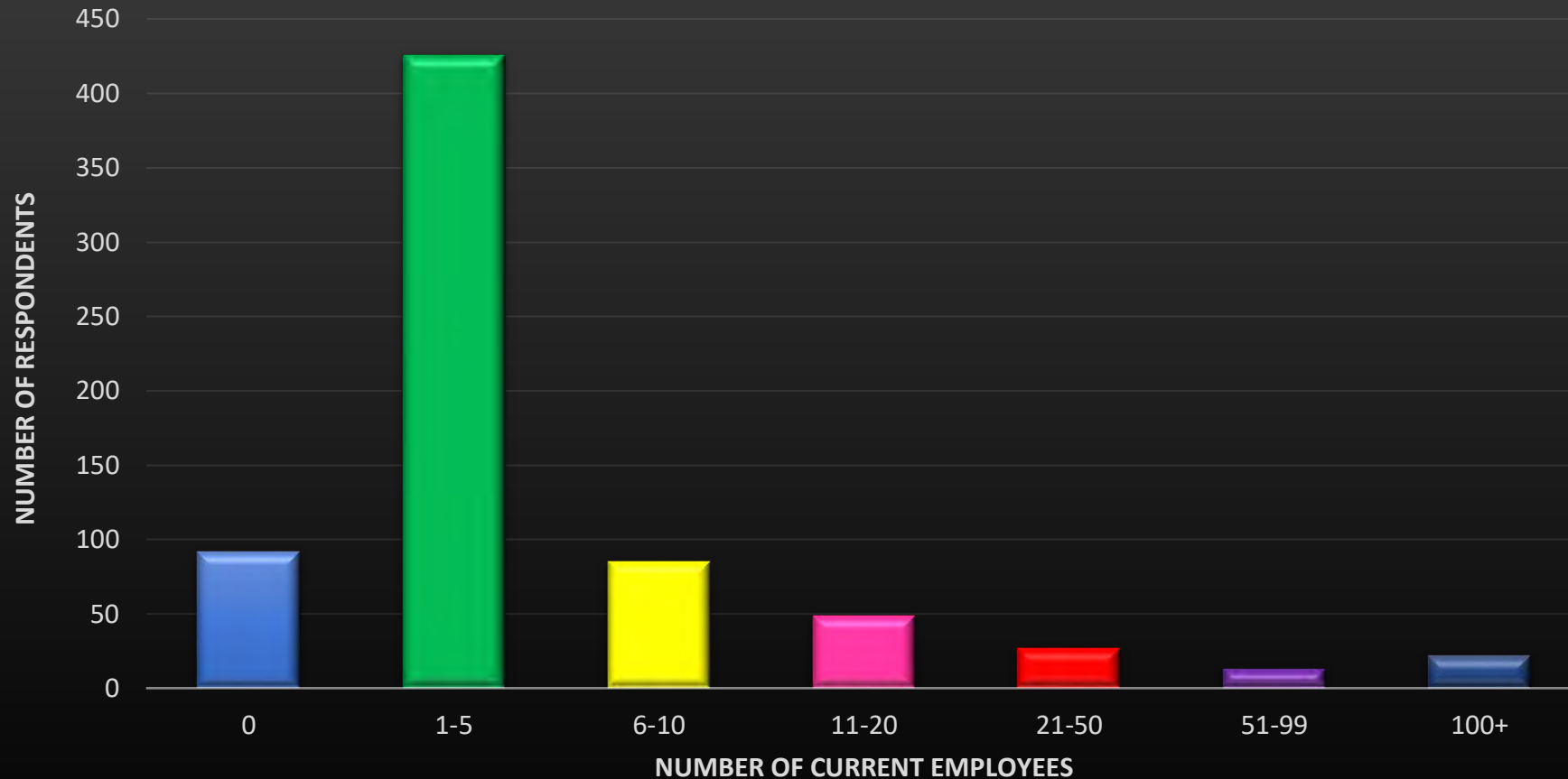
The individual responses of the survey are confidential, however the collective data will be used to identify the measurable impact this virus has had on our communities.



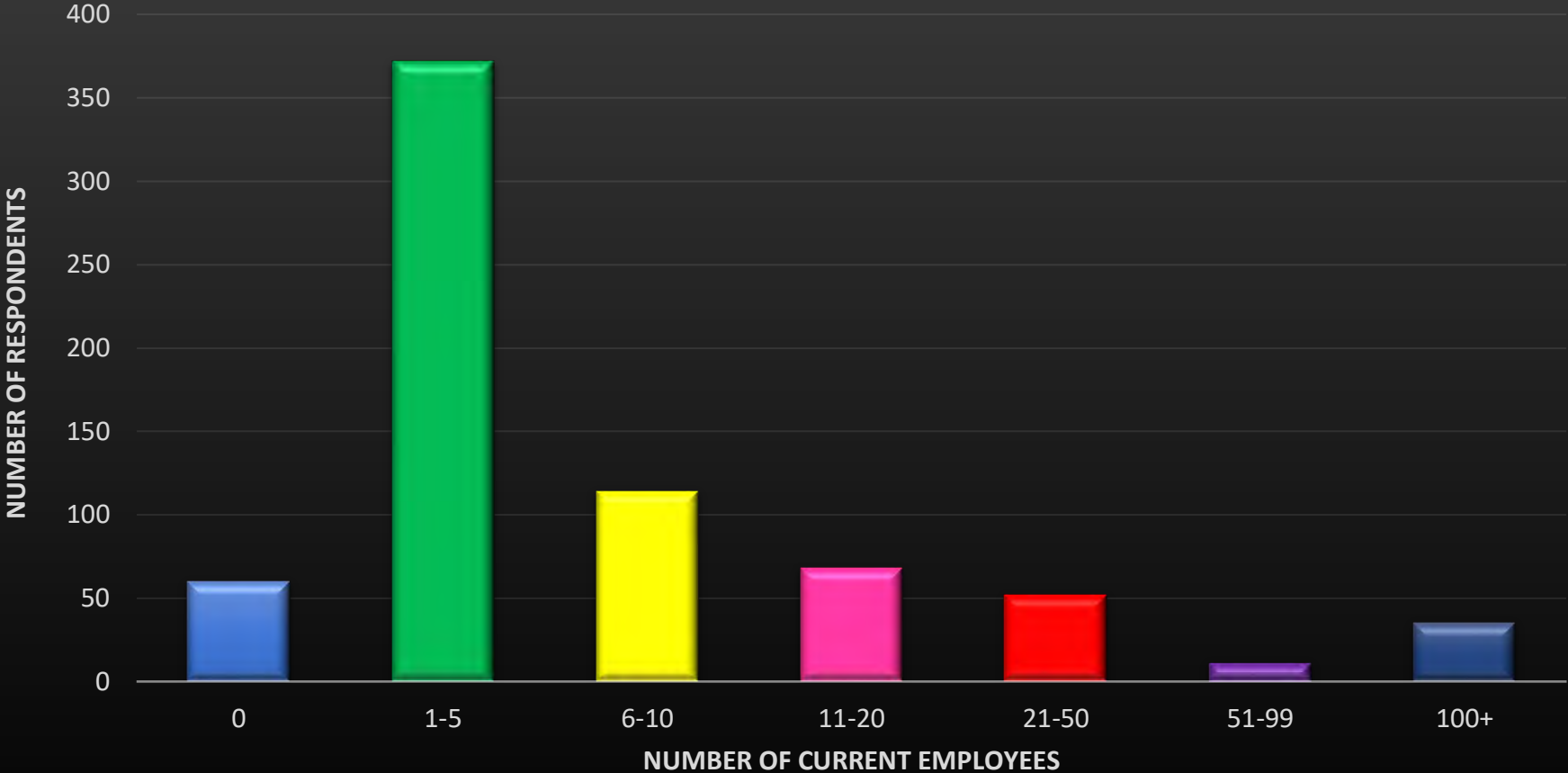
Which sector best describes your business?



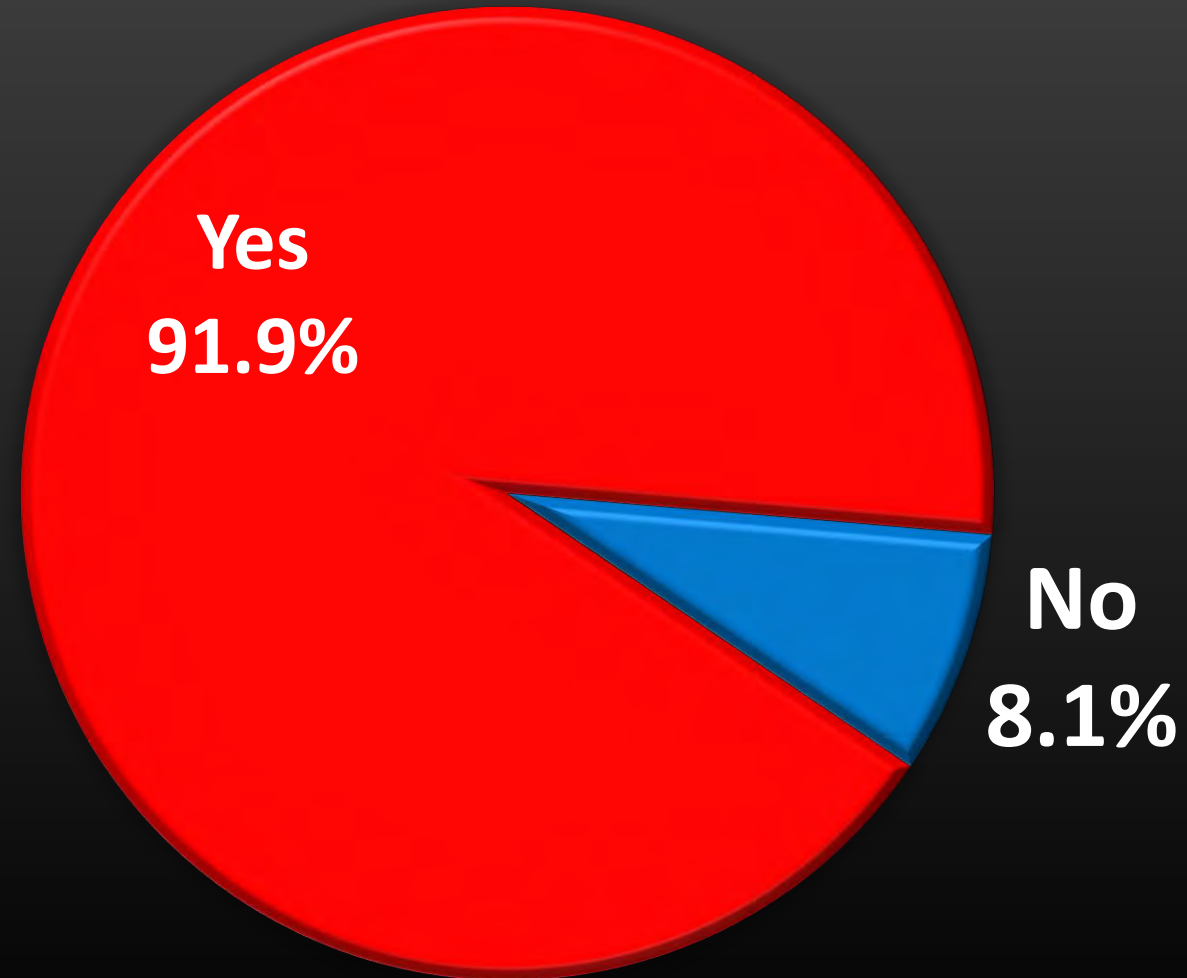
How many people does your business currently employ?



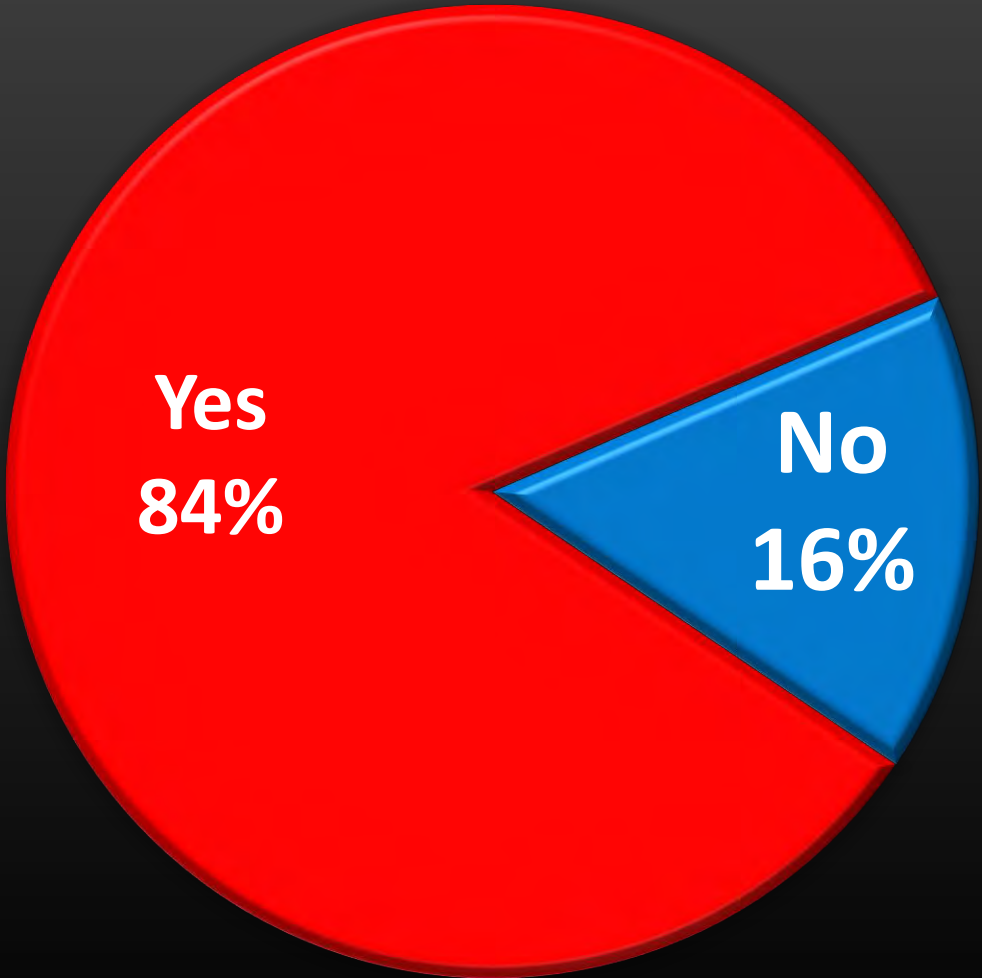
How many people does your business employ during the peak season?



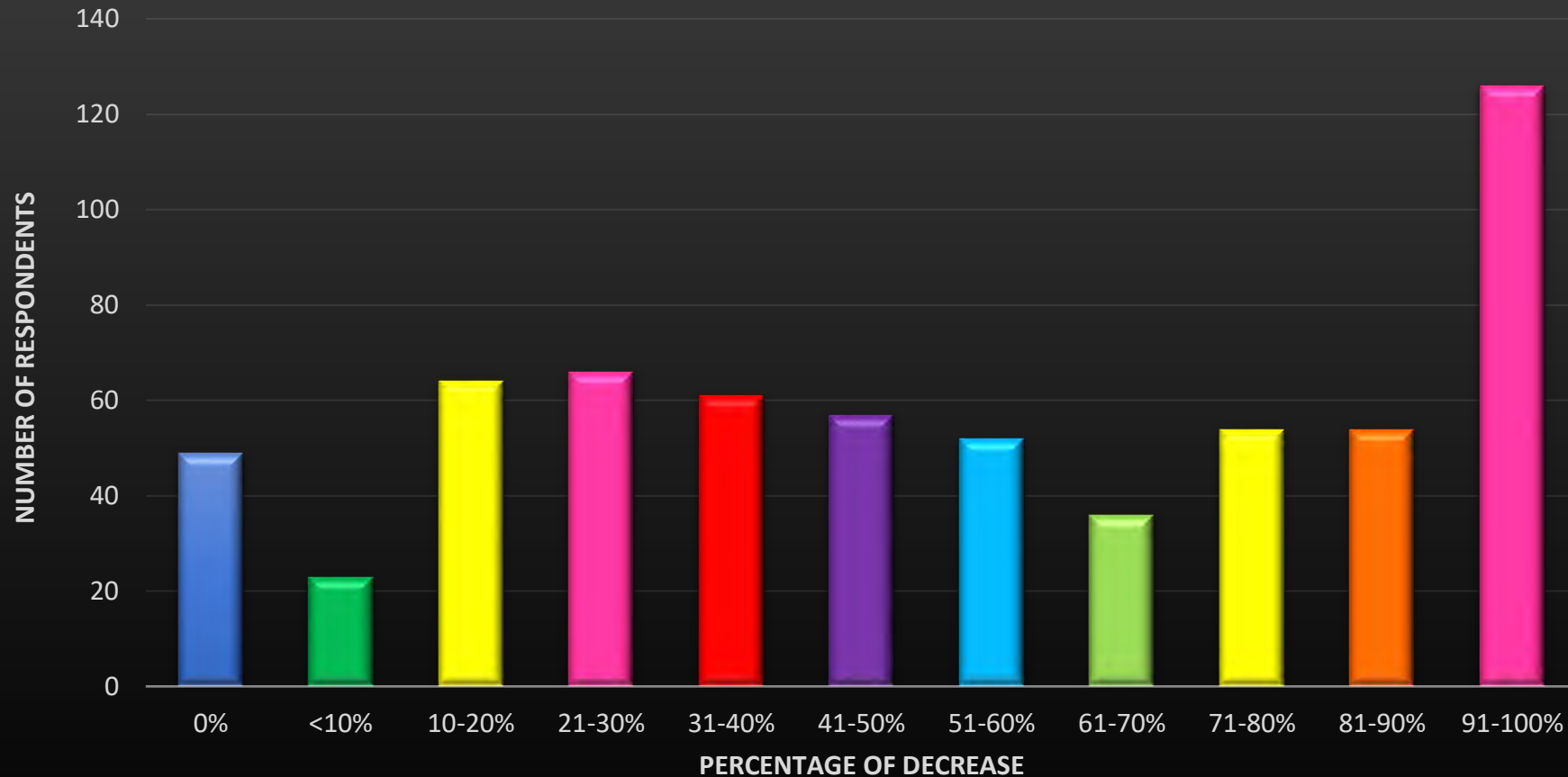
Have you experienced any disruption in business due to COVID-19?



