

Kenai Airport Commission Regular Meeting June 12, 2025 - 6:00 PM Kenai City Hall - Council Chambers 210 Fidalgo Ave., Kenai, AK 99611 *Telephonic/Virtual Information on Page 2*

Agenda

A. CALL TO ORDER

- 1. Pledge of Allegiance
- 2. Roll Call
- 3. Agenda Approval
- B. <u>SCHEDULED PUBLIC COMMENTS</u> (Public comments limited to ten (10) minutes per speaker)
 - 1. Bronze Bears Project, Mary Bondurant and Christine Cunningham
- **C.** <u>UNSCHEDULED PUBLIC COMMENT</u> (Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated)

D. APPROVAL OF MINUTES

1. May 8, 2025 Regular Meeting Minutes Page 3

E. UNFINISHED BUSINESS

F. <u>NEW BUSINESS</u>

- Discussion/Recommendation Recommending Council Approve a Special Use Permit with UPSCO United Parcel Service for Aircraft Parking.
 Page 18

G. <u>REPORTS</u>

- 1. Airport Manager
- 2. Commission Chair
- 3. City Council Liaison..... Page 56
- H. <u>ADDITIONAL PUBLIC COMMENTS</u> (Public comments limited to five (5) minutes per speaker)

I. NEXT MEETING ATTENDANCE NOTIFICATION - July 10, 2025

J. COMMISSIONER COMMENTS AND QUESTIONS

K. ADJOURNMENT

L. INFORMATION ITEMS

1. Administrative Report Page 62

Registration is required to join the meeting remotely through Zoom. Please use the link below to register:

https://us02web.zoom.us/meeting/register/FEPGpO57Tcep9uaFzdWO8A

The agenda and agenda items are posted on the City's website at <u>www.kenai.city</u>. Copies of the agenda items are available at the City Clerk's Office or outside of Council Chambers prior to the meeting. Please contact the Airport Manager at 907-283-7951 for additional details.

COMMISSIONERS, PLEASE CONTACT US IF YOU WILL NOT BE ABLE TO ATTEND THE MEETING

KENAI AIRPORT COMMISSION – REGULAR MEETING MAY 8, 2025 – 6:00 P.M. KENAI CITY COUNCIL CHAMBERS 210 FIDALGO AVE., KENAI, AK 99611 CHAIR GLENDA FEEKEN, PRESIDING

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Airport Commission was held on May 8, 2025, in the Kenai City Council Chambers, Kenai, AK. Chair Feeken called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present: Glenda Feeken, Chair James Bielefeld Dan Knesek

Paul Minelga, Vice Chair Jacob Caldwell James Zirul

A quorum was present.

Absent:

Cody Whicker

Also in attendance were:

Derek Ables, Airport Manager Sarah Conley, Airport Administrative Assistant Phil Daniel, City Council Liaison **Joshua Bolling, Student Representative

3. Agenda Approval

MOTION:

Vice Chair Minelga **MOVED** to approve the agenda as presented. Commissioner Caldwell **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED**.

B. SCHEDULED PUBLIC COMMENTS - None.

C. UNSCHEDULED PUBLIC COMMENTS - None.

D. APPROVAL OF MINUTES

1. April 10, 2025 Regular Meeting Minutes

MOTION:

Commissioner Bielefeld **MOVED** to approve the April 10, 2025 Airport Commission minutes. Commissioner Knesek **SECONDED** the motion.

VOTE: There being no objection; SO ORDERED.

E. <u>UNFINISHED BUSINESS</u> – None.

F. <u>NEW BUSINESS</u>

1. **Discussion/Recommendation** - Recommending Council Award a Special Use Permit to Empire Airlines for 11250 square feet of apron space for aircraft parking.

MOTION:

Commissioner Caldwell **MOVED** to recommend City Council award a Special Use Permit to Empire Airlines for 11250 square feet of apron space for aircraft parking. Commissioner Bielefeld **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED**.

2. **Discussion/Recommendation** – Recommending Council Approve the First Amendment to the Agreement for ATM Services with Tyler Distributing Company, Inc.

MOTION:

Commissioner Knesek **MOVED** to recommend City Council approve the First Amendment to the Agreement for ATM Services with Tyler Distributing Company, Inc. Commissioner Caldwell **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED**.

3. **Discussion/Recommendation** – Recommending Council Award a contract for Janitorial Services for the Airport Terminal.

MOTION:

Commissioner Caldwell **MOVED** to recommend City Council award a contract for Janitorial Services for the Airport Terminal. Commissioner Bielefeld **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED**.

G. <u>REPORTS</u>

- 1. Airport Manager Airport Manager Ables reported on the following:
 - Kenai Peninsula Air Fair is June 14.
 - Aleutian Airlines starts flying June 6.
 - Part 139 Inspection took place this week.
- 2. Commission Chair Chair Feeken encouraged everyone to attend the Kenai Peninsula Air Fair.
- 3. City Council Liaison Council Member Daniel reported on recent actions of the City Council.

[Clerk's Note: Commissioner Zirul arrived 6:09 p.m.]

H. ADDITIONAL PUBLIC COMMENTS - None.

I. NEXT MEETING ATTENDANCE NOTIFICATION – June 12, 2025

Commissioner Knesek noted he may attend remotely.

J. COMMISSION QUESTIONS AND COMMENTS

Vice Chair Minelga asked about the inspection; it was reported that it went well.

K. ADJOURNMENT

L. INFORMATIONAL ITEMS

1. Administrative Report

There being no further business before the Airport Commission, the meeting was adjourned at 6:12 p.m.

I certify the above represents accurate minutes of the Airport Commission meeting of May 8, 2025.

Meghan Thibodeau Deputy City Clerk

** The student representative may cast advisory votes on all matters except those subject to executive session discussion. Advisory votes shall be cast last in the roll call order and shall not affect the outcome of the official commission vote. Advisory votes shall be recorded in the minutes. A student representative may not move or second items during a commission meeting.



"Serving the Greater Kenai Península"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611 TELEPHONE 907-283-7951 FAX 907-283-3737

Memo

То:	Airport Commission
From:	Derek Ables – Airport Manager
Date:	June 5, 2025
Subject:	Airline Operating Agreement at the Kenai Municipal Airport

City Administration worked with an airline consultant to negotiate a five-year agreement that beings July 1, 2025 through June 30, 2030. The City administration also met with the airlines to discuss the 6th amendment.

The first year of the agreement has no rate increases. Each of the subsequent four years starting July 1, 2026 includes a 5% increase to the Exclusive Space, Joint Use Space, Apron/GSE Rental Rate, and Landing Fee. Each year also includes an 18% subsidy during the winter months and 6% Subsidy during the summer months. The City shall also calculate the actual allocated joint used space rental amounts based on actual passenger enplanement for the fiscal year.

Does Commission recommend Council approve the 6th Amendment to the Airline Agreement and Terminal Area Lease Authorizing the City to Enter Into such an Agreement with Grant Aviation, Kenai Aviation, and Aleutian Airways?

Attachments- 6th Amendment

SIXTH AMENDMENT TO THE KENAI MUNICIPAL AIRPORT AIRLINE OPERATING AGREEMENT AND TERMINAL AREA LEASE

THIS SIXTH AMENDMENT to the Kenai Municipal Airport Airline Operating Agreement and Terminal Area Lease (the "Sixth Amendment") is made and entered into this ______ day of ______, 2025, by and between the City of Kenai, Alaska (the "City"), a political subdivision of the State of Alaska, and _______ ("Airline"), a corporation organized and existing under the laws of the State of ______ and authorized to do business in the State of Alaska.

RECITALS

The circumstances surrounding the making of this Sixth Amendment are as follows:

A. City and Airline are parties to the Airline Operating Agreement and Terminal Area Lease (the "Agreement") dated June 1, 2008 as amended by the First Amendment dated June 1, 2013, Second Amendment dated July 1, 2016, Third Amendment dated July 1, 2019, Fourth Amendment dated July 1, 2020, and Fifth Amendment dated April 20, 2022 (herein referred to as the "Agreement"), under which Airline operates an Air Transportation business and leases property at the Kenai Municipal Airport.

B. Pursuant to Section 12.20 of the Agreement, the Agreement may be amended in whole or in part without further consideration upon mutual written consent of City and Airline who both herein wish to amend the Agreement.

C. Pursuant to Section 2.1 of the Agreement, the term originally began on June 1, 2008 and pursuant to Amendments is set to expire to June 30, 2025 unless further amended.

D. Pursuant to Section 5.2 of the Agreement, the Landing Fee charges shall be based on the rate and amount then currently approved by the City as provided in Exhibit C.

E. Pursuant to Section 5.3 of the Agreement, rentals for the Airline's Exclusive Use Space and Joint Use Space shall be based on the rate and amount then currently approved by the City as provided in Exhibit C.

F. Pursuant to Section 5.4 of the Agreement, the Terminal Apron Aircraft Parking and GSE Space rentals shall be based on the rate and amount then currently approved by the City as provided in Exhibit C.

AMENDMENTS

1. Section 1.1.17 of the Agreement is amended to read in its entirety as follows:

"Signatory Airline(s)" shall mean those primarily commercial passenger service airlines which provide Air Transportation pursuant to published schedules over specified routes to and from the Airport and which hold the necessary authority from the FAA to provide such transportation and that have executed substantially similar agreements to this Agreement with the City, including term, covering the lease, use and occupancy of facilities at the Airport. A Signatory Airline or an Affiliate of such airline must lease Exclusive Use Space at the passenger terminal building, subject to the availability of space solely determined at the discretion of the City and must operate at least weekly service to the Airport on a year-round basis. Except as otherwise provided herein, no Signatory Airline shall have any right pursuant to this Agreement to object to the City's entry into the Agreement with any other airline.

