



Kenai City Council - Regular Meeting

September 16, 2020 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

****Telephonic/Virtual Information on Page 3****

www.kenai.city

Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. Consent Agenda (*Public comment 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. SCHEDULED PUBLIC COMMENTS

(Public comment limited to ten (10) minutes per speaker)

1. **Tim Dillon, Kenai Peninsula Economic Development District** - Census and AK Cares Update.

C. UNSCHEDULED PUBLIC COMMENTS

(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)

D. PUBLIC HEARINGS

1. **Ordinance No. 3162-2020** - Amending Municipal Code Section 23.50.010 – Employee Classification, to Amend a Class Title in the Supervisory and Professional Class. (Administration)
2. **Resolution No. 2020-76** - Renaming Daubenspeck Circle to Daubenspeck Road on the Plat of Baron Park 2020 Replat. (Administration)
3. **Resolution No. 2020-77** - Approving the Execution of a Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Kenai Aviation Operations, LLC, for Lot 9A, Block 5, General Aviation Apron Subdivision No. 5. (Administration)
4. **Resolution No. 2020-78** - Approving an Airline Operating Agreement and Terminal Area Lease with FLOAT Shuttle/Corvus Airlines Inc., D/B/A Ravn Alaska and Ratifying a Stipulation Regarding Rejection of Unexpired Lease of Non-Residential Real Property with Ravn Group, Inc. (Administration)

E. MINUTES

- [1.](#) *Regular Meeting of September 2, 2020. (City Clerk)

F. UNFINISHED BUSINESS

- [1.](#) **Ordinance No. 3155-2020** - Increasing Estimated Revenues and Appropriations in the Airport Improvements Capital Project Fund and Accepting a Grant from The Federal Aviation Administration for Phase One Construction of a New Sand Storage Facility. (Administration)

G. NEW BUSINESS

- [1.](#) ***Action/Approval** - Bills to be Ratified. (Administration)
- [2.](#) ***Action/Approval** - Purchase Orders Over \$15,000. (Administration)
- [3.](#) ***Action/Approval** - Non-Objection to the Renewal of Marijuana License for Grateful Bud LLC. (City Clerk)
- [4.](#) ***Action/Approval** - Approving Election Workers for the October 6, 2020 Regular Election. (City Clerk)
- 5. Discussion** - Response to COVID-19. (Administration)

H. COMMISSION / COMMITTEE REPORTS

- [1.](#) Council on Aging
- [2.](#) Airport Commission
- [3.](#) Harbor Commission
- [4.](#) Parks and Recreation Commission
- [5.](#) Planning and Zoning Commission
- [6.](#) Beautification Committee
- [7.](#) Mini-Grant Steering Committee

I. REPORT OF THE MAYOR**J. ADMINISTRATION REPORTS**

- [1.](#) City Manager
- [2.](#) City Attorney
- [3.](#) City Clerk

K. ADDITIONAL PUBLIC COMMENT

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

L. EXECUTIVE SESSION**M. PENDING ITEMS**

1. **Ordinance No. 3157-2020** - Amending Kenai Municipal Code Section 1.85.010 – Report of Financial and Business Interests, to Allow for Certification by Municipal Officers that a Previously Filed Statement of Disclosure Remains Accurate and Approving an Alternate Certification. (Vice Mayor Molloy) **(Clerk's Note: At the 09/02/20 meeting, this item was postponed to the 10/7/20 meeting.)**
2. **Substitute Ordinance No. 3127-2020** - Repealing and Replacing Kenai Municipal Code Title 6 - Elections to Provide Clarity, Process Improvements, and Increase Voter Accessibility through Vote By Mail Elections. (Council Member Peterkin) **[Clerk's Note: At the August 19 Meeting, this item was Postponed to the 10/21/20 Council Meeting; a motion to enact is on the floor.]**
3. **Ordinance No. 3128-2020** - Amending Kenai Municipal Code Section 1.85.040 – Records Public, To Provide For A Record Retention Length. (City Clerk) **[Clerk's Note: At the August 19 Meeting, this item was Postponed to the 10/21/20 Council Meeting; a motion to enact is on the floor.]**

N. ADJOURNMENT**O. INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000.
2. Cook Inlet Regional Citizens' Advisory Council Board of Directors Update.

The agenda and supporting documents are posted on the City's website at www.kenai.city. 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.

Join Zoom Meeting

<https://us02web.zoom.us/j/88612469335>

Meeting ID: 886 1246 9335 **Passcode:** 874477

OR

Dial In: (253) 215-8782 or (301) 715-8592

Meeting ID: 886 1246 9335 **Passcode:** 874477



Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3162-2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AMENDING KENAI MUNICIPAL CODE SECTION 23.50.010 – EMPLOYEE CLASSIFICATION, TO AMEND THE CLASS TITLE AND RANGE FOR THE CITY PLANNER.

WHEREAS, pursuant to KMC 23.20.020, the classification plan shall be revised as changing positions require it, with the recommendation of the City Manager and the approval of the City Council; and,

WHEREAS, such revisions may consist of the addition, abolishment, consolidation, division, or amendment of the existing classes; and,

WHEREAS, the Human Resource Director and the Assistant to the City Manager worked with the City Manager to improve the position description, classification, grading and title for the existing City Planner position to better reflect the current needs of the City in the areas of Planning and Land Management as well as the upcoming recruitment efforts to fulfill the expanded needs; and,

WHEREAS, the updated position description reflects the expanded scope and responsibility of the position, adding department-head level decision-making authority for the City's planning, platting, land management, land sales and leasing functions, and resulting in a role graded appropriately as an exempt-level Director; and,

WHEREAS, this update in the structure, dependent on the final negotiated salary of the Planning Director likely will not require an increase to the adopted FY2021 Budget as it will result in a cost-savings due to approximately two months of vacancy in 2020; and,

WHEREAS, if the cost savings associated with the approximately two-month vacancy are not sufficient to cover the additional cost of the Planning Director, a supplemental appropriation will be provided to the City Council for consideration later in FY2021; and,

WHEREAS, the City Manager recommends updating the organizational structure within the Administration promptly to allow for staffing this open position, now appropriately revised and titled 'Planning Director' with a salary range befitting the experience level of candidates qualified for the revised responsibilities; and,

WHEREAS, this newly updated position most appropriately resides within the City's Department Head Class.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

Section 1. Amendment of Section of the Kenai Municipal Code: That Kenai Municipal Code, Section 23.50.10 is hereby amended as follows:

117 [CITY PLANNER] Planning Director* [16] 18

Section 2. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16th day of September, 2020.

BRIAN GABRIEL SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

Introduced: September 2, 2020
Enacted: September 16, 2020
Effective: October 16, 2020



MEMORANDUM

TO: Mayor Gabriel and Council Members

FROM: Paul Ostrander, City Manager

DATE: August 26, 2020

SUBJECT: **Ordinance 3162-2020 – Amending the Class Title and Range for the City Planner**

Upon receiving the notice of resignation of the City's fourth planner in six years, Elizabeth Appleby, I worked with Stormy Brown, the City's HR Director, to review the scope and responsibilities listed within our City Planner job description. During our evaluation it became evident that a number of the responsibilities tied to platting and decision-making with respect to Land Management did not accurately represent the role this position should fill within the organization. In addition, the planning duties required expansion to more closely reflect the actual expectations of the position.

Once these changes were incorporated into the job description, the HR Director felt the new description should be reevaluated using the City's Job Evaluation System. Following reevaluation, it was determined that the revised role should be moved from a grade 16 to a Grade 18. Additionally, with the modified job responsibilities, the position should appropriately be a department head and be placed within the Department Head Class.

Due to the vacancy of this role during the reassessment and recruitment periods, a budget revision will likely not be necessary despite the change in grade. If the savings associated with the vacancy are not sufficient to support the personnel costs of the new employee, a supplemental appropriation will be provided to the City Council for consideration later in FY2020.

The City Attorney, the Assistant to the City Manager, and I will be addressing Planning and Land Management needs during this vacancy. As this is not an ideal situation, I have asked HR to post the newly revised and regraded Planning Director job description in advance of this approval to begin sourcing for qualified candidates as soon as possible. Although we will not move forward with extending an offer to any candidate until such a time as the Council approves the changes proposed in this ordinance, the job has been posted to the City's job opportunities webpage (NeoGov) and professional planning organization web pages through September 18th, with the hope that formal approval by the City Council is forthcoming.

Thank you for your consideration.



Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2020-76

A RESOLUTION OF THE CITY OF KENAI, ALASKA, RENAMING DAUBENSPECK CIRCLE TO DAUBENSPECK ROAD ON THE PLAT OF BARON PARK 2020 REPLAT.

WHEREAS, Kenai Municipal Code 14.15.010(b)(2) provides that no street shall bear a name in language in conflict with suffixes required; and,

WHEREAS, “road” is the required suffix for the layout shown on the plat for Baron Park 2020 Replat; and,

WHEREAS, Kenai Municipal Code 14.15.140 authorizes the Council of the City of Kenai to name and rename streets within City limits upon recommendation from the Planning and Zoning Commission and after consultation with the Kenai Peninsula Borough or any other affected municipality; and,

WHEREAS, the Kenai Peninsula Borough concurs with the street name change to Daubenspeck Road; and,

WHEREAS, the property owner of parcels adjacent to the street is the City of Kenai; and,

WHEREAS, the name change would not impact 911 navigation; and,

WHEREAS, at a regular meeting on September 9, 2020, the Planning and Zoning Commission recommended approval by the City Council of the renaming of Daubenspeck Circle to Daubenspeck Road.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

Section 1. That the official name for Daubenspeck Circle be changed to Daubenspeck Road on the plat for Baron Park 2020 Replat.

Section 2. That a copy of this resolution be forwarded to the Kenai Peninsula Borough.

Section 3. That this Resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16th day of September, 2020.

BRIAN GABRIEL, SR., MAYOR

Resolution No. 2020-76
Page 2 of 2

ATTEST:

Jamie Heinz, CMC, City Clerk



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: Elizabeth Appleby, City Planner

DATE: September 1, 2020

SUBJECT: Resolution No. 2020 - 76 – Renaming of Daubenspeck Road

The City of Kenai owns parcels that border Daubenspeck Circle and the proposed right-of-way extension for that street on the plat of Baron Park 2020 Replat. The City of Kenai Planning and Zoning Commission recommended approval of the plat for Baron Park 2020 Replat at their meeting on May 27, 2020 with Resolution No. PZ2020-10. The Kenai City Council also concurred with the vacation of the right-of-way for the cul-de-sac of Daubenspeck Circle because the road will extend back to Marathon Road with the plat for Baron Park 2020 Replat. In addition, the Kenai Peninsula Borough gave preliminary approval of the plat, and it is currently pending final review by the Kenai Peninsula Borough. Prior to final approval, the Kenai Peninsula Borough recommended changing the street name of Daubenspeck Circle to Daubenspeck Road. Kenai Municipal Code 14.15.010(b)(2) states that “no street established...shall bear a name in language in conflict with suffixes required.” Naming conventions for streets make “Daubenspeck Road” the best option.

Kenai Municipal Code 14.15.140 - Renaming streets provides that City Council may by resolution change or rename a street upon recommendation of the Planning and Zoning Commission and after consultation with the Kenai Peninsula Borough. In email correspondence, the Kenai Peninsula Borough and City Administration agree that Daubenspeck Road is the best fit to meet naming conventions for the plat of Baron Park 2020 Replat while causing minimum disruptions in addressing. The Borough did not identify an issue with the street name change for 911 navigation. The City of Kenai Planning and Zoning Commission recommended approval of the street name change with Resolution No. PZ2020-32.

Resolution No. 2020-76 would rename Daubenspeck Circle to Daubenspeck Road on the plat for Baron Park 2020 Replat. The change would be forwarded to the Kenai Peninsula Borough and adjusted with the final approval of the plat. Thank you for your consideration.

ATTACHMENTS:

1. Aerial Map of Current Parcel Layout
2. Plat with Note of Street Name Change
3. P&Z Resolution PZ2020-32



Aerial Map: Resolution PZ2020-32

Current Layout and Street Name
for Area Covered by Baron Park 2020 Replat



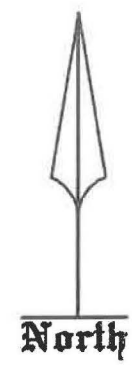
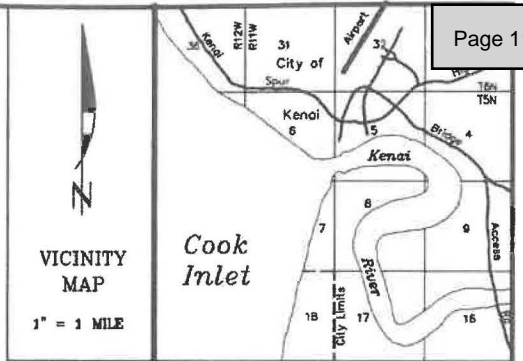
LEGEND

0 20 40 Feet

Date: September 2020

Data Source: Kenai Peninsula Borough. Data is for graphic representation only. Imagery may not match true parcel boundaries.





LEGEND:

- 3/4" ALUM. CAP MONUMENT FOUND
- 5/8" REBAR w/PLASTIC CAP FOUND
- 5/8" REBAR w/PLASTIC CAP LS8859 SET
- () RECORD DATUM PLAT 2012-89 KRD

NOTES:

- 1) This subdivision is subject to City of Kenai Chapter 14 zoning regulations.
- 2) Basis of bearing taken from Baron Park 2012 Addition, Plat 2012-89, Kenai Recording District.
- 3) Further development of the property shall conform to all federal, State of Alaska, and local regulations.
- 4) Front 15 feet adjacent to rights-of-way is also a utility easement. No permanent structure shall be constructed or placed within a utility easement which would interfere with the ability of a utility to use the easement.
- 5) **WASTEWATER DISPOSAL:** Plans for wastewater disposal, that meet regulatory requirements are on file at the Department of Environmental Conservation.

Engineer _____ License No. _____ Date _____

PLAT APPROVAL

THIS PLAT WAS APPROVED BY THE KENAI PENINSULA BOROUGH PLANNING COMMISSION AT THE MEETING OF

KENAI PENINSULA BOROUGH
 AUTHORIZED OFFICIAL _____



SURVEYOR'S CERTIFICATE

I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, this plat represents a survey made by me or under my direct supervision, the monuments shown hereon actually exist as described, and all dimensions and other details are correct.

Date _____

KN 2007-8 Tract A1

KN 2013-44 Lot 8

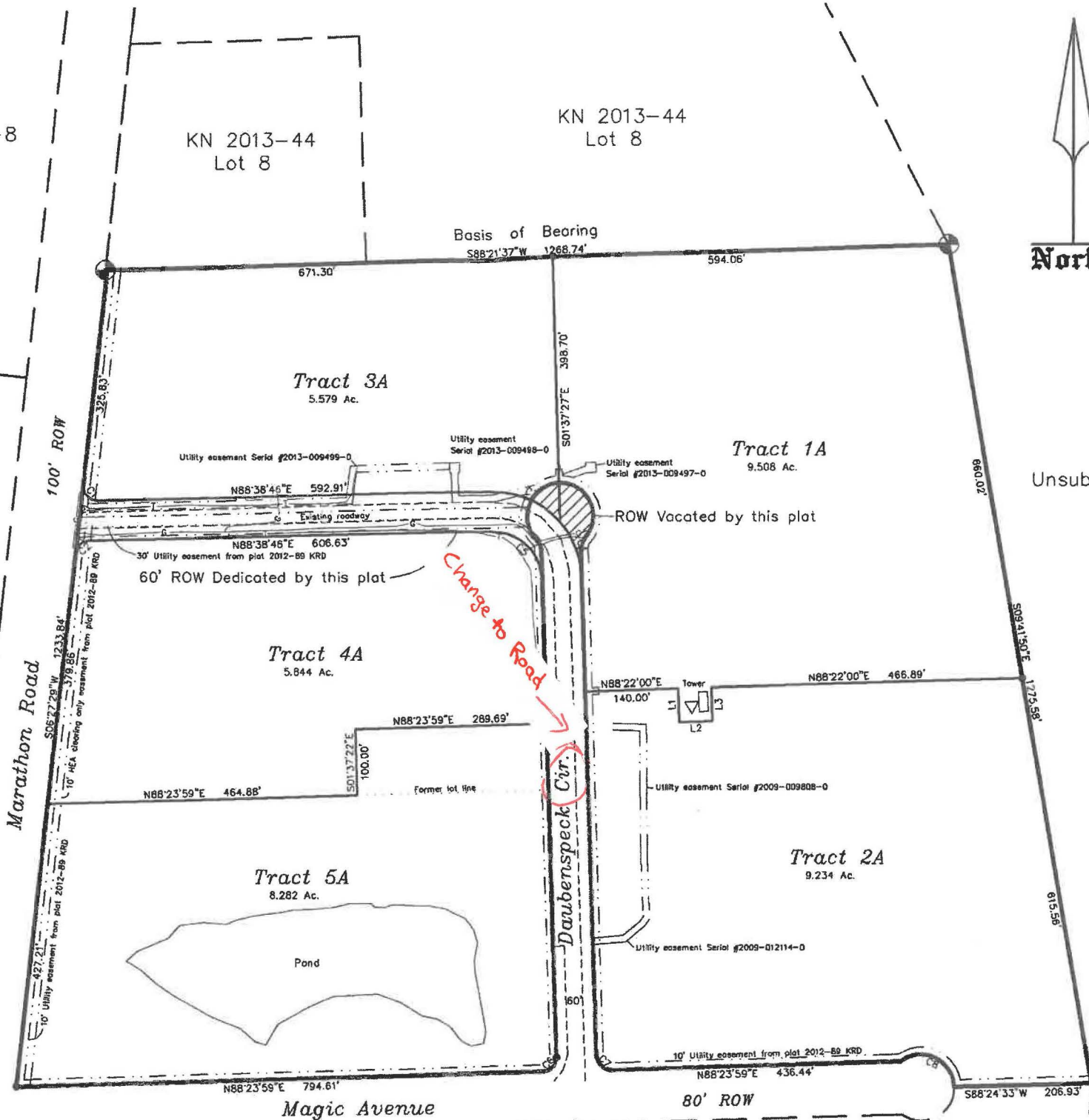
KN 2013-44 Lot 8

KN 2007-8 Tract B1

KN 2001-56 Tract A

KN 2006-25 Lot A

KN 2013-44 Lot 8



Line Table

| Line # | Direction | Length |
|--------|-------------|--------|
| L1 | N01°37'22"W | 50.00' |
| L2 | N88°22'00"E | 50.00' |
| L3 | N01°37'22"W | 50.00' |

Curve Table

| Curve # | Delta | Radius | Length | Tangent | Chord | Chord Bearing |
|---------|--------|---------|---------|---------|---------|---------------|
| C1 | 34.14 | 20.00' | 34.14' | 22.93' | 30.15' | S42°26'53"E |
| C2 | 26.69 | 20.00' | 28.69' | 17.44' | 26.29' | S47°33'07"W |
| C3 | 119.88 | 135.00' | 119.88' | 84.22' | 115.98' | N65°54'50"W |
| C4 | 91.54 | 135.00' | 91.54' | 47.61' | 89.80' | N21°02'54"W |
| C5 | 117.46 | 75.00' | 117.46' | 74.65' | 105.82' | N46°29'18"W |
| C6 | 31.42 | 20.00' | 31.42' | 20.01' | 28.29' | N43°23'18"E |
| C7 | 31.41 | 20.00' | 31.41' | 19.99' | 28.28' | S46°36'42"E |
| C8 | 110.88 | 50.00' | 110.88' | 100.40' | 89.51' | N64°56'52"W |

CERTIFICATE of OWNERSHIP and DEDICATION

I, THE UNDERSIGNED, HEREBY CERTIFY THAT THE CITY OF KENAI IS THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREON, AND ON BEHALF OF THE CITY OF KENAI, I HEREBY ADOPT THIS PLAN OF SUBDIVISION AND BY MY FREE CONSENT DEDICATE ALL RIGHTS-OF-WAY AND GRANT ALL EASEMENTS TO THE USE SHOWN.