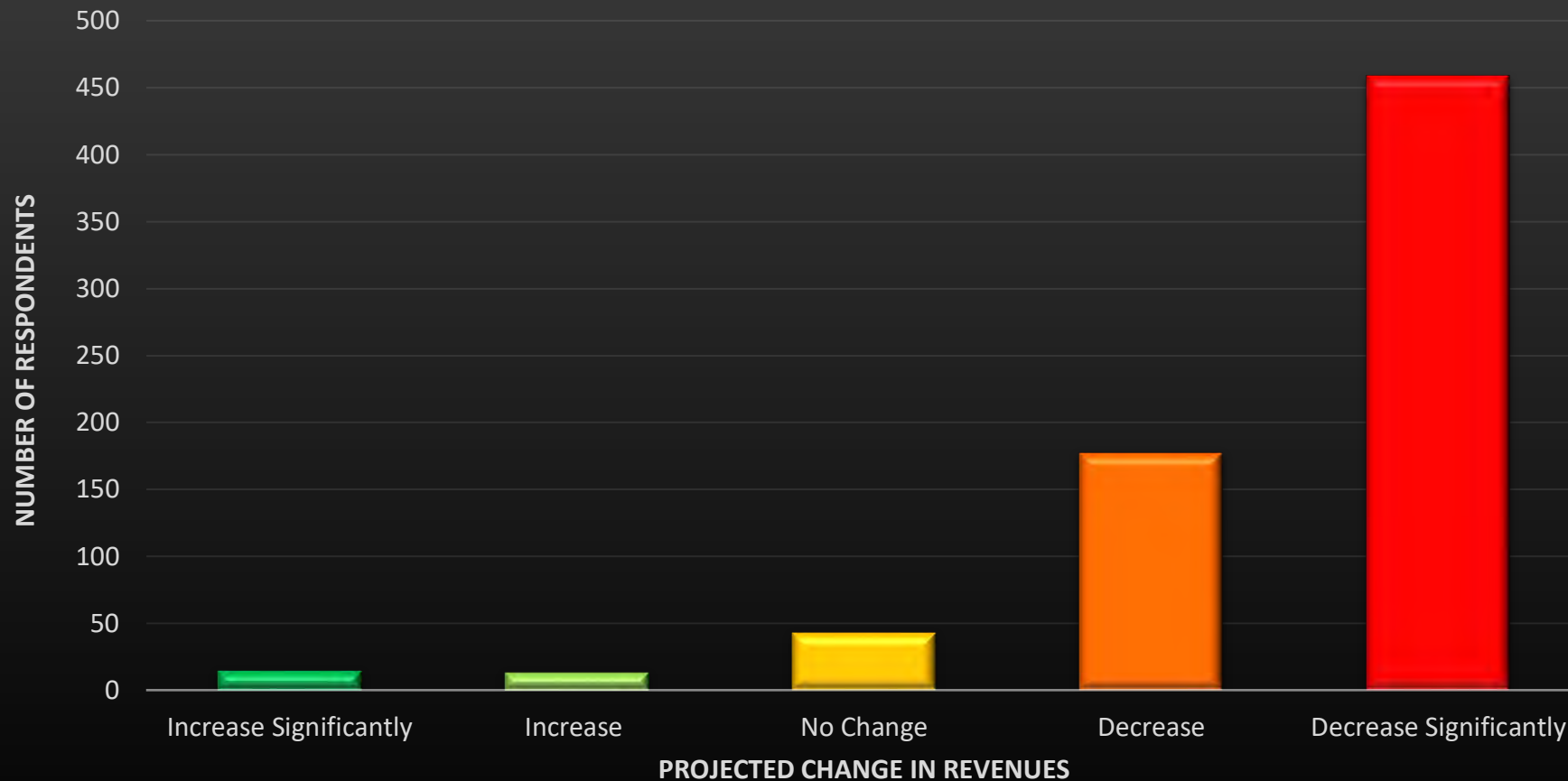
Has your business experienced a decline in revenue due to COVID-19 in the last 30 days (compared to the same period in 2019)?



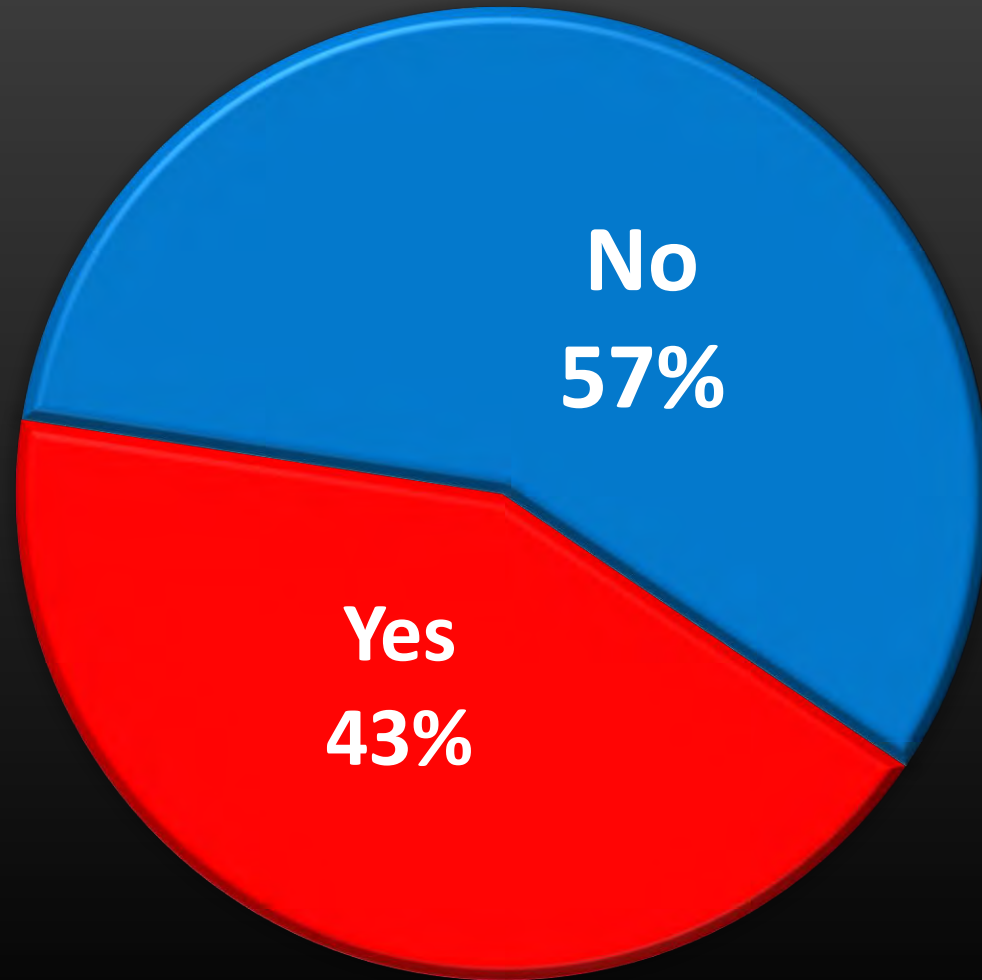
If so, please estimate the decrease.



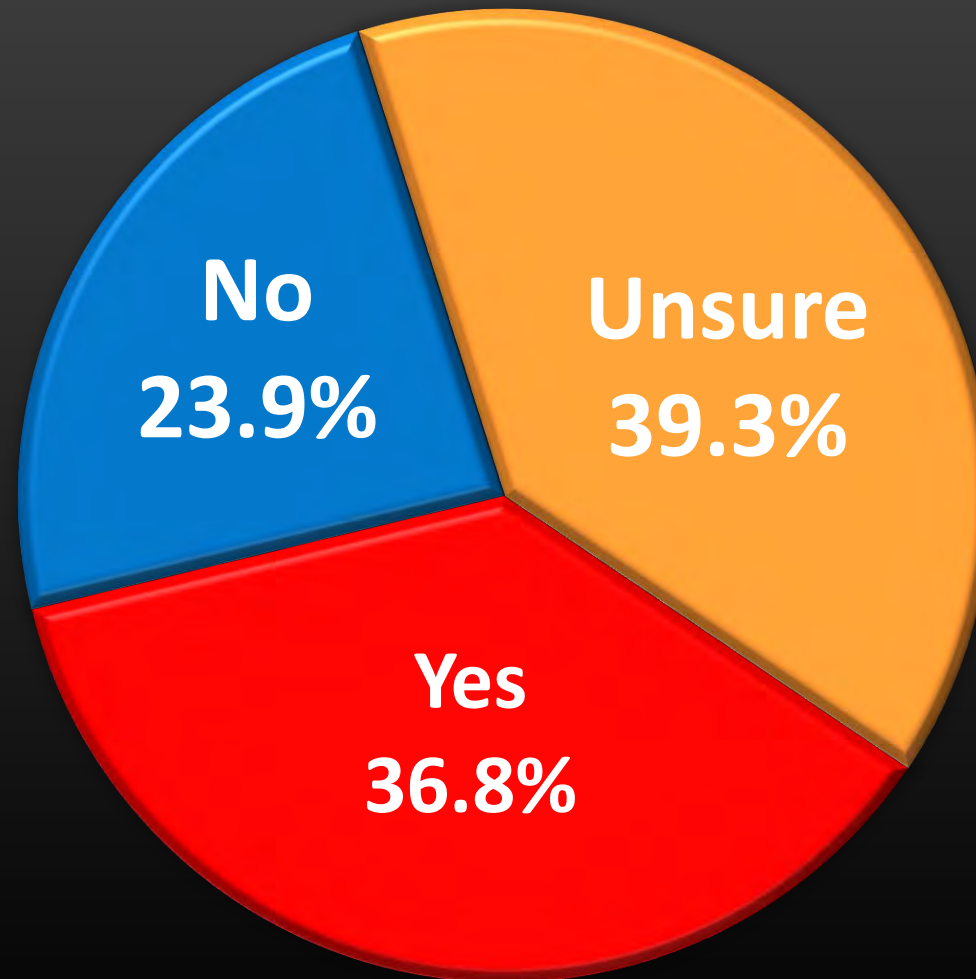
How much do you project your revenues will change in the first half of 2020 compared to 2019?



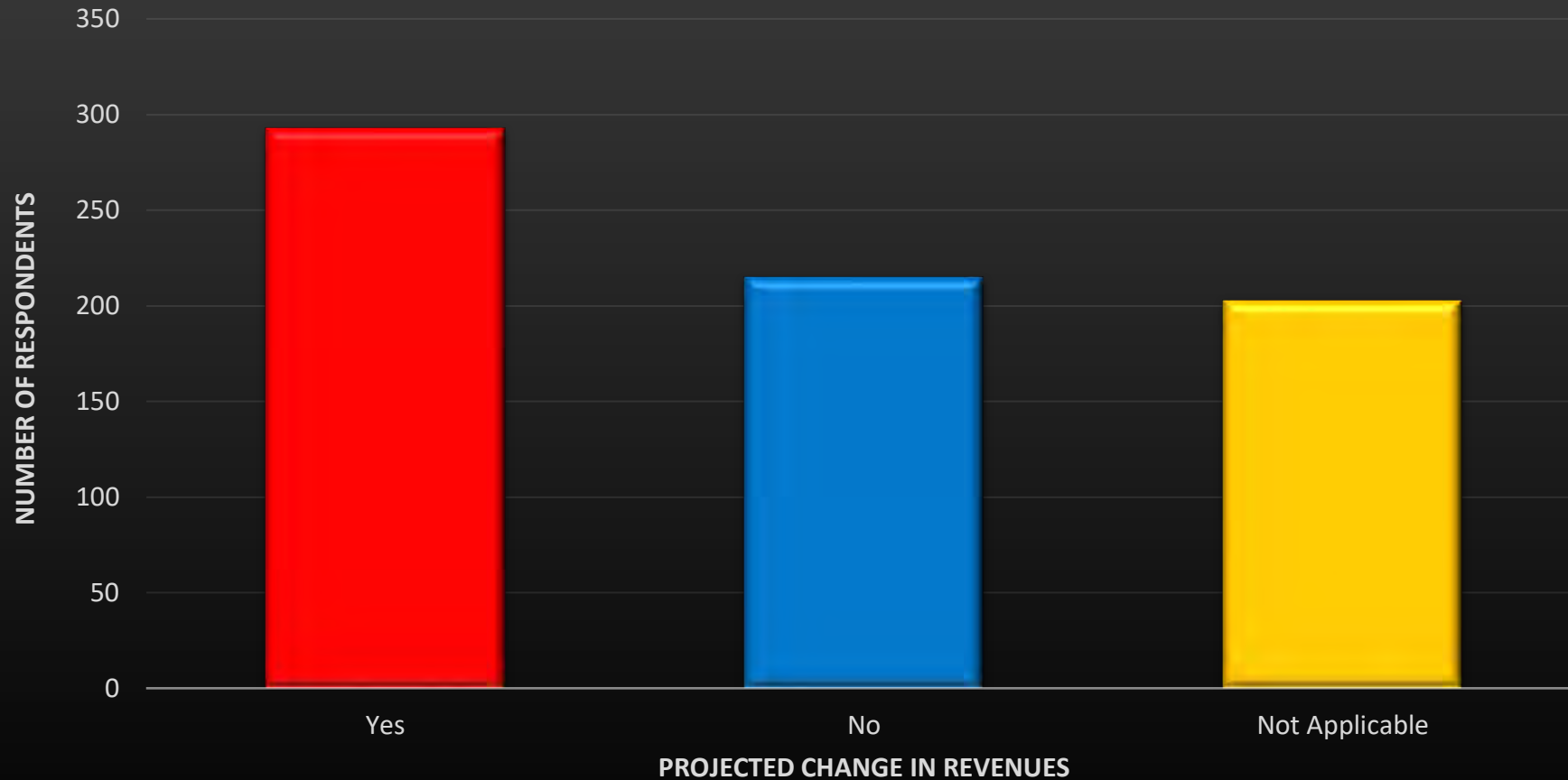
Have you made any employment reductions to COVID-19?



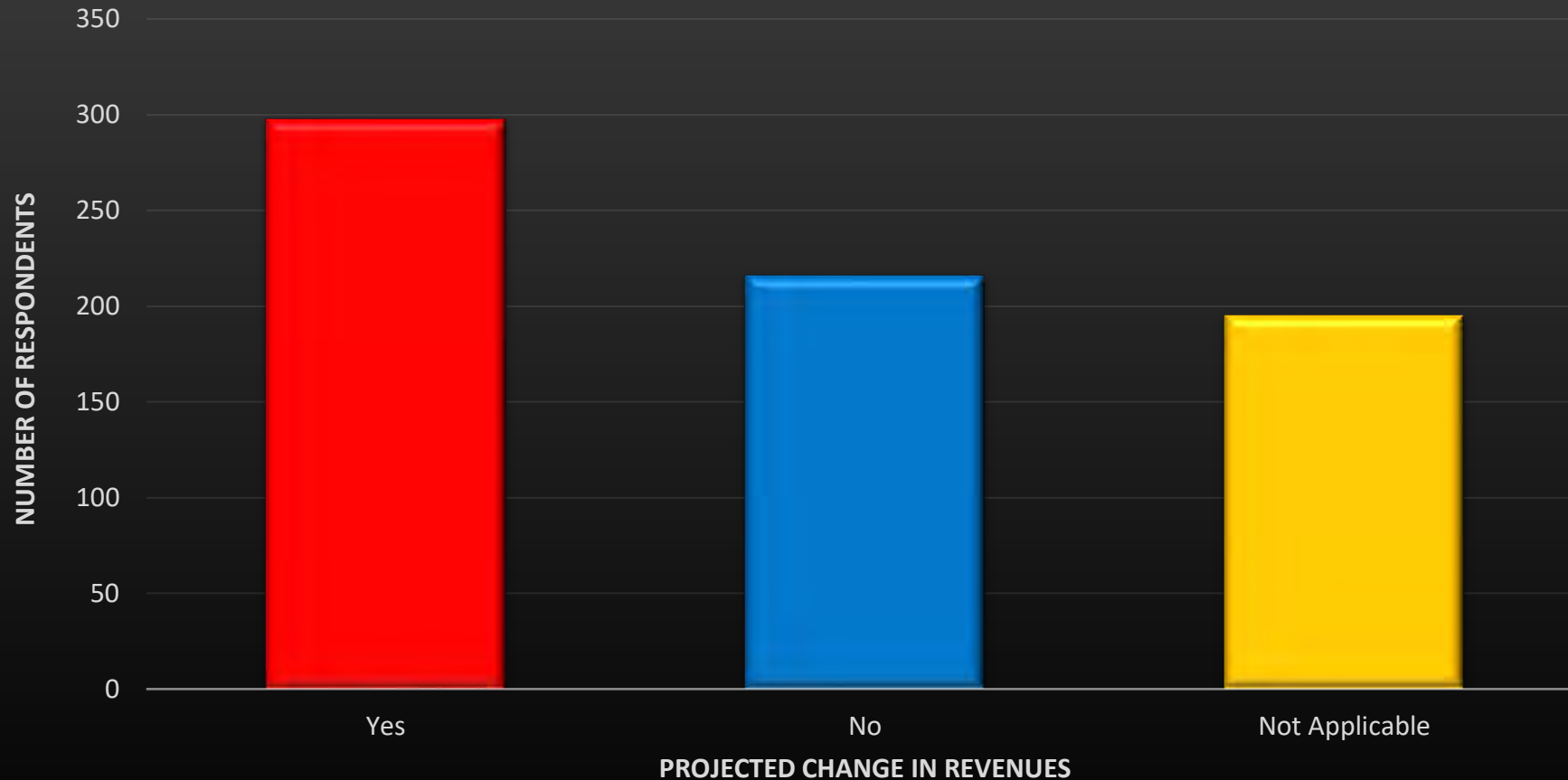
Do you expect to make employment cuts in the future due to COVID-19?