2. Section 2.1 of the Agreement is amended to read in its entirety as follows:

The term of this amended Agreement (the "Term") shall begin on July 1, 2025 ("Commencement Date") and shall terminate on June 30, 2030 (except as it may be terminated or extended in accordance with this Agreement), and the rentals, fees, and charges shall be effective on the Commencement Date, but only in the event that the Premises are then tendered to Airline ready for use and occupancy in accordance with the terms and provisions of this Agreement.

3. Section 5.3.3 of the Agreement is amended to read in its entirety as follows:

5.3.3 At any time during the current Fiscal Year, the City may decide in its sole discretion to adjust projected enplanements for the current Fiscal Year provided in Exhibit C. Such adjustment will result in calculated adjustments to the Airline's allocated joint use space rental amounts for the remainder of the current Fiscal Year to reflect the Airline's percent of total enplanements resulting from the City's revised enplanement projection. However, if only one commercial passenger airline provides service to the Airport for the remainder of the current Fiscal Year, such adjusted percentage shall not exceed 50% of total projected enplanements for the current Fiscal Year.

4. Section 5.3 of the Agreement is amended to include a new subsection 5.3.5 as follows:

5.3.5 Reconciliation of Prior Year Joint Space Rental Allocations - Within sixty (60) days of the end of each Fiscal Year of the Agreement, the City shall calculate the actual allocated joint use space rental amounts based on actual passenger enplanements for the preceding Fiscal Year. The City shall then calculate the amounts of joint use space rental amounts that should have been paid by each of the Signatory Airlines during the preceding Fiscal Year based on such actual passenger enplanements following the

calculation methodology provided in Exhibit C. Amounts paid by Signatory Airlines in excess of actual requirements (surpluses) shall be refunded by the City to the Signatory Airlines that conducted Air Transportation operations at the Airport during the preceding Fiscal Year within twenty (20) days of the City's completion of the reconciliation calculation. The City shall prepare and transmit invoices to the Signatory Airlines that conducted Air Transportation operations at the Airport for amounts actually required in excess of amounts paid (deficits) within twenty (20) days of the City within twenty (20) days of the reconciliation of the reconciliation of the reconciliation operations. Airline shall then pay the City within twenty (20) days of the invoice date.

If any Signatory Airline's Agreement is terminated for any reason prior to the end of Term specified in Section 2.1, the City in its sole discretion may conduct a reconciliation calculation as described in this Section 5.3.5 as of the early termination date.

Under this Section 5.3.5, obligations of the City and the Signatory Airline shall survive the expiration or earlier termination of this Agreement. Further, the City shall have the right of offset for any reconciliation amounts it owes to the Airline against any other obligation of the Signatory Airline to the City that is unpaid.

5. Section 10.2.3 of the Agreement is amended to read in its entirety as follows:

Airline may terminate this agreement if Airline terminates its Air Transportation business at the Airport, at any time that Airline is not in default in its payments or other obligations to City hereunder, by giving the Manager one-hundred eighty (180) days advance written notice. Airline termination shall not be effective unless and until at least one-hundred eighty (180) days have elapsed after written notice to City specifying the date upon which such termination shall take effect.

- 6. Exhibit C Airline Rate Schedule: Rental rates and fees for the first year of the Agreement (Fiscal Year July 1, 2025 through June 30, 2026) will reflect no increases from the prior year. For each subsequent Fiscal Year (July 1 through June 30) of the Agreement, the Exclusive Space Annual Rental Rate, the Joint Use Space Annual Rental Rate, the Apron/GSE Annual Rental Rate, and Signatory Landing Fee in Exhibit C will reflect a 5% annual increase. For every year of the Agreement, rental rates for Joint Use Space will be subsidized by 18% during the six month period October through March (the "winter" months) and rental rates for Joint Use Space will be subsidized by 6% during the six month period April through September (the "summer" months).
- 7. All other terms and conditions of the Agreement shall continue in full force and effect except as modified by this Sixth Amendment.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, the day and year stated in the individual acknowledgments below.

CITY OF KENAI

By: ____

Terry Eubank Its: City Manager By: _____ First Last Name Its:

•

(If Lessee is a Corporation) ATTEST:

Name

Title

Sixth Amendment - Airline Operating Agreement and Terminal Area Lease

LESSOR _____ LESSEE ____ STATE OF ALASKA

)) ss)

SS

THIRD JUDICIAL DISTRICT

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Terry Eubank, City Manager of the City of Kenai, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska My Commission expires:_____

STATE OF ALASKA

THIRD JUDICIAL DISTRICT

THIS IS TO	CERTIFY the f	oregoing instrument	was acknowledged	before me this
day of	, 2025, by		, President of	, an
Alaska corporation,	on behalf of the	corporation.		