PAUL OSTRANDER, CITY MANAGER
 CITY OF KENAI
 210 FIDALGO AVENUE
 KENAI, ALASKA 99611

NOTARY'S ACKNOWLEDGEMENT

FOR _____
 ACKNOWLEDGED BEFORE ME THIS _____ DAY OF _____ 20____

NOTARY PUBLIC FOR ALASKA
 MY COMMISSION EXPIRES _____

CERTIFICATE of ACCEPTANCE

THE UNDERSIGNED OFFICIAL IDENTIFIED BY NAME AND TITLE IS AUTHORIZED TO ACCEPT AND HEREBY ACCEPTS ON BEHALF OF THE CITY OF KENAI FOR PUBLIC USES AND FOR PUBLIC PURPOSES THE REAL PROPERTY TO BE DEDICATED BY THIS PLAT INCLUDING EASEMENTS, RIGHTS-OF-WAY, ALLEYS, AND OTHER PUBLIC AREAS SHOWN ON THIS PLAT IDENTIFIED AS FOLLOWS: DAUBENSPECK CIRCLE DEDICATION.
 THE ACCEPTANCE OF LANDS FOR PUBLIC USE OR PUBLIC PURPOSE DOES NOT OBLIGATE THE PUBLIC OR ANY OTHER GOVERNING BODY TO CONSTRUCT, OPERATE, OR MAINTAIN IMPROVEMENTS.

PAUL OSTRANDER, CITY MANAGER
 CITY OF KENAI

KPB FILE No. _____

Baron Park 2020 Replat

Resubdivision of Tracts 1-5, Baron Park 2012 Addition, Plat 2012-89, Kenai Recording District.

Located within the W1/2 Section 33, T6N, R11W, S.M., City of Kenai, Kenai Peninsula Borough, Alaska.

Containing 39.288 Ac.

| Surveyor | Owner |
|---|--|
| Segesser Surveys 30485 Rosland St. Soldotna, AK 99669 (907) 262-3909 | City of Kenai 210 Fidalgo Ave. Kenai, Alaska 99611 |

| | | | |
|-------------|-------------|--------|-----------|
| JOB NO. | 20024 | DRAWN: | 4-30-2020 |
| SURVEYED: | April, 2020 | SCALE: | 1"=100' |
| FIELD BOOK: | 19-5 | SHEET: | 1 of 1 |



**CITY OF KENAI
PLANNING AND ZONING COMMISSION
RESOLUTION NO. 2020-32**

A RESOLUTION OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF KENAI **RECOMMENDING** THE COUNCIL OF THE CITY OF KENAI RENAME DAUBENSPECK CIRCLE TO DAUBENSPECK ROAD ON THE PLAT FOR BARON PARK 2020 REPLAT

CURRENT OFFICIAL NAME: Daubenspeck Circle

RECOMMENDED OFFICIAL NAME: Daubenspeck Road

WHEREAS, Kenai Municipal Code 14.15.010(b)(2) provides that no street shall bear a name in language in conflict with suffixes required; and,

WHEREAS, "road" is the required suffix for the layout shown on the plat; and,

WHEREAS, Kenai Municipal Code 14.15.140 authorizes the Council of the City of Kenai to name and rename streets within City limits upon recommendation from the Planning and Zoning Commission and after consultation with the Kenai Peninsula Borough or any other affected municipality; and,

WHEREAS, the Kenai Peninsula Borough concurs with the street name change to Daubenspeck Road; and,

WHEREAS, the property owner of parcels adjacent to the street is the City of Kenai; and,

WHEREAS, the name change would not impact 911 navigation.

NOW, THEREFORE, BE IT RECOMMENDED BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF KENAI, ALASKA:

Section 1. That the official name for Daubenspeck Circle be changed to Daubenspeck Road on the plat for Baron Park 2020 Replat.

Section 2. That a copy of Resolution PZ2020-32 be forwarded to the Kenai City Council.

PASSED BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF KENAI, ALASKA, this 9th day of September, 2020.


JEFF TWAIT, CHAIRPERSON

Resolution No. PZ2020-32
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ATTEST:

Jacquelyn LaPlante for
JAMIE HEINZ, CMC, CITY CLERK





Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2020-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA APPROVING THE EXECUTION OF A LEASE OF AIRPORT RESERVE LANDS USING THE STANDARD LEASE FORM BETWEEN THE CITY OF KENAI AND KENAI AVIATION OPERATIONS, LLC, FOR LOT 9A, BLOCK 5, GENERAL AVIATION APRON SUBDIVISION NO. 5.

WHEREAS, Kenai Aviation Operations, LLC, submitted a complete lease application to the City and paid the required application fee; and,

WHEREAS, Kenai Aviation Operations, LLC, is eligible for a lease for a term of 45 years based upon an investment amount of \$2,000,000 and pursuant to KMC 21.10.080 – Length of Lease Term; and,

WHEREAS, Kenai Aviation Operations, LLC, is current on obligations to the City of Kenai; and,

WHEREAS, the lease use will be for a hangar with office space; and,

WHEREAS, the lease use is compatible with Kenai Municipal Zoning Code for allowed uses within the Airport Light Industrial (ALI) Zone; and

WHEREAS, the lease use conforms to the 2016 Comprehensive Plan and supports Goal 5 – Transportation: provide transportation systems that are efficient and adequate to serve the regional needs of the community; and,

WHEREAS, the use proposed is compatible and conforms with the Airport Land Use Plan, Airport Layout Plan, Federal Aviation Administration regulations, Airport Master Plan, Airport Improvement Program grant assurances, and Airport operations; and,

WHEREAS, the City of Kenai did not receive a competing lease application after publishing a public notice of the lease application, pursuant to KMC 21.10.075 – Competing Applications; and,

WHEREAS, at its regular meeting on September 10, 2020, the Airport Commission reviewed the lease renewal application submitted by Kenai Aviation Operations, LLC and recommended approval by the City Council; and,

WHEREAS, at its regular meeting on September 9, 2020, the Planning and Zoning Commission reviewed the lease renewal application submitted by Kenai Aviation Operations, LLC and recommended approval by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

Section 1. That a Lease of Airport Reserve Lands is approved and the City Manager is authorized to execute a lease using the standard lease form between the City of Kenai, Lessor,

Resolution No. 2020-77
Page 2 of 2

and Kenai Aviation Operations, LLC, Lessee, for Lot 9A, Block 5, General Aviation Apron Subdivision No. 5 subject to the following condition:

1. No competing lease application is received through September 20, 2020.

Section 2. That this resolution takes effect on September 21, 2020 after the entire 30-days allowance for competing lease applications has elapsed.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16th day of September, 2020.

BRIAN GABRIEL, SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: Elizabeth Appleby, City Planner

DATE: September 3, 2020

SUBJECT: **Resolution No. 2020-77 – Execution of a Lease of Airport Reserve Lands Between the City of Kenai and Kenai Aviation Operations, LLC**

Kenai Aviation Operations, LLC (Kenai Aviation Operations) submitted an application to the City for a Lease of Airport Reserve Lands for the property described as Lot 9A, Block 5, General Aviation Apron Subdivision No. 5 located at 155 N. Willow St. The Kenai Peninsula Borough parcel number is 04324026. The application requests a term of 45 years, with an investment value of 2 million dollars. Pursuant to the term table in Kenai Municipal Code (KMC) 21.10.080 (b), the applicant qualifies for a term of 45 years. Pursuant to Kenai Municipal Code 21.10.075 – Leasing and Acquisition of Airport Reserve Lands, Competing Applications, the City posted notice of the lease application and has not received a competing lease application for the parcel. The period of 30 days to accept competing lease applications expires after September 20, 2020. It is recommended that City Council's approval not take effect until September 21, 2020, and that a condition of approval be that no competing lease applications are received through September 20, 2020.

The applicant states that the use of the premises will be a hangar and office space. The applicant intends to start construction in October 2020 and finish in June 2021. The applicant expects the lease use to support transportation and flight training. The City of Kenai Fee Schedule of Rates, Charges, and Fees gives an annual lease rate of \$13,852.96 for this parcel.

The parcel is within the Airport Light Industrial (ALI) Zone per Kenai Municipal Code (KMC) 14.20.065. 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 proposed uses by Kenai Aviation Operations are permitted and compatible uses in the ALI Zone.

The proposed use by Kenai Aviation Operations complies 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 and West Cook Inlet.

The Airport Land Use Plan was developed to identify the highest and best uses of Kenai Municipal Airport land. The Airport Land Use Plan discusses leasing land and enhancing opportunities for local economic development. The proposed use by Kenai Aviation Operations complies with the Airport Land Use Plan.

The Planning and Zoning Commission recommended approval of the lease application during their September 9, 2020 meeting. The Airport Commission recommended approval of the lease application during their September 10, 2020 meeting. The applicant has an existing lease within the Airport Reserve and is current on obligations due to the City for that lease.

Resolution No. 2020-77 would grant the approval of the Kenai City Council for the City Manager to enter into a Standard Lease of Airport Reserve Lands between the City of Kenai and Kenai Aviation Operations, LLC, for a portion of Lot 9A, Block 5, General Aviation Apron Subdivision No. 5.

Thank you for your consideration.

ATTACHMENTS:

1. Application
2. Preliminary Site Plan
3. Aerial Map





City of Kenai Land Lease Application

| | |
|-------------------------------------|---|
| Application for: | <input checked="" type="checkbox"/> New Lease |
| <input type="checkbox"/> Amendment | <input type="checkbox"/> Extension |
| <input type="checkbox"/> Assignment | <input type="checkbox"/> Renewal |
| Application Date: | <u>8/16/2020</u> |

Applicant Information

| | | | | | |
|--------------------------|--|--|--------------|--------|-----------|
| Name of Applicant: | <u>Kenai Aviation Operations LLC</u> | | | | |
| Mailing Address: | <u>101 N Willow Street</u> | City: | <u>Kenai</u> | State: | <u>AK</u> |
| | | Zip Code: | <u>99611</u> | | |
| Phone Number(s): | Home Phone: | Work/ Message Phone: <u>907-283-4124</u> | | | |
| E-mail: (Optional) | <u>Contact @ kenaiaviation.com</u> | | | | |
| Name to Appear on Lease: | <u>Same</u> | | | | |
| Mailing Address: | <u>Same</u> | City: | | State: | Zip Code: |
| Phone Number(s): | Home Phone: | Work/ Message Phone: | | | |
| E-mail: (Optional) | | | | | |
| Type of Applicant: | <input type="checkbox"/> Individual (at least 18 years of age) <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Government <input checked="" type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Other _____ | | | | |

Property Information and Term Requested

| | |
|---|---|
| Legal description of property (or, if subdivision is required, a brief description of property): | |
| <u>155 N. Willow Street</u> <u>Lot 9A, Block 5, GAA. Subd. No. 5</u> | <u>parcel id: 04324026</u> |
| Does the property require subdivision? (if Yes, answer next questions) | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Subdivision costs are the responsibility of the applicant unless the City Council determines a subdivision serves other City purposes: | |
| 1. Do you believe the proposed subdivision would serve other City purposes? | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| 2. If determined it does not, applicant is responsible for all subdivision costs. | Initials <u>Jec</u> |
| If an appraisal is required to determine the minimum price on the land, applicant is responsible for the deposit to cover costs associated with appraisal. If a sale is approved, the cost of the appraisal will be either refunded or credited to the applicant. | Initials <u>Jec</u> |
| It is the responsibility of the applicant to cover recording costs associated with lease. | Initials <u>Jec</u> |
| Do you have or have you ever had a Lease with the City? (if Yes, answer next question) | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
| 1. Legal or brief description of property leased: | |
| <u>170 Granite Point Court</u> | |
| Request a Lease with an Option to Purchase once development requirements are met? | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| Requested term for Initial Lease or Renewal (based on Term Table, not to exceed 45 years): | <u>MAX</u> |
| Requested term for Lease Extension (based on Term Table, not to exceed a total of 45 Years): | |
| Requested Starting Date: | |

Proposed Use and Improvements

Proposed Use (check one): Aeronautical Non-Aeronautical

Do you plan to construct new or additional improvements? (if Yes, answer next five questions) YES NO

1. Will the improvement change or alter the use under an existing lease? YES NO

2. What is the proposed use of the improvement? *Hangar/office*

3. What is the estimated value of the improvement? *7,000,000+*

4. What is the nature and type of improvement?
New Hangar/office

5. What are the dates construction is estimated to commence and be completed?
(generally, construction must be completed within two years)
Estimated Start Date: *10/2020* Estimated Completion Date: *6/2021*

Describe the proposed business or activity intended:
Airline

How does the proposed lease support a thriving business, residential, recreational, or cultural community?
Transportation & flight training

Lease Assignment Only: What is the name of the individual or legal entity the lease is to be assigned?

Lease Renewal Only

Renewal of an Existing Lease (at least one year of term remaining): Requires new development.

Lease Term based on: Estimated cost of new improvements and Purchase Price (optional)

Renewal of an Expiring Lease (less than one year of term remaining): Does not require new development.

Lease Term based on: Purchase Price Professional Estimate of Remaining Useful Life

Fair Market Value appraisal and/or Estimated cost of new improvements (optional)

Requested Term for Renewal Based on Term Table, not to exceed 45 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: | <i>Joel Caldwell</i> | Date: | <i>8/16/20</i> |
| Print Name: | <i>Joel Caldwell</i> | Title: | <i>Owner</i> |

| | | |
|--|---------------------------------------|----------------|
| For City Use Only: | Date Application Fee Received: | <i>8-19-20</i> |
| <input type="checkbox"/> General Fund | Date Application Determined Complete: | <i>8/25/20</i> |
| <input checked="" type="checkbox"/> Airport Reserve Land | 30-Day Notice Publication Date: | <i>8-21-20</i> |
| <input checked="" type="checkbox"/> Airport Fund | City Council Action/Resolution: | |
| <input type="checkbox"/> Outside Airport Reserve | | |
| Account Number: | | |

PLAT APPROVAL
This plat was approved by the KENAI PENINSULA BOROUGH PLANNING COMMISSION

At its meeting of March 22, 2006
KENAI PENINSULA BOROUGH by
[Signature]
Approved Official

CERTIFICATE OF OWNERSHIP AND DEDICATION

We hereby certify that we are the owners of the real property shown and described hereon, and that we hereby dedicate all Rights-of-way and public areas to public use and grant all easements to the use shown

[Signature]
Rick R. Koca
City Manager, City of Kenai
210 Fidalgo Ave
Kenai, AK 99511

NOTARY'S ACKNOWLEDGEMENT

FOR: Rick R. Koca
Subscribed and sworn before me this
22nd day of March, 2006
My commission expires 07/18/2008
Notary Public for the State of Alaska



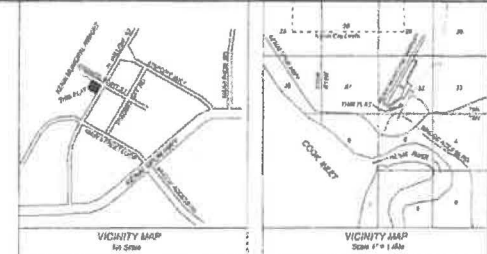
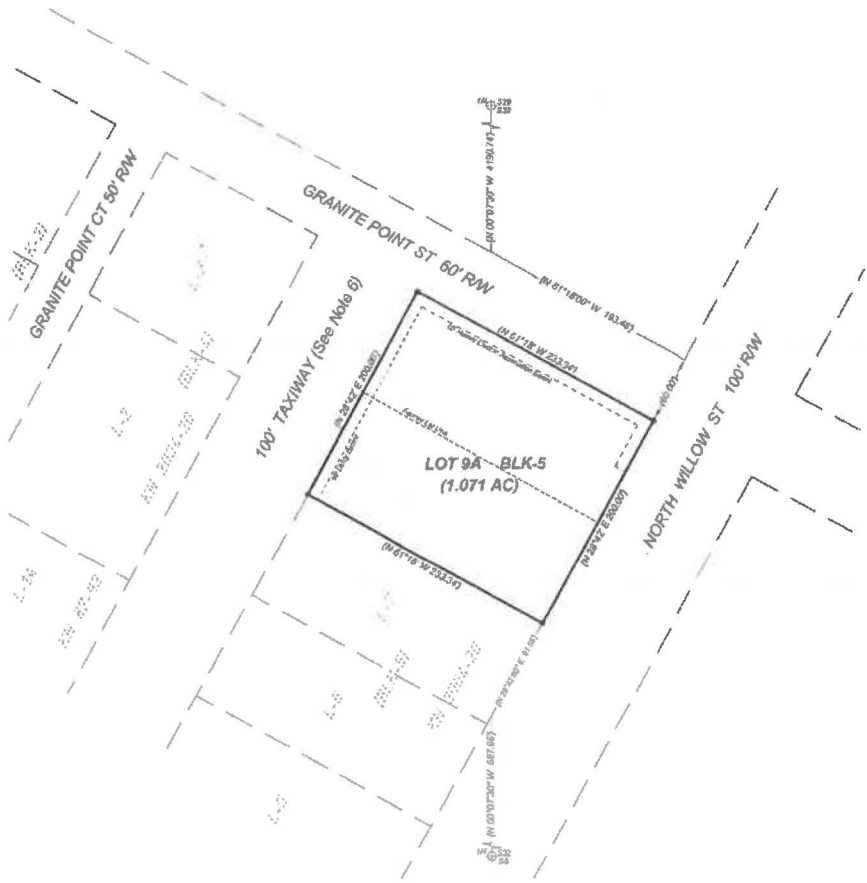
LESSEE CERTIFICATE

Arcis Barnabas Ministries, INC. hereby certifies that we are the lessee of the lots shown and described hereon, and that we approve this subdivision.

Joel Caldwell
Director, Arcis Barnabas Ministries, INC
135 Granite Point Court
Kenai, Alaska 99511

NOTARY'S ACKNOWLEDGEMENT

FOR: Joel Caldwell
Subscribed and sworn before me this
22nd day of March, 2006
My commission expires 07/18/2008
Notary Public for the State of Alaska



- LEGEND**
- ⊕ Monument of Record
 - Iron Pin of Record
 - () Record Data Plat KN 2004-20
 - () Computed from Record Data Plats KN 2004-20 and KN 07-03

- NOTES**
- 1) The calls on this plat are survey information of record from General Aviation Apron S/D No 1 Amended Plat (KN 2004-20)
 - 2) NO FIELD SURVEY WAS PERFORMED.
 - 3) All waste disposal systems shall comply with existing laws at the time of construction.
 - 4) These lots are served by city water and sewer.
 - 5) WASTEWATER DISPOSAL: Plans for wastewater disposal, that meet regulatory requirements are on file at the Department of Environmental Conservation.
 - 6) The City of Kenai has enforcement and regulation over utility use.
 - 7) No permanent structure shall be constructed or placed within a utility easement that would interfere with the ability of a Utility to use the easement.

RECORDED
REG DIST
DATE TO
TIME M
REQUESTED BY
TINKER CREEK SURVEYS
POB 3342
SILCOOTNA, AK 99588

2006-03
KENAI REC DIST
Date 3-22-06
Time 11:57 AM
Requested by R. Koca
Address

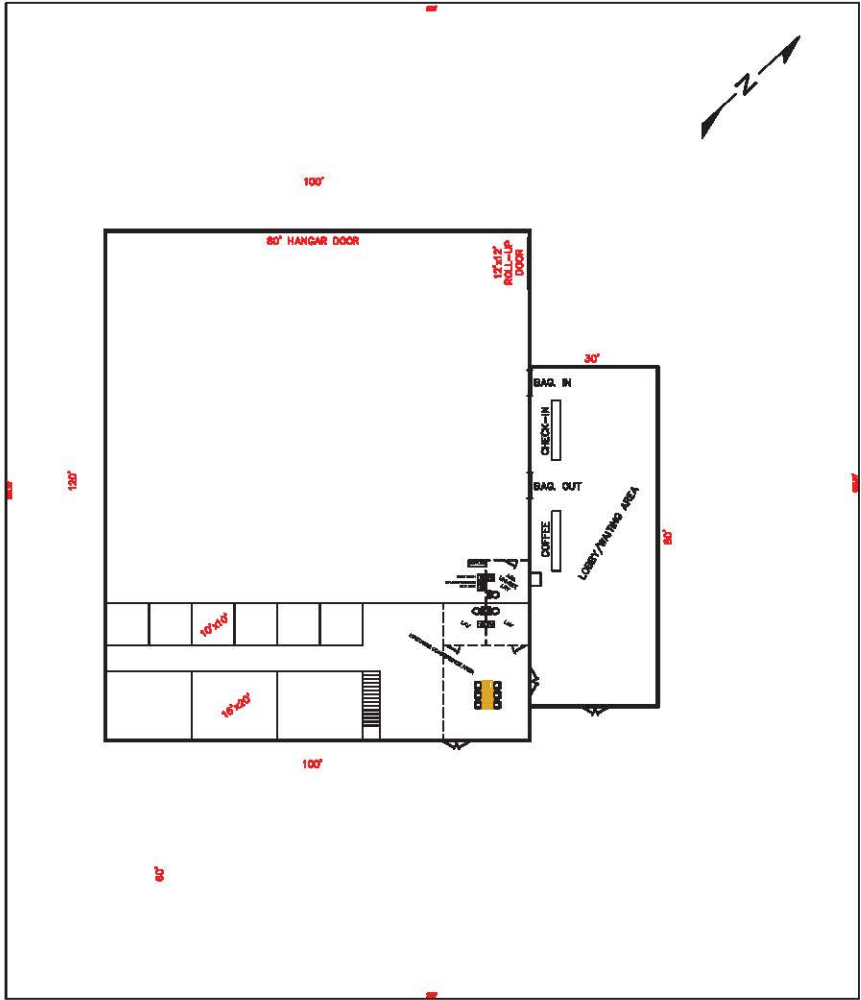


GENERAL AVIATION APRON S/D No.5
A Replat of: Lot 8 Block 5 & Lot 9 Block 5
GENERAL AVIATION APRON S/D No.1 AMENDED
(Plat KN 2004-20)

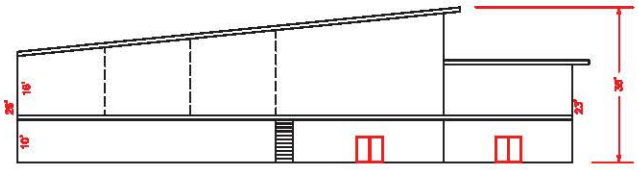
LOCATION
1.071 ACRES MW LOCATED IN THE S 1/2 SECTION 32, T6N, R11W
52M, AK, IN THE CITY OF KENAI, AND THE KENAI PENINSULA
BOROUGH IN THE KENAI RECORDING DISTRICT.