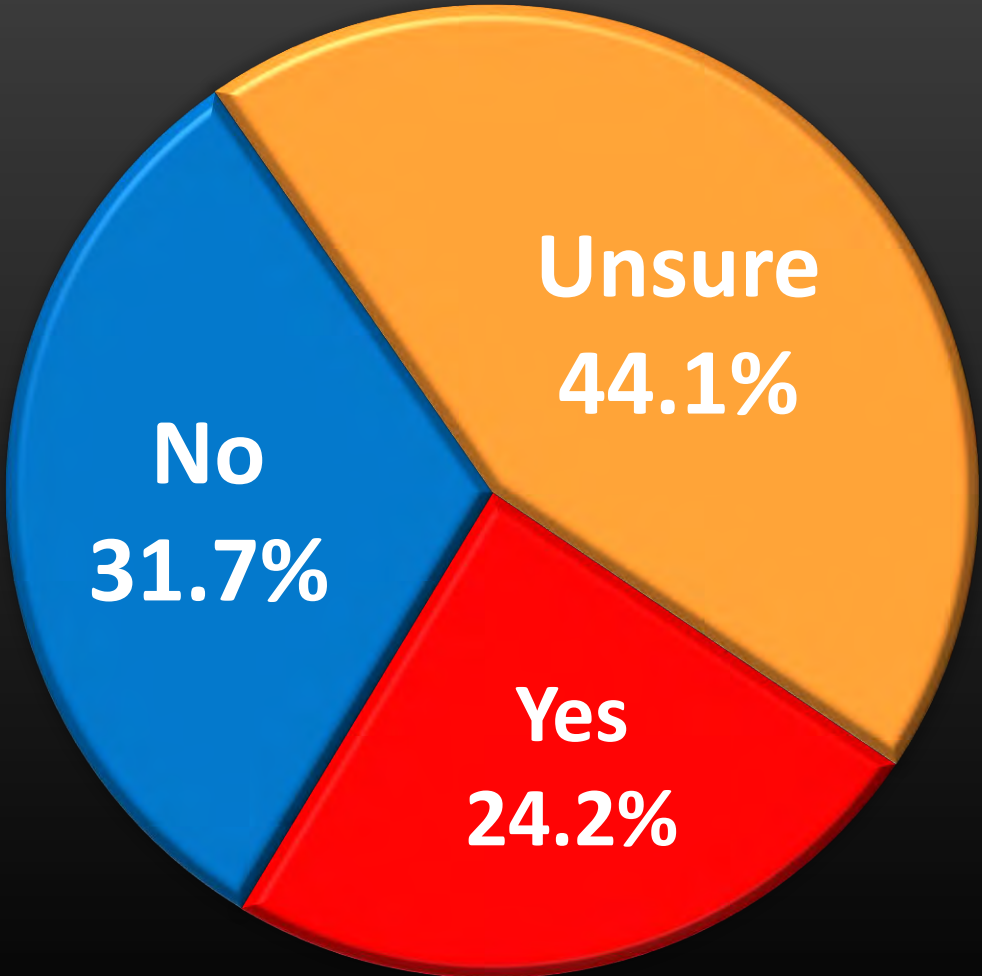
Has your supply chain been disrupted?



Have you experienced disruptions from vendors and service providers?



Is your business at risk of closing permanently because of the impact of COVID-19?





Look out for COVID-19 scams

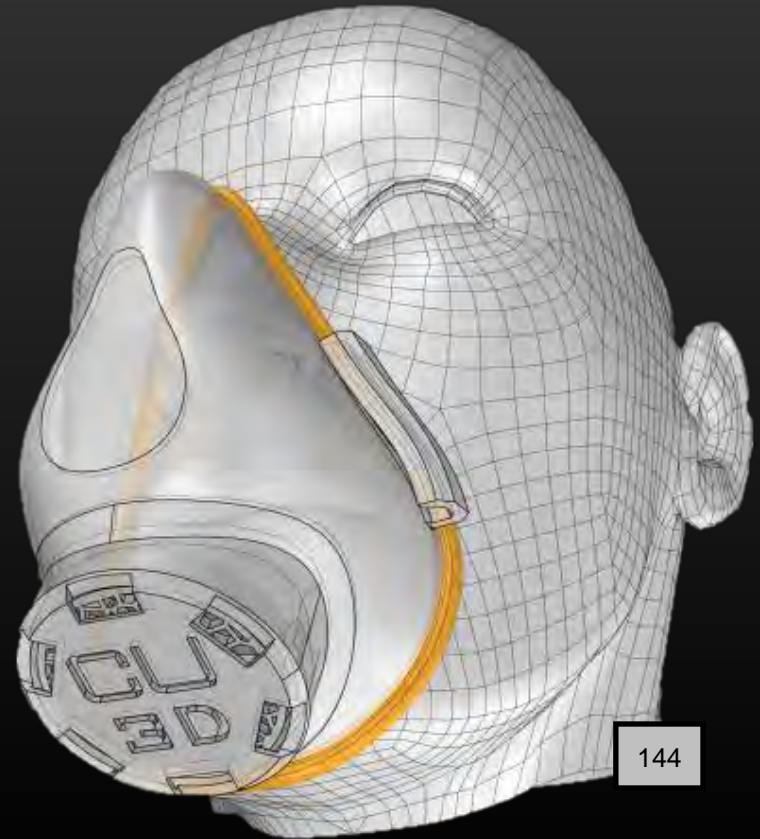
- IRS will NOT call you to verify payment details
- Do not reply to emails or click links claiming to send your stimulus check sooner
- The IRS will not ask you to send money before it will issue your economic impact payment
- Do NOT respond to calls claiming to send COVID-19 Test Kits
- Social Security Administration will NOT contact you claiming to suspend benefits due to COVID-19

Remember that government agencies will never call you to ask for personal information or money.



PPE Contracts, 3D Printers and COVID-19

Partnerships
for
community
success



FEDERAL EMERGENCY FUNDING TO COMBAT CORONAVIRUS OUTBREAK

Funding Process:





10 Minutes
10 Questions
10 Years of Impact
2020census.gov

HOMER, YOU COUNT!
Be counted in the 2020 Census





Karin Marks
City Official: Homer

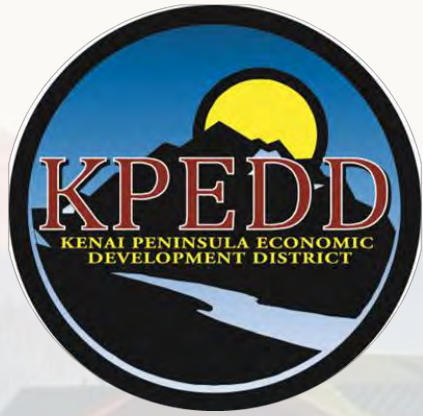


Bryan Zak
KPEDD Appointee: Homer



KPEDD Project Update:

- Economic Resiliency Plan
- Revolving Loan Fund Expansion
- Manufacturing Extension Program
- 2021 CEDS Kick-off – July 1st



Questions?

Tim Dillon
Executive Director
Tim@kpedd.org
907-242-9709

HOMER FOUNDATION: City of Homer Grants Program 2020

The Homer Foundation has administered the City of Homer Grants Program since 2000. In that time over \$830,000 has been awarded to local nonprofits to support the programs and services they provide to the community.

A total of \$39,500 was available for distribution in the 2020 funding cycle. This funding included \$25,000 from the city budget line item and earned income from the City of Homer's and the City of Kachemak's endowment funds, which Kachemak City includes each year in the spirit of good neighbors, and an additional gift from the Homer Foundation. The total amount is administered under agreement between the City of Homer and the Homer Foundation. Recommendations for awards are at the discretion of the City of Homer Grants Committee.

This year's City of Homer Grants Committee consisted of HF Board of Directors Paul Seaton (chair), Ken Taylor, and Terri Spigelmyer, with community members Brendan Smith and Jill Burnham. All participants adhere to the Homer Foundation's Conflict of Interest Policy. Ken Taylor disclosed he is on the advisory committee for Kachemak Heritage Land Trust, and recused himself from the vote on this applicant. Jill Burnham disclosed she was on a committee for KBBI, and recused herself from the vote on this applicant. There were no other conflicts disclosed.

A total of thirteen applications were received and reviewed. The committee's recommendations for the following awards were approved by the Homer Foundation board of trustees at their March 25th board meeting:

<u>Organization</u>	<u>2019 Awards</u>
Bunnell Street Gallery	\$ 2,000
Center for AK Coastal Studies	\$ 1,000
Cook Inlet Keeper	\$ 1,000
Homer Community Food Pantry	\$ 5,700
Homer Council on the Arts	\$ 1,000
Homer Farmers Market	\$ 5,700
Homer Hockey Association	\$ 2,000
Hospice of Homer	\$ 5,700
Kachemak Bay Family Planning Clinic	\$ 5,700
Kachemak Heritage Land Trust	\$ 1,000
Kachemak Nordic Ski Club	\$ 2,000
KBBI	\$ 5,700
<u>SPROUT</u>	<u>\$ 1,000</u>
Total:	\$39,500

It is a difficult task to review organizations with very different missions, but all committee members agreed these thirteen nonprofits are high functioning organizations providing valuable programs and services to the community. This year provided an extra pressure with the compounding factors of funding pressures from state and local sources as well as the predicted need due to the COVID-19 pandemic. The committee felt that they wanted to provide funds to the organizations who would benefit the most from the larger awards with the services they provide to the community, while providing smaller awards to organizations that mostly use these funds for leveraging other monies.

Each year, former trustee John Mouw takes the opportunity to compile a synopsis of the economic impact of the nonprofits that have submitted applications. In 2020 these organizations generated over \$5.9 million in revenues, including \$2.4 million in new money coming into Homer from State, Federal and Foundation grants. They also employ 88 full, part-time, and seasonal employees with combined personnel expenses exceeding \$2.8 million. The data from these thirteen

organizations help to illustrate just how important Homer's nonprofit sector is as an economic driver in our economy.

During times of economic downturn the City's continued support is more important than ever by providing important general operating support. These organizations are also able to leverage additional funding with City support. The community benefits because a strong nonprofit community makes Homer a safer, healthier, more vibrant place to live, play, and work.

Since 2000 the Homer Foundation has administered the City of Homer Grants Program as a free service to the community, and to encourage the City of Homer to continue their support of Homer's vital, and economically important nonprofit community.

Respectfully submitted 3/26/20

Mike Miller, Executive Director
Homer Foundation
235.0541
mikemiller@homerfoundation.org

**LIBRARY ADVISORY BOARD
REPORT TO HOMER CITY COUNCIL**

April 7, 2020

While the building is closed, the Homer Public Library is open and serving the community with resources and opportunities for learning, leisure and livelihood. Of note:

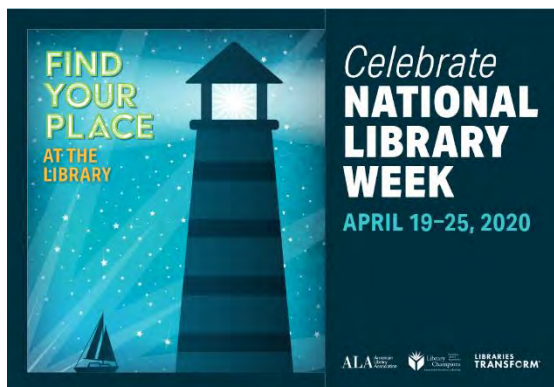
- Popular Children’s Storytime is now on the radio! Parents can tune in to KBBI AM 890 at 10 a.m. every Thursday morning for an hour of stories, dance breaks and a call-in time for kids.
- Other programs, like book discussions, are taking place via Zoom, including the first Lit Lineup discussion. Check the library website for program announcements, <https://www.cityofhomer-ak.gov/library>.
- Also through the web site, library card holders can:
 - access thousands of eBooks and audiobooks 24/7 through the Alaska Digital Library
 - build new skills through free classes on Lynda.com
 - read digital magazines via Flipster
 - learn a new language from Mango Languages
- Anyone who doesn’t have a library card can get one online on the library web site.
- As long as the building is closed, all overdue fines and blocks for lost items are suspended, and staff will answer the phone 11 a.m. to 5 p.m., Monday through Friday, and respond to emails.

A frequent question is whether people can access the library’s wifi network from the parking lot. Unfortunately, the answer is no due to technical limitations and to discourage gatherings in public spaces for now. Everyone should know that GCI and Alaska Communications are offering special services for internet access during the COVID-19 outbreak. The library web site has a link for more information.

As soon as allowed, the library will implement various levels of reopening, including curbside pickup.

As with other city advisory groups, the Library Advisory Board monthly meetings are suspended with our next regularly scheduled meeting Tuesday, August 4. Before then, the term of our current student representative, Marina Greear, will expire in May. Marina’s participation has prompted several discussions of how to better promote library use among high school students. We definitely will continue those discussions.

In addition to a new student representative, we also have a vacancy for a city resident board member. We hope to have a full board for our August meeting and will focus on recruitment in the interim.



To close, April 19-25, 2020, is our nation’s annual celebration of libraries. This year’s theme, “Find Your Place At the Library,” is an unanticipated opportunity to find that your place may be not only inside a welcoming building but also in the rich digital world of information, ideas and interaction the library provides 24/7.

Respectfully submitted,

Marcia Kuszmaul, Chair
Library Advisory Board

**CITY OF HOMER
PUBLIC HEARING NOTICE
CITY COUNCIL MEETING**

Ordinance 20-14

A **public hearing** is scheduled for **Monday, April 13, 2020** during the Regular City Council Meeting. The meeting begins at 6:00 p.m. in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

Ordinance 20-14, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 5.42, Single Use Plastic Carryout Bags, Section 5.42.040, Exceptions, to Change the Deadline for Providing Single-Use Plastic Carryout Bags from February 14, 2020 to September 15, 2020. Smith.

**Request forms to submit public comment telephonically are available on the City Clerk's webpage. This is a new process being incorporated with respect to Governor Dunleavy's Health Mandate 011-Social Distancing.

**Copies of proposed Ordinances in entirety, are available for review online at <https://www.cityofhomer-ak.gov/ordinances>, and will be provided by request at the Homer City Clerk's Office while City Offices are closed to the public during this COVID-19 pandemic. Contact the Clerk's Office at City Hall if you have any questions. 235-3130, Email: clerk@ci.homer.ak.us

Melissa Jacobsen, MMC, City Clerk

CLERK'S AFFIDAVIT OF POSTING

I, Melissa Jacobsen, City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for:

Ordinance 20-14, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Chapter 5.42, Single Use Plastic Carryout Bags, Section 5.42.040, Exceptions, to Change the Deadline for Providing Single-Use Plastic Carryout Bags from February 14, 2020 to September 15, 2020. Smith.

was posted at City Hall and the Homer Public Library on Thursday, April 9, 2020, and posted on the City website on Wednesday, April 8, 2020.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 9th day of April, 2020



Melissa Jacobsen, MMC, City Clerk



ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-14

An Ordinance of the City Council of Homer, Alaska Amending Homer City Code Chapter 5.42 Single-Use Plastic Carryout Bags Section 5.42.040 Exceptions, to Change the Deadline for Providing Single-Use Plastic Carryout Bags From February 14, 2020 to September 15, 2020.

Sponsor: Smith

1. City Council Regular Meeting March 23, 2020 Introduction
2. City Council Regular Meeting April 13, 2020 Public Hearing and Second Reading

**CITY OF HOMER
HOMER, ALASKA**

Smith

ORDINANCE 20-14

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING HOMER CITY CODE CHAPTER 5.42 SINGLE-USE
PLASTIC CARRYOUT BAGS SECTION 5.42.040 EXCEPTIONS TO
CHANGE THE DEADLINE FOR PROVIDING SINGLE-USE PLASTIC
CARRYOUT BAGS FROM FEBRUARY 14, 2020 TO SEPTEMBER 15,
2020.

WHEREAS, The voters on October 1, 2019 approved the ban of single-use plastic bags;
and

WHEREAS, The enactment of new laws should not create undue burden on those it
governs; and

WHEREAS, The municipality's role is to insure a smooth transition through responsible
implementation of new laws; and

WHEREAS, Many municipalities provide an effective date that reasonably allows for
proper transition of newly enacted laws; and

WHEREAS, The effective date of the bag ban did not allow for seasonal businesses to
transition out of their bag stock purchased prior to the effective date of January 1, 2020; and

WHEREAS, Many businesses buy bags in bulk to reduce costs and improve their bottom
line; and

WHEREAS, The election results and extension request deadline occurred during a time
when many of our seasonal business owners are not present or in operation.

NOW THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1: Homer City Code 5.42.040 Exceptions is amended as follows:

5.42.040 Exceptions.

Inventories of single-use plastic carryout bags purchased before January 1, 2020, may continue
to be used by sellers and provided to customers after January 1, 2020, until all such inventories
of single-use plastic carryout bags are completely used in the course of regular business

43 operations, or ~~February 14~~ **September 15**, 2020, whichever comes first. Sellers providing
44 single-use plastic carryout bags under this exception between January 1, 2020, and ~~February~~
45 ~~14~~ **September 15**, 2020, must be willing and able to provide documentation that such bags
46 were purchased on or before December 9, 2019.

47
48 Section 2: This ordinance is of a permanent and general character and shall be included
49 in the Homer City Code.

50
51 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2020.

52
53 CITY OF HOMER

54
55 _____
56 KEN CASTNER, MAYOR

57
58 ATTEST:
59
60 _____
61 MELISSA JACOBSEN, MMC, CITY CLERK

62
63 YES:
64 NO:
65 ABSTAIN:
66 ABSENT:
67
68 First Reading:
69 Public Hearing:
70 Second Reading:
71 Effective Date:

72
73 Reviewed and approved as to form.

74
75 _____
76 City Manager

75 _____
76 Michael Gatti, City Attorney

77
78 Date: _____

77
78 Date: _____

ORDINANCE REFERENCE SHEET
2020 ORDINANCE
ORDINANCE 20-20

An Ordinance of the City Council of Homer, Alaska Repealing Homer City Code 11.36 Vegetation in Rights-of-Way. Evensen/Mayor.

Sponsor: Evensen/Mayor

1. City Council Regular April 13, 2020 Introduction & Public Hearing

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Evensen/Mayor

4 **ORDINANCE 20-20**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 REPEALING HCC 11.36 VEGETATION IN RIGHTS-OF-WAY.
8

9 WHEREAS, In 2016 the City adopted Ordinance 16-51 and updated City Code 11.36,
10 which established that trees and vegetation could be cut, cleared, or mowed throughout
11 street side right-of-way (ROW) “without limitation”; and
12

13 WHEREAS, While policy suggested that removal of vegetation would only occur
14 following a finding of necessity issued by the City Manager, the practice has been interpreted
15 to require complete and total clear-cutting of ROW areas as determined by the Public Works
16 Department; and
17

18 WHEREAS, Absent administrative review, oversight, permit or work-order procedures,
19 clearing has been inconsistently applied; clearing for harvest has occurred within ROW areas
20 by third party; and trees and vegetation that apparently posed no threat (as defined by
21 purpose for removal) have been removed; and
22

23 WHEREAS, Removal has included vertical cutting of trees and vegetation outside of
24 the ROW but overhanging the ROW to heights exceeding 16 feet; and
25

26 WHEREAS, Ordinance 16-51 included annexed portions of the City, including ROW of
27 outlying streets of twenty foot widths; and
28

29 WHEREAS, Borough practices for ROW areas just outside city limits are comparatively
30 narrower and less invasive; pre-2016 ROW-related practices inside city limits were also
31 narrower and less invasive; and
32

33 WHEREAS, A new ordinance should be prepared that provides for unique cutting to
34 allow for visibility, utility installation and maintenance, roadway maintenance, and roadway
35 drainage under the written direction and authority of an administrative officer.
36

37 NOW THEREFORE, THE CITY OF HOMER ORDAINS:
38

39 Section 1. Homer City Code section 11.36 is repealed in its entirety.
40

41 Chapter 11.36

42 VEGETATION IN RIGHTS-OF-WAY

43 Sections:

- 44 ~~11.36.010—Vegetation in rights of way.~~
- 45 ~~11.36.020—Removal of vegetation in rights of way and rights of way maintenance.~~
- 46 ~~11.36.030—Removal for compliance—Public Works Director discretion.~~
- 47 ~~11.36.010—Vegetation in rights of way.~~

48
49 All or any part of a tree, shrub, ground material or other vegetation that is located in,
50 over or under a public right of way in the City is subject to removal by the City as
51 necessary for the reasonable public use of the right of way, including without
52 limitation removal as authorized in HCC 11.36.020, regardless of whether:

53
54 a. The vegetation existed in, over or under the right of way before the granting,
55 dedication or improvement of the right of way;

56
57 b. The vegetation was planted in the right of way by another person, including
58 without limitation an owner of property adjacent to the right of way; or

59
60 c. The vegetation originated on property adjacent to the right of way, to the extent
61 that limbs, branches or roots of the vegetation extend into, over or under the right of
62 way. [Ord. 19-27(S) § 1, 2019; Ord. 16-51 § 1, 2016].