Notary Public in and for Alaska My Commission expires:_____

Approved by Kenai City Council

Approved as to lease form by City Attorney _____

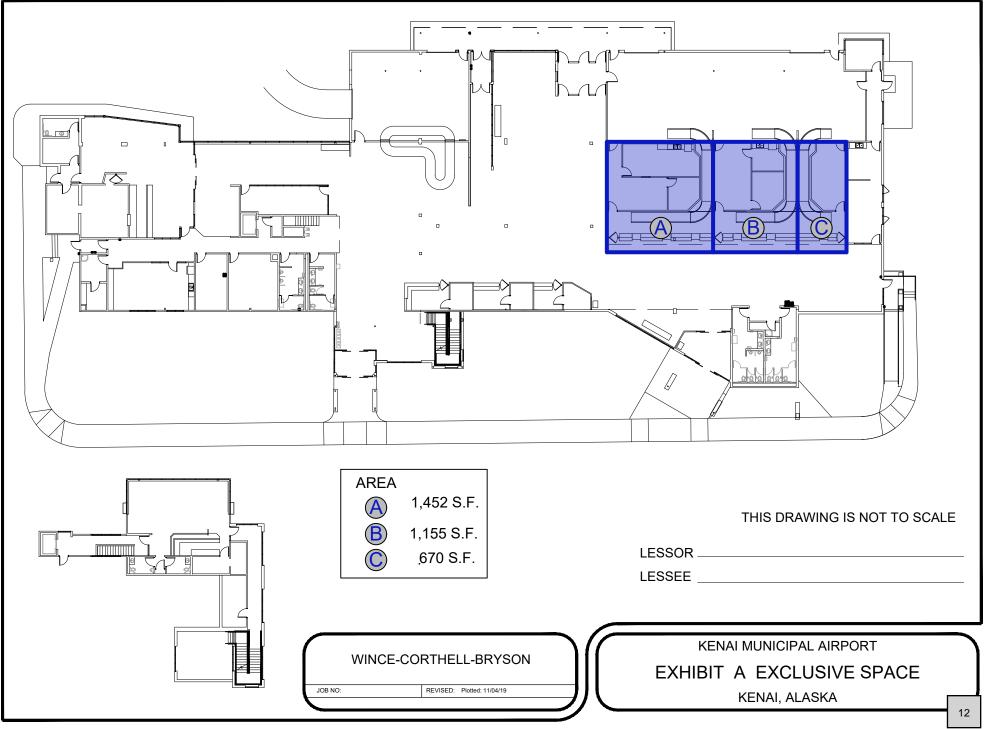
Approved by Finance Director

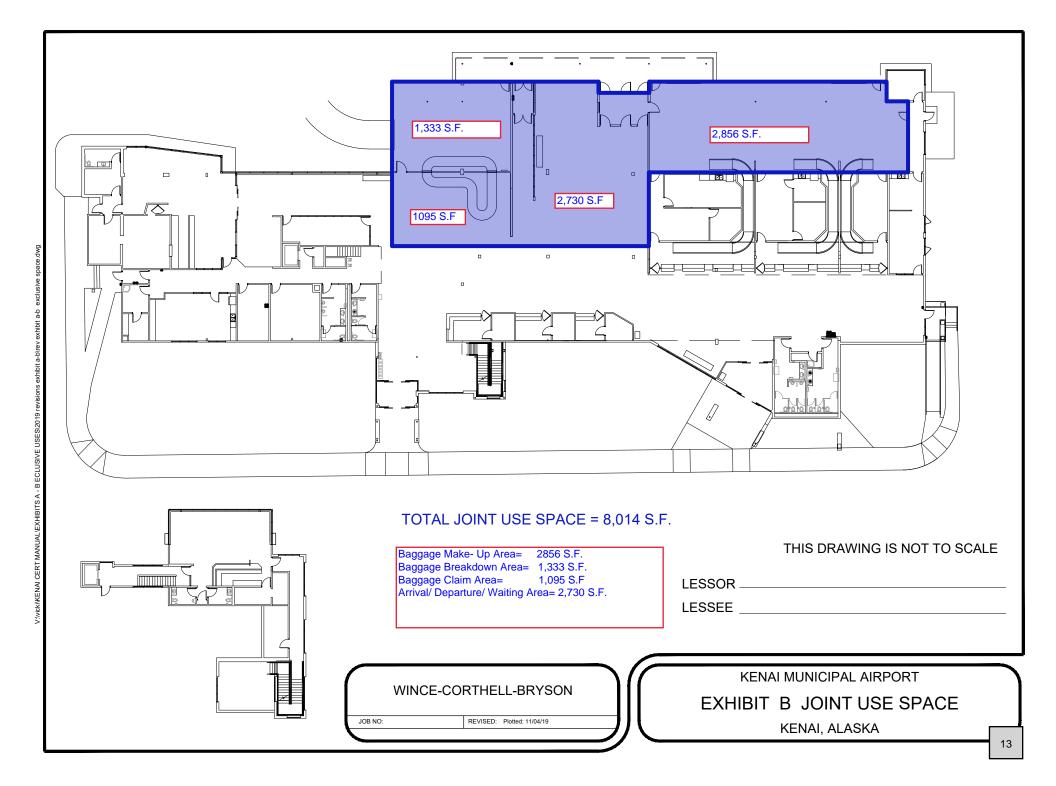
Approved by City Manager

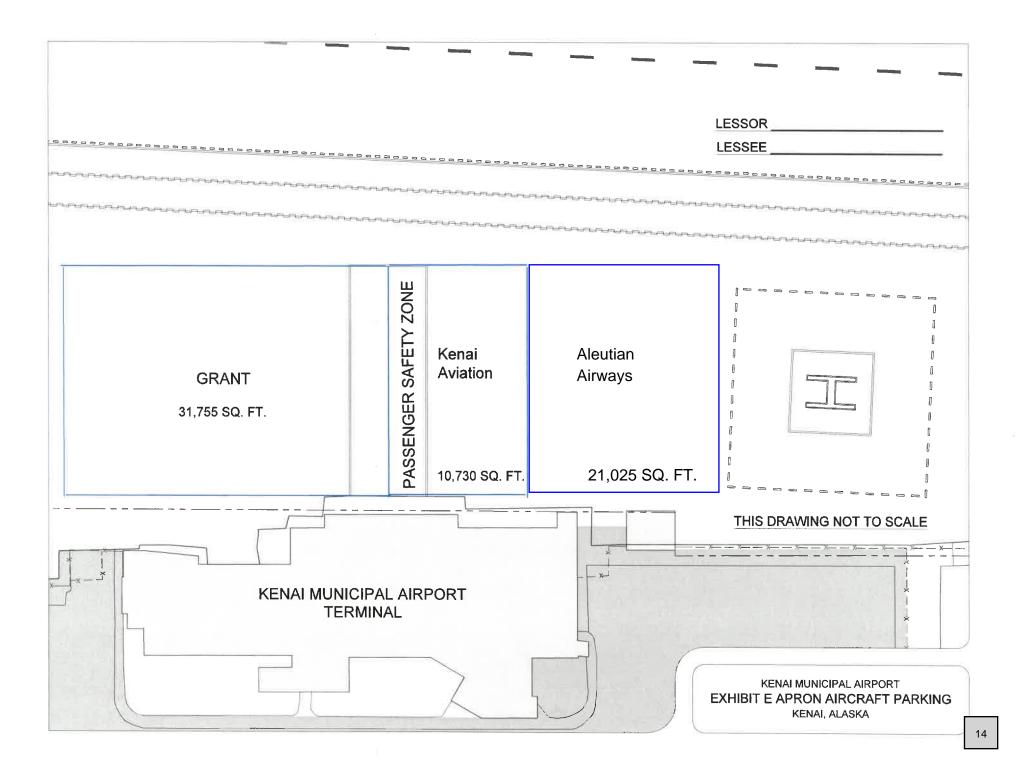
Return to: City Clerk 210 Fidalgo Ave. Kenai, AK 99611

Sixth Amendment - Airline Operating Agreement and Terminal Area Lease

LESSOR _____ LESSEE ____







Kenai Municipal Airport

Exhibit C - Aleutian Year 1

			Landed Wgt				
Agreement Year 1 - July 1, 2025 > June 30, 2026	0.0% <growth< th=""><th></th><th>Projections</th><th>Enplan</th><th>ns</th><th></th></growth<>		Projections	Enplan	ns		
Exclusive Space Annual Rate/Sq Ft.	\$ 41.15		(1,000#s)	Total	Winter	Summer	
Joint Use Space #2 Annual Rate/Sq Ft.	\$ 24.94	Grant	73,755	55,628	27,814	27,814	57.71
Joint Use Space #1 Annual Rate/Sq Ft.	\$ 41.15	Aleutian	35,405	20,951	10,476	10,476	21.73
Apron/GSE Space Rent	\$ 0.64	Kenai	37,703	19,821	9,911	9,911	20.56
Signatory Landing Fee/(1,000#s)	\$ 2.07	Tenant 4	-	-	-		0.00
			146,863	96,400	48,200	48,200	100.00
Joint Rent Subsidy % Winter (October>March)	18%						
Joint Rent Subsidy % Summer (April>September)	6%						

Aleutian Airways

Area Description	Leased / Used Space (sqft)	Base Rental Rate (psfpy)	Projected Enp Pax %	Allocated Joint Rental Amount	Joint Rent Subsidy Reduction Winter	R	oint Rent Subsidy eduction Summer	Total Winter Rental Amount	r To	otal Summer Rental Amount	al Annual Rental Amount	A	Ionthly Rental mount Winter	F A	lonthly Rental mount ummer
Terminal Rent															
Exclusive use space:															
Room A	1,155	\$ 41.15									\$ 47,528	Ş	3,961	Ş	3,961
Joint Use Space:					Dassonger	Enpla	nements >>	10,476	=	10,476					
Area #1					•		er Split % >>	50.00		50.00%					
Baggage claim area	1,095	\$ 41.15	21.73%	\$ 9,793	\$ (1,763)		(588)				8,618	\$	669	\$	767
Passenger hold room, arrival & departure area	,	\$ 41.15	21.73%	. ,	(4,395)		(1,465)			-	\$ 21,485		1,668	\$	1,913
Total Joint Use Space Area #	L				\$ (6,157)	\$	(2,052)	\$ 14,025	5 \$	5 16,078	\$ 30,103	\$	2,338	\$	2,680
Area #2															
Baggage make-up area	2,856	\$ 24.94	21.73%	\$ 15,480	\$ (2,786)	\$	(929)	\$ 6,347	7\$	5 7,276	\$ 13,623	\$	1,058	\$	1,213
Baggage breakdown area	1,333	\$ 24.94	21.73%	\$ 7,225	\$ (1,301)	\$	(434)	\$ 2,962	2 \$	3,396	\$ 6,358	\$	494	\$	566
Total Joint Use Space Area #2	2				\$ (4,087)	\$	(1,362)	\$ 9,309) \$	10,672	\$ 19,981	\$	1,552	\$	1,779
Total Terminal Ren	t										\$ 97,612	\$	7,850	\$	8,419
Terminal Apron/GSE Space Rent	21,025	\$ 0.64									\$ 13,456	<u>\$</u>	1,121	<u>\$</u>	1,121
Total Terminal & Apron/GSE Space Rent											\$ 111,068	\$	8,971	\$	9,540
	Projected Landed Wgt (1,000#s)	Landing Fee Rate													
Landing Fees	35,405	\$ 2.07									\$ 73,288	\$	6,107	\$	6,107
Aleutian - Total Rents and Fees											\$ 184,357	\$	15,078	\$	15,648
Cost per enplaned passenger											\$ 8.80				

Kenai Municipal Airport

Exhibit C - Grant Year 1

			Landed Wgt				
Agreement Year 1 - July 1, 2025 > June 30, 2026	0.0% <growth< th=""><th></th><th>Projections</th><th>Enplan</th><th>ns</th><th></th></growth<>		Projections	Enplan	ns		
Exclusive Space Annual Rate/Sq Ft.	\$ 41.15		(1,000#s)	Total	Winter	Summer	
Joint Use Space #2 Annual Rate/Sq Ft.	\$ 24.94	Grant	73,755	55,628	27,814	27,814	57.71
Joint Use Space #1 Annual Rate/Sq Ft.	\$ 41.15	Aleutian	35,405	20,951	10,476	10,476	21.73
Apron/GSE Space Rent	\$ 0.64	Kenai	37,703	19,821	9,911	9,911	20.56
Signatory Landing Fee/(1,000#s)	\$ 2.07	Tenant 4	-	-	-		0.00
			146,863	96,400	48,200	48,200	100.00
Joint Rent Subsidy % Winter (October>March)	18%						
Joint Rent Subsidy % Summer (April>September)	6%						