Class: Prepared by:
Arcis Barnabas Ministries, INC. Tinker Creek Surveys
Joel Caldwell POB 3342 SILCOOTNA, AK 99588
135 Granite Point Court 394-9478 (office) Office
KENAI, AK 99511 394-1218 (fax and home)

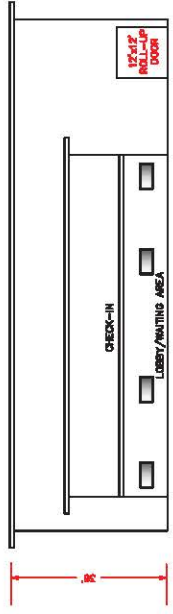
DATE: 6/28/06 SCALE: 1" = 50' SHEET 1 of 1
CHECKED BY: jcm FILE: 06-021-F (Rev) H.P.A. FILE No. 2006-161



NORTH WILLOW STREET



GRANITE POINT STREET





Aerial Map: Lease Application

Parcel 04324026

155 North Willow Street

Lot 9A, Block 5, General Aviation Apron Subdivision No. 5



LEGEND

 Parcel Requested in Lease Application

0 20 40 Feet

Date: September 2020

Data Source: Kenai Peninsula Borough. Data is for graphic representation only. Imagery may not match true parcel boundaries.





Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2020-78

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, APPROVING AN AIRLINE OPERATING AGREEMENT AND TERMINAL AREA LEASE WITH FLOAT SHUTTLE/ CORVUS AIRLINES INC., D/B/A RAVN ALASKA AND RATIFYING A STIPULATION REGARDING REJECTION OF UNEXPIRED LEASE OF NON-RESIDENTIAL REAL PROPERTY WITH RAVN GROUP, INC.

WHEREAS, the City of Kenai is the owner and operator of the Kenai Municipal Airport; and,

WHEREAS, a recommendation of the 2007 Supplemental Planning Assessment was to update the City's airline operating agreement and terminal lease; and,

WHEREAS, Council approved Resolution No. 2008-27 establishing a new airline operating agreement and terminal lease to modernize the airport airline terminal leasing procedures and policies and increase airport operating revenue effective June 1, 2008 for a sixty-month period; and,

WHEREAS, Council approved Resolution No. 2013-31 approving the First Amendment to the airline operating agreement and terminal area lease effective July 1, 2013 for a sixty-month period; and,

WHEREAS, Council approved Resolution No. 2018-43 approving the Second Amendment to the airline operating agreement and terminal area lease effective July 1, 2018 for a period of twelve months in consideration of the terminal rehabilitation project; and,

WHEREAS, Council approved Resolution No. 2019-24 approving the Third Amendment to the airline operating agreement and terminal area lease effective July 1, 2019 for an additional twelve months due to delays in the terminal rehabilitation project; and,

WHEREAS, City administration, working with an airport consultant, developed the Fourth Amendment to the airline operating agreement and terminal area lease; and,

WHEREAS, these four amendments have been incorporated into the original airline operating agreement for perspective airlines operating out of the Kenai Airport; and,

WHEREAS, in early 2020, RAVN Air Group, Inc., *et al*, filed Chapter 11 Bankruptcy and ceased operation at the Kenai Airport but continued to occupy airport space; and,

WHEREAS, an entity called FLOAT shuttle, purchased many of RAVN Air Group's assets through the bankruptcy proceedings, including those physical assets central to operation at the Kenai Airport; and,

WHEREAS, FLOAT shuttle intends to operate in Alaska as Corvus Airlines, Inc., d/b/a RAVN Alaska once necessary state and federal requirements have been met and resume flights in and out of the Kenai Airport beginning in September 2020 or soon thereafter; and,

WHEREAS, RAVN Air Group Inc., has not assigned its interest in the Airline Operating Agreement or Terminal Area Lease to FLOAT shuttle or Corvus Airlines, Inc., d/b/a RAVN Alaska; and,

WHEREAS, RAVN Air Group Inc., proposes the City stipulate to rejection by the bankruptcy court of its lease/ operating agreement with the City, allowing the City to enter into a new lease/ operating agreement with Float shuttle/ Corvus Airlines, Inc., d/b/a RAVN; and,

WHEREAS, Float shuttle/ Corvus Airlines, Inc., d/b/a RAVN Alaska must sign the City of Kenai's Airline Operating Agreement incorporating the four amendments thereto, to operate as a signatory operator in the Kenai Airport and secure terminal space; and

WHEREAS, it is in the best interest of the City of Kenai to stipulate to reject the lease/ operating agreement with RAVN Air Group Inc and authorize the City Manager to enter into a new agreement with Float shuttle/ Corvus Airlines, Inc., d/b/a/ RAVN Alaska.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA:

Section 1. That the Kenai City Council approves or ratifies a stipulation with RAVN Air Group Inc., rejecting its lease/ operating agreement with the City.

Section 2. That the Kenai City Council approves the Terminal Area Lease form as attached; and,

Section 3. That the Kenai City Manager is authorized to enter into an Airline Operating Agreement as attached (or materially similar to) with Float shuttle/ Corvus Airlines, Inc., d/b/a RAVN Alaska.

Section 4. That this resolution takes effect immediately upon passage.

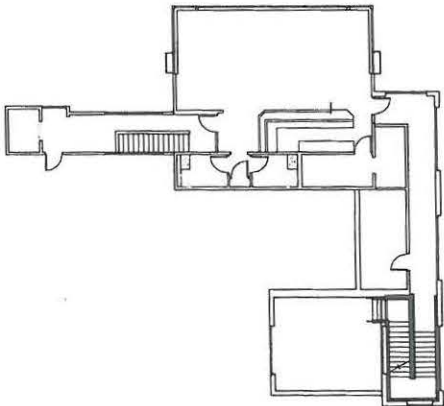
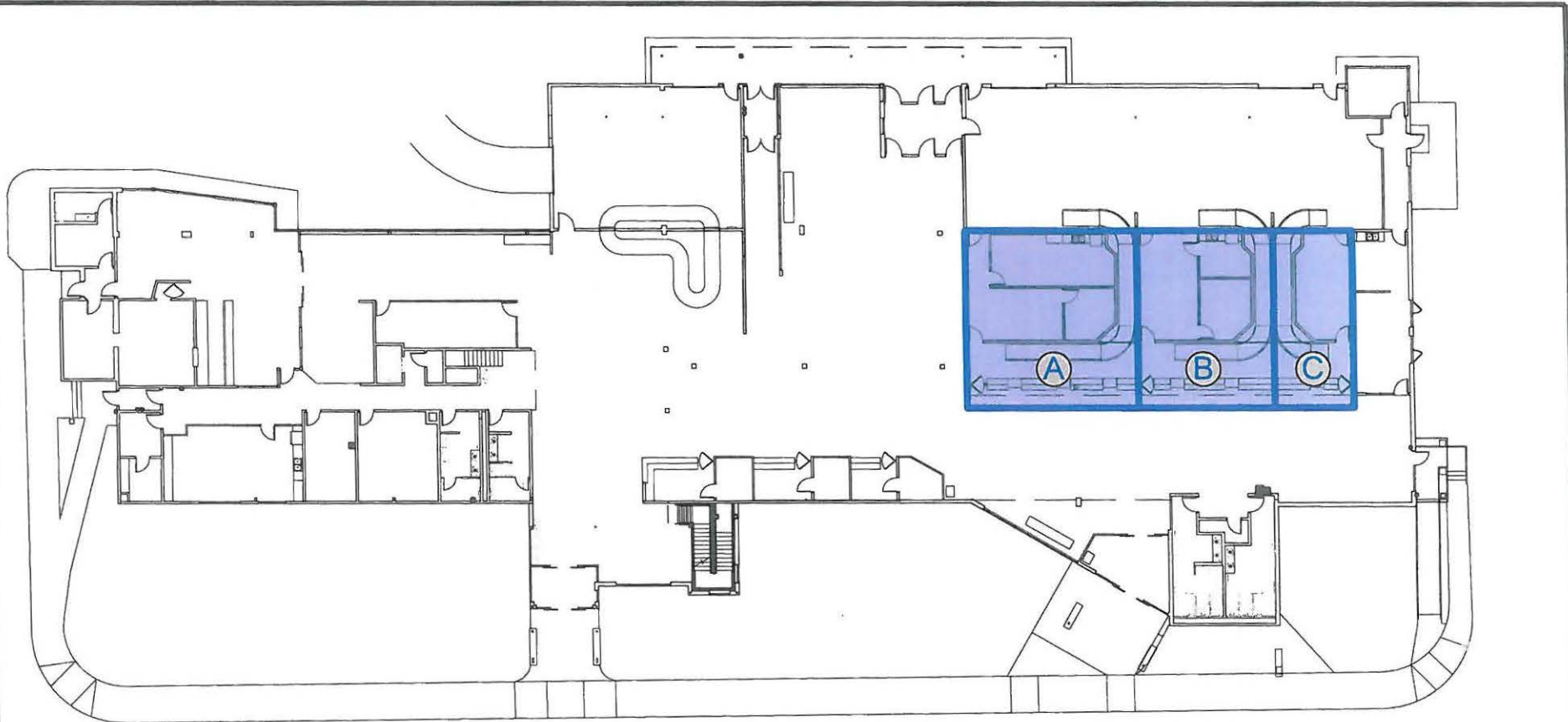
PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16 day of September, 2020.

BRIAN GABRIEL, SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

V:\winc\KENAI CERT MANUAL\EXHIBITS A - B EXCLUSIVE USES\2019 revisions exhibit a-b\rev exhibit a-b exclusive space.dwg



| AREA | |
|------|------------|
| (A) | 1,452 S.F. |
| (B) | 1,155 S.F. |
| (C) | 670 S.F. |

THIS DRAWING IS NOT TO SCALE

LESSOR _____

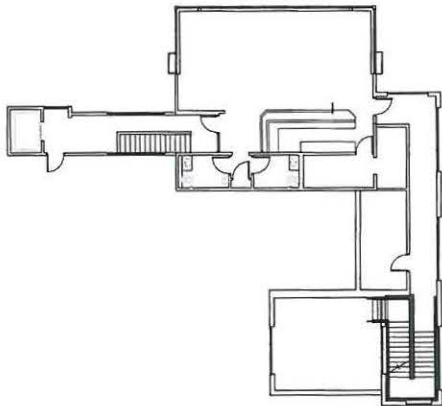
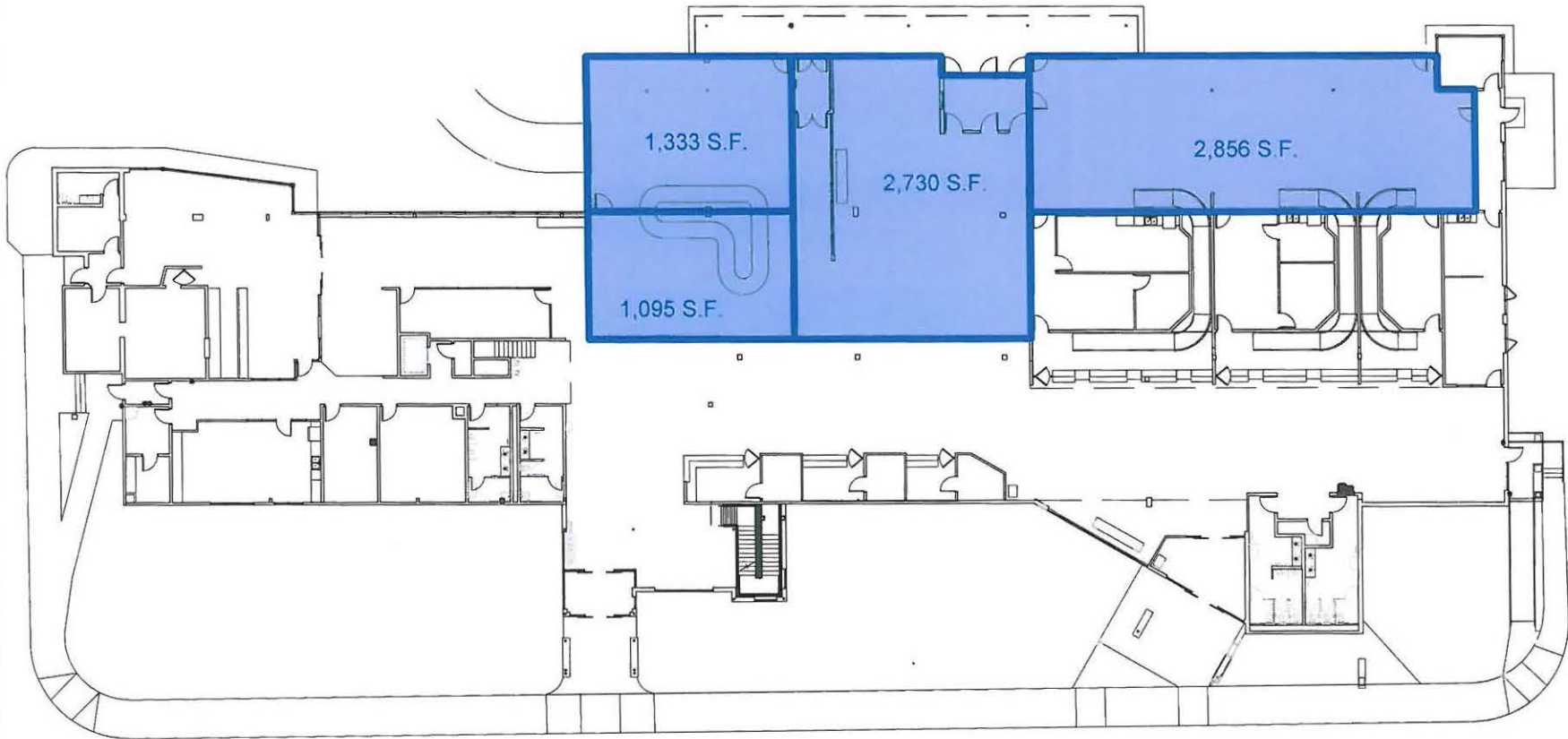
LESSEE _____

WINCE-CORTHELL-BRYSON

JOB NO: _____ REVISED: Plotted: 11/04/19

KENAI MUNICIPAL AIRPORT
EXHIBIT A EXCLUSIVE SPACE
KENAI, ALASKA

V:\work\KENAI CERT MANUAL\EXHIBITS A - B EXCLUSIVE USE\SI-4-2020 REV\EXHIBIT B REV\EXHIBIT B JOINT USE SPACE.dwg



| | |
|----------------------------------|-------------------|
| BAGGAGE MAKE-UP AREA = | 2,856 S.F. |
| BAGGAGE BREAKDOWN AREA = | 1,333 S.F. |
| BAGGAGE CLAIM AREA = | 1,095 S.F. |
| ARRIVAL/DEPARTURE/WAITING AREA = | 2,730 S.F. |
| TOTAL JOINT USE SPACE = | 8,014 S.F. |

THIS DRAWING IS NOT TO SCALE

LESSOR _____
 LESSEE _____

WINCE-CORTHELL-BRYSON

JOB NO. _____ REVISED. Plotted 02/04/20

KENAI MUNICIPAL AIRPORT
EXHIBIT B JOINT USE SPACE
KENAI, ALASKA

CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

Airline Operating Agreement and Terminal Area Lease

September 8, 2020

CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE

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CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

**AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE**

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CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT
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CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT
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CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT AND
TERMINAL AREA LEASE

This Airline Operating Agreement and Terminal Area Lease (the “Agreement”) made and entered into this 8th day of September, 2020, by and between the City of Kenai, Alaska (the “City”), a home-rule municipal corporation of the State of Alaska and **Corvus Airlines, Inc, d/b/a Ravn Alaska, LLC**, a corporation organized and existing under the laws of the State of Alaska and authorized to do business in the State of Alaska, hereinafter called "Airline".

W I T N E S S E T H:

WHEREAS, City is owner and operator of Kenai Municipal Airport (the “Airport”) located in Kenai, Alaska, and has the right to lease portions of the Airport and to grant operating privileges thereon subject to the terms and conditions hereinafter set forth; and

WHEREAS, Airline is a corporation primarily engaged in the business of providing Air Transportation of persons, property, cargo and mail; and

WHEREAS, Airline desires to lease certain premises within the Terminal Building, use certain facilities at the Airport and acquire certain rights and privileges from City in connection with its use of the Airport, and City is willing to lease and grant same to Airline under terms and conditions hereinafter stated; and

WHEREAS, City and Airline have the power and authority to enter into this agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and considerations herein contained, City and Airline agree as follows:

**ARTICLE 1
DEFINITIONS**

Section 1.1 Definitions

The terms and phrases defined in this Article 1 for all purposes of this Airline Operating Agreement and Terminal Building Lease shall have the following meanings:

- 1.1.1 **"Air Transportation"** shall mean the carriage of persons, property, cargo and/or mail by aircraft.
- 1.1.2 **"Airline Premises"** shall mean Airline's leased Exclusive Use Space and Joint Use Space in the terminal building and its leased terminal apron space.
- 1.1.3 **"Airline's Authorized Representative"** shall mean such person designated by Airline in writing to the Manager prior to the commencement of the term hereof and from time-to-time during the term hereof setting forth the name, title and authority of such person.
- 1.1.4 **"Airport"** shall mean the Kenai Municipal Airport in Kenai, Alaska (a facility of the City of Kenai) as it may hereafter be modified, changed or developed from time-to-time.
- 1.1.5 **"Airport Purpose"** shall mean any action or undertaking by City directly relating to the development and preservation of the Airport for air commerce in accordance with all applicable laws (federal, state and local, statutory, regulatory and decisional) and this Airline Operating Agreement and Terminal Area Lease.
- 1.1.6 **"Airport Revenues"** shall mean any income and revenue lawfully derived directly or indirectly by the City from the operation and use of, or otherwise relating to, the Airport. The term does not include any grants, appropriations, loans, gifts, taxes or bond proceeds from federal, state or local governments.
- 1.1.7 **"Manager"** shall mean the Airport Manager, designated as such by City. The word also means the Acting Airport Manager, if any, of City whenever the Airport Manager is unable to act in such capacity, or the successor of the Airport Manager in functions, if any.