63
64 ~~11.36.020—Removal of vegetation in rights of way and rights of way maintenance.~~
65 Except as otherwise provided in this chapter, the City Manager may cause the removal
66 of all or any part of a tree, shrub, ground material or other vegetation that is located
67 on, over or under a public right of way if the City Manager finds that the vegetation:

68
69 a. Obstructs or interferes with the use of the right of way by vehicular or pedestrian
70 traffic;

71
72 b. Obscures visibility to or from the right of way or otherwise constitutes a safety
73 hazard;

74
75 c. Interferes with the maintenance of the right of way, including without limitation
76 paving, grading, cleaning, drainage and snow removal;

77
78 d. Has the potential if not removed to damage pavement or other improvements in
79 the right of way;

80 e. Has the potential if not removed to damage or interfere with the operation of
81 overhead or underground public utility facilities in the right of way. [Ord. 19-27(S) § 1,
82 2019; Ord. 16-51 § 1, 2016].

83
84 ~~11.36.030—Removal for compliance—Public Works Director discretion.~~

85

86 ~~a. The Public Works Director retains sole discretion and authority to remove or retain~~
87 ~~any part of a tree, shrub, ground material, or other vegetation located from the outer~~
88 ~~edge to three feet inside of a City-owned right-of-way abutting a road acquired by the~~
89 ~~City after the road was constructed.~~

90
91 ~~b. Notwithstanding subsection (a) of this section, the Public Works Director shall only~~
92 ~~exercise their authority under this section when they determine it is more likely than~~
93 ~~not that the removal of all or part of a tree, shrub, ground material, or other~~
94 ~~vegetation within the three-foot area will improve safety, allow for effective~~
95 ~~maintenance activities, or otherwise make the road more compliant with City laws~~
96 ~~and procedures. [Ord. 19-27(S) § 1, 2019].~~

97
98 Section 2. This ordinance is of a permanent nature and general character and
99 shall be included in Homer City Code.

100
101 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this _____ day of _____, 2020.

102
103 CITY OF HOMER

104
105 _____
106 KEN CASTNER, MAYOR

107 ATTEST:
108
109 _____
110 MELISSA JACOBSEN, MMC, CITY CLERK

111
112 YES:
113 NO:
114 ABSTAIN:
115 ABSENT:
116
117 First Reading:
118 Public Hearing:
119 Second Reading:
120 Effective Date:

121
122 Reviewed and approved as to form.

123
124 _____
125 Marvin Yoder, Interim City Manager

126 _____
127 Michael Gatti, City Attorney

127 Date: _____

Date: _____

1 CITY OF HOMER
2 HOMER, ALASKA

City Manager

3
4 ORDINANCE 16-51
5

6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 ENACTING HCC CHAPTER 11.36, VEGETATION IN RIGHTS-OF-
8 WAY, PROVIDING FOR THE REMOVAL OF VEGETATION THAT
9 INTERFERES WITH THE REASONABLE PUBLIC USE OF A RIGHT-
10 OF-WAY.
11

12 THE CITY OF HOMER ORDAINS:

13
14 Section 1. Homer City Code Chapter 11.36, Vegetation in Rights-of-Way, is enacted to
15 read as follows:
16

17 Chapter 11.36
18 VEGETATION IN RIGHTS-OF-WAY

19 Sections:

20 11.36.010 Vegetation in rights-of-way.

21 11.36.020 Removal of vegetation in rights-of-way.
22

23 11.36.010 Vegetation in rights-of-way.

24 All or any part of a tree, shrub or other vegetation that is located in, over or under a
25 public right-of-way in the city is subject to removal by the city as necessary for the reasonable
26 public use of the right-of-way, including without limitation removal as authorized in HCC
27 11.36.020, regardless of whether:

28 a. The vegetation existed in, over or under the right-of-way before the granting,
29 dedication or improvement of the right-of-way;

30 b. The vegetation was planted in the right-of-way by another person, including
31 without limitation an owner of property adjacent to the right-of-way; or

32 c. The vegetation originated on property adjacent to the right-of-way, to the extent
33 that limbs, branches or roots of the vegetation extend into, over or under the right-of-way.
34

35 11.36.020 Removal of vegetation in rights-of-way.

36 The city manager may cause the removal of all or any part of a tree, shrub of other
37 vegetation that is located on, over or under a public right-of-way if the city manager finds that
38 the vegetation:

39 a. Obstructs or interferes with the use of the right-of-way by vehicular or pedestrian
40 traffic;

41 b. Obscures visibility to or from the right-of-way or otherwise constitutes a safety
42 hazard;

43 c. Interferes with the maintenance of the right-of-way, including without limitation
44 paving, grading, cleaning and snow removal;

45 d. Has the potential if not removed to damage pavement or other improvements in
46 the right-of-way;

47 e. Has the potential if not removed to damage or interfere with the operation of
48 overhead or underground public utility facilities in the right-of-way.

49
50 Section 2. This ordinance is of a permanent and general character and shall be
51 included in the City code.

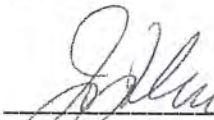
52
53 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 24th day of October, 2016.
54



CITY OF HOMER


BRYAN ZAK, MAYOR

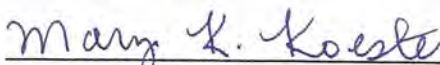
55
56
57
58
59
60 ATTEST:

61 
62 _____
63
64 JO JOHNSON, MMC, CITY CLERK
65

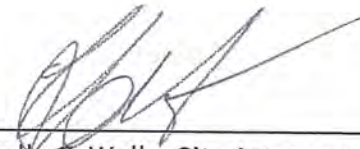
66
67
68 AYES: 6
69 NOES: 0
70 ABSTAIN: 0
71 ABSENT: 0
72

73
74 First Reading: 10/10/16
75 Public Reading: 10/24/16
76 Second Reading: 10/24/16
77 Effective Date: 10/25/16
78

79 Reviewed and approved as to form:

80
81 
82 _____
83 Mary K. Koester, City Manager
84

85 Date: 10.26.16 _____



Holly C. Wells, City Attorney

Date: 11.7.16 _____

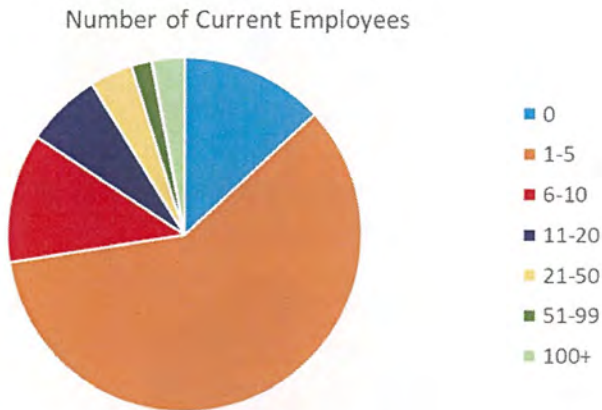
COVID-19 Economic Impact Survey

KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT, INC.

WWW.KPEDD.ORG (907)242-9709 TIM@KPEDD.ORG

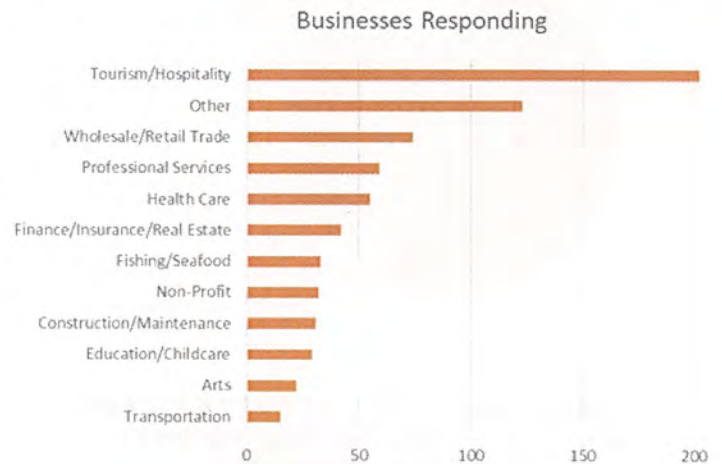
DIRECTOR'S OVERVIEW

The Kenai Peninsula COVID-19 Economic Impact Survey gathered Peninsula-wide business responses to estimate the regional needs of our economy. This survey was open from March 20th to March 27th and was completed by 721 businesses across the Borough.



MOST COMMON RESPONSES

The most common need reported by businesses was working capital to pay employees and cover monthly expenses.



WHEN ASKED TO DESCRIBE HOW BUSINESSES HAVE BEEN AFFECTED

"My clients are facing financial uncertainty so they are only spending money on bare minimum services."

91.9%

of businesses reported disruption due to COVID-19

84%

of businesses have experienced a decline in revenue in the last 30 days

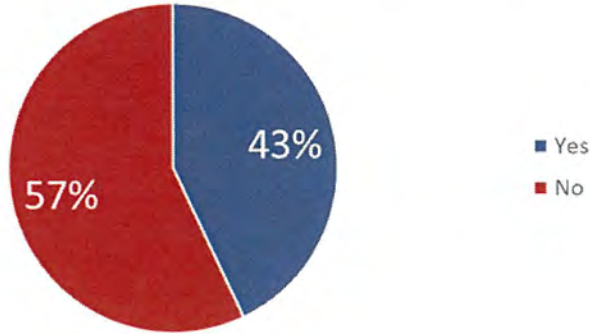
126

businesses reported between 91-100% decrease in revenue

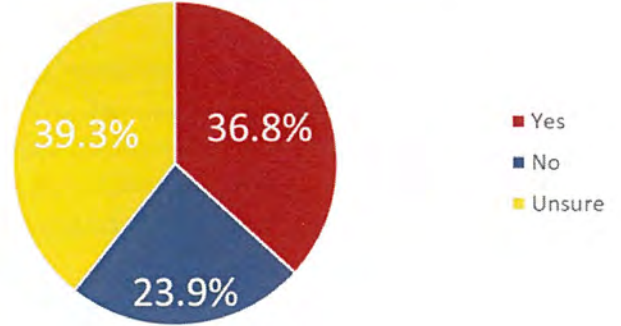
COVID-19 Economic Impact Survey

KENAI PENINSULA ECONOMIC DEVELOPMENT DISTRICT, INC.

When asked if respondents have reduced their staff size



When asked if respondents expect to make future employment cuts

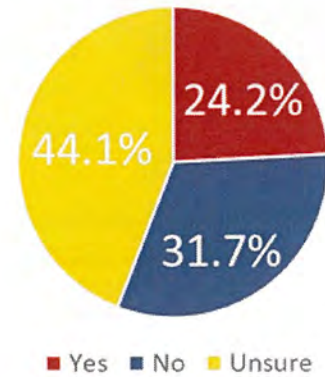


WHEN ASKED TO DESCRIBE STEPS CURRENTLY BEING TAKEN TO MITIGATE COVID-19 IMPACTS

"We are postponing further investments in new projects."

"we are reducing our workforce, altering our business plan and seeking loans to cover losses to keep the doors open."

When asked if respondents were at risk of closing permanently



293

businesses reported disruptions in supply chains

42%

of businesses experienced disruptions from vendors and service providers

173

businesses stated they were currently at risk of closing permanently

PROGRESS STATUS REPORT
New Homer Police Station
March 6, 2020 through April 8, 2020

Work Completed this Period:

GWB – hanging/taping/painting. Flooring prep. Lockers in locker rooms. Data rough in. Control wiring rough in. FRP siding. Mechanical and Electrical trim resumes. ACT ceiling grid and perimeter tile. Casework. Solar Tube in dispatch. Flooring installation. Mechanical room/heating system final hook-up and testing. Hang all interior wood doors.

Work to be Performed Next Period:

Hang exterior doors. Install Interior and exterior door hardware. Seal all exposed concrete flooring. Prime/install/paint jail cell doors. Prime/install/paint (4) max security cell ceilings. Mechanical and Electrical trim. Install detainee lockers in booking. Install cell toilet/sink units. Install cell furniture. Installation of office furniture.

Schedule Status: Below are milestone start dates for this period:

Milestone Task	Original Start	Actual Start
Permanent Heating on line	April 2020	March 2020

Anticipated Problems:

COVID-19 pandemic protocols have impacted vendor and supply chain, freight and overall stability of the schedule. CDC, State of Alaska and COH guidelines have been implemented and adhered to. This Public Works project is considered an essential project and work will resume in a restricted manner until advised otherwise. Conditions change daily.

At this point we are still on schedule, **however, Dispatch Furniture supplier, (Watson), has advised our subcontractor, Pro Comm. Alaska, that as of 3/30/20 their manufacturing plant will be shuttered until April 20, causing about a 1 month delay in the dispatch furniture. The overall effect on occupancy date because of this is fluid and a delay is expected.**

Cornerstone General Contractors has issued a letter stating that there are anticipated delays beyond their control due this COVID-19 situation. Letter dated 3/27/20 attached for information.

End of week, (Friday and/or Saturday), Daily Reports with site photos attached for information.

Prepared by: Pat McNary
Project Manager

Homer Public Safety Building

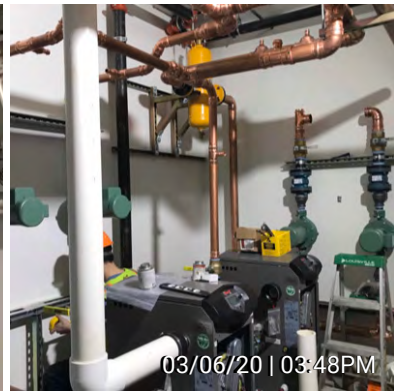
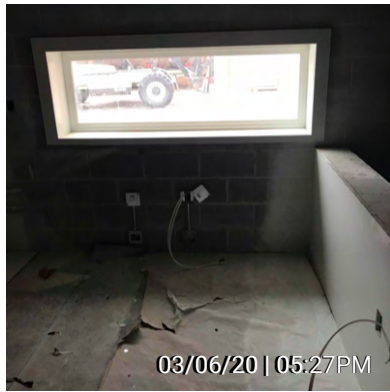
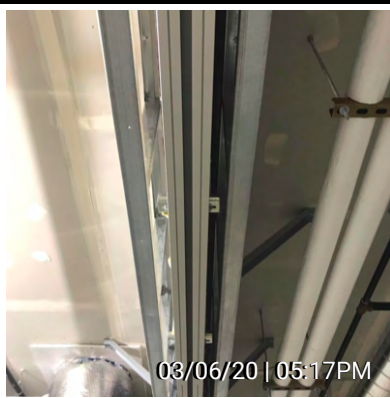
Grubstake Avenue Homer, Alaska 99603



Date Fri 03/06/2020

Job # 1809-2

Prepared By Carl Brinkerhoff



Weather

6:00 AM

18°

Partly Cloudy

Wind: 6 MPH | Precipitation: .0" | Humidity: 60%

12:00 PM

26°

Mostly Cloudy

Wind: 8 MPH | Precipitation: .0" | Humidity: 60%

4:00 PM

30°

Mostly Cloudy

Wind: 7 MPH | Precipitation: .0" | Humidity: 57%

Work Logs

Name	Description	Quantity	Hours	Hours To Date
Accel Fire		0	0	252
Alasco Insulation		0	0	179
Architectural Hardware		0	0	35
Carl's Drywall & Paint	Painted upper level walls and ceilings west of grid 4 and soft interview,visitation. Painted lower level armory, lab and evidence storage. <small>Carl Brinkerhoff 03/06/20 10:53PM</small>	4	9	1228
Consolidated Roofing		0	0	477
Cornerstone, Tod Sharp, Ron Frazier, Tanner Stengel, Ryan Fox, Jim Pollock	Supervision, coordination and documentation. Crew completed toilet partitions at locker rooms. Framed soffit at movable partition, insulated above with rock wool for STS. Installed sump grate in elevator pit and lowered elevator car for work above. Installed flashing to cover ends of 4" ridged insulation and mirra drain at A&K lines at grid 7. Installed extrusions at main entry bump out. <small>Carl Brinkerhoff 03/06/20 11:02PM</small>	5	8	1608
Duct or Sheet Metal	Not onsite <small>Carl Brinkerhoff 03/06/20 11:02PM</small>	0	0	707
East Road Services		0	0	953
Eyres Plumbing	Plumber and apprentice worked in sally port installing second unite heater. Plumber and apprentice continued work in boiler room.	4	6	1083

Ottis Elevator		0	0	194
Pioneer Door		0	0	28
Puffin Electric	Lou was onsite all day pulling wire and terminating. Installed boxes for data and electric at jailers office surface mount below baseboard and pulled in wire. Went to old cop shop and confirmed rotation of existing generator was same as 3 phase at our project.	2	8	2133.5
Carl Brinkerhoff 03/06/20 11:08PM				
Total		15	116	18210

Time Cards No entry

Materials No entry

Equipment No entry

General Notes No entry

Site Safety Observations

1. Site safety protocols were observed onsite today.

Carl Brinkerhoff | 03/06/20 | 11:09PM

Quality Control Observations

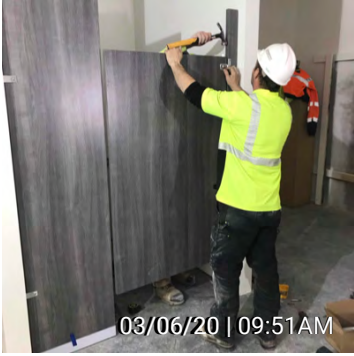
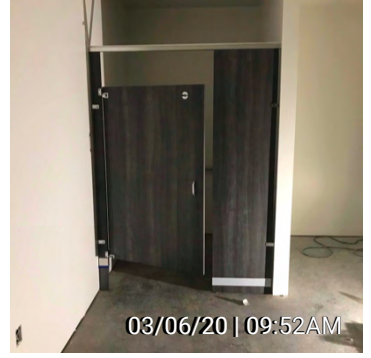
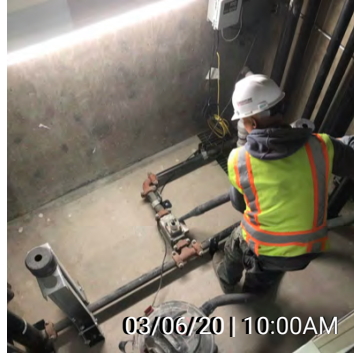
1. All materials and workmanship performed onsite today met or exceeded project specifications.