Grant Aviation

Area Description	Leased / Used Space (sqft)	Base Rental Rate (psfpy)	Projected Enp Pax %	Allocate Joint Rent Amount	al	Joint Rent Subsidy Reduction Winter	Joint Rent Subsidy Reduction Summer	Total Winter Rental Amount	Total Summ Rental Amount		otal Annual Rental Amount	I A	Ionthly Rental mount Winter	R Ar	onthly ental mount mmer
Terminal Rent															
Exclusive use space:															
Room A	1,452	\$ 41.15								\$	59,750	\$	4,979	\$	4,979
Joint Use Space:															
						Passenger	Enplanements >>	27,814	27,81	4					
Area #1						Winter/S	ummer Split % >>	50.00%	50.00	1%					
Baggage claim area		\$ 41.15	57.71%	- / -)2 \$	(4,680)					22,881		1,777	\$	2,037
Passenger hold room, arrival & departure area	2,730	\$ 41.15	57.71%	\$ 64,8	26 <u>\$</u>	(11,669)	\$ (3,890)	<u>\$</u> 26,579	\$ 30,46	<u>8</u>	57 <i>,</i> 047	\$	4,430	\$	5,078
Total Joint Use Space Area #	1				\$	(16,349)	\$ (5,450)	\$ 37,239	\$ 42,68	9\$	79,928	\$	6,207	\$	7,115
Area #2															
Baggage make-up area	2,856	\$ 24.94	57.71%	\$ 41,1	D3 \$	(7,398)	\$ (2,466)	\$ 16,852	\$ 19,31	8\$	36,170	\$	2,809	\$	3,220
Baggage breakdown area	1,333	\$ 24.94	57.71%	\$ 19,1	34 <u>\$</u>	(3,453)	\$ (1,151)	<u>\$</u> 7,866	\$ 9,01	7 \$	16,882	\$	1,311	\$	1,503
Total Joint Use Space Area #	2				\$	(10,852)	\$ (3,617)	\$ 24,718	\$ 28,33	5\$	53,053	\$	4,120	\$	4,722
Total Terminal Ren	t									\$	192,731	\$	15,305	\$	16,816
Terminal Apron/GSE Space Rent	31,755	\$ 0.64								<u>\$</u>	20,323	<u>\$</u>	1,694	<u>\$</u>	1,694
Total Terminal & Apron/GSE Space Rent										\$	213,054	\$	16,999	\$	18,510
Landing Fees	Projected Landed Wgt (1,000#s) 73,755	Landing Fee Rate \$2.07								Ś	152,673	Ś	12,723	Ś	12,723
-	,									<u>.</u>	· · · ·	<u>.</u>	<u> </u>	<u>.</u>	<u> </u>
Grant - Total Rents and Fees										\$	365,727	\$	29,722	\$	31,233
Cost per enplaned passenger										\$	6.57				

Kenai Municipal Airport

Exhibit C - Kenai Year 1

			Landed Wgt				
Agreement Year 1 - July 1, 2025 > June 30, 2026	0.0% <growth< th=""><th></th><th>Projections</th><th>Enplan</th><th>ns</th><th></th></growth<>		Projections	Enplan	ns		
Exclusive Space Annual Rate/Sq Ft.	\$ 41.15		(1,000#s)	Total	Winter	Summer	
Joint Use Space #2 Annual Rate/Sq Ft.	\$ 24.94	Grant	73,755	55,628	27,814	27,814	57.71
Joint Use Space #1 Annual Rate/Sq Ft.	\$ 41.15	Aleutian	35,405	20,951	10,476	10,476	21.73
Apron/GSE Space Rent	\$ 0.64	Kenai	37,703	19,821	9,911	9,911	20.56
Signatory Landing Fee/(1,000#s)	\$ 2.07	Tenant 4	-	-	-	-	0.00
			146,863	96,400	48,200	48,200	100.00
Joint Rent Subsidy % Winter (October>March)	18%						
Joint Rent Subsidy % Summer (April>September)	6%						

Kenai Aviation

Area Description	Leased / Used Space (sqft)	Base Rental Rate (psfpy)	Projected Enp Pax %	Allocated Joint Rental Amount		Joint Rent Subsidy Reduction Winter	Joint Rent Subsidy Reduction Summer	Re	Winter ntal ount	Total Summer Rental Amount		tal Annual Rental Amount	R	onthly tental mount Vinter	F A	lonthly Rental mount ummer
Terminal Rent																
Exclusive use space:																
Room A	670	\$ 41.15									\$	27,571	Ş	2,298	Ş	2,298
Joint Use Space:																
							nplanements >>		9,911	9,911						
Area #1	4 005	¢ 44.45	20 5 60/	¢ 0.265	÷	-	nmer Split % >>		50.00%	50.00%		0.452	~	622	÷	700
Baggage claim area Passenger hold room, arrival & departure area	1,095 2,730	\$ 41.15 \$ 41.15	20.56% 20.56%	, ,		(1,668) (4,158)			3,799 9,470			8,153 20,327	\$ \$	633 1,578	\$ \$	726 1,809
o , 1	,	\$ 41.15	20.50%	\$ 25,098	<u>></u> \$		· · · · · · · · · · · · · · · · · · ·	-		<u> </u>	_		<u> </u>		<u> </u>	
Total Joint Use Space Area #1					Ş	(5,825)	\$ (1,942)	Ş	13,269	\$ 15,211	Ş	28,480	Ş	2,211	Ş	2,535
Area #2																
Baggage make-up area	2,856	\$ 24.94	20.56%	\$ 14,645	\$	(2,636)	\$ (879)	\$	6,005	\$ 6,883	\$	12,888	\$	1,001	\$	1,147
Baggage breakdown area	1,333	\$ 24.94	20.56%	\$ 6,836	\$	(1,230)	\$ (410)	\$	2,803	\$ 3,213	\$	6,015	\$	467	\$	535
Total Joint Use Space Area #2					\$	(3,867)	\$ (1,289)	\$	8,807	\$ 10,096	\$	18,903	\$	1,468	\$	1,683
Total Terminal Rent											\$	74,953	\$	5,977	\$	6,515
Terminal Apron/GSE Space Rent	10,730	\$ 0.64									\$	6,867	<u>\$</u>	572	<u>\$</u>	572
Total Terminal & Apron/GSE Space Rent											\$	81,821	\$	6,549	\$	7,088
Landing Fees	Projected Landed Wgt (1,000#s) 37,703	Landing Fee Rate \$2.07									\$	78,045	\$	6,504	\$	6,504
Kenai - Total Rents and Fees											\$	159,866	\$	13,053	\$	13,591
Cost per enplaned passenger											\$	8.07				



MEMORANDUM

то:	Airport Commission
THROUGH:	Derek Ables, Airport Manager
FROM:	Sarah Conley, Airport Administrative Assistant
DATE:	June 4, 2025
SUBJECT:	UPSCO United Parcel Service Special Use Permit

UPSCO United Parcel Service is requesting a Special Use Permit for aircraft parking and loading on approximately 4,000 square feet of apron space adjacent to their lease lot.

This permit would be effective for 12 months, from July 1, 2025 through June 30, 2026.

UPSCO United Parcel Service Co. INC is current on all fees owed to the City and a current Certificate of Insurance is on file.

Does Commission recommend Council approve the Special Use Permit to UPSCO United Parcel Service?

Attachments- Application, Exhibit A, Special Use Permit Draft

X		City of Ken Special Use P Applicatio	ermi	t							
KENA	Sec.				Applica	tion Date:	06/04/20	025			
		Applica	nt Info	rmation				(EAL)			
Name of Applicant:	UPSCO Unit	ed Parcel Serv	ice		1993 B 1998						
Mailing Address:			City:	Anchorage	State:	AK	Zip Code:	99502			
Phone Number(s):	Home Phone: (]		Work/ Message	Phone:	(]	11				
E-mail: (Optional)											
Name to Appear on	Permit: UP	SCO United Pa	arcel	Service							
Mailing Address:	1		City:	Anchorage	State:	AK	Zip Code:	99502			
Phone Number(s):	Home Phone: (}		Work/ Message				-			
E-mail: (Optional)		,				<u> </u>					
Type of Applicant:		□ Individual (at least 18 years of age) □ Partnership ■ Corporation □ Government □ Limited Liability Company (LLC) □ Other									
Legal or physical de Description of the pr			l: Sma	II package sort	ing and	dispatch.	54				
is the area to be use the same or similar	products or servic	es upon a fixed loo	ation	2				NO			
Would the use unde odor, or other nuisar		fere with other bus	inesse	s through exces	sive nois	50,	C YES	NO			
If you answered yes		ve questions, plea	se exp	olain:							
What is the term rec	uested (not to ex	ceed one year)?O	ne y	ear.							
Requested Starting	Date:07/01/2025	;			1						
Signature:	In-			Date:	06/0	04/202	.5				
Print Name:	Tyler McN	leese		Title:	Bus	iness N	lanage	r			
For City Use Only:	Airport Reserve Outside Airport		City (Application Fee R Counct Action/Res unt Number:	eceived:						



SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **UPSCO United Parcel Service Co., Inc.** (Permittee), whose address is ______ a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 4,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. Term. The term of this Permit shall be for 1 year commencing on July 1, 2025 and ending on June 30, 2026. Regardless of the date of signature, this Permit shall be effective as of July 1, 2025.

3. Permit Fees. Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. Permit: Permittee shall pay a monthly fee of \$466.67 (\$1.40/SF/Year) plus applicable sales tax. *Adjusted for the City of Kenai Schedule of Rates, Charges, and Fees for Fiscal Year 2026.

B. Proximity Card for Gate Access: In addition to the general permit fee, Permittee shall pay a deposit of one hundred dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. Other Fees: City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of ten percent (10%) per annum, and penalty of ten percent (10%) shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Aircraft Loading and Parking.

NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety

of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a peroccurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

i. All policies will be by a company/corporation currently rated "A-" or

Special Use Permit—UPSCO (Aircraft Loading & Parking)

better by A.M. Best.

- ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements, or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.
- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least thirty (30) days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2025. The effective date of the insurance shall be no later than July 1, 2025.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's

Special Use Permit—UPSCO (Aircraft Loading & Parking)

exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

13. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

14. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

15. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

16. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

17. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

18. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

19. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

20. Personality. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25.00 per day. The City of Kenai is not responsible for any damage to or theft of any personality of Permittee or of its customers.