- 1.1.8 **"Exclusive Use Space"** shall mean, at any time, the space leased in the passenger terminal building by City to Airline on an exclusive use basis as more fully set forth on Exhibit A, as the same may be amended from time-to-time.
- 1.1.9 **"FAA"** shall mean the Federal Aviation Administration of the U.S. Government or any federal agency succeeding to all or part of its jurisdiction.
- 1.1.10 **"Fiscal Year"** shall mean the twelve (12) months commencing on July 1st and ending on June 30st of any year or such other twelve (12) month period as may be designated by City.
- 1.1.11 **"Joint Use Space"** shall mean, at any time, the premises leased or used jointly in the passenger terminal building by Airline and any other Signatory Airlines, as more particularly set forth on Exhibit B, as the same may be amended from time-to-time.
- 1.1.12 **"Maximum Certificated Gross Take-Off Weight"** shall mean the maximum take-off weight certificated by the FAA, in one thousand (1,000) pound units, of each aircraft landed by Airline at the Airport.
- 1.1.13 **"Non-Signatory Airline"** shall mean any airline providing scheduled or unscheduled service to the Airport which is not a Signatory Airline.
- 1.1.14 **"Public Area(s)"** shall mean at any time those passenger terminal building areas not leased on an exclusive or joint use basis, or otherwise, to any person, company or corporation.
- 1.1.15 **"Requesting Airline"** shall mean a scheduled airline desiring to provide new or increased commercial Air Transportation service at the Airport, or to provide a change of aircraft for existing service for which the scheduled airline does not have appropriate facilities at the Airport.
- 1.1.16 **"Rules and Regulations"** shall mean those lawful, reasonable and non-discriminatory rules, regulations and resolutions promulgated by City (including Airport Minimum Standards for Aeronautical Activities) or operating directives issued by the Manager for the orderly use of the Airport by both the Signatory Airlines and other tenants and users of the Airport as same may be amended, modified or supplemented from time-to-time, but which are not inconsistent with the express terms of this Agreement.

1.1.17 **"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. 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.

Signatory Airlines shall also include airlines that do not use terminal building facilities which provide Air Transportation to and from the Airport on an unscheduled, on-call basis 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 use of airfield facilities but not the use and lease of space in the terminal building.

1.1.18 **"Affiliate(s) or Affiliated Airline(s)"** shall mean any Air Transportation company that is specifically designated as such by Airline during the Term of this Agreement and is approved by the prior written consent of City which shall not be unreasonably withheld. Airline shall give the City thirty (30) days prior written notice of any change in airlines that Airline chooses to use as an Affiliate operating at the Airport. During such period of time that an airline is an Affiliate in accordance with the terms hereof, such Affiliate shall (1) be charged at the same Airport rental rates as Airline without payment of any premiums and (2) participate in any reconciliation process related to Airport rent provided Airline (a) remains a signatory to this Agreement and (b) agrees and shall be obligated to serve as a financial guarantor for all rent, activity fees and any other charges incurred by all Affiliates of Airline at the Airport.

Section 1.2 Cross-References

All references to articles, sections and exhibits in this Agreement pertain to material in this Agreement, unless specifically noted otherwise.

Section 1.3 Construction of Certain Words

Words used in this Agreement may be construed as follows:

- 1.3.1 Number - Words used in the singular include the plural and words used in the plural include the singular.
- 1.3.2 Tense - Words used in the present tense include the future.

**ARTICLE 2
TERM**

Section 2.1 Term

The term of this Agreement (the “Term”) shall begin on September 8, 2020 (“Commencement Date”) and shall terminate on June 30, 2025 (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.

Section 2.2 Holding Over

If Airline remains in possession of the Airline Premises after the expiration of this Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Agreement, but shall create only a tenancy from month to month that may be terminated at any time by City upon thirty (30) days prior written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Agreement, and amendments hereto executed prior to its expiration. City acknowledges and agrees that the foregoing sets forth Airline’s entire obligation and liability for any holding over.

**ARTICLE 3
RIGHTS AND PRIVILEGES**

Section 3.1 Use of the Airport

Airline, its employees, passengers, guests, patrons and invitees shall have the right to the use (in common with other duly authorized users) of the Airport and its appurtenances, together with all facilities, improvements, equipment and services that have been or may hereafter be provided for common use at, or in connection with, the Airport, subject to the Rules and Regulations of City and other applicable laws.

Section 3.2 Specific Rights of Airline at the Airport

Airline shall have the right, in addition to all rights elsewhere granted in this Agreement, but subject to the Rules and Regulations of City to use the Airport for the following purposes:

- 3.2.1 The operation of an Air Transportation business by aircraft for the carriage of persons, property, cargo and mail, including all activities reasonably necessary to such operation;
- 3.2.2 The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of, or operated by, Airline, or other certificated Air Transportation companies with which City has an agreement, including the right to provide or handle all or part of the operations or services of such other companies, all of which are subject to City's Rules and Regulations;
- 3.2.3 The sale of tickets, documentation of shipments, handling of reservations and the loading and unloading of persons, property, cargo and mail at the Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its Air Transportation business, or that of other certificated Air Transportation companies with which City has an agreement. Any ground transportation commercial carrier including Airline (except for such ground transportation as Airline may provide or arrange solely for the benefit of its employees) regularly transporting persons or their baggage to and from the Airport shall first secure and thereafter hold a valid lease, license or other agreement with City for the right to carry persons or their baggage to and from the Airport and shall pay City such reasonable and non-discriminatory rentals, fees and percentages of the fares of such ground transportation commercial carrier for such right as City may set by agreements, resolutions or Rules and Regulations;

- 3.2.4 The ground training at the Airport of persons and testing of equipment, such training and testing to be limited to that incidental to Airline's Air Transportation business at the Airport; provided that nothing in this paragraph shall preclude Airline and City from entering into separate agreements for training at the Airport;
- 3.2.5 The purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage and other passenger supplies, and any other materials and supplies used by Airline from any person or company of Airline's choice, and the making of agreements with any person or company of Airline's choice for services to be performed by Airline that are incidental to the operation of Airline's Air Transportation business. Nothing herein shall restrict City from levying a reasonable and non-discriminatory concession fee on any person or company providing property or services to Airline that are not incidental to Airline's Air Transportation business;
- 3.2.6 The sale, disposal and exchange of Airline's aircraft, engines, accessories, other equipment and materials or supplies, provided that such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform only such functions as are incidental to the operation of its Air Transportation business.
- 3.2.6.1 Except for items brought upon the property for regular Airline business purposes, Airline shall not cause or permit any hazardous substance to be brought upon, kept or used in or about the property. While on the property, hazardous substances allowed by this paragraph shall be stored in a safe manner and in compliance with all environmental laws. Notwithstanding any provision to the contrary in this agreement, under no circumstances shall hazardous substances be disposed of or released on the property. The term "hazardous substance" shall mean any hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined or regulated currently or in the future by any environmental law (as defined below) or by common law decision, including without limitation: (a) chlorinated solvents, (b) petroleum products or byproducts, (c) asbestos, (d) polychlorinated biphenyl and (e) urea-formaldehyde. The term "environmental law" means any federal, state or local law, statute, ordinance, regulation, rule or order pertaining to health, industrial hygiene, environmental conditions or hazardous substances.

- 3.2.6.2 Upon Airline written request, City shall provide to Airline all relevant data, assessments, studies, permits and certificates available to City, and shall otherwise cooperate with Airline, as Airline may reasonably require to effectuate its own compliance with applicable environmental requirements;
- 3.2.6.3 Airline will deliver to the City copies of any documents received from, or sent by Airline to, the United States Environmental Protection Agency and/or any state, borough or municipal environmental or health agency concerning Airline's Operations on the Airline Premises.
- 3.2.7 The servicing by Airline, or by its suppliers of materials, or its furnishers of services, of aircraft and other equipment operated by Airline or by other Air Transportation companies with which Airline has an applicable agreement to provide handling or servicing, line maintenance or other materials or supplies, at assigned aircraft parking positions or other locations designated by the Manager;
- 3.2.8 The installation and operation of identifying signs, posters and graphics on Airline Premises, subject to the prior written approval of the Manager. Such signs shall be substantially uniform in size, types and location with those of other airlines, and subject to Manager's approval, Rules and Regulations, and in compliance with all applicable laws and resolutions;
- 3.2.9 The installation, maintenance, and operation of radio, meteorological and aerial navigation equipment and facilities at suitable locations on the Airport as may be necessary or convenient in the opinion of Airline for its operations; provided that
 - 3.2.9.1 the location of such equipment and facilities shall be subject to the prior written approval of the Manager;
 - 3.2.9.2 the use and location of such equipment and facilities shall not conflict with other similar equipment and facilities on the Airport; and
 - 3.2.9.3 the location of such equipment and facilities on the Airport shall be subject to payment of such reasonable and non-discriminatory fee or rental charge established by City for such location on the Airport by Airline.

- 3.2.10 The installation, maintenance and operation of computer data lines, telephone communications equipment and associated conduits and telephone communications switchgear and support computers at suitable locations on the Airport, as may be necessary or convenient in the opinion of Airline for its operations; provided that
- 3.2.10.1 the location of such equipment shall be subject to the prior written approval of the Manager, if such location is not included in Airline's Exclusive Use Space;
 - 3.2.10.2 the use and location of such equipment shall not conflict with other similar equipment on the Airport; and
 - 3.2.10.3 the location of such equipment (other than conduit and cable) on the Airport shall be subject to payment of such reasonable and non-discriminatory fee or rental charge established by City for such use of space on the Airport by Airline unless such space is already leased to Airline.
- 3.2.11 The sale, disposal, storage, distribution, provision or maintenance of aircraft, engines, accessories, fuel, oil, lubricants and other equipment, services or supplies to other airline users of the Airport, performed or provided by Airline or by a consortium of which Airline is or becomes a part, to the extent that such servicing of other airlines constitutes a regular business activity of Airline.

Section 3.3 Limitations on Use by Airline

In connection with the exercise of its rights under this Agreement, Airline shall not:

- 3.3.1 Do, or permit to be done, anything within its control at or about the Airport that may interfere with the effectiveness or accessibility of the drainage and sewage system, water system, electrical system, heating system, natural gas system, air conditioning system, fire protection system, sprinkler system, alarm system or fire hydrants and hoses, if any, installed or located on or within the premises of the Airport;
- 3.3.2 Do, or permit to be done, upon the Airport any act or thing within its control that will invalidate or conflict with any fire or other casualty insurance policies (copies of which, together with premium schedules, shall be furnished to Airline in writing on request) covering the Airport or any part thereof;

- 3.3.3 Dispose of, or permit any other person within its control (including service contractors) to dispose of, any waste material taken from, or products used (whether liquid or solid) with respect to, its aircraft into the sanitary or storm sewers at the Airport unless such waste material or products are first properly treated by equipment installed with the approval of the Manager for that purpose;
- 3.3.4 Keep or store within the enclosed portion of the Airline Premises, during any twenty-four (24) hour period, flammable liquids in excess of Airline's working requirements during said twenty-four (24) hour period, except in storage facilities specially constructed for such purposes in accordance with standards established by the National Board of Fire Underwriters, and approved in writing by the Manager from the standpoint of safety;
- 3.3.5 Do, or permit to be done, upon the Airport any act or thing within its control that will be in conflict with Federal Aviation Regulations Part 139 or jeopardize the Airport's operating certificate;
- 3.3.6 Do, or permit to be done, any act or thing within its control in conflict with the Airport's security plan;
- 3.3.7 Do, or permit to be done, any act or thing within its control in conflict with the Airport's Rules and Regulations;
- 3.3.8 Do or permit to be done any act, or let any condition exist, which is in conflict with current or future Environmental Protection Agency, State of Alaska and other government entities' rules, regulations or directives; and
- 3.3.9 Do, or permit to be done, in the area of the passenger terminal building, heavy maintenance (i.e., engine changes, control surface replacements, overhauls) within Airline's control unless consented to by City, and providing that suitable, reasonably accessible space is available for such purpose.

**ARTICLE 4
LEASED PREMISES**

Section 4.1 Terminal Area Leased Space

- 4.1.1 Airline hereby leases its assigned Exclusive Use Space in the passenger terminal building being more particularly delineated on Exhibit A, as the same may be amended from time-to-time.
- 4.1.2 Airline hereby leases the Joint Use Space it uses with other airlines in the passenger terminal building being more particularly delineated on Exhibit B, as the same may be amended from time-to-time.
- 4.1.3 Airline hereby leases the terminal apron space for the parking of aircraft and the storage of ground service equipment (GSE) being more particularly delineated on Exhibit E, as the same may be amended from time-to-time.
- 4.1.4 Airline shall use its Exclusive Use Space for office purposes and the sale of Air Transportation, handling, ticketing, billing and manifesting of passengers, baggage, cargo, property and mail in the conduct of its Air Transportation business. If Airline desires to use its Exclusive Use Space on behalf of any other Air Transportation company authorized by the Manager to use the Airport, Airline must first obtain written approval of Manager, other than for Affiliates of the Airline.
- 4.1.5 Airline shall use the Joint Use Space for purposes designated for such space by the Manager, which shall include:
- 4.1.5.1 Baggage claim area (delivery and display of inbound passenger baggage and passenger waiting areas for delivery of their baggage);
 - 4.1.5.2 Tug cart circulation and baggage breakdown, loading and unloading;
 - 4.1.5.3 Passenger hold rooms (checking-in, passenger waiting areas for arrival of aircraft, boarding of passengers and deplaning of passengers); and
 - 4.1.5.4 City owned loading bridges for enplaning and deplaning aircraft.

Section 4.2 Surrender of the Premises

- 4.2.1 City shall not be required to give notice to quit possession of the Airline Premises hereunder upon expiration of the term of this Agreement. City acknowledges that the following conditions shall also be excluded from Airline's duty to surrender the leased premises, and that Airline shall not be liable for, or required to correct or make good any damage caused by (a) any willful or negligent act or omission of City, its employees or agents, or, in the case of any jointly or commonly used portion of the Airline Premises, any damage due to any willful or negligent act or omission of any

other tenant, its employees or agents; (b) any latent defect in any Airport improvement not constructed by or on behalf of Airline, and (c) any other damage or loss that Airline is not responsible to repair under the terms of this Agreement. Airline covenants and agrees that, on expiration of the term of this Agreement, or on earlier termination as hereinafter provided, it will peaceably surrender possession of the premises leased hereunder in good condition, reasonable wear and tear, acts of God and fire casualties excepted, and City shall have the right to take possession of said premises. Airline shall have the right on termination, and within thirty (30) days thereafter, to remove all trade fixtures, equipment and other personal property installed or placed by it at its expense, in, on or about the Airport, except that

4.2.1.1 Airline shall not remove fixtures, equipment and other personal property for which City is to reimburse Airline pursuant to Section 4.3; and

4.2.2 Airline shall not abandon any of its property on the premises without the prior written consent of the Manager. Any and all property not removed by Airline within the thirty (30) day period, except as otherwise mutually agreed upon by the parties hereto, shall thereupon, at the option of City, become a part of the land on which it is located, and title thereto shall vest with City. All City property damaged by, or as the result of, the removal of Airline's property shall be restored by Airline, at its own expense, to the condition existing prior to such damage or according to such other arrangement to which City and Airline may agree.

Section 4.3 Accommodation of New and/or Existing Airlines

The parties hereto agree that every reasonable effort will be made to accommodate any other new entrant or incumbent airline, such carrier to be referred to hereinafter as "Requesting Airline". The parties agree that City will make every effort to accommodate such Requesting Airline through direct lease of premises between City and Requesting Airline. In the event that no premises which will accommodate the Requesting Airline are available for lease from City, the parties hereto recognize that it may become necessary to share the use of the premises demised herein with other Signatory Airlines so as to reasonably accommodate new and/or additional Air Transportation service at the Airport. Airline agrees to cooperate with City by giving appropriate consideration to any request by City to accommodate such Requesting Airline in its leased premises. If Airline accommodates such Requesting Airline, Airline may charge the Requesting Airline a reasonable and non-discriminatory fee for secondary use of Airline's space, and Requesting Airline shall be required to indemnify the incumbent airline to the same extent that the incumbent airline is required to indemnify the City for the use and occupancy of the premises under this Agreement.

Section 4.4 Remodeling and New Construction

City reserves the right to provide Exclusive Use Space to a Requesting Airline by remodeling existing space or constructing new space after consultation with all Signatory Airlines.

4.4.1 “Remodeling” will be treated as a tenant improvement and the sole cost will be borne by the Requesting Airline as well as all remodeling and relocation costs, if any, incurred by any incumbent Signatory Airline that has accommodated the Requesting Airline.

4.4.2 “New construction” which increases the space available for lease and use by airlines will be treated as a common cost element of the passenger terminal building, and costs involving additions or building modifications (including financing costs, if appropriate) will be borne by the Airport, except that, finish costs related to the new space will be borne by the Requesting Airline including any finish costs that the “new construction” necessitates for any incumbent Signatory Airline.

Section 4.5 Access

4.5.1 Subject to the provisions hereof, the Rules and Regulations, and such restrictions as Airline may impose with respect to its Exclusive Use Space, City hereby grants to Airline, its agents, suppliers, employees, contractors, passengers, guests and invitees, the right and privilege of access, ingress and egress to the Airline Premises and to Public Areas and public facilities of the Airport, together with all improvements, facilities and equipment now or hereafter located thereon. The Public Areas shall be in the possession and control of City and shall at all times remain public property to be used only as public Airport facilities, except as may be otherwise provided herein.

4.5.2 The ingress and egress provided for in Section 4.5.1 above shall not be used, enjoyed or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Airline that is not incidental to Airline's Air Transportation business and that Airline is not authorized to engage in or perform under the provisions hereof unless expressly authorized by the Manager.

4.5.3 City shall have the right at any time to close, relocate, reconstruct, change, alter or modify any such means of access, ingress and egress provided for Airline's use pursuant to this Agreement or otherwise, either temporarily or permanently, provided that reasonable notice to Airline and a reasonably convenient and adequate means of access, ingress and egress shall exist or be provided in lieu thereof. City shall use its best efforts to limit such closing to the duration appropriate to the circumstances. City shall consult with Airline prior to any such closing which would adversely affect Airline's operations unless such closing is necessitated by circumstances which pose an immediate threat to the health or safety of persons using the Airport. City shall suffer no liability including but not limited to consequential damages, by reason thereof, and such action shall in no way alter or affect any of Airline's obligations under this Agreement.

ARTICLE 5
RENTALS, FEES AND CHARGES

Section 5.1 Consideration and Rate-Setting Basis

- 5.1.1 In consideration of the rights and privileges granted under this Agreement, Airline agrees to pay City, without deduction or setoff, during the term of this Agreement, certain fees and rentals as set forth herein.
- 5.1.2 Airline landing fees and passenger terminal building rentals prescribed in this Agreement are based on the Airport's actual cost of operations with recognition of the City's necessity to provide substantial rate subsidies to the airlines to reflect its current circumstances and level of aviation activity and the economic infeasibility of charging full-cost recovery based rates. As such, the rates established and imposed by the City comply with the FAA Policy Regarding Airport Rates and Charges. The Airline hereby acknowledges the City's basis for establishing rates and its compliance with the FAA Policy.

Section 5.2 Landing Fee Charges

- 5.2.1 Airline shall pay to the City within thirty (30) days following the end of each month, without demand or invoicing, landing fee charges for aircraft landings for the preceding month at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.
- 5.2.2 Airline shall provide to Airport a copy of its monthly take-off weight report, including the number of landings by aircraft types and Maximum Certificated Gross Take-Off Weight. This monthly take-off weight report shall be provided within ten (10) days following the end of each month for landings for the preceding month.

Section 5.3 Rentals for Exclusive Use Space and Joint Use Space

- 5.3.1 Airline shall pay to the City in advance, on the first day of each month, without demand or invoicing, rentals for Airline's Exclusive Use Space and Joint Use Space at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.
- 5.3.2 Airline shall provide to Airport a copy of its monthly passenger enplanement report, including all revenue and non-revenue passenger enplanements. This monthly report shall be provided within ten (10) days following the end of each month for enplanements for the preceding month.

5.3.3 If at any time during the current Fiscal Year, the Airline’s total passenger enplanements for the current calendar year are reasonably projected by the City to vary by twenty percent (20%) or more than the Airline’s total passenger enplanements for the prior calendar year as provided in Exhibit C, then the Airline’s allocated joint rental amount may be adjusted, at the City’s option, for the remainder of the current Fiscal Year to reflect the Airline’s percent of total enplanements which results 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 calendar year.

5.3.4 City shall notify the Signatory Airlines of its intent to make such revision and adjustments and the effective date thereof which shall be no earlier than fifteen (15) days from the date of notice. Such notice shall provide a revised projection of the joint rent allocation for the remainder of such Fiscal Year in sufficient detail to allow the Signatory Airlines to make informed comments thereon. The Signatory Airlines may submit written comments on such notice to the City within ten (10) days of the notice date. City shall give due consideration to all comments submitted in a timely manner by the Signatory Airlines. If requested, the City shall convene a meeting with the Signatory Airlines to discuss such revisions and adjustments.