Carl Brinkerhoff | 03/06/20 | 11:10PM

Survey

Questions	N/A	No	Yes	Description
1. Any accidents on site today?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Any schedule delays occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No exterior doors or hardware on horizon for installation <small>Carl Brinkerhoff 03/06/20 11:12PM</small>
3. Did weather cause any delays?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Any visitors on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Couple of police onsite to look around. <small>Carl Brinkerhoff 03/06/20 11:12PM</small>
5. Any areas that can't be worked on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware. <small>Carl Brinkerhoff 03/06/20 11:12PM</small>
6. Any equipment rented on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	All terrain scissor lift. <small>Carl Brinkerhoff 03/06/20 11:12PM</small>

Attachments



I, Carl Brinkerhoff, have reviewed and completed this report.

Carl Brinkerhoff | 03/06/20 | 11:13PM

SUBCONTRACTOR REPORTS



Fri 03/06/2020

Homer Public Safety Building: Grubstake Avenue Homer, Alaska 99603

Name	Description	Quantity	Hours	Hours To Date
1. Puffin Electric	No Entry	0	0.0	0.0
2. Eayrs Plumbing and Mechanical	No Entry	0	0.0	0.0
3. PEI	No Entry	0	0.0	1332.5
4. PEI	No Entry	0	0.0	0.0
Subtotal		0	0	1332.5
Grand Total (Includes Cornerstone General Contractors Work Log Total)		15	116	19542.5

Homer Public Safety Building

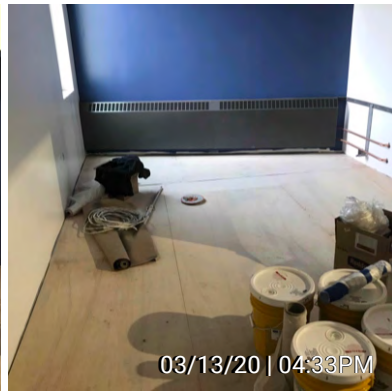


Grubstake Avenue Homer, Alaska 99603

Date Fri 03/13/2020

Job # 1809-2

Prepared By Carl Brinkerhoff



Weather

6:00 AM

22°

Partly Cloudy

Wind: 6 MPH | Precipitation: .0" | Humidity: 70%

12:00 PM

28°

Partly Cloudy

Wind: 5 MPH | Precipitation: .0" | Humidity: 65%

4:00 PM

33°

Mostly Cloudy

Wind: 4 MPH | Precipitation: .0" | Humidity: 60%

Work Logs

Name	Description	Quantity	Hours	Hours To Date
Accel Fire		0	0	252
Carl's Drywall & Paint	4 painters onsite applying block filler at lower level halls and upper level detention area and jailers office. <small>Carl Brinkerhoff 03/13/20 07:04PM</small>	4	8	1400
Consolidated Roofing		0	0	477
Cornerstone, Tod Sharp, Ron Frazier, Tanner Stengel, Ryan Fox, Jim Pollock	Supervision, coordination and documentation. Finished FRP wainscot install. Installed toilet accessories. Installed fire extinguisher cabinets. Continued FRP siding around main entry. Continued extrusions. Vacuumed floors upper level and moved unnecessary tools and equipment out of building. Cleaned floors in locker rooms. <small>Carl Brinkerhoff 03/13/20 07:21PM</small>	6	8	1848
Duct or Sheet Metal		0	0	731
East Road Services		0	0	953
Eyres Plumbing	2 plumbers and an apprentice onsite today. Plumber and apprentice set baseboard heaters at lower level elevator vestibule and exercise. Plumber worked in boiler room <small>Carl Brinkerhoff 03/13/20 07:23PM</small>	3	7	1257
Ottis Elevator		0	0	194
Puffin Electric	Two journeyman and Chris onsite today. One electrician continued work in boiler room. One journeyman continued work upper level for power for lights in grid ceilings. Trim continued at both levels.	3	8	2245.5

Total	16	125	18932
-------	----	-----	--------------

Time Cards

No entry

Materials

No entry

Equipment

No entry

General Notes

- Received main entry doors and boiler room door. No hardware or glazing. Received stainless steel jailers counter.

Carl Brinkerhoff | 03/13/20 | 07:46PM

Site Safety Observations

- Site safety protocols were observed onsite today.

Carl Brinkerhoff | 03/13/20 | 07:47PM

Quality Control Observations

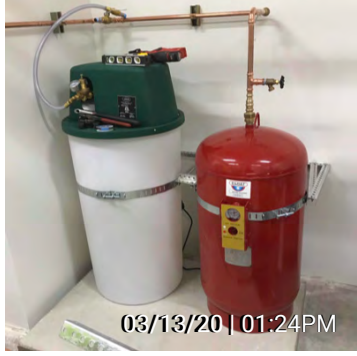
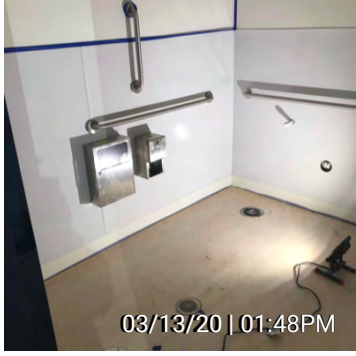
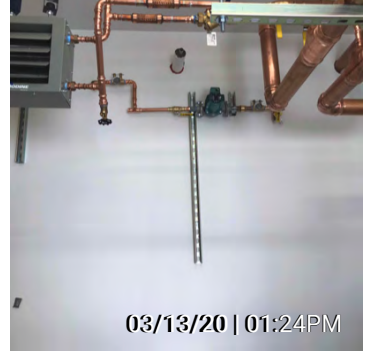
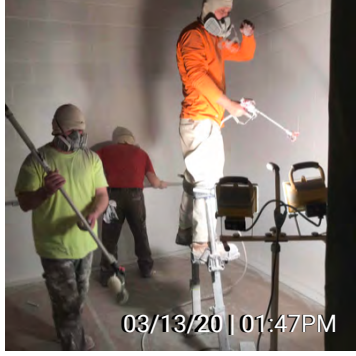
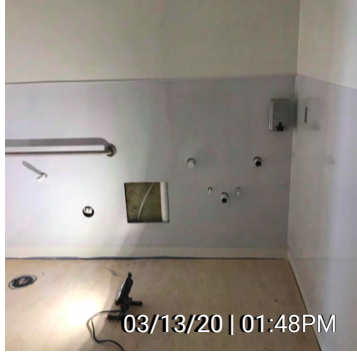
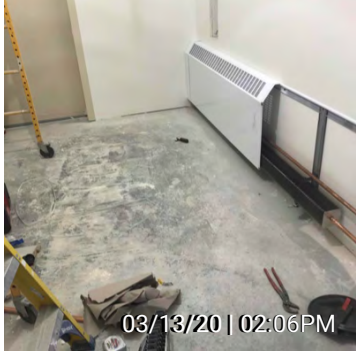
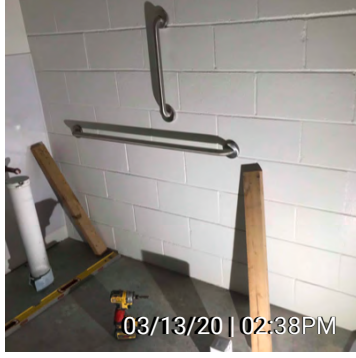
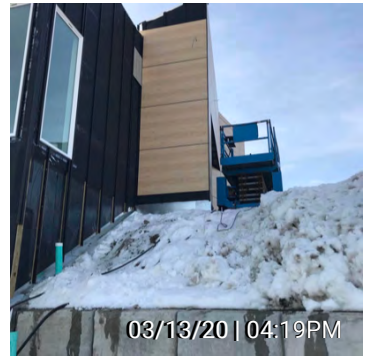
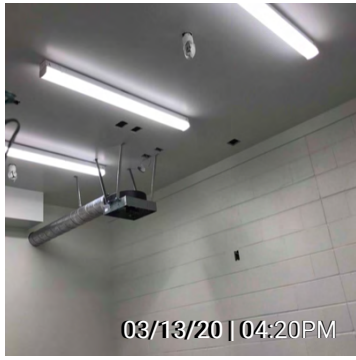
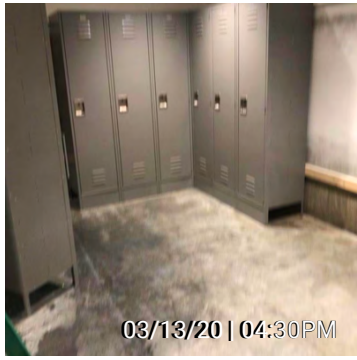
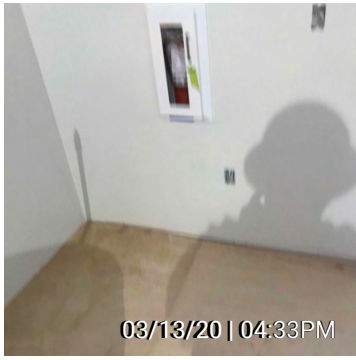
- All materials and workmanship today met or exceeded project specifications.

Carl Brinkerhoff | 03/13/20 | 07:48PM

Survey

Questions	N/A	No	Yes	Description
1. Any accidents on site today?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Any schedule delays occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware not onsite. Carl Brinkerhoff 03/13/20 07:49PM
3. Did weather cause any delays?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Beautiful day Carl Brinkerhoff 03/13/20 07:51PM
4. Any visitors on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pat McNary was onsite with helper starting to install lockers. Carl Brinkerhoff 03/13/20 07:51PM
5. Any areas that can't be worked on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware. Carl Brinkerhoff 03/13/20 07:51PM
6. Any equipment rented on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	All terrain scissor lift Carl Brinkerhoff 03/13/20 07:51PM

Attachments



Carl Brinkerhoff

I, Carl Brinkerhoff, have reviewed and completed this report.

Carl Brinkerhoff | 03/13/20 | 07:51PM

SUBCONTRACTOR REPORTS



Fri 03/13/2020

Homer Public Safety Building: Grubstake Avenue Homer, Alaska 99603

Name	Description	Quantity	Hours	Hours To Date
1. Puffin Electric	No Entry	0	0.0	0.0
2. Eayrs Plumbing and Mechanical	No Entry	0	0.0	0.0
3. PEI	No Entry	0	0.0	1332.5
4. PEI	No Entry	0	0.0	0.0
Subtotal		0	0	1332.5
Grand Total (Includes Cornerstone General Contractors Work Log Total)		16	125	20264.5

Homer Public Safety Building



Grubstake Avenue Homer, Alaska 99603

Date Fri 03/20/2020

Job # 1809-2

Prepared By Carl Brinkerhoff



Weather

6:00 AM	12:00 PM	4:00 PM
36°	37°	38°
Clear	Partly Cloudy	Mostly Cloudy
Wind: 12 MPH Precipitation: .0" Humidity: 78%	Wind: 11 MPH Precipitation: .0" Humidity: 70%	Wind: 9 MPH Precipitation: .0" Humidity: 67%

Work Logs

Name	Description	Quantity	Hours	Hours To Date
Accel Fire		0	0	252
Carl's Drywall & Paint	Two painters onsite working on touch up. Painted Sheetrock at soffit at movable partition. Second coated the interior hollow metal doors that we have on site so far. Painted wall around bulletproof window. Touched up paint in cells at transitions walls at floor. <small>Carl Brinkerhoff 03/20/20 05:35PM</small>	2	8	1524
Consolidated Roofing		0	0	477
Cornerstone, Tod Sharp, Ron Frazier, Tanner Stengel, Ryan Fox, Jim Pollock		0	0	2040
Duct or Sheet Metal	Not onsite <small>Carl Brinkerhoff 03/20/20 05:35PM</small>	0	0	753
East Road Services		0	0	953
Eyres Plumbing	Journeyman plumber and apprentice onsite. Installed remaining baseboard covers. Began installation of condensation drain line from radio and electrical room, installed pump above ceiling in hall 109. <small>Carl Brinkerhoff 03/20/20 05:37PM</small>	2	8	1367
Ottis Elevator		0	0	194
Panco		0	0	87
Puffin Electric	Two journeyman electricians and Chris Morin onsite today. Continued pulling in wire for electrical at doors.	3	8	2365.5

176

Completed fire alarm wiring at lower level. Pulled wiring to floor boxes lower level. Continued trim out at upper level.

Carl Brinkerhoff | 03/20/20 | 05:53PM

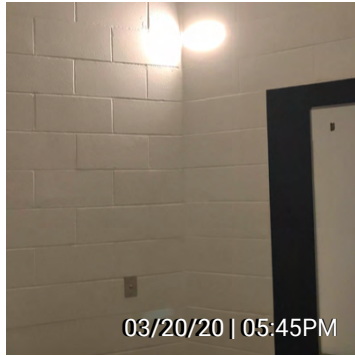
Total	7	56	19587
-------	---	----	-------

Time Cards

No entry

Work Log Photos

Eyres Plumbing: | QTY: 2 | HRS: 8.0 | HTD: 1367.0 ↶



Puffin Electric: | QTY: 3 | HRS: 8.0 | HTD: 2365.5 ↶



Materials

No entry

Equipment

No entry

General Notes

No entry

Site Safety Observations

No entry

Quality Control Observations

No entry

Survey

Questions	N/A	No	Yes	Description
1. Any accidents on site today?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Any schedule delays occur?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did weather cause any delays?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Any visitors on site?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Any areas that can't be worked on?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Any equipment rented on site?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SUBCONTRACTOR REPORTS



Fri 03/20/2020

Homer Public Safety Building: Grubstake Avenue Homer, Alaska 99603

Name	Description	Quantity	Hours	Hours To Date
1. Puffin Electric	No Entry	0	0.0	0.0
2. Eayrs Plumbing and Mechanical	No Entry	0	0.0	0.0
3. PEI	No Entry	0	0.0	1484.5
4. PEI	No Entry	0	0.0	0.0
Subtotal		0	0	1484.5
Grand Total (Includes Cornerstone General Contractors Work Log Total)		7	56	21071.5

Homer Public Safety Building

Grubstake Avenue Homer, Alaska 99603



Date Fri 03/27/2020

Job # 1809-2

Prepared By Carl Brinkerhoff



Weather

6:00 AM	12:00 PM	4:00 PM
<p>35° </p> <p>Overcast</p> <p>Wind: 5 MPH Precipitation: .0" Humidity: 80%</p>	<p>35° </p> <p>Overcast</p> <p>Wind: 7 MPH Precipitation: .0" Humidity: 66%</p>	<p>38° </p> <p>Clear</p> <p>Wind: 6 MPH Precipitation: .0" Humidity: 58%</p>

Work Logs

Name	Description	Quantity	Hours	Hours To Date
Accel Fire		0	0	252
All Alaska Ceilings	Two installers onsite finishing grid installation at lower level. They began installing boarder tiles at upper level squad room and adjoining offices. <small>Carl Brinkerhoff 03/27/20 09:26PM</small>	2	9	88
Carl's Drywall & Paint		0	0	1524
Consolidated Roofing		0	0	477
Cornerstone, Tod Sharp, Ron Frazier, Tanner Stengel, Ryan Fox, Jim Pollock	Supervision, coordination and documentation. Crew worked on FRP siding installation at Alt1 and interior south entry. Loaded out materials and equipment for demobilization to Anchorage. Took delivery and inventoried door closers. Took delivery of tw doors that had to go back to Ak glass and door for retrofit. <small>Carl Brinkerhoff 03/27/20 09:31PM</small>	6	8	2280
Duct or Sheet Metal	Not onsite all week. <small>Carl Brinkerhoff 03/27/20 09:31PM</small>	0	0	753
East Road Services		0	0	953
Eyres Plumbing	Two journeyman plumbers and an apprentice onsite. On plumber worked on flushing cleaner solution out of hydronic system and refilling with water to circulate and lower Ph. Other plumber worked on gas piping in boiler room and piping to meter. Apprentice worked on toilet installation at locker rooms. They also turned on water to sink in lab. Insulator finished boiler room and piping at sally port.	4	8	1548

Carl Brinkerhoff | 03/27/20 | 09:36PM

Ottis Elevator		0	0	194
Puffin Electric	Two journeyman electricians onsite installing light fixtures at grid ceilings both levels. None of lights are wired and functioning yet. Three data techs working in radio room.	5	8	2512.5
Rainbow Builders		0	0	2
Total		17	138	20245

Carl Brinkerhoff | 03/27/20 | 09:39PM

Time Cards No entry

Materials No entry

Equipment No entry

General Notes

- 1. We now have one functional sink set up with soap and papery towels for washing hands.

Carl Brinkerhoff | 03/27/20 | 09:56PM

Site Safety Observations

- 1. All personnel able to take temperatures reported normal body temperatures. Observations of staff onsite appeared to be healthy. Site safety protocols were observed onsite today.

Carl Brinkerhoff | 03/27/20 | 09:58PM

Quality Control Observations

- 1. All materials and workmanship performed onsite today met or exceeded project specifications.

Carl Brinkerhoff | 03/27/20 | 09:59PM

Survey

Questions	N/A	No	Yes	Description
1. Any accidents on site today?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Any schedule delays occur?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware. Carl Brinkerhoff 03/27/20 10:00PM
3. Did weather cause any delays?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Any visitors on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Artists came by to look at siding assembly at parking shed. Carl Brinkerhoff 03/27/20 10:02PM
5. Any areas that can't be worked on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware. Hinges

and lock sets for interior doors.

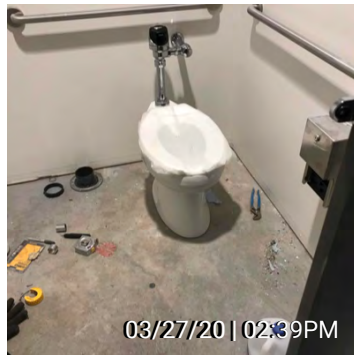
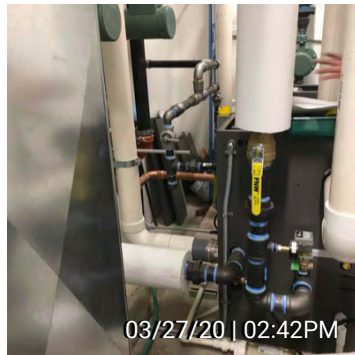
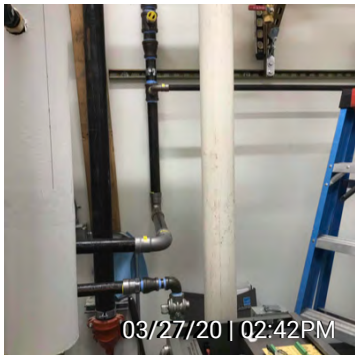
Carl Brinkerhoff | 03/27/20 | 10:02PM

6. Any equipment rented on site?

All terrain scissor lift.