21. Termination; Default. This Permit may be terminated by either party hereto by giving thirty (30) days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than thirty (30) days, to protect public health and safety or due to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

22. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within thirty (30) days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten (10) days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

23. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within ninety (90) days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three (3) consecutive weeks not more than thirty (30) days nor less than seven (7) days before the time of the auction.

CITY OF KENAI

UPSCO United Parcel Service Co., Inc.

By:			By:		
	Terry Eubank	Date		Tyler McNeese	Date
	City Manager			Business Manager	r
	F	ACKNOW	/LEDGMB	ENTS	
STA	TE OF ALASKA)			
THI	RD JUDICIAL DISTRICT) ss.)			
instr	S IS TO CERTIFY that on ument was acknowledged be enai, an Alaska municipal co	efore me b	y TERRY	EUBANK, City M	025, the foregoing fanager, of the City
			Nota	ary Public for Alask	a
				Commission Expire	
STA	TE OF ALASKA				
THI	RD JUDICIAL DISTRICT) ss.			
instr	S IS TO CERTIFY that on ument was acknowledged b llf of UPSCO, United Parcel	efore me	by Tyler		
			Nota	ary Public for Alask	(a
			My	Commission Expire	es:
App	roved as to Form:				

Scott Bloom City Attorney

Special Use Permit—UPSCO (Aircraft Loading & Parking)



MEMORANDUM

SUBJECT:	Crowley Fuels LLC Special Use Permit
DATE:	June 4, 2025
FROM:	Sarah Conley, Airport Administrative Assistant
THROUGH:	Derek Ables, Airport Manager
то:	Airport Commission

Crowley Fuels LLC is requesting a Special Use Permit for aviation fueling on approximately 35,000 square feet of apron fueling area.

This permit would be effective for 12 months, from July 1, 2025 through June 30, 2026.

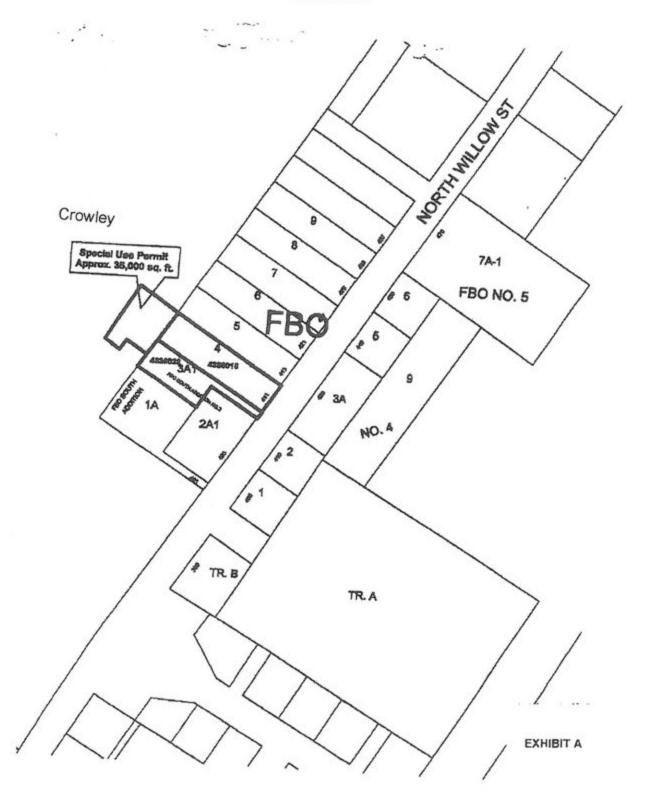
Crowley Fuels LLC is current on all fees owed to the City and a current Certificate of Insurance is on file.

Does Commission recommend Council approve the Special Use Permit to Crowley Fuels LLC?

Attachments- Application, Exhibit A, Special Use Permit Draft

KENA	City of Kenai Special Use Permit Application				Application Da	ite: 4/25/20	25	
Applicant Information								
Name of Applicant:	Crowley Fue	els LLC						
Mailing Address:			City:	Anchorage	State: AK	Zip Code:	99518	
Phone Number(s):	Home Phone: (()		Work/ Message	Phone: ()			
E-mail: (Optional)								
Name to Appear on Permit: Crowley Fuels LLC								
Mailing Address:	same		City:		State:	Zip Code:		
Phone Number(s):	Home Phone: () Work/ Message Phone: ()							
E-mail: (Optional)								
Type of Applicant:	□ Individual (at least 18 years of age) □ Partnership ■ Corporation □ Government □ Limited Liability Company (LLC) □ Other						nt	
Property Information								
Legal or physical description of the property: 35,000 sf on airport apron adjacment to Lot 4 Block 1, Lot 3A1 FBO Subdiv, leased by Crowley								
Description of the proposed business or activity intended: Aircraft fueling services								
Is the area to be used in front of or immediately adjacent to any established business offering								
the same or similar products or services upon a fixed location?								
odor, or other nuisances?								
If you answered yes to any of the above questions, please explain: N/A								
What is the term requested (not to exceed one year)? 1 year								
Requested Starting Date: July 1, 2025								
Signature:	Jenny	1 Silva		Date:	4/25/202	25		
Print Name:	Jenny Sil	va		Title:	Director, Contra	ct Compliance &	Pricing	
For City Use Only: ☐ General Fund ☐ Airport Fund	General Fund Airport Reserve Land City Council Action/Resolution:							

EXHIBIT A



SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **CROWLEY FUELS LLC** (Permittee), whose address is ______, a Special Use Permit for the fueling area on the apron at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 35,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. Term. The term of this Permit shall be for 1 year commencing on July 1, 2025 and ending on June 30, 2026. Regardless of the date of signature, this Permit shall be effective as of July 1, 2025.

3. Permit Fees. Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. Permit: Permittee shall pay a monthly fee of \$1,866.67 (\$0.64/SF/Year) plus applicable sales tax. *Adjusted for the City of Kenai Schedule of Rates, Charges, and Fees for Fiscal Year 2026.

B. Proximity Card for Gate Access: In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. Other Fees: City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Special Use Permit FY2025—Crowley (Apron Fueling Area) Page 1 of 8

Aviation Fueling on Apron Fueling Area. **NOTE:** *This permit does not guarantee the* <u>exclusive use of the area identified in Exhibit A. City reserves the right to re-assign</u> <u>Permittee, upon reasonable notice, to other areas as airport needs may require.</u>

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a peroccurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

- i. All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.
- ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements, or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.
- iii. Permittee shall request a waiver of subrogation against City from

Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.

- iv. Provide the City with notification at least thirty (30) days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2025. The effective date of the insurance shall be no later than July 1, 2025.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Fuel Spill Prevention and Response Plan. Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the

discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within 50' of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

13. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

14. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly

discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

15. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

16. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

17. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

18. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

19. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

20. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

21. Personalty. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

22. Termination; Default. This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due

Special Use Permit FY2025—Crowley (Apron Fueling Area)

to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

23. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within 30 days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

24. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within 90 days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three consecutive weeks not more than 30 days nor less than seven days before the time of the auction.

25. Definitions. As used in this Permit, "Permittee" means Crowley Fuels LLC., and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.

CITY OF KENAI

CROWLEY FUELS LLC

By:

Terry Eubank City Manager By:

Jenny Silva Date Director, Contract Compliance & Pricing

ACKNOWLEDGMENTS

Date

STATE OF ALASKA)) ss. THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2025, the foregoing instrument was acknowledged before me by Terry Eubank, City Manager, of the City of Kenai, an Alaska municipal corporation, on behalf of the City.

Notary Public for Alaska My Commission Expires: _____

STATE OF ALASKA)) ss. THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2025, the foregoing instrument was acknowledged before me by, Jenny Silva, Director of Contract Compliance & Pricing, Crowley Fuels LLC, on behalf of the State of Alaska.

Notary Public for Alaska My Commission Expires: _____

APPROVED AS TO FORM:

Scott M. Bloom, City Attorney



MEMORANDUM

TO:	Airport Commission
THROUGH:	Derek Ables, Airport Manager
FROM:	Sarah Conley, Airport Administrative Assistant
DATE:	June 4, 2025
SUBJECT:	Everts Air Fuel, Inc. Special Use Permit

Everts Air Fuel, Inc. is requesting a Special Use Permit for aviation fueling on approximately 30,000 square feet of apron for aircraft loading and parking.

This permit would be effective for 12 months, from July 1, 2025 through June 30, 2026.

Everts Air Fuel is current on all fees owed to the City and a current Certificate of Insurance is on file.

Does Commission recommend Council approve the Special Use Permit to Everts Air Fuel, Inc.?