Section 5.4 Rentals for Terminal Apron Aircraft Parking and GSE Space

Airline shall pay to the City in advance, on the first day of each month, without demand or invoicing, rentals for Airline's use of the terminal apron space for the parking of aircraft and the storage of ground service equipment (GSE) at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.

Section 5.5 Other Charges

Other Charges may include charges for special items or activities including, but not limited to, telephone fees, public address system, electrical usage, automobile parking fees, mailbox rentals, flight training fees and loading bridge maintenance. The City may assess reasonable, non-discriminatory and cost-recovery based charges for these special items or activities. All new charges will be reviewed with Airline prior to implementation. Other Charges payable by Airline, shall be paid by Airline to City no later than fifteen (15) days following receipt by Airline of the billing therefor.

Section 5.6 Partial Month Charges

In the event the beginning or termination date with respect to any of the particular leased premises, facilities, rights, licenses, services or privileges as herein provided falls on any day other than the first day of a calendar month, the applicable rentals, fees and charges for that month shall be paid for said month on a prorated basis according to the number of days during which said particular leased premises, facilities, rights, licenses, services or privileges were enjoyed during that month.

Section 5.7 Late Payments

In the event Airline fails to make payment when due under this agreement, Airline shall be obligated to pay a late charge in the amount of eight percent (8%) of the past due amount. Payment of the late charge shall not constitute a waiver by the City of its other remedies under this Agreement on account of Airline’s failure to pay sums hereunder. Airline shall also pay interest on all past due amounts at the rate of eight percent (8%) per annum from the due date, until paid.

Section 5.8 Overpayments

It is the obligation of Airline to pay all rentals, fees and other charges, free of any "set-offs" or claims, in the amounts and at the times specified in this agreement. In the event Airline desires to contest the validity or amount of any rental, fee or other charge, Airline shall first pay the same to City, and may then seek a refund in any appropriate forum. Any overpayment of a particular rental, fee or other charge shall first be applied to any past due sums before it is refunded to Airline.

Section 5.9 Information to be supplied by Airline

- 5.9.1 In the event Airline fails to submit the reports required by Sections 5.2.2 and 5.3.2 for the then current month by the fifteenth (15th) day of the succeeding month, City shall base its current rentals, fees and charges upon the most recent data transmitted by Airline to City, with such charges to be adjusted as necessary on the next succeeding payment date. If statistical data to be submitted by Airline continues to be unavailable in the next succeeding month, City shall develop estimates as to Airline's monthly activity for use in the determination of Airline’s rentals, fees and charges.
- 5.9.2 The acceptance by City of any Airline payment shall not preclude City from verifying the accuracy of Airline’s reports on which Airline’s rentals, fees and charges are based, and shall not be construed as a waiver of a late payment penalty due on full or partial underpayment, if any.

Section 5.10 Non-Signatory Rates

City shall establish by ordinance and maintain Non-Signatory Airline landing fee charges and passenger terminal building rental rates that are thirty percent (30%) higher than Signatory Airline rates.

ARTICLE 6
MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS

Section 6.1 Airline's Responsibilities

Airline shall have the following maintenance and repair obligations:

- 6.1.1 Airline agrees that, upon Airline's occupancy of its Exclusive Use Space, such space is in good, tenantable condition unless otherwise noted in writing to the Manager.
- 6.1.2 Airline, except as hereinafter provided, shall not call on City for any of the following janitorial services or nonstructural repairs to its Exclusive Use Space and Airline shall, at its sole expense and in a manner acceptable to City:
- 6.1.2.1 Maintain its Exclusive Use Space in reasonably good, tenantable condition;
- 6.1.2.2 Maintain the aircraft ramp area in a neat, clean and orderly condition, free from litter, debris, refuse, petroleum products or grease that may result from activities of its passengers, employees, agents or suppliers; and remove from its aircraft parking positions, all oil, fuel and grease spillage attributable to Airline's aircraft and equipment.
- 6.1.2.3 Perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and nonstructural repair of all Exclusive Use Space and all Airline owned fixtures, personal property and equipment.
- 6.1.2.4 Immediately repair any damage in any other space at the Airport occasioned by the fault or negligence of Airline, its servants, agents, employees and licensees.
- 6.1.3 Except as may be caused by the negligence of City beyond the City's reasonable control, Airline expressly agrees that City shall not be liable to Airline, its employees, passengers, visitors or contractors for bodily injury or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, smoke, vandalism, malicious mischief or acts of civil authority.

- 6.1.4 If Airline fails to perform its obligations under this Article 6 after the notice period expires as provided in Section 10.1.1, City may do so and recover its entire cost plus a fifteen percent (15%) administrative charge from Airline as an Other Charge referred to in Section 5.5 on the next rental due date.
- 6.1.5 Airline will take all reasonable precautions to prevent, and take all necessary action to suppress destructive or uncontrolled fires and comply with all laws, regulations and rules promulgated and enforced by the City for fire protection within the area wherein the leased premises are located.

Section 6.2 City's Responsibilities

- 6.2.1 City, during the term of this Agreement, shall retain FAA Airport Certification and keep in good repair, or arrange for the safe, orderly, economical operation, maintenance and reasonably good repair of, all areas and facilities of the Airport except as specifically otherwise assigned by this Agreement, including, but not limited to, the Public Areas and the Joint Use Space of the passenger terminal building, City owned loading bridges, vehicular parking areas, runways, landing lights, floodlights, beacons and other field lighting, taxiways, aprons, roadways and all appurtenances, facilities and services now or hereafter connected with the foregoing. City also shall keep the Airport reasonably free from obstructions, including, without limitation, vegetation, stones and other foreign matter, as reasonably necessary, from the landing area, ramp area, taxi area, roadways, vehicular parking areas and aircraft parking areas for the safe, convenient and proper use of the Airport by Airline.
- 6.2.2 City shall operate and maintain the Airport in a reasonably prudent manner and in accordance with the rules, regulations and orders of any federal or state agency having jurisdiction with respect thereto.
- 6.2.3 City shall maintain the exterior portions of the walls, ceiling and roof of the Exclusive Use Space and all central mechanical distribution systems in good repair and condition.
- 6.2.4 The undertakings by City under this Section 6.2 do not relieve Airline of its duties to maintain its Exclusive Use Space and aircraft ramp areas as specified in Section 6.1 and to use Joint Use Space with due care.

- 6.2.5 City shall operate the Airport and lease space to concessionaires, other tenants and other commercial operators in a manner so as to produce, subject to the provisions of this Agreement, revenues of a nature and amount which would be produced by a reasonably prudent airport operator and to maximize such revenues to the extent reasonably practicable.
- 6.2.6 City shall use its best efforts to keep the Airport open and in operation for landings and take-offs of aircraft of any type designed to use facilities similar to those at the Airport. In such regard, City shall employ or cause to be employed construction, reconstruction and repair techniques (including supervision and construction management) which will minimize Airport operational delays or disruptions reasonably expected to result from such construction, reconstruction or repair, including but not limited to coordination with affected Airline's representatives or its designee.

Section 6.3 City's Right to Inspect and Make Repairs

- 6.3.1 City, by its authorized officers, employees, agents, contractors, subcontractors and other representatives, shall have the right (at such time and upon reasonable notice to Airline as may be reasonable under the circumstances and with as little interruption of Airline's operations as is reasonably practicable) to enter Airline's Exclusive Use Space and Joint Use Space for the following purposes:
- 6.3.1.1 To inspect such space to determine whether Airline has complied and is complying with the terms and conditions of this Agreement;
 - 6.3.1.2 To accomplish repairs or replacements by City pursuant to Section 6.2, or in any case, where Airline is obligated to make repairs or replacements and has failed to do so, after notice as provided herein, make such repairs or replacements on Airline's behalf; and
 - 6.3.1.3 In the exercise of City's police powers.
- 6.3.2 No such entry by or on behalf of City upon any Exclusive Use Space leased to Airline shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by Airline. City shall suffer no liability by reason thereof, and such action shall in no way alter or affect any of Airline's obligations under this agreement; provided that, and so long as each entry by City, is conducted to minimize inconvenience, disruption or interference with Airline's operations and activities.

Section 6.4 Alterations and Improvements

Airline shall make no alterations, additions, improvements to, or installations on the space leased under this Agreement without the prior written approval of the Manager. If City intends to require the removal of any alteration, improvement or addition upon termination of this Agreement, City shall so indicate to Airline at the time City consents to the installation. If not indicated at the time City consents to the installation, City shall be precluded from requiring its removal at time of termination of this Agreement.

**ARTICLE 7
DAMAGE OR DESTRUCTION OF PREMISES**

Section 7.1 Minor Damage

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline Premises untenable or unusable for the purpose intended as reasonably determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in Section 7.4.

Section 7.2 Substantial Damage

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be so extensively damaged by fire, or other casualty, as to render any portion of said Airline Premises untenable but capable of being repaired, as reasonably determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in Section 7.4. In such case, the rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the part of the area rendered untenable or unusable for the purpose intended bears to total Airline Premises of the same category and area. Such abatement in rent will continue until such time as such affected Airline Premises shall be restored adequately for Airline's use. The City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction or replacement is being completed, at a rental rate not to exceed that provided in this Agreement for comparable space.

Section 7.3 Total Damage

7.3.1 If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises incapable of being repaired, as reasonably determined by the City, the City shall notify Airline within a period of sixty (60) days after the date of such damage of its decision whether to reconstruct or replace said space. However, the City shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall cease until such time as reasonable and comparable replacement or reconstructed space shall be available for use by Airline.

7.3.2 In the event the City elects to reconstruct or replace affected Airline Premises, the City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction or replacement is being completed, at a rental rate not to exceed that provided in this Agreement for comparable space. However, if such damaged space shall not have been replaced or reconstructed, or the City is not diligently pursuing such replacement or reconstruction, within three (3) months after the date of such damage or destruction, Airline shall have the right, upon giving the City thirty (30) days advance written notice, to delete the affected Airline Premises from this Agreement, but this Agreement shall remain in effect with respect to the remainder of said Airline Premises, unless such damaged or destroyed premises prevent Airline from operating at Airport.

7.3.3 In the event the City elects not to reconstruct or replace affected Airline Premises, the City shall meet and consult with Airline on ways to permanently provide Airline with adequate replacement space for affected Airline Premises. Airline shall have the right, upon giving the City thirty (30) days advance written notice, to delete the affected Airline Premises from this Agreement, but this Agreement shall remain in full force and effect with respect to the remainder of said Airline Premises, unless the loss of such premises prevents Airline from operating at Airport.

Section 7.4 Scope of Restoration of Premises

7.4.1 The City's obligations to repair, reconstruct or replace affected premises under the provisions of this Article 7 shall in any event be limited to using due diligence and best efforts to restore affected Airline Premises to substantially the same condition that existed prior to any such damage and shall further be limited to the extent of insurance proceeds available to the City for such repair, reconstruction or replacement. Airline agrees that if the City elects to repair, reconstruct or replace affected premises as provided in this Article 7, then Airline shall proceed with reasonable diligence and at its sole cost and expense to repair, reconstruct or replace its signs, fixtures, furnishings, equipment and other items provided or installed by Airline in or about Airline Premises in a manner and in a condition at least equal to that which existed prior to said damage or destruction. However, in the event City chooses not to replace space in kind, Airline may delete said premises from its obligation.

7.4.2 In lieu of the City's repair, reconstruction or replacement of the affected premises, as provided in Section 7.4.1, if Airline requests to perform said function with respect to damage under Sections 7.1 and 7.2, the City may in its sole discretion, allow the Airline to perform such work. Airline shall not be performing such work as an agent or contractor of the City. The City shall reimburse Airline for the cost of such work performed by Airline that was otherwise the obligation of the City if prior to performing such work, the City and Airline agree that such work is the obligation of the City to perform.

Section 7.5 Damage from Airline Negligence or Willful Act

Notwithstanding the provisions of this Article 7, in the event that due to the negligence or willful act of Airline, its agents, servants or employees, or those under its control, Airline Premises shall be damaged or destroyed by fire, casualty or otherwise, there shall be no abatement of rent during the restoration or replacement of said Airline Premises and Airline shall have no option to delete the affected Airline Premises from this Agreement under the provisions of this Article 7. To the extent that the costs of repairs shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Airline shall pay the amount of such additional costs to the City.

**ARTICLE 8
INDEMNIFICATION, INSURANCE AND SECURITY**

Section 8.1 Indemnification

8.1.1 Airline shall indemnify, defend and hold harmless the City, its Council members, directors, officers, agents and employees, individually or collectively, from and against any and all claims, actions, damages, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof claimed by anyone by reason of injury or damage to persons or property sustained in whole or in part as a result of an act, omission or negligence of Airline, its officers, agents or employees, subtenants, contractors, subcontractors or by anyone acting pursuant to the express or implied authority or permission of Airline arising out of, or incident to, this Agreement. The provisions of this Section 8.1.1 and of Section 8.1.2 shall exclude claims or actions arising out of the negligence or willful act of the City, its Council members, officers, agents or employees. The City shall give to Airline prompt and reasonable notice of any claims or actions, and Airline shall have the right to investigate and compromise said claims or actions. The provisions of this Section 8.1.1 shall survive the expiration or earlier termination of this Agreement.

8.1.2 Airline shall indemnify, defend and hold harmless, the City, its Council members, directors, officers, agents and employees, individually or collectively from and against any and all claims, actions, damages, fines, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state or municipal laws, statutes, ordinances or regulations, by Airline, its officers or agents, employees, subtenants, contractors, subcontractors or by anyone acting pursuant to the express or implied authority or permission of Airline arising out of, or incident to, this Agreement. Airline shall be responsible for the investigation expenses pursuant to this Section 8.1.2 only in the event that Airline is shown to be responsible for violation of a federal, state or municipal law, statute, ordinance or regulation. The provisions of this Section 8.1.2 shall survive the expiration or earlier termination of this Agreement.

8.1.3 City shall, within the limits of state law and the Kenai Municipal Code and Charter, indemnify, defend and hold harmless Airline, its directors, managers, officers, agents and employees, individually or collectively, from and against any and all claims, actions, damages, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof by anyone by reason of injury or damage to persons or property sustained in whole or in part as a result of an act, omission or negligence of City, its Council members, its officers, agents or employees arising out of, or incident to, this Agreement. The provisions of this

Section 8.1.3 shall exclude claims or actions arising out of the negligence or willful act of Airline, its directors, managers, officers, agents or employees. Airline shall give to City prompt and reasonable notice of any claims or actions, and City shall have the right to investigate and compromise said claims or actions. The provisions of this Section 8.1.3 shall survive the expiration or earlier termination of this Agreement.

Section 8.2 Airline Insurance

8.2.1 Airline shall maintain, and shall require all of its Affiliates to individually maintain, liability insurance for the protection of Airline, its Affiliates and the City, its Council members, directors, officers, agents and employees, insuring against damages because of personal injury, bodily injury, death, property damage, including loss of use thereof, and arising out of any operations of Airline and its Affiliates in connection with this Agreement. Coverage shall provide limits per occurrence to a combined single limit in amounts not less than those set forth in Exhibit D. Such insurance shall name the City, its Council members, directors, officers, agents and employees as additional insureds, but only as respects the operations of the named insured Airline and its Affiliates, as their interests may appear, with the stipulation that this insurance, as to the interest of the City only, shall not be invalidated by any act or neglect or breach of contract by Airline or its Affiliates, so long as the City has not caused, contributed to or knowingly condoned the said act, neglect or breach of contract. The coverage provided by this policy(ies) shall be primary coverage and any other insurance carried by the City is excess. All insurance shall be written by companies rated "A-" or better by A.M. Best.

8.2.2 Airline shall comply, and shall require all of its Affiliates to comply, with AS 23.30 which requires Airline and its Affiliates to provide workers' compensation insurance coverage that satisfies Alaska state law for all subject workers. Employer's Liability Insurance is also required. The specifically required coverage types and amounts are provided in Exhibit D.

8.2.3 Airline shall furnish, and shall require all of its Affiliates to furnish, the City, no later than thirty (30) days following the execution of this Agreement, a certificate(s) of insurance as evidence that the then required amounts and types of such insurance are in force. The City reserves the right to require a certified copy of such certificates upon request. Airline shall name, and shall require all of its Affiliates to name, the City as an additional insured on such insurance policy or policies. Said policies shall be in a form, content and for a term generally used by scheduled commercial passenger air carriers similar to Airline and its Affiliates in their routine operations and shall provide for thirty (30) days' written notice to the City prior to the

cancellation of, or any material change in, such policies.

8.2.4 City and Airline agree, and Airline shall require all of its Affiliates to agree, to have all property, fire and extended coverage, all risk and material damage insurance carried with respect to the Airport or any portion thereof with a clause which waives all rights of subrogation which the insurer of one party might have against the other party.

8.2.5 City, Airline, Airline’s Affiliates and all parties claiming rights under them, mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by insurance carried with respect to the Airport or any portion thereof, without regard to whether such loss or damage was occasioned by the negligence of the other, its agents or employees.

Section 8.3 Security for Payment of Airline Rates and Charges

Airline shall, upon the execution of this Agreement, file and maintain with the City a good and sufficient corporate surety bond or bonds or such other security as the City may find acceptable in accordance with the requirements of the laws of the State of Alaska, the form and terms of which bond or other security shall be subject to the approval of the City, in a sum equal to three (3) months of Airline’s estimated rent for its use of the Airline Premises, Landing Fees and Other Charges (depending on circumstances this sum may increase or decrease), conditioned upon the full performance by Airline of all the terms and conditions of this Agreement and the payment by Airline of the rentals and of all other amounts herein provided for the full term hereof.

**ARTICLE 9
RULES AND REGULATIONS, COMPLIANCE WITH LAWS,
NON-DISCRIMINATION AND AFFIRMATIVE ACTION**

Section 9.1 Rules and Regulations

- 9.1.1 Airline shall observe and obey all City ordinances, resolutions and Rules and Regulations governing conduct on and operations at the Airport and use of its facilities. City agrees that all Rules and Regulations so promulgated shall not be inconsistent with the express terms of this Agreement or any legally authorized rule or regulation of the FAA, or any other federal or state agency, which is binding in law on Airline, as the same now are or may from time-to-time be amended or supplemented. Except as so expressly limited, City’s authority to promulgate or amend Rules and Regulations shall not be affected by this Agreement. City shall give Airline reasonable notice of amendment to Rules and Regulations.
- 9.1.2 Airline shall not violate, nor permit its agents, contractors or employees acting on Airline's behalf to violate any such Rules and Regulations that are now in effect or as may from time-to-time during the term hereof be promulgated by City. Copies of the Rules and Regulations, as adopted, shall be forwarded to Airline's local manager.

Section 9.2 Compliance with Laws

- 9.2.1 Airline shall not use its Exclusive Use Space, Joint Use Space or any part thereof, or permit the same to be used by any of its employees, officers, agents, subtenants, invitees or licensees for any illegal purposes and shall, at all times during the term of this Agreement, comply with all applicable resolutions, laws and rules and regulations of the City of Kenai, State of Alaska or of the U.S. Government, and of any commission thereof that may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder or to the Exclusive Use Space and Joint Use Space.

9.2.2 At all times during the term of this Agreement, Airline shall, in connection with Airline's activities and operations at the Airport:

9.2.2.1 Comply with and conform to all existing and future statutes, resolutions and ordinances, and the rules and regulations promulgated thereunder, of all federal, state and other governmental bodies of competent jurisdiction that apply to or affect, either directly or indirectly, Airline or Airline's operations and activities under this Agreement.

9.2.2.2 Make, at Airline's own expense, all nonstructural improvements, repairs, and alterations to its Exclusive Use Space, equipment and personal property that are required to comply with or conform to any of such laws, ordinances, and rules and regulations referred to in Section 9.2.2.1, to which this Agreement is expressly subject.

9.2.2.3 Reimburse City for Airline's pro rata share in accordance with the Joint Use Formula of all nonstructural improvements, repairs and alterations to Airline's Joint Use Space that are required to comply with or conform to any of such laws, ordinances, and rules and regulations referred to in Section 9.2.2.1, to which this Agreement is expressly subject.

9.2.2.4 Be and remain an independent contractor with respect to all installations, construction and services performed by or at the request of Airline, hereunder.

Section 9.3 Non-Discrimination and Affirmative Action

Airline, as part of the consideration hereof and as a covenant running with the Agreement, hereby covenants and agrees that:

9.3.1 In the event facilities are constructed, maintained or otherwise operated for a purpose for which a Federal Department of Transportation and Transportation Security Administration program or activity is intended or for another purpose involving the provision of similar services or benefits, Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.