Carl Brinkerhoff | 03/27/20 | 10:02PM

Attachments



Carl Brinkerhoff

I, Carl Brinkerhoff, have reviewed and completed this report.

Carl Brinkerhoff | 03/27/20 | 10:02PM

SUBCONTRACTOR REPORTS



Fri 03/27/2020

Homer Public Safety Building: Grubstake Avenue Homer, Alaska 99603

Name	Description	Quantity	Hours	Hours To Date
1. Puffin Electric	No Entry	0	0.0	0.0
2. Eayrs Plumbing and Mechanical	No Entry	0	0.0	0.0
3. PEI	No Entry	0	0.0	1516.5
4. PEI	No Entry	0	0.0	0.0
Subtotal		0	0	1516.5
Grand Total (Includes Cornerstone General Contractors Work Log Total)		17	138	21761.5

Homer Public Safety Building

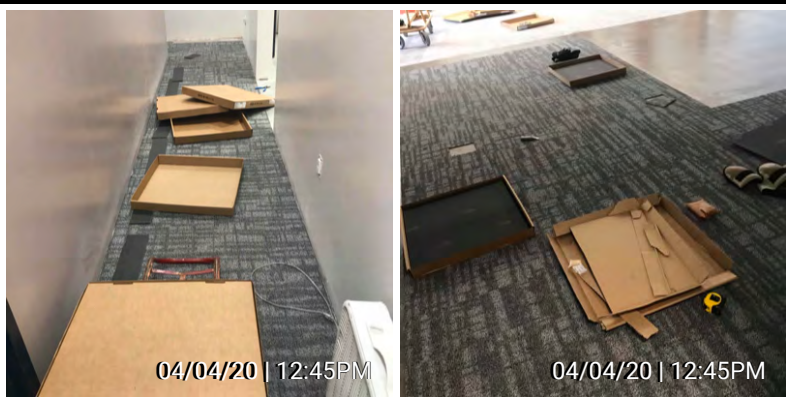
Grubstake Avenue Homer, Alaska 99603



Date Sat 04/04/2020

Job # 1809-2

Prepared By Carl Brinkerhoff



04/04/20 | 12:45PM

04/04/20 | 12:45PM

Weather

6:00 AM

40°

Overcast

Wind: 12 MPH | Precipitation: .01" | Humidity: 83%

12:00 PM

42°

Partly Cloudy

Wind: 7 MPH | Precipitation: .01" | Humidity: 70%

4:00 PM

46°

Mostly Cloudy

Wind: 7 MPH | Precipitation: .01" | Humidity: 54%

Work Logs

Name	Description	Quantity	Hours	Hours To Date
Accel Fire		0	0	282
All Alaska Ceilings		0	0	100
Carl's Drywall & Paint		0	0	1532
Consolidated Roofing		0	0	483
Cornerstone, Tod Sharp, Ron Frazier, Tanner Stengel, Ryan Fox, Jim Pollock	I was onsite supervision, coordination. Washed exterior of all windows. Helped Pat McNary move locker benches, work station components and dishwasher to site from Herk building. General clean up interior/ exterior. <small>Carl Brinkerhoff 04/04/20 07:52PM</small>	0	0	2472
Duct or Sheet Metal		0	0	827
East Road Services		0	0	953
Eyres Plumbing		0	0	1650
Ottis Elevator		0	0	194
Puffin Electric	Two data techs onsite working in radio room terminating data cables at server rack. <small>Carl Brinkerhoff 04/04/20 07:48PM</small>	2	8	2696.5
Rainbow Builders	Three installers onsite installing remaining vinyl plank, transitions and rubber base at upper level. Moved to lower level and installed carpet at hall way and conference room. Also installed walk off mat in entrance. Installed rubber base. <small>Carl Brinkerhoff 04/04/20 07:47PM</small>	3	10	131

Time Cards

No entry

Materials

No entry

Equipment

No entry

General Notes

1. Rainbow doesn't have enough vinyl flooring to complete locker room vestibule. They will complete when they come back for concrete sealer application.

Carl Brinkerhoff | 04/04/20 | 07:54PM

Site Safety Observations

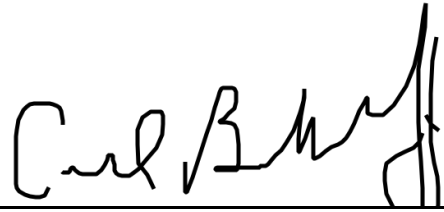
No entry

Quality Control Observations

No entry

Survey

Questions	N/A	No	Yes	Description
1. Any accidents on site today?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2. Any schedule delays occur?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Still waiting to receive exterior doors. <small>Carl Brinkerhoff 04/04/20 07:56PM</small>
3. Did weather cause any delays?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4. Any visitors on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Pat McNary was onsite. <small>Carl Brinkerhoff 04/04/20 07:56PM</small>
5. Any areas that can't be worked on?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exterior doors and hardware. <small>Carl Brinkerhoff 04/04/20 07:56PM</small>
6. Any equipment rented on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	All terrain scissor lift 65' snorkel lift <small>Carl Brinkerhoff 04/04/20 07:56PM</small>



I, Carl Brinkerhoff, have reviewed and completed this report.

Carl Brinkerhoff | 04/04/20 | 07:56PM

SUBCONTRACTOR REPORTS



Sat 04/04/2020

Homer Public Safety Building: Grubstake Avenue Homer, Alaska 99603

Name	Description	Quantity	Hours	Hours To Date
1. Puffin Electric	No Entry	0	0.0	0.0
2. Eayrs Plumbing and Mechanical	No Entry	0	0.0	0.0
3. PEI	No Entry	0	0.0	1516.5
4. PEI	No Entry	0	0.0	0.0
Subtotal		0	0	1516.5
Grand Total (Includes Cornerstone General Contractors Work Log Total)		5	46	22498.5

March 27, 2020

City of Homer
491 E. Pioneer Avenue
Homer, Alaska 99603

Attn: Patrick McNary, Owner Representative

Re: Homer Police Station, City of Homer Project #151-7010-5261

Subject: COVID-19 Pandemic, Notice of Potential Delay and Reservation of Rights

Dear Mr. McNary:

We are all aware of the ongoing outbreak of the Coronavirus 2019 (COVID-19), which was recently declared a pandemic by the World Health Organization, and the President and Governor of the State of Alaska have declared a national and state emergency, respectively. Although the situation continues to evolve rapidly, Cornerstone General Contractors remains fully committed to pursuing the completion of our work in a safe, diligent and reasonable manner under the current circumstances. We must recognize, however, there is a strong likelihood that we will encounter certain delays as a result of this pandemic.

We anticipate our work will be delayed and our productivity will be negatively impacted by the cumulative effect of this outbreak. Potential impacts may include, but are not limited to, labor shortages due to infection or quarantine as well as material shortages and significant delays in lead times as a result of factory closings across the globe. In addition, we are monitoring whether there will be a mandatory shut down. At this time, it is not possible to quantify the delay or compute the impact costs.

Our contract requires that we furnish you written notice of any delays in a timely fashion. Accordingly, pursuant to the terms of our contract, please consider this correspondence to be our formal notice of potential delays to our performance through no fault of our own and that are beyond our control, including, but not limited to, changed conditions, constructive suspension of work, constructive change, force majeure/act of God, etc. Cornerstone hereby reserves all rights it may have under our contract and applicable law to protect its legal and commercial interests, including without limitation the right to seek an extension of time and an increase in our contract price. Please keep records as you deem appropriate to confirm any time extensions and/or increased costs, if we do, submit any time and/or cost impacts. Cornerstone can assure you that we are evaluating all options to minimize and mitigate the impacts to your Project. As more information becomes available, we would like to discuss our options for successfully completing this Project.

We will continue to keep the City of Homer informed of these delays and their effect on overall job completion. We will diligently seek to minimize to the best of our ability, the effects of these delays on our work. Your cooperation in minimizing these impacts are appreciated as we work our way through this unprecedented event.

Sincerely,



Anthony Chen
Cornerstone General Contractors



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

Memorandum

TO: Mayor Castner and City Council
FROM: Marvin Yoder, Interim City Manager
DATE: April 13, 2020
SUBJECT: April Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Joe Young,	Public Works	13	Years
Rick Pitta,	Police	11	Years
Travis Brown,	Port	8	Years
Erica Hollis,	Port	8	Years
Jean Hughes,	Public Works	6	Years
Jaclyn Arndt,	Fire	4	Years
Dave Berry	Library	1	Year
Ricky Borland	Port	1	Year
Aaron Yeaton	Public Works	1	Year

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Evensen/Mayor

4 **RESOLUTION 20-038**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 RESTATING THE CITY'S RIGHT OF WAY MAINTENANCE POLICY TO
8 BE CONSISTENT WITH CLIMATE ACTION AND CITIZEN NEEDS
9

10 WHEREAS, City of Homer resources have been affected by the COVID-19 Pandemic;
11 emergency operations take priority and implementing new City Code is logistically less
12 preferable than resolving to do the same; and
13

14 WHEREAS, In 2016 the City adopted Ordinance 16-51 and updated City Code 11.36,
15 which established that trees and vegetation could be cut, cleared, or mowed throughout
16 street side right-of-way (ROW) "without limitation"; and
17

18 WHEREAS, While policy suggested that removal of vegetation would only occur
19 following a finding of necessity issued by the City Manager, the practice has been interpreted
20 to require complete and total clear-cutting of ROW areas as determined by the Public Works
21 Department; and
22

23 WHEREAS, Absent administrative review, oversight, permit or work-order procedures,
24 clearing has been inconsistently applied; clearing for harvest by third party has occurred
25 within ROW areas; and trees and vegetation that apparently posed no threat (as defined by
26 purpose for removal) have been removed; and
27

28 WHEREAS, Removal included vertical cutting of trees and vegetation outside of the
29 ROW but overhanging the ROW to heights exceeding 16 feet; and
30

31 WHEREAS, Neither the policy nor the practice has accounted for slow growth rates of
32 tall tree species in the Homer area; and
33

34 WHEREAS, Neither the policy nor the practice has accounted for benefits of
35 subterranean root systems of ROW trees for (A) stabilization of soils and underlying
36 substrates, particularly at or near sloped surfaces, and (B) as natural and historic agents
37 capable of sustainably mitigating erosion; and
38

39 WHEREAS, Neither the policy nor the practice has accounted for benefits of ROW trees
40 for climate change; and negative effects stemming from so-called "urban deforestation"
41 could operate contrary to the City of Homer's Climate Action Plan; and
42

43 WHEREAS, Ordinance 16-51 included annexed portions of the City, including ROW of
44 outlying streets of twenty foot widths; and

45
46 WHEREAS, Complaints by citizens and appearance of destabilization of soils led to a
47 moratorium on tree cutting and clearing (19-073S) plus establishment of a ROW policy
48 evaluation team; and

49
50 WHEREAS, Among the early findings of ROW policy evaluation team was (A)
51 established milestone that major clear-cutting for annexed streets is effectively complete,
52 and (B) legal opinion suggesting predominance of neighborhood covenants over roadway
53 operations in situations, for example, where covenants of subdivisions include trees/timber
54 or street/roadway claims; and

55
56 WHEREAS, Soils and geologic materials of the greater Homer bench are glacial and
57 river-related in nature, bearing mixed, unconsolidated, and loose properties; these materials
58 are highly prone to erosion, particularly near sloped surfaces; and

59
60 WHEREAS, Army corps of engineers previously found bluffward erosion rates vary
61 from 2.0 feet/year (average) to 19.7 feet/year (maximum) along the Homer Bluff; and, for
62 planning purposes zones of hazard overlay have been suggested throughout Homer; and

63
64 WHEREAS, Trees and vegetation within ROW positions benefit the City and property
65 owners by means of beautification, sight barriers, sound barriers, stabilization of soils,
66 erosion prevention, slope stability/reinforcement, and floodwater retention (e.g., during
67 heavy rainfall); and

68
69 WHEREAS, ROW Trees offer natural mitigation of climate change, creating for example
70 (1) near ground-level canopy that helps maintain moisture levels key to ecosystems, (2)
71 habitat for birds and other stressed/threatened species, and (3) shade-based cooling to offset
72 heat levels; and

73
74 WHEREAS, Borough practices for ROW maintenance involve small-width ditch
75 maintenance, minimal roadside clearing (horizontally and vertically), snow removal
76 operations consistent with narrow streets (and narrow ROW maintenance areas), and
77 avoidance of landmark trees; and

78
79 WHEREAS, ROW Maintenance policy that benefits all parties should be enacted to
80 allow efficient City operations, benefit community and citizens, and improve coordination
81 with the City's Climate Action Plan by generally mimicking operational practices of the
82 Borough.

83

84 NOW, THEREFORE, BE IT RESOLVED that a new section of the Homer City Code be
85 created that:

- 86 A) Recognizes the value of trees and vegetation in the rights-of-way; and
- 87 B) Provides for a documented system of site-specific permitting and work orders to
88 allow as-needed removal or trimming of all varieties of vegetation; and
- 89 C) Provides for a documented system that allows others to apply for permits to
90 harvest within the ROW where appropriate; and
- 91 D) Provides administrative process for Public Works Department that restricts ROW
92 and road maintenance activities in accord with certain covenants of subdivisions,
93 and provides documented process to seek pre-approval and agreement from
94 subdivision representatives before activities may commence; and
- 95 E) Allows prescriptive clearing and brushing up to four (4) feet of all established
96 roads, without regard to position of roadway centerline; which shall be the
97 "maintenance zone"; and
- 98 F) Allows preemptive, permanent protection of landmark trees as well as trees
99 occurring along or near sloped surfaces within maintenance zone; and
- 100 G) Limits vertical intrusions removal to a height of no more than ten (10) feet above
101 ground level; and
- 102 H) Officially guides and recommends utilities be installed, where possible, without
103 need for clear-cutting from edge of roadway; preferable installation may involve
104 boring or clearing only a strip along easement corridor or less, as needed.

105
106 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____ day of _____,
107 2020.

108
109 CITY OF HOMER

110
111
112 _____
113 KEN CASTNER, MAYOR

114
115 ATTEST:

116
117 _____
118 MELISSA JACOBSEN, MMC, CITY CLERK

119
120 Fiscal Note: N/A

45 d. Has the potential if not removed to damage pavement or other improvements in
46 the right-of-way;

47 e. Has the potential if not removed to damage or interfere with the operation of
48 overhead or underground public utility facilities in the right-of-way.

49
50 Section 2. This ordinance is of a permanent and general character and shall be
51 included in the City code.

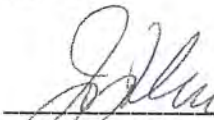
52
53 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 24th day of October, 2016.
54



CITY OF HOMER


BRYAN ZAK, MAYOR

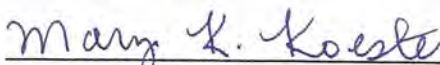
55
56
57
58
59
60 ATTEST:

61 
62 _____
63
64 JO JOHNSON, MMC, CITY CLERK
65

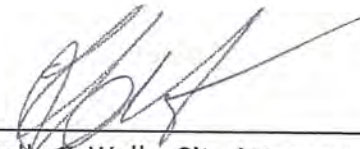
66
67
68 AYES: 6
69 NOES: 0
70 ABSTAIN: 0
71 ABSENT: 0
72

73
74 First Reading: 10/10/16
75 Public Reading: 10/24/16
76 Second Reading: 10/24/16
77 Effective Date: 10/25/16
78

79 Reviewed and approved as to form:

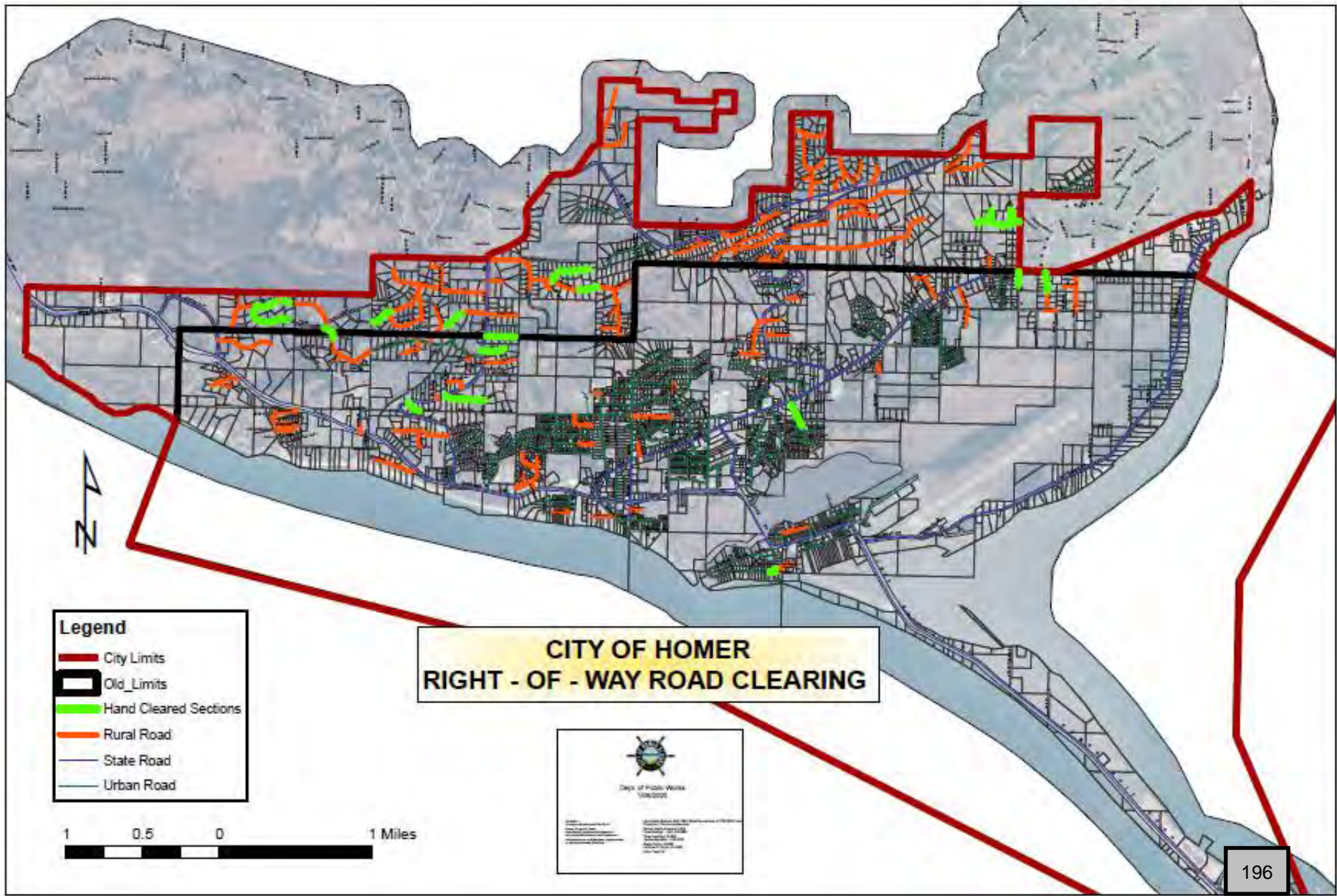
80
81 
82 _____
83 Mary K. Koester, City Manager
84

85 Date: 10.26.16 _____



Holly C. Wells, City Attorney

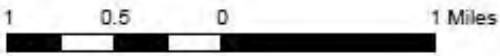
Date: 11.7.16 _____



Legend

- City Limits
- Old Limits
- Hand Cleared Sections
- Rural Road
- State Road
- Urban Road

**CITY OF HOMER
RIGHT - OF - WAY ROAD CLEARING**



MEMORANDUM

TO: Katie Koester
FROM: Michael Gatti and Max D. Holmquist
DATE: February 27, 2020
RE: **Real Property Covenants 101**

INTRODUCTION

The City of Homer (the “City”) has requested a legal opinion containing general information about real property covenants. If the City desires a more specific analysis of the real property rights for an area in question we can do so but will require comprehensive data related to the specific property. We call this to your attention because the analysis of specific real property rights is a complex exercise based upon a detailed review of current and historical land records, plats, and other factual information about the property. Once all relevant information is acquired the legal rights of the parties may be examined. We also want to advise you that covenants are private agreements that are unenforceable by governmental authority.