Attachments- Application, Exhibit A, Special Use Permit Draft

KENA	City of Kenai Special Use Permit Application			Application Date:	6/4/2025		
		Applicant	Info	rmation			
Name of Applicant:							
Mailing Address:			City:	-			
Phone Number(s):)	• •	
E-mail: (Optional)							
Name to Appear on F	Permit:	Everts Air Fuel					
Mailing Address:		· · ·				Zip Code: 99701	
Phone Number(s):							
E-mail: (Optional)							
Type of Applicant:		□ Individual (at least 18 years of age) □ Partnership □ Limited Liability Company (LLC) □ Other			■ Corporation □	Government	
		Property	Info	mation			
	Legal or physical description of the property: 30,000 square foot aircraft parking on apron Description of the proposed business or activity intended: Bulk fuel deliveries by aircraft						
the same or similar p	Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? □ YES ■ NO Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? □ YES ■ NO						
If you answered yes to any of the above questions, please explain:							
		to exceed one year)?1 ye	ear				
Requested Starting [Date:						
Signature:		4		Date:	6/4/2025		
Print Name:	Brian Fa			Title:	General Mar	nager	
For City Use Only: Date Application Fee Received: General Fund Airport Reserve Land Airport Fund Outside Airport Reserve Airport Fund Outside Airport Reserve							



SPECIAL USE PERMIT

The **CITY OF KENAI** (City) grants to **EVERTS AIR FUEL, INC.** (Permittee), whose address ______, a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 30,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. Term. The term of this Permit shall be for 1 year commencing on July 1, 2025 and ending on June 30, 2026. Regardless of the date of signature, this Permit shall be effective as of July 1, 2025.

3. Permit Fees. Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. Permit: Permittee shall pay a monthly fee of \$1,600.00 (\$0.64/SF/Year) plus applicable sales tax.

B. Proximity Card for Gate Access: In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. Other Fees: City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

4. Use. City authorizes Permittee's non-exclusive use of the Premises for the following purpose(s):

Special Use Permit—Everts Air Fuel, Inc. (Ramp Aircraft Loading & Parking) Page 1 of 8

Aircraft Loading and Parking.

NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, and guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. Radio Transmitting Equipment. Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

9. Insurance. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, City is entitled to coverage to the extent of the higher limits.

A. Commercial General Liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual, with a peroccurrence limit of not less than \$1,000,000 combined single limit. The policy must include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. The policy must name the City as an additional insured.

B. Worker's compensation insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide worker's compensation insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.

C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

- i. All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.
- ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements,

Special Use Permit—Everts Air Fuel, Inc. (Ramp Aircraft Loading & Parking) Page 3 of 8

or a combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.

- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least 30 days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2023. The effective date of the insurance shall be no later than July 1, 2023.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

10. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

11. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

12. Fuel Spill Prevention and Response Plan. Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that

Special Use Permit—Everts Air Fuel, Inc. (Ramp Aircraft Loading & Parking) Page 4 of 8

Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within 50' of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

13. Hazardous Substances and Materials. Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

14. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes

Special Use Permit—Everts Air Fuel, Inc. (Ramp Aircraft Loading & Parking) Page 5 of 8

the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

15. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

16. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

17. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

18. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

19. No Joint Venture. City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises or elsewhere at the Kenai Municipal Airport.

20. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.

21. Personalty. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25 per day. The City of Kenai is not responsible for any damage to or theft of any personality of Permittee or of its customers.

22. Termination; Default. This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due to a failure of Permittee to comply with condition or term of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

23. Landing Fees; Fee Schedule. Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within 30 days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

24. Impoundment. At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within 90 days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three consecutive weeks not more than 30 days nor less than seven days before the time of the auction.

25. Definitions. As used in this Permit, "Permittee" means Everts Air Fuel, Inc. and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.

CITY OF KENAI

EVERTS AIR FUEL, INC.

By:		Ву:	
Terry Eubank City Manager	Date	Brian Fay I General Manager	Date
	ACKNOW	VLEDGMENTS	
STATE OF ALASKA)		
THIRD JUDICIAL DISTRICT) 55.		
THIS IS TO CERTIFY that on instrument was acknowledged b Kenai, an Alaska municipal corpo	this efore me oration, on	_ day of, 2025, the forego by Terry Eubank, City Manager, of the Cit behalf of the City.	oing y of
		Notary Public for Alaska My Commission Expires:	
STATE OF ALASKA)		
THIRD JUDICIAL DISTRICT)		
THIS IS TO CERTIFY that on instrument was acknowledged be Inc., on behalf of the State of Al	efore me b	_ day of, 2025, the forego by Brian Fay, General Manager, Everts Air F	oing 'uel,
		Notary Public for Alaska	
		My Commission Expires:	
APPROVED AS TO FORM:			

Scott M. Bloom, City Attorney



MEMORANDUM

TO:	Airport Commission
THROUGH:	Derek Ables, Airport Manager
FROM:	Brandon McElrea, Planning Technician
DATE:	June 4, 2025
SUBJECT:	Action/Approval – Lease of Airport Reserve Land for the Property Described as Lot 3, Block 2, General Aviation Apron According to Plat No. 73-68

Schilling Rentals, LLC ("Schilling Rentals") submitted a land lease renewal application of Airport Reserve Land for the property described as Lot 3, Block 2, General Aviation Apron Subdivision, located at 155 Granite Point Court (KPB Parcel No. 04324006). Pursuant to Kenai Municipal Code (KMC) 21.10.080(e) *Length of Lease Term,* the applicant is requesting a term of 45 years based on a professional opinion of remaining useful life, supplied by Larson Engineering & Design. The 30-day notice of competitive land lease application will expire on June 16, 2025. As-of-date, the City has not received any competing lease applications for the subject property.

The applicant intends to continue to use the premises for aviation related purposes. Shilling Rentals currently holds several leases with the City and is in compliance with the terms and conditions of their leases.

The subject property is approximately 1.15 acres and located within the Airport Light Industrial (ALI) Zone. The intent of the ALI Zone is to protect the viability of the Kenai Municipal Airport as a significant resource to the community by encouraging compatible land uses and reducing hazards that may endanger the lives and property of the public and aviation users. The continuing use is permitted in the ALI Zone and is an airport compatible use. Furthermore, the use is consistent with the 2016 Imagine Kenai 2030 Comprehensive Plan. It supports Goal 5-Transportation, which has a vision for Kenai Municipal Airport as a gateway to the Kenai Peninsula.

Does the Airport Commission recommend the City approve a lease renewal application from Schilling Rentals, LLC for Lot 3, Block 2, General Aviation Apron for a term of 45 years? The Kenai City Council will be notified of the Airport Commission's decision as part of their evaluation of the lease application. The Airport Commission makes their decision on lease applications based on the proposed developments compliance with the Airport Land Use Plan, Federal Aviation Administration regulations, Airport Master Plan, Airport Improvement Program assurances, and Airport operations. The Planning and Zoning Commission will also review the application and provide a recommendation to City Council.

Thank you for your consideration.