- 9.3.2 No person on the grounds of race, creed, color, national origin, sex, age or physical handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- 9.3.3 No person on the grounds of race, creed, color, national origin, sex, age or physical handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under the Airline Premises and the furnishing of services thereon.
- 9.3.4 Airline shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.
- 9.3.5 Airline agrees that it shall insert the provisions of Sections 9.3.1, 9.3.2, 9.3.3 and 9.3.4, inclusive, in any lease or other agreement by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.
- 9.3.6 In the event of breach of any of the non-discrimination covenants set forth in this Section 9.3, City shall have the right to terminate this Agreement and to reenter and repossess the premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This provision shall not become effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including the expiration of appeal rights.
- 9.3.7 Airline will undertake an affirmative action program as required by FAA Regulations, Title 14, Code of Federal Regulations, Part 152, Subpart E, entitled "Non-Discrimination in Airport Aid Program," or otherwise approved by the FAA, to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age or physical handicap, be excluded from participation in any employment activities covered in such Subpart E. No person shall be excluded by Airline on such grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart E. Airline will require that its covered suborganizations provide assurances to Airline that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to the same effect.

9.3.8 Airline covenants and agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in the performance of this Agreement on the grounds of race, color, national origin, or sex, as provided in Part 23, of Title 49, of the Code of Federal Regulations entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs."

9.3.9 In the event of a breach by Airline of any of the assurances or covenants in Sections 9.3.7 and 9.3.8, City shall have the right to terminate this Agreement, and to reenter and repossess any leased facilities hereunder, and to hold the same as if this Agreement had never been made or issued, but not without the express prior concurrence or direction of the U.S. Department of Transportation or the FAA following suitable review, if any, of such breach and affording Airline a reasonable opportunity to rectify the same, if appropriate.

ARTICLE 10
DEFAULT AND TERMINATION

Section 10.1 Events of Default

10.1.1 If Airline:

- 10.1.1.1 Fails to pay rentals, fees or charges or make any other payment past due hereunder within fifteen (15) days after receipt of written notice of nonpayment;
- 10.1.1.2 Fails, subject to force majeure events specified in Section 12.13 of this Agreement, to commence immediately to keep and perform any of its covenants and agreements within thirty (30) days after receipt of written notice of default and to diligently pursue the completion of such cure of such non-monetary default;
- 10.1.1.3 Fails to continue to complete any of its covenants and agreements after performance is commenced; or
- 10.1.1.4 Is the subject of any petition, proceedings or action by, for, or against Airline under any insolvency, bankruptcy or reorganization act of law;

10.1.2 Then, at the election of City:

- 10.1.2.1 City may accelerate all rent payments due hereunder which shall then become immediately due and payable.
- 10.1.2.2 City may terminate this Agreement, in which event Airline immediately shall surrender the Exclusive Use Space and Joint Use Space (Airline Premises) to City, and if Airline fails so to do, City may, without prejudice to any other remedy which it may have for possession, or arrearages in rent, enter upon and take possession of the Airline Premises and expel or remove Airline and any other person who may be occupying the Airline Premises or any part thereof, without being liable for prosecution or any claim of damages therefor, and Airline agrees to pay to City on demand the amount of all loss and damage which City may suffer by reason of such termination, whether through inability to relet the Airline Premises on satisfactory terms or otherwise.

- 10.1.2.3 City may enter upon and take possession of the Airline Premises and expel or remove Airline and any other person who may be occupying the Airline Premises or any part thereof, without being liable for prosecution or any claim for damages therefor, and relet the premises for such terms ending before, on or after the expiration date of the Agreement Term, at such rentals and upon such other conditions (including concessions and prior occupancy periods) as City in its sole discretion may determine, and receive the rent therefor; and Airline agrees to pay to City on demand any deficiency that may arise by reason of such reletting. City shall use reasonable efforts to mitigate its damages by reletting the Airline Premises. In the event City is successful in reletting the Airlines Premises at a rental in excess of that agreed to be paid by Airline pursuant to the terms of this Agreement, City and Airline each mutually agree that Airline shall not be entitled, under any circumstances, to such excess rental, and Airline does hereby specifically waive any claim to such excess rental.
- 10.1.2.4 City may enter upon the Airline Premises, without being liable for prosecution of any claim for damages therefor, and do whatever Airline is obligated to do under the terms of this Agreement; and Airline agrees to reimburse City on demand for any expenses which City may incur in thus effecting compliance with Airline's obligations under this Agreement, and Airline further agrees that City shall not be liable for any damages resulting to the Airline from such action, whether caused by the negligence of City or otherwise.
- 10.1.2.5 Whether or not City retakes possession or relets the Airline Premises, City shall have the right to recover unpaid rent and all damages caused by Airline's default, including attorney fees. Damages shall include, without limitation: All rentals lost, all legal expenses and other related costs incurred by City following Airline's default, all costs incurred by City in restoring the Airline Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Airline Premises for reletting, all costs (including without limitation any brokerage commissions and the value of City's time) incurred by City, plus interest thereon from the date of expenditure until fully repaid at the rate of eight percent (8%) per annum.
- 10.1.2.6 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, such remedies being cumulative and non-exclusive, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to City hereunder or of any damages accruing to City by reason

of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by City or its agents during the Agreement Term hereby granted shall be deemed a termination of this Agreement or an acceptance of the surrender of the Airline Premises, and no agreement to terminate this Agreement or accept a surrender of the Airline Premises shall be valid unless in writing signed by City. No waiver by City of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. City's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless City so notifies Airline in writing. Forbearance by City to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of City's right to enforce any such remedies with respect to such default or any subsequent default. If, on account of any breach or default by Airline in Airline's obligations under the terms and conditions of this Agreement, it shall become necessary or appropriate for City to employ or consult with an attorney concerning or to enforce or defend any of City's rights or remedies hereunder, Airline agrees to pay any reasonable attorneys' fees so incurred.

10.1.3 City shall have all additional rights and remedies as may be provided to landlords by Alaska state law.

Section 10.2 Events Permitting Termination of Agreement by Airline

10.2.1 Airline may terminate this Agreement and all of its future obligations hereunder at any time that Airline is not in default in its payments or other obligations to City hereunder, by giving the Manager thirty (30) days advance written notice if:

10.2.1.1 City is in default of any material provision of this Agreement; or

10.2.1.2 Airline becomes subject to any order, rule or regulation of any Federal or State agency or to a court order which prevents or substantially prevents Airline's use of the Airport for more than ninety (90) days following written notice by Airline to the Manager.

- 10.2.2 With respect to 10.2.1.1, Airline termination shall not be effective unless and until at least thirty (30) days have elapsed after written notice to City specifying the date upon which such termination shall take effect and the reason for such termination. City may cure the cause of such termination within said (30) day period, or such longer time as the parties may agree thereto. If City so cures, Airline's right to terminate ceases for that particular instance or situation, and the Agreement shall continue in full force and effect.
- 10.2.3 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 sixty (60) days advance written notice. Airline termination shall not be effective unless and until at least sixty (60) days have elapsed after written notice to City specifying the date upon which such termination shall take effect.

Section 10.3 Events Permitting Termination of Agreement by City

City, at its option, may declare this Agreement terminated on the happening of any one or more of the following events, and may exercise all rights of entry and reentry of Airline's Exclusive Use Space:

- 10.3.1 If Airline has failed to cure a default in the Agreement after notice required in Section 10.1 hereinabove;
- 10.3.2 If any act occurs that deprives Airline permanently of the rights, power and privileges necessary for the proper conduct and operation of its Air Transportation business;
- 10.3.3 In the event Airline fails to provide scheduled Air Transportation service for a period of thirty (30) days (except for events of Force Majeure) or to pay rentals and fees when due, City may cancel this Agreement on fifteen (15) days written notice. However, if Airline cures the breach within this fifteen (15) day period, the Agreement shall continue in full force and effect;
- 10.3.4 If Airline abandons and fails to use its Exclusive Use Space for a period of thirty (30) days at any one time, except when such abandonment and cessation are due to fire, earthquake, strike, governmental action, weather conditions which prevent aircraft operations, mechanical failure of aircraft which prohibits operations under FAA regulations, default of City or other cause beyond Airline's control;

10.3.5 If Airline fails to operate at least five (5) weekly scheduled passenger service departures from the Airport, for a period of thirty (30) days or more (except by reason of an event of Force Majeure).

Section 10.4 Possession by City

10.4.1 In any of the aforesaid events of Section 10.3, City may take possession of the Airline Premises upon thirty (30) days' notice and remove Airline's effects, without being deemed to have trespassed. On said default, all rights of Airline shall be forfeited, provided City shall have and reserve all of its available remedies at law as a result of said breach of this Agreement.

10.4.2 Failure of City to declare this Agreement terminated on default of Airline for any of the reasons set forth herein shall not operate to bar, destroy or waive the right of City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

ARTICLE 11
ASSIGNMENT, SUBLETTING, MERGER AND BANKRUPTCY

Section 11.1 Assignment and Subletting

Airline shall not assign this Agreement, or any part hereof in any manner whatsoever or sublet the Airline Premises or any part thereof or any of the privileges recited herein without the prior written consent of the Manager. However, Airline shall have the right to assign all or any part of its rights and interests under this Agreement to an Affiliate of the Airline or any successor to its business through merger, consolidation, voluntary sale or transfer of substantially all of its assets, and the consent of City thereto shall not be required; provided, however, due written notice of any such assignment shall be given to the Manager.

Section 11.2 Non-Waiver of Responsibility

No assignment, transfer, conveyance, sublease or granting a nonexclusive license by Airline shall relieve Airline of its responsibility for payment of rent and performance of all other obligations provided in this Agreement, without specific written consent of the Manager to such relief.

Section 11.3 Relinquishment of Space

If Airline desires to relinquish any of its Exclusive Use Space or any rights to Joint Use Space, Airline may notify the Manager of the space available, and the Manager shall use a best effort to reassign the space to another Airline. No reassignment by the Manager, nor any assignment, transfer, conveyance or sublease by Airline shall relieve Airline of its primary responsibility for payment of rent and performance of all other obligations provided in this Agreement, without specific written consent by the Manager to such relief.

Section 11.4 Ground Handling Agreements

In the event Airline agrees to ground handle any portion of the operations of another Air Transportation provider, other than an Affiliate of the Airline, Airline shall provide the Manager advance written notice of such proposed activities, including a description of the type and extent of services to be provided.

Section 11.5 Bankruptcy

Notwithstanding Section 11.1, in the event that a petition for relief under Title 11 of the United States Code or under any similar or successor federal, state or local statute is filed by or against the Airline (a “Filing”):

- 11.5.1 The Airline shall give the City immediate verbal notice of the Filing followed by written notice within ten (10) days of the filing;
- 11.5.2 Within sixty (60) days of the date of the Filing, the Airline will confirm the outstanding amount of any obligations hereunder due the City as of the date of Filing;
- 11.5.3 The Airline will fully and timely perform all obligations arising hereunder commencing as of the date of the Filing and thereafter for the purposes of this provision and of Section 365(d)(3) of Title 11 of the United States Code, the parties agree that, in the event that the Airline shall be the subject of a Filing commenced on a day (the “Filing Date”) when the rent due for the then-current month is outstanding and unpaid, the obligation for rent during that month in which the Filing shall have occurred shall be considered to accrue and be due pro rata on a daily basis during that month and the Airline will pay the City the pro rata rent for the period from the Filing Date through the end of that month within thirty (30) days of written demand therefore by the City.
- 11.5.4 If the Airline determines that it wishes to assume the Agreement, the Airline will cure all defaults, provide the City with adequate assurances of future performance and comply with any and all other statutory or legal requirements prior to the effective date of such assumption;
- 11.5.5 If the Airline determines that it wishes to assume the Agreement and assign the Agreement to a third-party, the Airline shall seek the consent of the City, which consent shall not be unreasonably withheld, and shall provide to the City all pertinent information with respect to the proposed assignee, cure all defaults, provide the City with adequate assurances of future performance through the proposed assignee and comply with any and all other statutory or legal requirements;

- 11.5.6 If the Airline wishes to reject the unexpired term of the Agreement, if any, the Airline will not seek to have the effective date of such rejection determined to be a date earlier than that date on which (i) the Airline shall have returned control and possession of the Airline Premises to the City in the condition and on the terms set forth herein and relevant to the redelivery of possession to the City, and (ii) the Airline shall have obtained court approval and authorization for such rejection; and the Airline shall fully and timely pay all rent and other charges through the date of such rejection; and

- 11.5.7 The Airline shall be deemed to have expressly consented to the modification of the stays of proceedings in any Filing in the event of any post-Filing default by the Airline under the terms of this Agreement for the purpose of allowing the City to exercise any default rights or remedies arising from such default.

Section 11.6 Consent

Consent by the Manager to any type of transfer provided for by this Article 11 shall not in any way be construed to relieve Airline from obtaining further consent for any subsequent transfer or assignment of any nature whatsoever.

**ARTICLE 12
GENERAL PROVISIONS**

Section 12.1 Successors and Assigns Bound

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto.

Section 12.2 Governing Law

This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Alaska.

Section 12.3 Severability

If any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of any such covenant, condition or provision does not materially prejudice either party hereto in its respective rights and obligations contained in the valid covenants, conditions or provisions in this Agreement.

Section 12.4 Quiet Enjoyment

Airline shall, upon payment of the rentals and fees herein required, and subject to performance and compliance by Airline of the covenants, conditions and agreements on the part of Airline to be performed and complied with hereunder, peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities as granted hereby and by the Rules and Regulations.

Section 12.5 Taxes

12.5.1 Airline shall pay, but such payment shall not be considered part of Airport Revenues, all taxes (including any possessory interest tax), assessments and charges of a like nature, if any, which at any time during the term of this Agreement may be levied or become a lien by virtue of any levy, assessment or charge by the Federal government, the State of Alaska, the City of Kenai, the Kenai Peninsula Borough, any municipal corporation, any local government entity, any government successor

in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any of the space leased under this Agreement (including Airline’s pro rata share for any taxes, assessments or charges imposed upon Joint Use Space) or such facilities of the Airport as are made available for use by Airline hereunder, or upon or in respect to any personal property belonging to Airline situated on the space leased under this Agreement. Payment of such taxes, assessments and charges, when and if levied or assessed, shall be made by Airline directly to the taxing or assessing authority charged with collection thereof.

12.5.2 Airline may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the space leased under this Agreement as taxable or assessable property, directly against the taxing or assessing authority. Airline shall indemnify City from all taxes, penalties, costs, expenses and attorney’s fees incurred by City resulting directly or indirectly from all such tax contests except where Airline prevails in contesting a tax assessed by the City.

12.5.3 On any termination of this Agreement, all lawful taxes then levied or a lien upon any such property or taxable interest therein shall be paid in full by Airline forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between attachment of the lien and issuance of a statement.

Section 12.6 Liens

12.6.1 Airline shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by Airline or any of its contractors or subcontractors upon Exclusive or Joint Use Space or arising out of or because of the performance of any work or labor by or for it or them at said premises.

12.6.2 Notwithstanding the foregoing provision of this Section 12.6, Airline may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay. In the event a lien is filed as a result of Airline’s nonpayment, Airline shall, within 10 days after the filing, secure the removal of the lien or deposit with City cash or sufficient corporate surety bond or other security satisfactory to City in an amount equaling 150% of the total lien amount or \$20,000, whichever is greater. Within one year after providing City with security for the lien, Airline shall, upon City’s written request, secure the removal of the lien. Should Airline fail to remove the lien within the one year period, Airline acknowledges and agrees that City in its sole unfettered discretion may secure the removal of the lien and apply the security provided by Airline to the costs of discharging the lien, including City’s administrative costs and attorney fees. In the event City has accepted a cash deposit as satisfactory security under this Section 12.6, City shall distribute to Airline any

portion of the deposit remaining after full payment of all such costs relating to the discharge of the lien has been made. In the event a mechanic's lien is asserted or filed against the leased premises for improvements made by Airline, Airline shall hold City harmless from such claim, including the cost of defense.

Section 12.7 Obtaining Federal and State Funds

City shall use its best efforts to obtain appropriate grants from State or Federal agencies or other sources, when consistent with prudent management of the Airport.

Section 12.8 Subordination to Agreements with the U.S. Government

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between City and the United States, relative to the operation or maintenance of the Airport, or to the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, the Federal Aid to Airport Act, the Airport and Airway Development Act of 1970 and the Airport and Airway Improvement Act of 1982, as such acts have been amended or replaced from time-to-time. In the event that the FAA requires, as a condition precedent to the granting of funds for the improvement of the Airport, modifications or changes to this Agreement, Airline agrees to consent to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be required to enable City to obtain such grant of funds.

Section 12.9 Subordination to Bond Ordinances

This Agreement and all rights of Airline hereunder are especially subordinated and subject to the lien and provisions of any pledge, assignment or security interest made or granted by City to secure any obligations authorized by law to be issued for the development, operation or improvement of the Airport. City and Airline agree that holders of such obligations, and any bond trustee acting on behalf of such holders, shall possess, enjoy and may exercise all rights of City hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by Airline and City with the terms and provisions of any covenant contained in an ordinance, resolution or other instrument relating to such obligations. Airline shall not take any action or suffer to take any action that would adversely affect the tax-exempt status of any obligation issued by City in connection with the Airport.

Section 12.10 Incorporation of Exhibits

All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement.

Section 12.11 Entire Agreement

This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

Section 12.12 Non-Waiver of Rights

No waiver of default by either party of any of the terms, covenants and conditions hereof to be performed, kept and observed by the other party shall be construed, or shall operate, as a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept and observed by the other party.

Section 12.13 Force Majeure

12.13.1 In the event of either party being rendered unable wholly, or in part, by force majeure to carry out its obligations under this Agreement, other than its obligations to make payments of money due hereunder then on such party's giving notice and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch. In the event either party hereto has with its employees what is commonly known as a labor dispute, each party does hereby reserve unto itself the right to handle said dispute in its own fashion and as it shall, in its uncontrolled discretion, deem best and without interference from the other party.

12.13.2 The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemies, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, inability with reasonable diligence to obtain materials and any other causes not within the control of the party claiming a suspension, which by

the exercise of due diligence such party shall not have been able to avoid or overcome.

Section 12.14 Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 12.15 Nonexclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant to Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Airline shall have the right to exclusive possession of the Exclusive Use Space leased to Airline under the provisions of this Agreement.

Section 12.16 Inspection of Books and Records

Each party hereto, at its expense and on reasonable notice, shall have the right from time-to-time to inspect the books, records and other data of the other party relating to the provisions and requirements hereof, provided such inspection is made during regular business hours. Each party shall retain all such records for a period of at least three (3) years, or as required by the FAA, Transportation Security Administration or other federal agency having jurisdiction over the Airlines. On at least thirty (30) days prior written notice, Airline agrees to make any records required hereunder available to City at Airline's offices at the Airport.

Section 12.17 Generally Accepted Accounting Principles

Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, such report or disclosure shall be prepared in accordance with generally accepted accounting principles, except as specifically provided to the contrary in this Agreement.

Section 12.18 Consent Not to be Unreasonably Withheld

Whenever consent, permission or prior written approval is required by either City or Airline, such consent, permission or prior written approval is not to be unreasonably withheld or delayed.

Section 12.19 Authority of Manager

All rights and obligations of City under this Agreement may be exercised by the Manager or the Manager's designee, unless specifically provided otherwise or required by law.

Section 12.20 Amendments

This Agreement may be amended in whole or in part without further consideration upon mutual written consent of City and Airline.

Section 12.21 Attorney Fees

In the event any action or proceeding is brought to collect sums due or to become due hereunder or any portion thereof or to take possession of the Airline Premises or to enforce compliance with this Agreement for failure to observe or perform any of the covenants, terms or conditions of this Agreement, the losing party agrees to pay to the prevailing party such fees, including attorney fees, and costs as the Court may judge reasonable in such action or proceeding, and in any appeal therefrom.

Section 12.22 Vending Machines

Airline shall ensure that no amusement, vending or self-ticketing machines, public pay telephones or other machines operated by coins, tokens or credit cards are installed or maintained in or at Airline's Exclusive Use Space or Joint Use Space except with the prior written permission of the Manager.

Section 12.23 Public Address System

Airline agrees that the use of City's public address system will be professional and non-promotional. Airline shall not install, cause to be installed or use any other public address system in the passenger terminal building without the prior written approval of the Manager.

Section 12.24 Employees of Airline

Airline shall require all of its employees, subcontractors or independent contractors hired by Airline working in view of the public and about the passenger terminal building area to wear clean and neat attire and to display appropriate identification.