COVENANTS GENERALLY

Covenants, along with easements and profits, are referred to in the law using the generic term “servitudes.”¹ A servitude is a legal device that “creates a right or an obligation that runs with land or an interest with land.”² Running with the land “means that the right or obligation passes automatically to successive owners or occupiers of the land.”³ A right that runs with the land is called a “benefit” and an obligation that runs with the land is called a “burden.”⁴

A covenant is “a solemn or formal obligation binding on the covenantor...[a] covenant becomes a servitude if either the benefit or the burden of the covenant runs with the land.”⁵ A covenant benefit or burden runs with the land if it is intended to do so, has been effectively created, is not invalid, and has not been terminated.⁶ In other words, if a covenant runs with the land, it

¹ Restatement (3d) of Property (Servitudes) § 1.1(2) (2000).

² *Id.* at § 1.1(1).

³ *Id.* at § 1.1(1)(a).

⁴ *Id.* at § 1.1(1)(b)-(c).

⁵ *Id.* at § 1.3, cmt. a.

⁶ *Id.*

binds all future owners of the property to either do something or refrain from doing something with the property.

The nature of the burden determines whether a covenant is affirmative or negative; an affirmative covenant requires the covenantor to do something while a “negative covenant” requires the covenantor to refrain from doing something.⁷ A “restrictive covenant” is a negative covenant that limits permissible uses of land.⁸

Covenants, along with other servitudes, are used for a variety of purposes. “Frequent applications are to provide rights of way for roads, utilities and pipelines. Servitudes are also widely used in land development to restrict land use and provide the means to finance and manage common areas and facilities. Less frequently, they are used by individual landowners to vary the rights and obligations that would otherwise flow from ownership or possession of their land and that of their neighbors, by sellers to protect themselves from competition from business carried on in their former location, or to secure supplies of water, gas, or utility services. Servitudes may also be used to create options and rights of first refusal, and to implement other arrangements where running benefits or burdens are desired, so long as the arrangement is not illegal or against public policy.”⁹

Covenants are interpreted by reviewing the language that created them. The Alaska Supreme Court has held that covenants “are to be construed to effectuate the parties’ intent. Clear and unambiguous language should be accorded its plain meaning...doubts should be resolved in favor of the free use of land.”¹⁰ Where the language of the document creating a covenant is ambiguous, courts will interpret the covenant with the goal of effectuating the intentions of the parties who created it.¹¹

Under certain circumstances, an existing covenant can be waived if it is not actively enforced. In Alaska, covenants will be deemed waived “if the evidence reveals substantial and general noncompliance.”¹² “Failure to enforce a covenant against a single party or property is not sufficient to establish abandonment, but more widespread lack of enforcement may be.”¹³ If abandonment occurs, the beneficiary of the covenant relinquishes the rights created by the covenant.¹⁴

⁷ *Id.* at § 1.3(2).

⁸ *Id.* at § 1.3(3).

⁹ *Id.* (introductory note).

¹⁰ *Lamoreaux v. Langlotz*, 757 P.2d 584, 587 (Alaska 1988).

¹¹ *Hurst v. Victoria Park Subdivision Addition No. 1 Homeowners’ Ass’n*, 59 P.3d 275, 278 (Alaska 2002).

¹² *Collins v. Hall*, 453 P.3d 178, 192 (Alaska 2019).

¹³ *Id.*

¹⁴ *Restatement* § 7.4.



U.S. Army Corps
of Engineers
Alaska District

ALASKA BASELINE EROSION ASSESSMENT

Erosion Information Paper - Homer, Alaska

Current as of August 24, 2007

Community Information

Homer, population 5,454, is located on the north shore of Kachemak Bay on the southwestern edge of the Kenai Peninsula in the Kenai Peninsula Borough. Homer is 227 road miles south of Anchorage at the southern-most point of the Sterling Highway. The OMB Community Erosion Survey was completed by Dotti Harness, planning technician for the City of Homer.

Description of Erosion Problem

The 4.5-mile-long Homer Spit formation is a narrow peninsula that is a terminal moraine formation deposited 14,000 to 15,000 years ago by a glacier that filled and ultimately carved the Kachemak Bay basin. Since its formation, the spit has evolved through geologic and oceanic processes into a narrow landmass having a maximum elevation above mean sea level of only 24 feet. This landform changes throughout the year as sediments are added to and removed from both its west and east sides by ocean currents, tides and storms. The *Homer Spit Storm Damage Reduction Draft Interim Feasibility Report* prepared by the Corps in September 1987, stated both accretion and erosion were occurring during seasonal storms along the Homer Spit. This report also stated that near-shore standing waves in front of the sheet-pile seawall and rubble revetments result from partial reflection of incident wave energy caused by shoreline structures. This condition aggravates the situation of wave overtopping, roadway flooding and local scouring of beach material during storm events. Erosion occurs annually during spring and fall high tides and can be more extreme depending on wind direction.

According to the Homer planner, all areas along the Homer coastal bluffs are subject to erosion. The Kachemak Bay Research Reserve (KBRR) prepared an estimate of coastal bluff erosion based on interpretation of a series of aerial maps (1951, 1961, 1968, 1975, 1996 and 2003). Their report states: *"In general, slightly higher erosion rates were observed west of the spit (~2.6 feet per year) than on the eastern side (~2 feet per year). The western portion of headlands had the highest observed erosion rates (~19.7 feet per year), but the high erosion rates are extremely episodic."* Also according to the KBRR, the portion of the bluff toe below West Hill Road, approximately 1 mile west of the spit, includes an old slump that has been more susceptible to erosion.

Potential Damages

Homer coastal bluff areas impacted by erosion are occupied primarily by residential structures, with a few commercial structures. Kachemak Drive lots platted at 200-300 feet in length currently have less than one-third of their original platted areas, according to the city planner. Residential owners begin protecting homes generally when the erosion is less than 100 feet away,

and many homes are less than 100 feet, according to the planner. Types of erosion control structures used by residential property owners include: rip rap, gabions, sandbags, articulated concrete mat, driven metal pile, scrap metal and scrap concrete. These structures are constructed at an estimated \$20,000 to \$70,000 per lot; however no long-term city records are available on individual project construction or repair costs. The city estimated \$20,000-\$30,000 for repair per incident, some owners providing maintenance every 3 to 4 years.

The city planner also stated that all structural erosion control measures installed have had failures. Failures have resulted from: (a) overtopping - projects are generally built to elevation 24 feet, however water to elevation 27 feet, plus waves occur; (b) rock displacement - causing failures behind structures and at ends; (c) failure of scrap concrete rubble. The city planner also expressed concern for potential erosion damage to the Sterling Highway, particularly the base of the roadway along West Hill, and the bike path along the spit.

Severe storms accompanied by high water levels and wave action have overtopped and washed out stretches of the spit road, causing the road to be closed for major repairs on several occasions. Structures on the spit that could be threatened include food storage and retail structures, the single 2-lane State highway and bike path, boat storage and repair, elevated boardwalks, hotel/restaurant, condominiums and the boat harbor. All shoreline structures have suffered damage of various degrees, according to the Corps. In the unlikely event the heavily rip rap armored spit road were to fail and the spit became separated from the mainland, this could result in economic loss, water shortages and contamination, communication disruptions, and threats to public health and safety. To protect the state-maintained highway, during the past 20 years the State has spent more than \$6 million on repair and protection measures.

Photos and Diagrams

Photos of erosion provided by community are attached. Also attached are diagrams depicting linear extent of erosion in the community.

References

- Kachemak Bay Research Reserve. 2004.** *Homer Coastal Change Analysis, Kachemak Bay Research Reserve.* <http://planning.ci.homer.ak.us/PLANNINGWEBPAGES/DefaultLinks/Erosion/WebVersion.doc>
- USACE. 1996.** *Homer Spit Repair & Extension Design Memo.* Alaska District, U.S. Army Corps of Engineers.
- USACE. 1987.** *Beach Erosion Control Study Homer Spit, Alaska.* Alaska District, U.S. Army Corps of Engineers.
- USACE. 1987.** *Homer Spit Storm Damage Reduction Draft Interim Feasibility Report Volume II.* Alaska District, U.S. Army Corps of Engineers.
- USACE. 2007.** *Alaska Community Erosion Survey, OMB approved number 07100001, expires September 30, 2009 administered to Dotti Harness, Homer city planner, on July 27, 2007.*

Additional Information

This information paper, as well as those for other communities, can be accessed on the internet at www.alaskacerosion.com. For more information please contact the Corps of Engineers, project manager at (907) 753-5694 or email Alaska.Erosion.POA@usace.army.mil



Photo 1: Homer Bluff Kachemak Drive home site May 2006



Photo 2: Homer Bluff erosion December 2006



Photo 3: Kachemak Drive December 2006



Photo 4: Homer bluff private property riprap project April 2007

Seasonal Accretion & Erosion

Rip Rap Armored

Date of Aerial Photo: 10 Aug 03

NOTE: The extent of erosion shown on this figure is based on interviews with the community. This data has not been field verified. This figure is only intended to show areas of erosion, not rates or severity of erosion



Alaska District
Corps of Engineers
Civil Works Branch

Linear Extent of Erosion

Part 1



0 750 1,500 3,000 Feet
1 inch equals 1500 feet



Alaska Baseline Erosion

Homer, Alaska



NOTE: The extent of erosion shown on this figure is based on interviews with the community. This data has not been field verified. This figure is only intended to show areas of erosion, not rates or severity of erosion

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

Lord

3
4 **RESOLUTION 20-039**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 ESTABLISHING POLICY REGARDING THE CLEARING OF
8 VEGETATION WITHIN STREET RIGHT-OF-WAY BY THE PUBLIC
9 WORKS DEPARTMENT

10
11 WHEREAS, The City has received complaints over the years about vegetation removal
12 activities, including debris, noise, and scope of clearing in the rights of way; and

13
14 WHEREAS, The City Council approved Resolution 19-073(S) establishing an evaluation
15 team (consisting of two City Council members, the City Manager and appropriate staff) to
16 discuss and evaluate alternative right-of-way maintenance policy and address the following
17 issues of concern:

- 18
19 1. Drainage, snow storage and plowing, sight distances, utility operations and
20 maintenance, and equipment and emergency vehicle response
21 2. Steep slopes, traffic volumes, zoning districts, and property covenants
22 3. Debris cleanup and aesthetics, including landmark trees
23 4. Adjacent landowner concerns including timing and noise
24 5. Landowner maintenance options and opportunities
25 6. Legal rights and responsibilities of City and landowners, including enforcement
26 7. Cost of implementation: and

27
28 WHEREAS, Other issues to be evaluated by the team included, potential concerns in
29 areas of steep slopes, traffic volume, zoning classification, property covenants, cost, and what
30 is perceived as a current “one size fits all” approach; and

31
32 WHEREAS, The evaluation team examined opportunities to create a ROW maintenance
33 policy that maintains city infrastructure, promotes visibility and safety, is cost effective, and
34 appreciates adjacent landowner concerns (see Memorandum 20-048); and

35
36 WHEREAS, Retaining vegetation in the right-of-way that doesn’t interfere with
37 maintenance, visibility, and safety creates a more aesthetically pleasing community; and

38
39 WHEREAS, It is in the community’s best interest to have a policy for rights-of-way
40 clearing that is flexible and understandable; and

42 WHEREAS, On roads with subpar drainage and subsequent maintenance issues, HART
43 funds may be utilized by the neighborhood and the City for road improvements; and
44

45 WHEREAS, City residents should have the opportunity to maintain the rights-of-way in
46 front of their properties if that is of interest to them.
47

48 NOW, THEREFORE, BE IT RESOLVED that the City of Homer establishes the attached policy
49 titled "Policy-Vegetation Control in City Street Right-of-Way", for cutting, clearing, or removal
50 of vegetation located within public ROW by the Public Works Department.
51

52 PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____day of _____, 2020.
53

54 CITY OF HOMER
55

56
57 _____
58 KEN CASTNER, MAYOR
59

60 ATTEST:
61

62 _____
63 MELISSA JACOBSEN, MMC, CITY CLERK
64

65 Fiscal Note: N/A

City of Homer
Public Works Department
Policy - Vegetation Control in City Street Right-of-Way

Introduction: The intent of this policy is to document procedures under which vegetation control measures will be implemented by the Public Works Department within street rights-of-way within the City limits of Homer. This policy and the procedures described herein are meant to inform adjacent property owners regarding the purpose of brush cutting and tree clearing within street right-of-way and minimize the potential for conflict and misunderstanding.

The purpose of street right-of-way is to provide a corridor for vehicle and pedestrian access and utility access (water, sewer, electric, telephone, natural gas, cable). Associated with these uses is the need for drainage improvements (sometimes pipes and other times roadside ditches), access for emergency response vehicles (ambulance and fire trucks), access for road maintenance equipment (road graders and snowplows), and snow storage. Vegetative growth can impair sight distance, hiding stop signs, make driveway approaches and street intersection unsafe.

In the higher density development portion of town (central business district, commercial and urban residential), vegetation in street rights-of-way is often minimal or non-existent and adjacent property owners may take it upon themselves to cut grass and control vegetative growth. Drainage improvements are well established.

In less densely developed area (rural residential in particular), vegetation in the right-of-way is more pervasive. The roads in these areas were originally constructed to a lower standard and drainage improvements are less developed. The roads are not consistently centered within the right-of-way. Since they are generally located at higher elevations, they need more area for snow storage than areas at lower elevations.

There are generally two types of vegetation control measures completed by Public Works:

Brush Cutting: This term is used to describe the more routine vegetation removal operation completed by Public Works on most roads, in most years. It generally consists of “mowing” with the brush cutter areas on each side of the road to trim back grass, pushki, and newly sprouting small trees. It can also include “raking” of mature trees to remove branches that are overhanging the road or roadside ditches. This effort increases visibility along the road, improves drainage, and keeps vegetative growth under control.

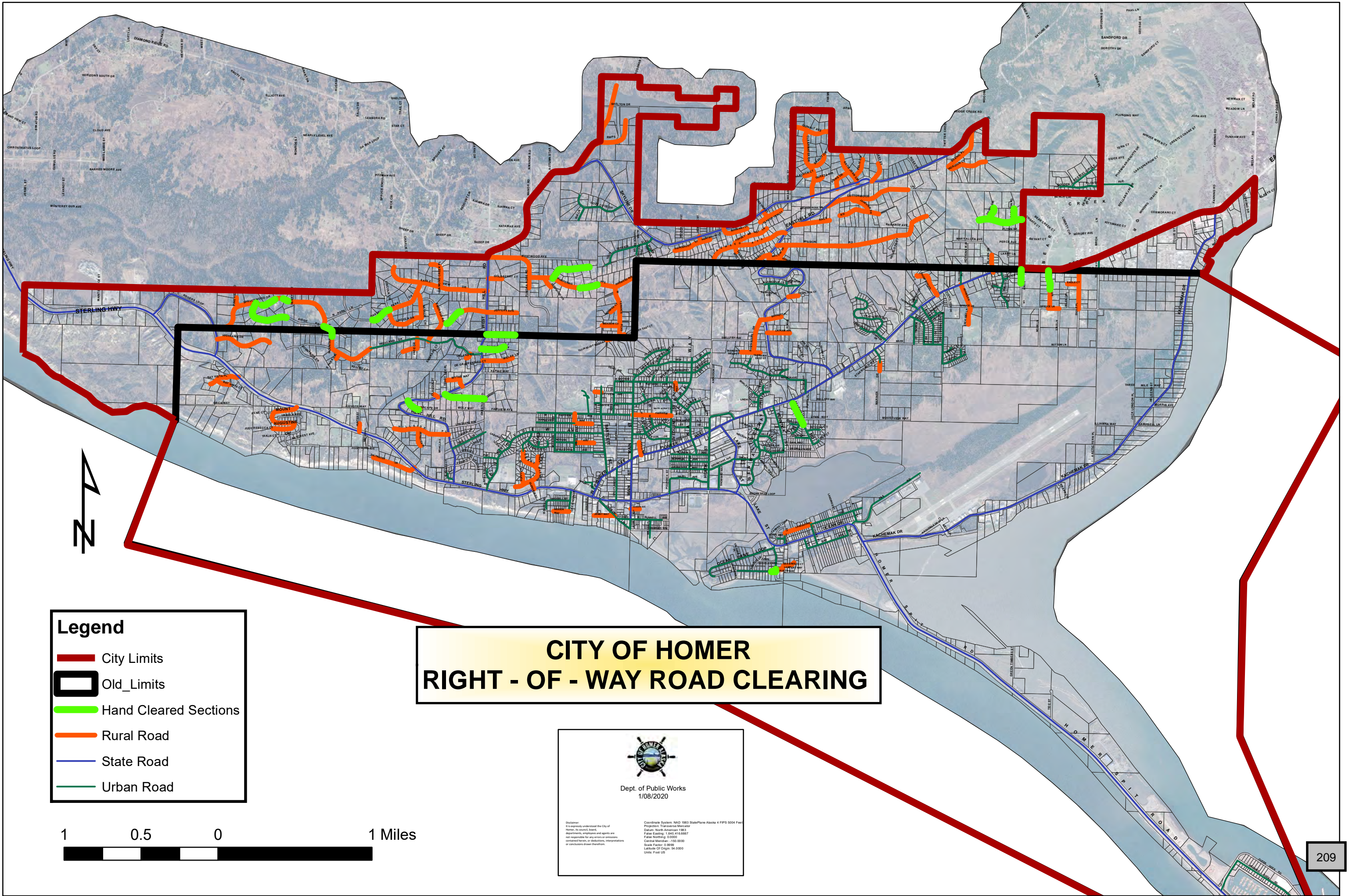
Right-of-Way Clearing: This term is used to describe a more robust operation. It results in the removal of mature trees and stumps. Right-of-way tree clearing is normally done by hand with a chain saw. This operation is usually the result of trees interfering with snow plowing equipment, access by emergency vehicles, or the creation of new drainage ditches/deepening (widening) of existing ditches. Rights of Way clearing will be restricted to what is necessary to ensure City road maintenance and public safety and must follow the procedures outlined below.