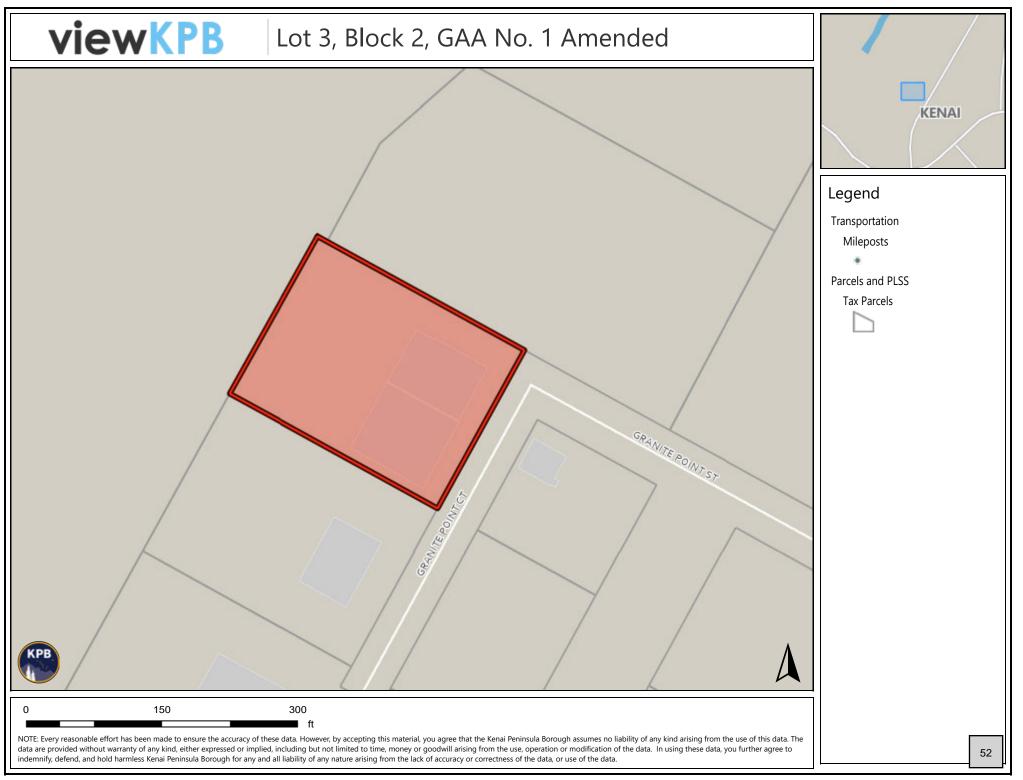
Attachments

Aerial Map Application Professional Opinion



Page 2 of 2

The City of Kenai | www.kenai.city



KENA	Land Lease Application		Application for:		 □ New Lease □ Extension ■ Renewal 			
RENA	1				Applica	tion Date:	4/21/2025	
A State of the sta		Applicar	nt Info	ormation			1.1.1	AV HIT
Name of Applicant:	Schilling R	Schilling Rentals, LLC						
Mailing Address:			City:	Kenai	State:	AK	Zip Code:	99611
Phone Number(s):	Home Pho	ine:		Work/ Message	Phone:			
E-mail: (Optional)								
Name to Appear on	Lease:	Schilling Rentals, LLC						
Mailing Address:			City:	Kenai	State:	AK	Zip Code:	99611
Phone Number(s):	Home Pho	ine:		Work/ Message	Phone:			
E-mail: (Optional)		,						
Type of Applicant:	□ Individual (at least 18 years of age) □ Partnership Corporation Government						nt	
	Limited I	Liability Company (LLC)		Other				
Property Information and Term Requested								
COT 10 NORT DAVIES OF WAR SHOE		, if subdivision is required	d, a br	rief description of	f propert	y):		
Lot 3, Block 2, General Aviation Apron No. 1 Amended								
Does the property re	Does the property require subdivision? (if Yes, answer next questions)							× NO
Subdivision	costs are th	he responsibility of the ap on serves other City purp	pplica	nt unless the City	/ Counci	I		
		e proposed subdivision w			ourpose	s?		
		es not, applicant is respo		50 B			Initials _	
for the deposit to co	ver costs as	ermine the minimum pric ssociated with appraisal. or credited to the applica	. If a s	이가 잘 잘 안 있는 것이라요. 이는 것 같아요. 영소에 바다 바다 것이다.			Initials _	m(
It is the responsibility	It is the responsibility of the applicant to cover recording costs associated with lease.						m	
Do you have or have you ever had a Lease with the City? (if Yes, answer next question)								
1. Legal or brief description of property leased:								
Various Request a Lease with an Option to Purchase once development requirements are met? Image: Second se								
-		or Renewal (based on T	2.1	· · · · · · · · · · · · · · · · · · ·		24 102 102 102 102 102 102 102 102 102 102		INO IN
		nsion (based on Term Ta					/eais	
Requested Starting Date: 7/01/2025								



	Proposed U	Jse and	Improvements				
Proposed Use (check one): × Aeronautical I Non-Aeronautical							
Do you plan to construct new or additional improvements? (if Yes, answer next five questions) L YES 🖄 NO							
1. Will the improvement change or alter the use under an existing lease?							
2. What is the prop	posed use of the improvement?						
3. What is the estin	mated value of the improvement?	>					
4. What is the natu	ure and type of improvement?						
5. What are the dat	tes construction is estimated to co	ommence	e and be complet	ed?			
the second second	generally, construction must be co	11 ann 12					
Estimated Sta		Estin	nated Completior	Date:			
Aeronautical operation	ed business or activity intended: ons & storage						
	sed lease support a thriving busin	18	idential, recreatio	nal, or cultural comm	unity?		
Helps to support the	community by supporting local ai	irlines					
Lease Assignment C	Only: What is the name of the indiv	vidual or	legal entity the le	ease is to be assigned	1?		
	Leas	e Renev	val Only				
Renewal of an Exi	isting Lease (at least one year of	term ren	naining): Require	s new development.			
Lease Term based o	on: Estimated cost of new improve	ements a	nd Purchase F	Price (optional)			
Renewal of an Exp	piring Lease (less than one year o	of term re	emaining): Does	not require new deve	lopment.		
Lease Term based o	on: 🗆 Purchase Price 🗵 Professio	onal Estir	nate of Remainin	g Useful Life			
☐ Fair Market Value	appraisal and/or TEstimated co	st of nev	v improvements (optional)			
Requested Term for	Renewal Based on Term Table, r	not to ex	ceed 45 Years: 4	15 years			
Submitting an application for a lease does not give the applicant a right to lease or use the land requested in the application. The application shall expire twelve (12) months after the date the application has been made if the City and the applicant have not, by that time, entered into a lease, unless the City Council for good cause grants an extension for a period not to exceed six (6) months. The City has no obligation to amend, renew or extend a lease and may decline to do so upon making specific findings as to why a lease renewal, extension, or amendment is not in the best interest of the City							
Signature:	mal solater		Date:	4/21/2025			
Print Name:	Michael K. Schil	lling	Title:	Member			
For City Use Only: Date Application Fee Received: □ General Fund □ Airport Reserve Land Date Application Determined Complete: □ Airport Fund □ Outside Airport Reserve 30-Day Notice Publication Date: △ Account Number: City Council Action/Resolution:							



April 30, 2025

Rob Marsters Schilling Rentals

Re: Lot 3, Block 2 GAA Sub No.1 Amended -

Mr. Marsters,

Larson Engineering & Design, P.C. has inspected the structures located at ' property, within the Kenai Airport land leases.

The existing buildings have been recently re-roofed and sided within the last 10 years. I did not see signs of structural material degradation while onsite.

t – Building Inspection

In my professional opinion, if the buildings have proper maintenance, the remaining useful life will exceed 45 years.

Sincerely,

Signature:

Blake W. Larson, P.E.





Kenai City Council - Regular Meeting May 21, 2025 — 6:00 PM Kenai City Council Chambers 210 Fidalgo Avenue, Kenai, Alaska <u>www.kenai.city</u> **Telephonic/Virtual Information on Page 3**

Action Agenda

A. CALL TO ORDER

- 1. Pledge of Allegiance
- 2. Roll Call
- 3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

All items listed with an asterisk () are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

B. <u>SCHEDULED ADMINISTRATIVE REPORTS</u>

- **C.** <u>SCHEDULED PUBLIC COMMENTS</u> (Public comments limited to ten (10) minutes per speaker; twenty (20) minutes aggregated)
 - 1. Alaska Christian College Update, Dr. Keith Hamilton, President of Alaska Christian College.
 - 2. Kenai Peninsula Children's Advocacy Centers, Request for Funding, Executive Director & Children's Advocacy Center Director Lindsey Collins, Kenai Child Advocacy Center Manager Morgan Lyons, and Ryan Grimm.
- **D.** <u>UNSCHEDULED PUBLIC COMMENTS</u> (Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated)

E. PUBLIC HEARINGS

- 1. **ENACTED WITHOUT OBJECTION. Ordinance No. 3470-2025** Amending the Official Zoning Map and Land Use Table by Rezoning Twenty-Eight Properties Located Near the Intersection of the Kenai Spur Highway and Wildwood Drive from Suburban Residential (RS) to General Commercial (CG) Zoning District. (Administration)
- FAILED. Resolution No. 2025-32 Declaring a Right-Of-Way for a 60' by 156' Portion of the Unnamed Road Along Wildwood Drive as Dedicated on Lots 11& 12, Block 8, Black Gold Estates 2025 Replat (Plat K1399), Not Needed for a Public Purpose and Consenting to Its Vacation. (Administration)
- 3. **ADOPTED UNANIMOUSLY. Resolution No. 2025-33** Authorizing Award of the City-Owned Lands Appraisal Contract. (Administration)
- 4. **ADOPTED UNANIMOUSLY. Resolution No. 2025-34** Authorizing the City Manager to Enter into an Agreement for Janitorial Services at the Kenai Municipal Airport Terminal. (Administration)

F. MINUTES

1. *Regular Meeting of May 7, 2025. (City Clerk)

G. UNFINISHED BUSINESS

- AMENDED BY SUBSTITUTE. Ordinance No. 3469-2025 Amending KMC 1.85.060-Conflicts of Interest Prohibited, to Allow Municipal Officers and City Employees to Participate in Certain Sales Open to the Public Through a Public Process and Narrowing the Existing Prohibition on Purchases to Personal Property Items. (Douthit) [On 05/07/25 this item was postponed to 05/21/25]
 - **ENACTED UNANIMOUSLY AS AMENDED.** Ordinance No. 3469-2025 Substitute - Amending KMC 1.85.060-Conflicts of Interest Prohibited, to Allow City Employees to Participate in Certain Sales Open to the Public Through a Public Process and Narrowing the Existing Prohibition on Purchases to Personal Property Items. (Douthit)

H. <u>NEW BUSINESS</u>

- 1. *Action/Approval Bills to be Ratified. (Administration)
- *Ordinance No. 3471-2025 Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2025 and Ending June 30, 2026 and Committing \$2,850,457 of General Fund, Fund Balance for Future Capital Improvements. (Administration)
- 3. ***Ordinance No. 3472-2025** Accepting and Appropriating Grant Funds from the Alaska High Intensity Drug Trafficking Area for Drug Investigation Overtime Expenditures. (Administration)
- 4. ***Ordinance No. 3473-2025** Accepting and Appropriating a Grant Received Through the American Society for the Prevention of Cruelty to Animals to the Kenai Animal Shelter for Attendance at the Alaska Animal Control Association 2025 Training Conference. (Administration)
- *Ordinance No. 3474-2025 Increasing Estimated Revenues and Appropriation in the Wastewater, Water & Sewer, and Municipal Roadway Improvements Capital Project Funds to Transfer Residual Balance from Completed Projects Back to their Original Funding Sources. (Administration)
- 6. ***Ordinance No. 3475-2025** Increasing Estimated Revenues and Appropriations in the General Fund Legislative Department and Increasing the Purchase Order Amount to BDO USA, P.C. for the FY2024 and FY2025 Financial Audits. (Administration)
- 7. **APPROVED UNANIMOUSLY. Action/Approval** Extension to Memorandum of Understanding with the Kenai Historical Society. (Administration)
- 8. **SCHEDULED FOR 7/2/25 AT 2:00 P.M. Discussion** Scheduling a Board of Adjustment Appeal Hearing.