Section 12.25 Removal of Disabled Aircraft

Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons and gate positions) and place any such disabled aircraft in such storage areas as may be designated by the Manager. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by City. If Airline fails to remove any of its disabled aircraft promptly, the Manager may, after informing Airline of his/her intent to do so, but shall not be obligated to, cause the removal of such disabled aircraft; provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations. Airline agrees to reimburse City for all costs of such removal, and Airline further hereby releases City from any and all claims for damage, except as the result of negligent or willful misconduct, to the disabled aircraft or otherwise arising from or in any way connected with such removal by City.

Section 12.26 Licenses, Fees and Permits

Airline shall obtain and pay for all licenses, fees, permits or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Section 12.27 National Emergency

This Agreement and all the provisions hereof shall be subject to whatever right the U.S. Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

Section 12.28 Time is of the Essence

Time is of the essence in this Agreement.

Section 12.29 Employee Parking

The City shall provide and Airline shall have the right to the use of vehicle parking facilities, for its employees employed at the Airport. Such facilities shall be located in an area designated by the City. City reserves the right to charge Airline and/or its employees reasonable fees, not to exceed actual net costs, for use of such facilities and to regulate such use.

Section 12.30 Notices

12.30.1 Notices to City provided for herein shall be sufficient if sent by first class mail and certified mail, return receipt requested, postage prepaid, addressed to: City of Kenai, Kenai Municipal Airport, 210 Fidalgo Avenue, Kenai, Alaska 99611-7794. Notices to City shall also be considered sufficient if sent by tested or otherwise authenticated facsimile at (907) 283-3737 or by recognized overnight courier service, and notices to Airline, if sent by first class mail and certified mail, return receipt requested, postage prepaid, addressed to **4700 Old International Airport Road, Anchorage, AK 99502** or to such other addresses as the parties may designate to each other in writing from time to time. Notices to Airline shall also be considered sufficient if sent by tested or otherwise authenticated facsimile at _____ or by a recognized overnight courier service.

12.30.2 All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been received (i) on the date of delivery if personally delivered by hand, (ii) upon the third day after such notice is (a) deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (b) sent by a nationally recognized overnight express courier, or (iii) by facsimile upon written confirmation (other than the automatic confirmation that is received from the recipient's facsimile machine) of receipt by the recipient of such notice.

Section 12.31 No More Favorable Terms

City shall not enter into any lease, contract or any other agreement with any other Air Transportation company containing more favorable terms than this Agreement, or to grant any tenant engaged in Air Transportation, rights or privileges with respect to the Airport that are not accorded Airline hereunder, unless the same rights, terms and privileges are concurrently made available to Airline.

**ARTICLE 13
PROVISIONS OF CITY'S DEED**

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the Parties hereto. Airline expressly understands that all provisions of this Agreement are subject to the provisions of the deed under which City holds title to the Airport property and that tenancy established herein is subject to the terms and conditions set forth in that deed of December 1, 1963, wherein the City of Kenai obtained title to the premises from the Administration of General Services pursuant to authority of the provisions of the Federal Property and Administration Services Act of 1949 and the Surplus Property Act of 1944 (58 Stat. 765) as amended and regulations and orders promulgated thereunder and the Airline further agrees to abide by the covenants of such deed and the restrictions set forth therein which are imposed pursuant to authority of Article 4, Section 3, Clause 2 of the Constitution of the United States of America, the Federal Property and Administrative Services Act of 1949 (Public Law 152-81st Congress), the Surplus Property Act of 1944 as amended thereby, and the applicable rules, regulations and orders, and that the use of the premises by Airline shall be in accordance with such covenants and conditions the same as though all of such covenants and conditions contained in such deed were set forth in full herein.

STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____ 2020, PAUL OSTRANDER, City Manager of the City of Kenai, Alaska, being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said City.

Notary Public 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 Attorney
210 Fidalgo Ave.
Kenai, AK 99611

EXHIBIT A
AIRLINE PREMISES - EXCLUSIVE USE SPACE

INSERT TERMINAL BUILDING DRAWING WITH EXCLUSIVE USE SPACE SHADED

ONE EXHIBIT A FOR EACH AIRLINE AGREEMENT

Terminal Drawing Not to Scale

Grant Aviation

Exclusive Use Space including the ticket counters, ticket lobby queuing area, office space and operations space indicated above: 1,100 square feet

Terminal apron aircraft parking and GSE Space: 10,730 square feet

RAVN Alaska

Exclusive Use Space including the ticket counters, ticket lobby queuing area, office space and operations space indicated above: 1,452 square feet

Terminal apron aircraft parking and GSE Space: 31,755 square feet

EXHIBIT B

AIRLINE PREMISES - JOINT USE SPACE

INSERT TERMINAL BUILDING DRAWING WITH JOINT USE SPACE SHADED

SAME EXHIBIT B FOR ALL AIRLINE AGREEMENTS

Terminal Drawing Not to Scale

Joint Use Space:

| Area #1 | <u>Square Feet</u> |
|---|--------------------|
| Baggage Claim Area | 1,095 |
| Passenger hold room, arrival & Departure Area | 2,730 |
| Area #2 | |
| Baggage make-up area | 2,856 |
| Baggage Breakdown area | 1,333 |
| Total Joint Use Space | <u>8,014</u> |

EXHIBIT C
AIRLINE RATE SCHEDULE

EXHIBIT D
AIRLINE AND AFFILIATE INSURANCE REQUIREMENTS

A. Airline Liability Insurance and Comprehensive General Liability Insurance

Insurance limits of liability for Airline and each of its individual Affiliates shall be determined by the capacity in passenger seats of the largest aircraft in Airline's and its Affiliate's fleet as follows:

1. Not less than one hundred fifty million dollars (\$150,000,000) per occurrence for airlines operating aircraft of one hundred (100) seats or more;
2. Not less than one hundred million dollars (\$100,000,000) per occurrence for airlines operating aircraft of between sixty (60) and ninety-nine (99) seats;
3. Not less than fifty million dollars (\$50,000,000) per occurrence for airlines operating aircraft of between twenty (20) and fifty-nine (59) seats;
4. Not less than twenty million dollars (\$20,000,000) per occurrence for airlines operating aircraft of nineteen (19) or fewer seats;
5. Not less than five million dollars (\$5,000,000) per occurrence for airlines operating aircraft of nine (9) or fewer seats;
6. Passenger personal injury not less than twenty-five million dollars (\$25,000,000) per occurrence and in the annual aggregate with respect to non-passenger personal injury.

B. Hangar Keepers Liability Insurance (If Applicable)

Hangar keepers liability insurance in an amount adequate to cover any non-owned property in the care, custody and control of Airline or any of its individual Affiliates on the Airport, but in any event in an amount not less than five million dollars (\$5,000,000).

C. Automobile Liability Insurance

Automobile liability insurance in an amount adequate to cover automobile insurance while on Airport premises in an amount not less than one million dollars (\$1,000,000) per person per occurrence.

D. Workers' Compensation and Employers' Liability Insurance

Statutory coverage and liability limits are required.

RAVN Year 1

Kenai Municipal Airport

| | | | |
|---------------------------------------|----------|---|----------------|
| Exclusive Space Annual Rate/Sq Ft. | \$ 33.85 | Enplanements: 2019 Calendar Year | |
| Joint Use Space #2 Annual Rate/Sq Ft. | \$ 20.51 | Tenant 1 | 72,575 76.39% |
| Joint Use Space #1 Annual Rate/Sq Ft. | \$ 33.85 | Tenant 2 | 22,429 23.61% |
| Apron/GSE Space Rent | \$ 0.52 | Tenant 3 | - 0.00% |
| Signatory Landing Fee/(1,000#s) | \$ 1.70 | Tenant 4 | - 0.00% |
| | | | 95,004 100.00% |
| Joint Rent Subsidy % | 20% | | |

RAVN Alaska

| Area Description | Leased / Used Space (sqft) | Base Rental Rate (psfpy) | Prior Year Enplanement % | Allocated Joint Rental Amount | Joint Rent Subsidy Reduction | Rental Amount | |
|---|----------------------------------|-----------------------------------|--------------------------------|--|------------------------------------|-------------------|----------------------------|
| Terminal Rent | | | | | | | |
| Exclusive use space: | | | | | | | |
| Room A | 1,452 | \$ 33.85 | N/A | N/A | N/A | \$ 49,150 | |
| Joint use space: | | | | | | | |
| Area #1 | | | | | | | |
| Baggage claim area | 1,095 | \$ 33.85 | 76.39% | \$ 28,315 | \$ (5,663) | \$ 22,652 | |
| Passenger hold room, arrival & departure area | 2,730 | \$ 33.85 | 76.39% | \$ 70,592 | \$ (14,118) | \$ 56,474 | |
| Total Joint Use Space Area #1 | | | | | | \$ 79,126 | |
| Area #2 | | | | | | | |
| Baggage make-up area | 2,856 | \$ 20.51 | 76.39% | \$ 44,747 | \$ (8,949) | \$ 35,798 | |
| Baggage breakdown area | 1,333 | \$ 20.51 | 76.39% | \$ 20,885 | \$ (4,177) | \$ 16,708 | |
| Total Joint Use Space Area #2 | | | | | | \$ 52,506 | |
| Total Terminal Rent | | | | | | \$ 180,782 | |
| Terminal Apron/GSE Space Rent | 31,755 | \$ 0.52 | N/A | N/A | N/A | \$ 16,513 | |
| Total Terminal & Apron GSE Space Rent | | | | | | \$ 197,295 | |
| Projected Landed | | | | | | | |
| | Wgt | Landing | | | | | |
| | (1,000#s) | Fee Rate | | | | | |
| Landing Fees | 115,624 | \$ 1.70 | | | | | Landing Fees \$ 196,561 |
| RAVN Alaska - Total Rents and Fees | | | | | | \$ 393,856 | |

Grant Year 1

Kenai Municipal Airport

| | | | |
|---------------------------------------|----------|---|----------------|
| Exclusive Space Annual Rate/Sq Ft. | \$ 33.85 | Enplanements: 2019 Calendar Year | |
| Joint Use Space #2 Annual Rate/Sq Ft. | \$ 20.51 | Tenant 1 | 72,575 76.39% |
| Joint Use Space #1 Annual Rate/Sq Ft. | \$ 33.85 | Tenant 2 | 22,429 23.61% |
| Apron/GSE Space Rent | \$ 0.52 | Tenant 3 | - 0.00% |
| Signatory Landing Fee/(1,000#s) | \$ 1.70 | Tenant 4 | - 0.00% |
| | | | 95,004 100.00% |
| Joint Rent Subsidy % | 20% | | |

Grant Aviation

| Area Description | Leased / Used Space (sqft) | Base Rental Rate (psfpy) | Prior Year Enplanement % | Allocated Joint Rental Amount | Joint Rent Subsidy Reduction | Rental Amount |
|---|----------------------------------|-----------------------------------|--------------------------------|--|------------------------------------|------------------|
| Terminal Rent | | | | | | |
| Exclusive use space: | | | | | | |
| Room B | 1,155 | \$ 33.85 | N/A | N/A | N/A | \$ 39,097 |
| Joint use space: | | | | | | |
| Area #1 | | | | | | |
| Baggage claim area | 1,095 | \$ 33.85 | 23.61% | \$ 8,751 | \$ (1,750) | \$ 7,001 |
| Passenger hold room, arrival & departure area | 2,730 | \$ 33.85 | 23.61% | \$ 21,817 | \$ (4,363) | \$ 17,454 |
| Total Joint Use Space Area #1 | | | | | | \$ 24,455 |
| Area #2 | | | | | | |
| Baggage make-up area | 2,856 | \$ 20.51 | 23.61% | \$ 13,829 | \$ (2,766) | \$ 11,063 |
| Baggage breakdown area | 1,333 | \$ 20.51 | 23.61% | \$ 6,455 | \$ (1,291) | \$ 5,164 |
| Total Joint Use Space Area #2 | | | | | | \$ 16,227 |
| Total Terminal Rent | | | | | | \$ 79,779 |
| Terminal Apron/GSE Space Rent | 10,730 | \$ 0.52 | N/A | N/A | N/A | \$ 5,580 |
| Total Terminal & Apron GSE Space Rent | | | | | | \$ 85,359 |
| Projected Landed | | | | | | |
| | Wgt | Landing | | | | |
| | (1,000#s) | Fee Rate | | | | |
| Landing Fees | 26,525 | \$ 1.70 | | | | |
| | | | Landing Fees | | | |
| | | | \$ 45,093 | | | |
| Grant Aviation - Total Rents and Fees | | | \$ 130,452 | | | |



MEMORANDUM

TO: Mayor Gabriel and Council Members

FROM: Scott Bloom

DATE: September 10, 2020

SUBJECT: **Resolution No. 2020-78 - RAVN Airline Operating Agreement**

This Resolution proposes to approve a stipulation with RAVN Air Group, that is currently in bankruptcy, to allow the bankruptcy judge to reject RAVN Air Group's ongoing lease at the Kenai Airport effective September 8, 2020. Past due lease payments will be allowed as an administrative claim in the bankruptcy pursuant to the stipulation. This Resolution also proposes to authorize the City Manager to enter into a new Airline Operating Agreement with an effective date of September 8, 2020, with the entity that bought RAVN Air Group's assets relevant to Kenai operations. FLOAT Shuttle, which purchased the assets, will operate in Alaska as Corvus Airlines, Inc., d/b/a/ RAVN Alaska. This new entity will be responsible for financial obligations to the airport pursuant to the Airline Operating Agreement as of September 8, 2020.

**KENAI CITY COUNCIL – REGULAR MEETING
 SEPTEMBER 2, 2020 – 6:00 P.M.
 KENAI CITY COUNCIL CHAMBERS
 210 FIDALGO AVE., KENAI, AK 99611
 MAYOR BRIAN GABRIEL, PRESIDING**

MINUTES

A. CALL TO ORDER

A Regular Meeting of the Kenai City Council was held on September 2, 2020, in City Hall Council Chambers, Kenai, AK. Mayor Gabriel called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Mayor Gabriel led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

| | |
|----------------------|-----------------|
| Brian Gabriel, Mayor | Robert Molloy |
| Henry Knackstedt | Tim Navarre |
| Jim Glendening | Robert Peterkin |
| Glenese Pettey | |

A quorum was present.

Also in attendance were:

Paul Ostrander, City Manager
 Scott Bloom, City Attorney
 Jamie Heinz, City Clerk

3. Agenda Approval

Mayor Gabriel noted the following revisions to the agenda and packet:

- | | |
|-------------------|--------------------------------|
| Add to item D.1. | Ordinance No. 3155-2020 |
| | • Postponement Memo |
| Add to item D.2. | Ordinance No. 3156-2020 |
| | • Amendment Memo |
| Add to item D.6. | Resolution No. 2020-70 |
| | • Application Forms |
| Add to item D.12. | Resolution No. 2020-74 |
| | • Agreement |

- Add to item D.13. **Resolution No. 2020-75**
- Amendment Memo
- Add to item G.2. **Purchase Orders Over \$15,000**
- Revised List
- Add to item J.1. **City Manager's Report**
- Informational Memo

MOTION:

Vice Mayor Molloy **MOVED** to approve the agenda with the requested additions to the packet and moving item G.5 to the first item following Unscheduled Public Comments and requested **UNANIMOUS CONSENT**. Council Member Knackstedt **SECONDED** the motion.

VOTE: There being no objections, **SO ORDERED**.

4. **Consent Agenda**

MOTION:

Council Member Knackstedt **MOVED** to approve the consent agenda with the revised Purchase Order list over \$15,000. Vice Mayor Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

The items on the Consent Agenda were read into the record.

Mayor Gabriel opened the floor for public comment; there being no one wishing to be heard, the public comment period was closed.

VOTE: There being no objections, **SO ORDERED**.

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. SCHEDULED PUBLIC COMMENTS

1. **Twyla Mundy** - Plan of Action-Need for Cold-Weather Shelter, Temporary Housing.

Janice Nightingale spoke of the need for emergency cold-weather shelter in the Kenai/Soldotna area. She presented statistics on the homelessness on the Kenai Peninsula. She noted there were several empty buildings in the area that could be utilized for this purpose and requested collaboration between the municipalities to come along side with these service organizations to provide a solution to the need.

C. UNSCHEDULED PUBLIC COMMENTS

The new Executive Director of the Kenai Chamber of Commerce and Visitors Center, Brittany Brown was introduced and welcomed by City Council.

Bill Dunn thanked Administration and City Attorney for including a report about bluff erosion and potential for mitigation measures for bluff erosion on Toyon Way, understanding the challenges that the City would face supporting mitigating this erosion. He asked City Council to support to the extent possible, with the possibility with moving forward with the Local Improvement District (LID) and having a study or engineers estimate for the seawall portion and an idea on the costs, as well as a possibility of a storm water drainage on Toyon Way, and a commitment to educate the public.

City Planner, Elizabeth Appleby expressed gratitude for her time employed at the City of Kenai and Council members thanked her for her service to the City.

[Clerk's Note: This item was moved to be heard first prior to public hearings at approval of the agenda.]

G.5. Action/Approval - Special Use Permit to Boys and Girls Club of the Kenai Peninsula for Temporary Use of Facilities at the Fire Training Facility. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to approve the Special Use Permit to the Boys and Girls Club of the Kenai Peninsula for Temporary Use of Facilities at the Fire Training Facility and Council Member Knackstedt **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

Clarification was provided about the facility uses.

VOTE: There being no objections, **SO ORDERED.**

D. PUBLIC HEARINGS

- 1. Ordinance No. 3155-2020** - Increasing Estimated Revenues and Appropriations in the Airport Improvements Capital Project Fund and Accepting a Grant from The Federal Aviation Administration for Phase One Construction of a New Sand Storage Facility. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3155-2020 and Council Member Peterkin **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO POSTPONE:

Council Member Knackstedt **MOVED** to postpone Ordinance No. 3155-2020 to the September 16 meeting and requested **UNANIMOUS CONSENT**. Council Member Peterkin **SECONDED** the motion.

VOTE ON THE POSTPONEMENT: There being no objection; **SO ORDERED.**

- 2. Ordinance No. 3156-2020** - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue and Water and Sewer Improvements Capital Project Funds and Awarding a Construction Agreement for Improvements to the Wasting Activated Sludge Pumps at the Waste Water Treatment Plant. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3156-2020 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance No. 3156-2020 by revising the 5th Whereas to replace the blank with "Polar North Construction", and insert the Contractor and Bid information in the table with "Polar North Construction", "\$79,703" and "Peninsula Construction", "\$99,500"; in the 6th Whereas clause, replace blank with "Polar North Construction"; in Section 1 fill in blanks with "Polar North Construction", "\$79,703", "Polar North Construction", "\$85,000"; and in Section 3 & 4 replace all \$XX,XXX with "\$88,296"; Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE ON THE AMENDMENT: There being no objections, **SO ORDERED**.

VOTE ON THE MAIN MOTION AS AMENDED:

YEA: Knackstedt, Pettey, Molloy, Peterkin, Navarre, Glendening, Gabriel
NAY:

MOTION PASSED UNANIMOUSLY.

3. **Ordinance No. 3157-2020** - Amending Kenai Municipal Code Section 1.85.010 – Report of Financial and Business Interests, to Allow for Certification by Municipal Officers that a Previously Filed Statement of Disclosure Remains Accurate and Approving an Alternate Certification. (Vice Mayor Molloy)

MOTION:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3157-2020 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

It was clarified that this was about simplifying the process by completing an alternate certification if there was no change in the previous year disclosure information provided.

Interest was expressed for further review before moving forward.

MOTION TO POSTPONE:

Vice Mayor Molloy **MOVED** to postpone Ordinance No. 3157-2020 to the October 7 meeting. Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE ON THE POSTPONEMENT: There being no objection; **SO ORDERED**.

4. **Resolution No. 2020-73** - Further Extending the Disaster Emergency Declaration for the City of Kenai Made on March 18, 2020 in Response to the COVID-19 Health Emergency. (Administration) [*Clerk's Note: Ordinance No. 3158-2020 is contingent upon this resolution being adopted.*]

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-73 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

The City Manager provided a brief overview of the executive powers granted by Council and the purpose of the extension.

UNANIMOUS CONSENT was requested.