Procedures Prior To Initiating Brush Cutting: This operation is considered routine. Public Works will complete this work as time permits to maintain sight distances and positive drainage. When significant tree removal is involved, Public Works will comply with the procedures established for right-of-way clearing outlined below. Property owners may contact Public Works for criteria to maintain the vegetation in the right-of-way adjacent to their property. All brush clearing (including vertical) shall be restricted to what is necessary for road maintenance equipment, positive drainage, and safe sight distance.

Procedures Prior To Initiating Right-of-Way Clearing: Before implementing this type of vegetation control, the following procedures will be followed:

- 1) The Public Works Director shall approve in writing right-of-way maintenance work requiring tree removal.
- 2) The City will provide staking that clearly identify right-of-way limits.
- 3) The Public Works Roads Superintendent will contact adjacent property owners (door knocking, use of door hangers, phone calls) before initiating clearing operations.
- 4) Superintendent will meet with adjacent property owners on-site if possible and explain the need for the clearing. The property owners concerns will be taken into account. Operations will, to the extent reasonably possible, minimize negative impacts to the adjacent property owner(s).
- 5) Property owners will be given the opportunity to complete tree cutting or tree limbing, prior to Public Works completing the clearing/cutting.
- 6) Public Works will clear only those trees that interfere with approved maintenance work.
- 7) Firewood generated will be left for the adjacent property owner upon request.
- 8) 'Landmark trees' shall be saved whenever possible through practical modifications to the maintenance operation that limits increase costs to a reasonable level.

9) The Public Works Director will serve to arbitrate any disagreements.



Legend

- City Limits
- Old_Limits
- Hand Cleared Sections
- Rural Road
- State Road
- Urban Road

**CITY OF HOMER
RIGHT - OF - WAY ROAD CLEARING**



Dept. of Public Works
1/08/2020

Disclaimer:
It is expressly understood that the City of Homer, its council, board, departments, employees and agents are not responsible for any errors or omissions contained herein, or distortions, interpretations or conclusions drawn therefrom.

Coordinate System: NAD 1983 StatePlane Alaska 4 FIPS 5004 Feet
Projection: Transverse Mercator
Datum: North American 1983
False Easting: 1,640,416.6667
False Northing: 0.0000
Central Meridian: -150.0000
Scale Factor: 0.9999
Latitude Of Origin: 54.0000
Units: Foot US





City of Homer

www.cityofhomer-ak.gov

Homer City Council

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-3130

(f) 907-235-3143

Memorandum 20-047

TO: Mayor Castner and Homer City Council
FROM: Councilmember Rachel Lord
DATE: April 7, 2020
SUBJECT: Right of Way Policy

On October 14, 2019, City Council passed Resolution 19-073(S) which established a moratorium on cutting, clearing or removal of trees and vegetation in public rights-of-way. The original resolution (19-073) identified a problem surrounding the City's policies for ROW clearing; the substitute maintained the moratorium and created a policy team to work on solutions for the identified problems. The moratorium is in effect until May.

While the advent of Covid-19 has turned everything upside-down, the policy team had already met several times over the winter and developed a draft policy for Council's consideration. This resolution presents that policy and, if adopted by Council, will shift the City's ROW maintenance and clearing work to be 'as-needed'. This has been identified as less cost and time-effective for the City, however the community's desire for more green space and less clearing is identified and appreciated as a higher priority. This policy empowers landowners to maintain the ROW adjacent to their property with guidance from PW if desired, establishes a protocol for ROW clearing, and emphasizes reduced clearing for increased green space as possible while maintaining the City's responsibility for road maintenance and public safety. Good communication between the City and Citizens is critical for success, and Public Works should expand public outreach surrounding ROW maintenance alongside changes to policy and procedure.



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 20-048

TO: Marvin Yoder, Interim City Manager
FROM: Right-of-Way Clearing Evaluation Committee
THROUGH: Carey S. Meyer, City Engineer
DATE: April 6, 2020
SUBJECT: Evaluation of Alternative Right-of-Way Maintenance Policies

Homer City Council passed Resolution 19-073(S) which established a moratorium on cutting, clearing or removal of trees and vegetation in public rights-of-way. This moratorium remains in effect until an evaluation of alternative right-of-way maintenance policies can be completed by a Committee made up of two City Council members with staff support. The Committee has met several times to evaluate the following issues (as required in the Resolution):

1. Drainage, snow storage and plowing, sight distances, utility operations and maintenance, and equipment and emergency vehicle response,
2. Steep slopes, traffic volumes, zoning districts, and property covenants,
3. Debris cleanup and aesthetics, including landmark trees,
4. Adjacent landowner concerns including timing and noise,
5. Landowner maintenance options and opportunities,
6. Legal rights and responsibilities of City and landowners, including enforcement,
7. Cost of implementation.

Before presenting specific Committee evaluations, some definitions are in order:

Brush Cutting: This term describes the more routine vegetation removal operation completed by Public Works on most roads, in most years. It generally consists of “mowing” with the brush cutter areas on each side of the road to trim back grass, pushki, and newly sprouting small trees. It can also include “raking” of mature trees to remove branches that are overhanging the road or roadside ditches. This effort increases visibility along the road, improves drainage, and keeps vegetative growth under control. Routine “brush cutting” makes “right-of-way tree clearing” far less necessary.

Right-of-Way Clearing: This term describes a more robust operation. It results in the removal of mature trees and stumps. Right-of-way tree clearing is normally done by hand with a chain saw. This operation is usually the result of trees interfering with snow plowing equipment, the creation of new drainage ditches, deepening (widening) of existing ditches, or when tree raking (brush cutting) is not solving the problem.

A summary of the evaluation by the Committee of each issue is presented below:

1. *Drainage, snow storage and plowing, sight distances, utility operations and maintenance, and equipment and emergency vehicle response.*

From the Public Works perspective - Street right-of way is intended to serve the public and provide for safe road access, positive drainage, and a corridor for aboveground and underground utilities. Trees in the right-of-way can and do block sight distances, interfere with snow plowing/snow storage. Uncontrolled, trees can impede emergency vehicle response. Trees can also interfere with the maintenance of water mains, fire hydrants, sewer mains, gas mains, telephone and power lines, and cable facilities. In more rural areas, trees do interfere (and increase the cost of) the creation, maintenance, and operation of drainage improvements (roadside ditches). Roads in rural areas fail to sport heavy vehicles during wet periods, and benefit greatly from ditch maintenance/creation of new ditches.

From the Property Owners perspective – Trees along the front of their property can provide a visual buffer between them and the road. Removal of trees from the right-of-way (especially where no trees exist on the property) exposes these properties visually to the road and eliminates the privacy that the trees have provided. Trees can reduce ground water (uptake) and provide for erosion protection in steep areas. After brush cutting/tree clearing, debris and broken branches are not aesthetically pleasing. Property owners are unhappy that Public Works does not follow up with removal of a debris.

2. *Steep slopes, traffic volumes, zoning districts, and property covenants.*

In areas of the City that are steep, trees and vegetation can provide stability to slopes and protect them from erosion. These areas generally have steeper driveways and street intersection approaches that benefit from maintaining effective sight distances. Roads with higher traffic volumes and traffic speeds benefit more from good sight distances than lower volume/speed roads.

The zoning of a neighborhood can affect the need for and a property owner's attitude toward right-of-way tree clearing. In the Central Business District and Commercial zoning, the neighborhood is mostly developed to a higher density, trees and vegetation do not exist in the same way they do in other areas. Businesses value visibility from the road, more than other property owners do.

In residential zoning, more so in rural than in urban (but in urban too), lower development densities result in more trees and vegetation in street rights-of-way. In low-density neighborhoods, visual buffering and privacy can be more valued than in higher density development areas.

Subdivision Covenants sometimes establish restrictions to tree cutting and timber harvesting. Property owners within some subdivision neighborhoods, with these types of covenants, feel that trees within the right-of-way should not be cut at all. In the opinion of the City Attorney, these covenant restrictions do not apply to street rights-of-way.

3. Debris cleanup and aesthetics, including landmark trees.

Public Works uses mechanical equipment to complete brush cutting. After brush cutting, there is generally limited effort to clean up debris. Debris from mechanical equipment is normally cut up into small pieces. Tree racking can produce splintered branches and larger pieces. Branches left on the trees can also be splintered and are sometimes considered an eye sore.

From Brush Cutting Operations: The results from brush cutting (as defined above) can be unsightly. Additional resources beyond current levels would be needed to rectify this situation. Picking up larger splintered branches produced from raking and trimming splintered branches on the trees would require additional personnel. See below for details of cost implementation.

From Right-of-Way Clearing Operations: Right-of-way clearing (because it involves the removal of trees), can result in the need for a higher cleanup level of effort. If a property owner is interested in the firewood, Public Works will leave it for them. If not, crews remove all large debris. Ground disturbed due to root removal is returned to original grades. Wood chips, small branches and sawdust are normally left to reduce costs and provide temporary erosion control.

Public Works makes every effort to contact property owners adjacent to the work before any significant vegetation removal is completed, to provide warning and explain the need for the work. In most cases, property owner understands why the work is being done, even if they are not thrilled with the change. Survey control staking is in place to assure the owner that no trees on their property will be disturbed.

4. Adjacent landowner concerns including timing and noise.

Most landowners appreciate, or at least understand why, vegetation is being cut back or removed within the street right-of-way. As discussed in 1) above, some property owners are concerned about clearing of vegetation within the right-of-way because the trees provide a visual buffer between the road and their house.

Other concerns expressed by property owners include:

- 1) Unsightliness of raked back trees (splintered branches remain on trees)
- 2) Wood chips and broken branches left on the ground

Very few if any landowners have expressed concern regarding the timing of brush cutting (completed during the normal operating hours in summer months) or tree clearing (completed during late fall, early winter months).

5. Landowner maintenance options and opportunities.

Property owners are encouraged to control vegetation growth in the right-of-way in front of their homes or businesses. This occurs quite frequently in the central business district, commercial and urban residential neighborhoods.

If property owners hand cut grass, brush and trees in street right-of-way adjacent to their lots, the mechanical equipment used by Public Works will not be necessary.

Property owners should protect trees on their property that provide visual buffering between their homes and the road. Planting additional trees on their property will reduce their dependence of vegetation in the public right-of-way.

6. *Legal rights and responsibilities of City and landowners, including enforcement.*

According to Homer City Code (see recent Ordinances 16-51 and 19-27(S)), it is the City's right and responsibility to maintain street right-of-way and control vegetation within the right-of-way. Currently, Homer City Code does not establish legal rights or responsibility for landowners to maintain the street right-of-way adjacent to their property. Any work by a landowner in the street right-of-way requiring excavation or installation of a temporary or permanent structure would require a permit from the City. No permit is required for a property owner to cut or remove vegetation from the right-of-way adjacent to their property if ground is not disturbed.

Many communities require property owners to maintain the street right-of-way adjacent to their properties (including grass cutting; vegetation control; and snow removal, sanding, and construction/repair of sidewalks, etc.), but this is not the case in Homer.

Landowners should be encouraged to plant visual buffering vegetation on their properties and not depend on vegetation in street right-of-way.

A recent Supreme Court decision involving the Municipality of Anchorage sheds some light on their right to remove trees from the ROW. See Superior Court Case # S16678 attached to this memo.

7. Cost of Implementation.

Like any activity the Public Works undertakes, cost is an important consideration. Public Works completes routine brush cutting during the summer months. Right-of-way tree clearing is done in the late fall/winter when existing staff time permits (after summer maintenance efforts, but before the snow plowing/sanding season begins). This accomplishes the mission without the need for additional staff. Tree clearing is generally completed in preparation for ditching, to remove trees that are conflicting with snow plowing operations, or improve site distances.

The other consideration regarding cost, as it relates to brush cutting or tree clearing, is that when mobilizing to a street or neighborhood to complete work, Public Works cuts or clears all vegetation in that street or neighborhood, rather than just that portion that is needed at that time. Overall costs are reduced when crews do not have to mobilize to an area several times (year after year) to control vegetation.

In the case of brush cutting and tree clearing:

- 1) Brush cutting by Public Works is completed using mechanical equipment. This normally means a brush cutting attachment on a track-mounted excavator). To complete this work using hand tools would significantly increase the cost. It would require additional staff.
- 2) Tree clearing is generally done with hand tools.

In response to concerns expressed by the public regarding tree clearing by Public Works in street right-of-way, the committee looked at several operational changes that could minimize complaints from the public (and the costs associated):

- a) When responding to a street or neighborhood, only clear sections of trees that need to be cleared. This will not increase direct costs, but makes crews less efficient over time. There should be fewer complaints, since specific reasons can be provided to adjacent property owners for the tree removal, rather than its policy that clearing the entire street or neighborhood is policy.
- b) Property owners sometimes complain that the results of tree clearing or brush cutting is unsightly. This could be mitigated in several ways:
 - 1) Hire additional staff to assist in cleanup. The use of full time staff to complete seasonal, low skilled cleanup is not cost effective. The use of part time employees would be more cost effective. The use of seasonal parks employees might be a solution. All existing employees are fully engaged in their normal duties. Cost to hire additional workers 2 workers @ \$20/hr x 25 days = \$1,000. Plus cost of supervision = 8 hours x \$40/hr = \$320. Total cost \$1,320.
 - 2) Hydro seeding disturbed areas would significantly improve aesthetics and minimize potential for erosion after clearing/ditching operations. Estimated cost = \$7,500.

Additional Topics evaluated by the Committee:

A) Policy Of Other Municipalities

- 1) **Municipality of Anchorage** - Response provided by Lead Right of Way Enforcement Officer:

Does Anchorage have any formal or informal policy on ROW clearing short of mowing down all vegetation in the applicable ROW? Yes, any "use" of the right of way requires a right of way use permit. The Municipality of Anchorage will permit the approved scope of work within a public place. Title 24 addresses this in code. I will paste a definition list and a couple applicable code sections.

Are property owners responsible for maintaining the ROW in front of their property? Yes and No. MOA requires some commercial and businesses in specific zoning areas to keep the sidewalk adjacent to their property clear. I will paste the code section below. MOA has the final say on trees and brush in a public place. This is necessary for both safety re

as well as protection of infrastructure. I already provided the code section in an earlier email.

Are there best practices in place for landowners that address issues such as slope stability and how to make sure privacy vegetation buffers are on the property and not in the ROW? *This is done through code, Municipality of Anchorage Specifications and design Criteria Manual, and not policy. A 2:1 slope is permissible and any retaining wall over 4' requires an engineered design and permit through building safety. That addresses the issues on property. As MOA has management authority and ownership of the row and public use easement and use must be reviewed and permitted through the ROW Section. Any non-permitted use is subject to enforcement action and removal.*

Does Anchorage do any community education/outreach on ROW maintenance regarding either how to maintain, own, or why ROW maintenance is needed? *MOA has a website. In addition, our enforcement officers continually work with the public to Educate, Inform and Enforce. In that order.*

How does Anchorage inform property owners of upcoming ROW maintenance (flyers, knocking on doors, letters to residence, none)? *There is no requirement for MOA to notify property owners of maintenance or construction projects within a public place. There are however some who do. Our Project Management and Engineering project teams send out mailers to notify the public of upcoming construction projects performed for MOA. Our Street Maintenance delivers fliers to properties on large maintenance projects. Not on small projects where they are in and out quickly. Some utility companies' mail fliers and others do not. Small contractors doing water and sewer services seldom notify adjacent properties.*

2) **City of Ketchikan** - Response provided by Public Works Administrative Assistant

Does Ketchikan have any formal or informal policy on ROW clearing short of mowing down all vegetation in the applicable ROW? *Yes, most of our ROW is forested. Homeowner must get City Council approval to remove trees in the ROW.*

Are property owners responsible for maintaining the ROW in front of their property? *We do not have a formal regulation, but with good cause we can remove trees/vegetation in the ROW.*

Are there best practices in place for landowners that address issues such as slope stability and how to make sure privacy vegetation buffers are on the property and not in the ROW? *We have wall and slope standards, but the City does not have privacy buffers in place.*

Does Ketchikan do any community education/outreach on ROW maintenance regarding either how to maintain, own, or why ROW maintenance is needed? *We do not.*

How does Ketchikan inform property owners of upcoming ROW maintenance (flyers, knocking on doors, letters to residence, none)? Yes, we knock on doors and send letters if necessary.

Concerns of City Council Committee Members/Heart of the Problem

Council Member Evensen wanted to make sure the City is still able to maintain ditches. However, he felt like Homer has been surviving all this time w/o pro-active clearing. Evensen asked what the condition of the ditches are. Public Works Director Meyer said in higher density development areas they are in reasonably good shape; in lower density developed areas (especially the annexed areas), they need attention or ditches are non-existent.

Council Member Lord would like to see direction from Council that is less prescriptive. Essentially, she would like Public Works to have the authority and support of council but not work under the assumption that 100% of the ROW will be cleared edge to edge. Can we clear as needed instead of proactively? She suggested a general shift in philosophy “if the trees are not a problem, then PW won’t take them”. Council Member Lord Rachel wants to see what other communities are doing, improve land owner outreach for what they can do on their private property, focus on community education on maintaining ROW and why, and define best practices for private landowners with slope stability and buffers (what grows well, etc.).

Public Works Director Meyer provided a map that showed areas of significant street right-of-way clearing completed in the last 10 years (to the best of his knowledge). This map is attached. He acknowledged that the brush cutting/right-of-way clearing activities of the Public Works Department has been perceived by the Council as too aggressive (based on complaints received).

Public Works has no interest or budget to proactively clear trees from all street right-of-way just for the sake of clearing trees. Public Works has proactively attempted to remove trees using City crews that interfere with road maintenance equipment or remove trees to allow City crews to create ditching that in our opinion would dramatically improve road conditions.

He also acknowledged that the community has established a HART fund that subsidizes road improvements to dramatically improve road conditions. Maybe Public Works should rely on HART assessments to solve road stability concerns, rather than using the City’s operating budget.

Mr. Meyer also talked about how expensive it is to mobilize equipment to an area. Public Works does complete some additional clearing in a neighborhood that may not be immediately necessary to efficiently use equipment and labor. Remobilizing next year to take care of what could be dealt with today may not be what the community and the Council want. This could be a part of any ROW clearing policy. He also stated that once you clear some trees, the ones around it are subject to failure from wind, etc. – and this too should be dealt with in any new policy.

Recommendation:

Attached is the draft policy developed by the Committee that would, if approved by the City Council, guide Public Works in its efforts to maintain rights-of-way within the City limits and document standard procedures for the public.