I. <u>COMMISSION REPORTS</u>

- 1. Council on Aging Commission
- 2. Airport Commission
- 3. Harbor Commission
- 4. Parks and Recreation Commission
- 5. Planning and Zoning Commission

6. Beautification Commission

J. REPORT OF THE MAYOR

K. ADMINISTRATION REPORTS

- 1. City Manager
- 2. City Attorney
- 3. City Clerk

L. ADDITIONAL PUBLIC COMMENTS

- 1. Citizens Comments (Public comments limited to five (5) minutes per speaker)
- 2. Council Comments

M. EXECUTIVE SESSION

- N. PENDING ITEMS
- O. ADJOURNMENT

P. INFORMATION ITEMS

The agenda and supporting documents are posted on the City's website at <u>www.kenai.city</u>. Copies of resolutions and ordinances are available at the City Clerk's Office or outside the Council Chamber prior to the meeting. For additional information, please contact the City Clerk's Office at 907-283-8231.

Registration is required to join the meeting remotely through Zoom. Please use the following link to register:

https://us02web.zoom.us/meeting/register/6h KpazeR6y0erc4TOOqnQ



Kenai City Council - Regular Meeting June 04, 2025 – 6:00 PM Kenai City Council Chambers 210 Fidalgo Avenue, Kenai, Alaska <u>www.kenai.city</u> **Telephonic/Virtual Information on Page 3**

Action Agenda

A. CALL TO ORDER

- 1. Pledge of Allegiance
- 2. Roll Call
- 3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)
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B. SCHEDULED ADMINISTRATIVE REPORTS

- **C.** <u>SCHEDULED PUBLIC COMMENTS</u> (Public comments limited to ten (10) minutes per speaker; twenty (20) minutes aggregated)
- **D.** <u>UNSCHEDULED PUBLIC COMMENTS</u> (Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated)

E. PUBLIC HEARINGS

- 1. **ENACTED AS AMENDED UNANIMOUSLY. Ordinance No. 3471-2025** Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2025 and Ending June 30, 2026 and Committing \$2,850,457 of General Fund, Fund Balance for Future Capital Improvements. (Administration)
- ENACTED UNANIMOUSLY. Ordinance No. 3472-2025 Accepting and Appropriating Grant Funds from the Alaska High Intensity Drug Trafficking Area for Drug Investigation Overtime Expenditures. (Administration)
- 3. **ENACTED UNANIMOUSLY. Ordinance No. 3473-2025** Accepting and Appropriating a Grant Received Through the American Society for the Prevention of Cruelty to Animals to the Kenai Animal Shelter for Attendance at the Alaska Animal Control Association 2025 Training Conference. (Administration)
- ENACTED UNANIMOUSLY. Ordinance No. 3474-2025 Increasing Estimated Revenues and Appropriation in the Wastewater, Water & Sewer, and Municipal Roadway Improvements Capital Project Funds to Transfer Residual Balance from Completed Projects Back to their Original Funding Sources. (Administration)
- ENACTED UNANIMOUSLY. Ordinance No. 3475-2025 Increasing Estimated Revenues and Appropriations in the General Fund – Legislative Department and Increasing the Purchase Order Amount to BDO USA, P.C. for the FY2024 and FY2025 Financial Audits. (Administration)

- ADOPTED UNANIMOUSLY. Resolution No. 2025-35 Approving a Memorandum of Understanding Between the City of Kenai and the Salamatof Tribe to Recognize Areas of Mutual Concern and Support, establish a Framework for Cooperative Relationships, and Promote Government-to-Government Communication for the Benefit of the Community of Kenai as a Whole. (Daniel)
- ADOPTED UNANIMOUSLY. Resolution No. 2025-36 Approving a Memorandum of Understanding Between the City of Kenai and the Kenaitze Indian Tribe to Recognize Areas of Mutual Concern and Support, establish a Framework for Cooperative Relationships, and Promote Government-to-Government Communication for the Benefit of the Community of Kenai as a Whole. (Daniel)
- 8. **ADOPTED UNANIMOUSLY. Resolution No. 2025-37** Approving a Limited Road Maintenance Agreement Between the City of Kenai and the Kenaitze Indian Tribe. (Administration)
- REFERRED TO THE PLANNING & ZONING COMMISSION AND POSTPONED TO JULY 2, 2025. Resolution No. 2025-38 - Renaming South Spruce Street to Kenai Beach Street. (Knackstedt)
- 10. *ADOPTED UNANIMOUSLY.* **Resolution No. 2025-39** Fixing the Rate of Levy of Property Tax for the Fiscal Year Commencing July 1, 2025 and Ending June 30, 2026. (Administration)
- 11. *ADOPTED UNANIMOUSLY.* **Resolution No. 2025-40** Amending the Comprehensive Schedule of Rates, Charges and Fees to Incorporate Fiscal Year 2026 Budget Changes to Include Adjusting Airport Fees, Animal Control Fees, Library Fees, Multipurpose Facility Fees, Building Permit Fees and Adjusting the Monthly Rental Rates for Vintage Pointe. (Administration)

F. <u>MINUTES</u>

1. *Regular Meeting of May 21, 2025. (City Clerk)

G. UNFINISHED BUSINESS

H. <u>NEW BUSINESS</u>

- 1. *Action/Approval Bills to be Ratified. (Administration)
- 2. ***Action/Approval** Purchase Orders and Purchase Order Amendments Requiring Council Approval in Accordance with KMC 7.15.020. (Administration)
- 3. ***Action/Approval** Special Use Permit to Empire Airlines, Inc. for Use of 11,250 Square Feet of Apron Space at the Kenai Municipal Airport for Aircraft Parking. (Administration)
- 4. ***Action/Approval** First Amendment to the Agreement with Tyler Distributing Company, Inc. for ATM Services at the Kenai Municipal Airport Terminal. (Administration)
- 5. ***Ordinance No. 3476-2025** Increasing Estimated Revenues and Appropriations in the General Fund Fire Department Personnel Budget for Fiscal Year 2025 for Unanticipated Overtime Costs Resulting from Vacancies and Retirements. (Administration)
- *Ordinance No. 3477-2025 Increasing Estimated Revenues and Appropriations in the General Fund - Police Department and Accepting Grants from the United States Department of Justice and Alaska Municipal League Joint Insurance Association for the Purchase of a Ballistic Vest. (Administration)

 *Ordinance No. 3478-2025 - Enacting Kenai Municipal Code Section 13.30.070 - Travel Through Private or Public Property, and Incorporating a Fine into Kenai Municipal Code 13.10.015 - Minor Offense Fine Schedule. (Administration)

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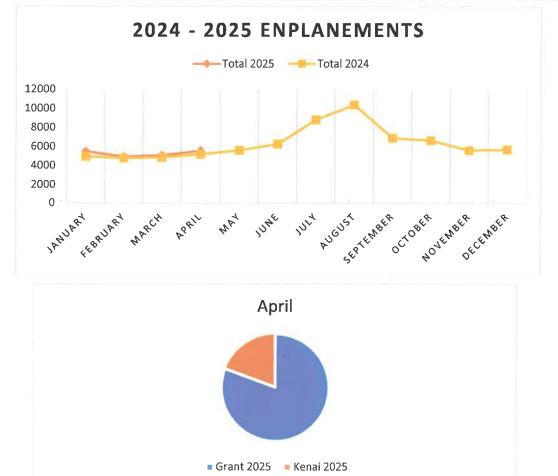
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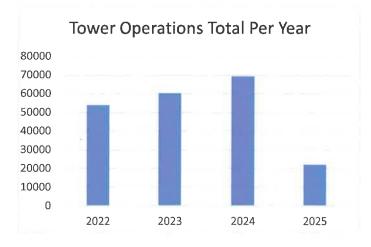
Month	Grant 2025	Kenai 2025	Grant 2024	Kenai 2024	Total 2025	Total 2024	Change from 2024 to 2025
January	4466	1003	3218	1719	5469	4937	532
February	4001	917	3207	1553	4918	4760	158
March	3973	1072	3508	1325	5045	4833	212
April	4464	1071	3847	1326	5535	5173	362
May			4024	1546		5570	
June			4635	1624		6259	
July			6585	2231		8816	
August			7584	2798		10382	
September			5291	1583		6874	
October			5090	1528		6618	
November			4301	1267		5568	
December			4338	1321		5659	
Total	16904	4063	55628	19821	20967	75449	1264

ENA Airline Enplanements



	1161			
Year	2022	2023	2024	2025
January	2882	4009	4927	4451
February	3117	2965	4313	5250
March	4069	4874	5192	6099
April	4697	4957	6022	6215
May	5472	6786	6297	
June	6072	5660	6998	
July	5654	6337	6991	
August	5020	6007	7602	
September	5215	5950	6118	
October	5312	5724	5710	
November	3517	3404	5140	
December	2907	3699	4010	
Total	53934	60372	69320	22015





Year	2024	2025
January	\$ 17,977	\$ 22,502
February	\$ 19,877	\$ 21,354
March	\$ 20,848	\$ 24,111
April	\$ 22,493	\$ 24,932
May	\$ 20,728	
June	\$ 21,572	
July	\$ 25,668	
August	\$ 25,555	
September	\$ 23,259	
October	\$ 32,284	
November	\$ 26,099	
December	\$ 25,763	
Total	\$ 282,124	\$ 92,898