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

5. **Ordinance No. 3158-2020** - Increasing Estimated Revenues and Appropriations in the COVID-19 CARES Act Recovery Fund and Accepting a CARES Act Grant Passed Through the Kenai Peninsula Borough. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3158-2020 and Council Member Navarre **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance No. 3158-2020 by amending Section 3 by replacing First Responder & Incident Management Team Payroll - General Contingency \$X,XXX,XXX.XX with \$675,524.00; Business and Not-for-Profit Entity Recovery Grants - General Contingency X,XXX,XXX.XX with \$2,000,000.00; CARES Act Administration & Non-Payroll Expenditures - General Contingency X,XXX,XXX.XX with \$0.00; Individual Assistance Grants - General Contingency X,XXX,XXX.XX with \$0.00; City Resiliency and Recovery - General Contingency X,XXX,XXX.XX with \$0.00; and Vice Mayor Molloy **SECONDED** the motion.

MOTION TO AMEND THE AMENDMENT:

Council Member Knackstedt **MOVED** to amend the first line of Section 3 replacing the amount of \$675,524.00 with \$675,524.94 and Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE ON THE AMENDMENT TO THE AMENDMENT: There being no objections, **SO ORDERED.**

UNANIMOUS CONSENT was requested one the amended amendment.

VOTE ON THE AMENDED AMENDMENT: There being no objections, **SO ORDERED.**

VOTE ON THE MAIN MOTION AS AMENDED:

YEA: Glendening, Gabriel, Knackstedt, Pettey, Molloy, Peterkin, Navarre

NAY:

MOTION PASSED UNANIMOUSLY.

6. **Resolution No. 2020-70** - Amending the City's Grant Disbursement Program for Small Businesses and Non-Profit Organizations Utilizing Funds from the Coronavirus Aid, Relief, And Economic Security (CARES) Act and Authorizing the City Manager to Enter into Agreements with Alaska Housing Finance Corporation (AHFC) for Housing Relief Program Administration and with the Kenai Peninsula Food Bank for Food Distribution in Kenai. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-70 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

The City Manager referred to the memo in the packet and provided an overview of the City's Grant Disbursement Program. It was noted there were over 300 applicants and clarification was provided regarding individual businesses located both in Kenai and Soldotna, grants for qualifying commercial fisherman, grant allocation amounts, eligibility requirements, and the approval process.

Grant Project Lead, Larry Persily and staff were thanked for the excellent work on this project.

UNANIMOUS CONSENT was requested.

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

7. **Ordinance No. 3159-2020** - Accepting and Appropriating a Municipal Arts & Culture Matching Grant from the Rasmuson Foundation in the COVID-19 CARES Act Recovery Fund. (Administration)

MOTION:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3159-2020 and Council Member Peterkin **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Council Members Knackstedt and Glendening disclosed they were board members of the Kenai Historical Society but there would be no financial benefit with this Ordinance. Mayor Gabriel ruled it was not a conflict and both may participate.

VOTE:

YEA: Glendening, Gabriel, Knackstedt, Pettey, Molloy, Peterkin, Navarre
 NAY:

MOTION PASSED UNANIMOUSLY.

8. **Ordinance No. 3160-2020** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and the Airport Equipment Capital Project Fund and Decreasing Revenues and Appropriations in the Airport Equipment Capital Project Fund for Costs Ineligible Under the Federal Aviation Administration's Airport Improvement Grant Program for the Purchase of Snow Removal Equipment (SRE) - Loader With Attachments. (Administration)

MOTION FOR INTRODUCTION:

Council Member Knackstedt **MOVED** to introduce Ordinance No. 3160-2020 and Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

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

MOTION FOR SECOND READING:

Council Member Knackstedt **MOVED** to hold the second reading on Ordinance No. 3160-2020; Vice Mayor Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE ON SECOND READING: There being no objections, **SO ORDERED.**

MOTION FOR ENACTMENT:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3160-2020 and Council Member Navarre **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

VOTE ON ENACTMENT:

YEA: Glendening, Gabriel, Knackstedt, Pettey, Molloy, Peterkin, Navarre
 NAY:

MOTION PASSED UNANIMOUSLY.

9. **Ordinance No. 3161-2020** - Increasing Estimated Revenues and Appropriations in the COVID-19 Cares Act Recovery Fund and Accepting a CARES Act Grant Passed through the Kenai Peninsula Borough for Kenai Senior Center Expenditures in Response to the COVID-19 Public Health Emergency. (Administration)

MOTION FOR INTRODUCTION:

Vice Mayor Molloy **MOVED** to introduce Ordinance No. 3161-2020 and Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

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

MOTION FOR SECOND READING:

Vice Mayor Molloy **MOVED** to hold the second reading on Ordinance No. 3161-2020; Council Member Knackstedt **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

VOTE ON SECOND READING: There being no objections, **SO ORDERED**.

MOTION FOR ENACTMENT:

Vice Mayor Molloy **MOVED** to enact Ordinance No. 3161-2020 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

VOTE ON ENACTMENT:

YEA: Glendening, Gabriel, Knackstedt, Pettey, Molloy, Peterkin, Navarre
NAY:

MOTION PASSED UNANIMOUSLY.

10. **Resolution No. 2020-71** - Approving an Airline Operating Agreement and Terminal Area Lease with Corvus Airlines, Inc., D/B/A Ravn Alaska. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-71 and Vice Mayor Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO POSTPONE INDEFINITELY:

Council Member Knackstedt **MOVED** to postpone Resolution No. 2020-71 indefinitely and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

VOTE TO POSTPONE INDEFINITELY: There being no objections, **SO ORDERED.**

11. **Resolution No. 2020-72** - Approving the Execution of a Forty-Five Year Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Alaska Air Fuel, Inc., for a Portion of Lot 5, FBO Subdivision No. 8. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-72 and Council Member Pettet **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

Clarification was provided on the subdivision plan changes since the Airport Commission and Planning and Zoning Commission reviewed it.

UNANIMOUS CONSENT was requested.

VOTE: There being no objections, **SO ORDERED.**

12. **Resolution No. 2020-74** - Amending the Agreement for Emergency Services Training and Clinical Experiences with the University of Alaska to Accommodate Overnight Stays and Update Insurance Requirements. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2020-74 and Council Member Navarre **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend by replacing the attached agreement with what was provided in the laydown; Council Member Navarre **SECONDED** the motion and requested **UNANIMOUS CONSENT.**

VOTE ON AMENDMENT: There being no objections, **SO ORDERED.**

UNANIMOUS CONSENT was requested on the main motion.

VOTE ON MAIN MOTION AS AMENDED: There being no objections, **SO ORDERED.**

13. **Resolution No. 2020-75** - Adopting Joint Resolution No. 2020-001 of the Assembly of the Kenai Peninsula Borough and Councils of the City of Kenai and City of Soldotna Encouraging All Residents to Take the Necessary Precautions and Follow the Recommended

Preventative Measures of the CDC to Reduce the Spread of COVID-19 in Our Community During the Public Health Emergency. (Mayor Gabriel)

MOTION:

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2020-75 and Council Member Knackstedt **SECONDED** the motion.

Mayor Gabriel opened for public hearing; there being no one wishing to be heard, the public hearing was closed.

A brief overview of this item was provided, noting this authorized Mayor Gabriel to sign the joint resolution.

MOTION TO AMEND:

Council Member Navarre **MOVED** to amend the tenth whereas clause to read, “the Assembly of the Kenai Peninsula Borough will consider Joint Resolution 2020-001 at their September 15, 2020 Assembly Meeting and the Council of the City of Soldotna will be considering Joint Resolution 2020-001 at their September 23, 2020 Council Meeting.”; Vice Mayor Molloy **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE ON AMENDMENT: There being no objections, **SO ORDERED**.

VOTE ON MAIN MOTION AS AMENDED:

YEA: Gabriel, Knackstedt, Molloy, Navarre

NAY: Peterkin, Glendening, Pettey

MOTION PASSED.

E. MINUTES

1. *Regular Meeting of August 19, 2020. (City Clerk)

Approved by the consent agenda.

F. UNFINISHED BUSINESS – None.

G. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)

Approved by the consent agenda.

2. ***Action/Approval** - Purchase Orders over \$15,000. (Administration)

Approved by the consent agenda.

3. ***Ordinance No. 3162-2020** - Amending Municipal Code Section 23.50.010 – Employee Classification, to Amend a Class Title in the Supervisory and Professional Class. (Administration)

Introduced by the consent agenda and public hearing set for September 16, 2020.

- 4. **Action/Approval** - Amending an Employment Agreement between the City of Kenai and City Clerk, Jamie Heinz, to Extend the Agreement. (Mayor Gabriel)

MOTION:

Council Member Knackstedt **MOVED** approve extending the agreement with the City Clerk; Council Member Navarre **SECONDED** and requested **UNANIMOUS CONSENT**.

It was clarified this would extend the agreement with the City Clerk for another three years.

VOTE: There being no objections, **SO ORDERED**.

- 6. **Discussion** - Response to COVID-19. (Administration)

The number of cases, case rate, and hospitalizations were provided, noting the Kenai area was in the medium-risk rate but heading in the right direction as case rates were lowering; and an update of the mitigation plan was provided.

H. COMMISSION / COMMITTEE REPORTS

- 1. Council on Aging – No report; next meeting September 10.
- 2. Airport Commission – No report; next meeting September 10.
- 3. Harbor Commission – No report.
- 4. Parks and Recreation Commission – It was reported a work session would be held tomorrow, September 3 to tour the City’s parks.
- 5. Planning and Zoning Commission – It was reported the Commission considered and approved a preliminary plat to combine lots, and held a public hearing for a variance permit at their meeting on August 26; next meeting September 9.
- 6. Beautification Committee – No report; next meeting September 8.
- 7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel thanked those that provided public comment, welcomed the new Director of the Kenai Chamber of Commerce and Visitors' Center, wished farewell to the City Planner and a Happy Labor Day weekend to everyone.

J. ADMINISTRATION REPORTS

- 1. City Manager - City Manager P. Ostrander reported on the following:
 - Actively advertising the City Planner position;

- He was asked to participate in a small group of municipal officials to help the Alaska Municipal League's approach with the State's fiscal crisis;
 - CARES Act grant program update, noting the modification of purchase orders amount as described in the laydown; and
 - The Preconstruction Engineering Design agreement for the Bluff Erosion Project should be available for signature next week.
2. City Attorney – City Attorney S. Bloom reported on his written report as provided in the packet on the proposed LID for Toyon Way, seeking direction for Administration by Council.
 3. City Clerk – City Clerk J. Heinz reported that the Deputy Clerk, Jacquelyn LaPlante turned in her resignation today to be a stay at home mom and her last day is October 6.

K. ADDITIONAL PUBLIC COMMENT

1. Citizens Comments (*Public comment limited to five (5) minutes per speaker*) – None.
2. Council Comments

Council Member Navarre wished everyone a Happy Labor Day weekend.

Council Member Peterkin expressed thanks for a great meeting and discussion.

L. EXECUTIVE SESSION

1. Review and Discussion of the Terms of Employment Agreements for the City Manager, City Attorney, and City Clerk which, Pursuant to AS 44.62.310(c)(2) May be a Subject that Tends to Prejudice the Reputation and Character of the City Manager, City Attorney, and City Clerk and per AS 44.62.310(c)(1) is a Matter of which the Immediate Knowledge may have an Adverse Effect Upon the Finances of the City.

a. Action/Approval – Amending an Employment Agreement between the City of Kenai and City Attorney, Scott Bloom. (Mayor Gabriel)

b. Action/Approval - Amending an Employment Agreement between the City of Kenai and City Manager, Paul Ostrander. (Mayor Gabriel)

c. Action/Approval - Amending an Employment Agreement between the City of Kenai and City Clerk, Jamie Heinz. (Mayor Gabriel)

MOTION:

Vice Mayor Molloy **MOVED** to enter into executive session to review and discuss the terms of employment agreements for the City Manager, City Attorney, and City Clerk which, pursuant to AS 44.62.310(c)(2) may be a subject that tends to prejudice the reputation and character of the City Manager, City Attorney, and City Clerk and per AS 44.62.310(c)(1)) is a matter of which the immediate knowledge may have an adverse effect upon the finances of the City. Council Member Knackstedt **SECONDED** the motion.

VOTE:

YEA: Gabriel, Peterkin, Glendening, Pettey, Molloy, Navarre, Knackstedt
NAY:

MOTION PASSED UNANIMOUSLY.

Council reconvened in open session and it was noted for the record that Council met in executive session and reviewed and discussed the terms of employment agreements for the City Manager, City Attorney, and City Clerk.

MOTION:

Vice Mayor Molloy **MOVED** to approve amending an employment agreement between the City of Kenai and City Attorney, Scott Bloom with directions on compensation to be given to the HR Director. Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE: There being no objections, **SO ORDERED.**

MOTION:

Vice Mayor Molloy **MOVED** to approve amending an employment agreement between the City of Kenai and City Manager, Paul Ostrander with directions on compensation to be given to the HR Director. Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE: There being no objections, **SO ORDERED.**

MOTION:

Vice Mayor Molloy **MOVED** to approve amending an employment agreement between the City of Kenai and City Clerk, Jamie Heinz with directions on compensation to be given to the HR Director. Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

VOTE: There being no objections, **SO ORDERED.**

M. PENDING ITEMS

- 1. **Substitute Ordinance No. 3127-2020** - Repealing and Replacing Kenai Municipal Code Title 6 - Elections to Provide Clarity, Process Improvements, and Increase Voter Accessibility through Vote By Mail Elections. (Council Member Peterkin) *[Clerk's Note: At the August 19 Meeting, this item was Postponed to the 10/21/20 Council Meeting; a motion to enact is on the floor.]*
- 2. **Ordinance No. 3128-2020** - Amending Kenai Municipal Code Section 1.85.040 – Records Public, To Provide For A Record Retention Length. (City Clerk) *[Clerk's Note: At the August 19 Meeting, this item was Postponed to the 10/21/20 Council Meeting; a motion to enact is on the floor.]*

N. ADJOURNMENT

There being no further business before the Council, the meeting was adjourned at 10:50 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of September 2, 2020.

Jamie Heinz, CMC
City Clerk



Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3155-2020

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT IMPROVEMENTS CAPITAL PROJECT FUND AND ACCEPTING A GRANT FROM THE FEDERAL AVIATION ADMINISTRATION FOR PHASE ONE CONSTRUCTION OF A NEW SAND STORAGE FACILITY.

WHEREAS, On August 10, 2020 a formal Invitation to Bid was released in coordination with the Federal Aviation Administration for the construction of a new 5600sf Sand Storage Facility for the Kenai Municipal Airport, with Bids due on August 31, 2020; and,

WHEREAS, The City received the following bids with _____ being determined to be the lowest responsive and responsible bidder

| Contractor | Phase 1 Bid | Phase 2 Bid | Total Bid |
|------------|-------------|-------------|-----------|
| | | | |
| | | | |
| | | | |
| | | | |

; and,

WHEREAS, the Project is being awarded in two phases, with Phase 1 consisting of site civil work which is anticipated to take place in the Fall of 2020. Phase 2 consists of the complete building package and all other work anticipated for a Spring 2021 start and Fall 2021 completion; and,

WHEREAS, the phasing is intended to provide the City with the largest funding available from the Federal Aviation Administration (FAA), with CARES Act funds anticipated to cover the City's 6.25% share of Phase 1 costs, and Airport Entitlements for 2020 covering the remaining costs; and,

WHEREAS, Phase 2 will be awarded under a separate Ordinance in early 2021 in anticipation of receiving an FAA grant for the remaining costs using the Airport entitlements for 2021 and if necessary, FAA discretionary funds with the City's share being 6.25% unless there are CARES Act funds remaining, whereby there would not be a City match required; and,

WHEREAS, Council should anticipate the City needing to fund Phase 2 initially to allow the building package to be ordered in time for a summer installation, with an FAA grant anticipated for May 2021 where the City will be reimbursed; and,

WHEREAS, failure to forward fund the project will likely result in the construction carrying into next winter and would increase overall construction costs; and,

WHEREAS, the Federal Aviation Administration (FAA) and City Staff are in agreement that this path is the most beneficial to the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, as follows:

Section 1. The City Manager is authorized to accept grant funding from the Federal Aviation Administration in the amount of \$_____ for the Construction of the new Sand Storage Building.

Section 2. The City Manager is authorized to award a construction contract for Phase 1 of construction of a new sand storage facility to _____ in the amount of \$_____ and issue a Purchase Order to _____ in the amount of \$_____ which includes contingency funds for the processing of change orders.

Section 3. The City Manager is authorized to amend HDL Engineering’s Design Agreement to include Construction Administrative (CA) Services in the amount of \$_____.

Section 4. That the estimated revenues and appropriations be increased as follows:

Airport Improvement Capital Project Fund:
Increase Estimated Revenues –
FAA Grant

\$XXX,XXX

Increase Appropriations:
Construction

\$XXX,XXX

Section 5. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 6. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect upon adoption.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of September, 2020.

BRIAN GABRIEL SR., MAYOR

ATTEST:

Ordinance No. 3155-2020

Page 2 of 3

Jamie Heinz, CMC, City Clerk

Approved by Finance: _____

Introduced: August 19, 2020
Enacted: September 2, 2020
Effective: September 2, 2020



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Scott Curtin, Public Works Director
DATE: August 11, 2020
SUBJECT: Ordinance 3155-2020

The purpose of this memo is to request support for the Kenai Municipal Airport Sand Storage Building. Staff, in coordination with the Federal Aviation Administration (FAA), has been developing the project. HDL Engineering completed design documents on August 7, 2020. The project was formally released for Bids on August 10, 2020 with bids due on August 31, 2020.

The project will be developed in two phases to allow the City the greatest opportunity to take advantage of federal grants. Phase 1 is anticipated to take place this fall and will cover Site Civil work. The grant will cover all of the FAAs normal share, and CARES Act funds are anticipated to cover the City's normal share of 6.25%.

Phase 2 will begin early 2021, and will be awarded under a separate future Ordinance. It will be funded by the Airport's annual entitlements and possibly discretionary funds through the FAA and is anticipated for the City to short term finance the work until the grant can be issued likely in May 2021. The structural steel and insulated wall and roof panels will need to be ordered in March 2021 to make sure they arrive in Alaska in time for the summer construction season.

Phase 2 will likely require the usual grant matching funds, with the FAA contributing 93.75% and the City share being 6.25% of construction costs however, if there are remaining CARES Act funds, there would be no match requirement of the City. The funds to cover the start of Phase 2 shall be taken from the Airport Special Revenue Fund and will be reimbursed upon receipt of grant.

This project is the number one priority for the Airport from the Capital Improvement Plan. Completion of the facility will allow the airport to store all of their required sand for the runway under roof in a conditioned space, which will allow their sanding operations to proceed more efficiently, reducing wear and tear on equipment from breaking into frozen sand piles that would otherwise be stored outdoors.

Council should anticipate an amendment memo being provided prior to the September 2, 2020 council meeting to fill in the blanks associated with the current Ordinance.

Council's support of this Ordinance is respectfully requested.

**PAYMENTS OVER \$15,000.00 WHICH NEED COUNCIL RATIFICATION
COUNCIL MEETING OF: SEPTEMBER 16, 2020**

| VENDOR | DESCRIPTION | DEPARTMENT | ACCOUNT | AMOUNT |
|-------------------------|--------------------|-------------------|----------------------|---------------|
| PERS | PERS | VARIOUS | LIABILITY | 93,245.09 |
| INTEGRITY JANITORIAL | AUGUST SERVICES | CITY HALL | REPAIR & MAINTENANCE | 1,389.00 |
| PRECIOUS JANITORIAL | AUGUST SERVICES | LIBRARY | REPAIR & MAINTENANCE | 2,795.00 |
| REBORN AGAIN JANITORIAL | AUGUST SERVICES | AIRPORT | REPAIR & MAINTENANCE | 4,231.25 |
| PREMERA BLUE CROSS | SEPTEMBER PREMIUM | VARIOUS | INSURANCE | 191,852.01 |
| HOMER ELECTRIC | ELECTRIC USAGE | VARIOUS | UTILITIES | 82,815.84 |

INVESTMENTS

| VENDOR | DESCRIPTION | MATURITY DATE | AMOUNT | Effect. Int. |
|---------------|--------------------|----------------------|---------------|---------------------|
|---------------|--------------------|----------------------|---------------|---------------------|

**PURCHASE ORDERS OVER \$15,000.00 WHICH NEED COUNCIL APPROVAL
 COUNCIL MEETING OF: SEPTEMBER 16, 2020**

| VENDOR | DESCRIPTION | DEPT. | ACCOUNT | AMOUNT |
|---------------|--------------------|--------------|----------------|---------------|
|---------------|--------------------|--------------|----------------|---------------|

INCREASE OF EXISTING PURCHASE ORDER

| VENDOR | DESCRIPTION | P.O. # - DEPT. | REASON | AMOUNT | TOTAL PO AMT |
|----------------------------|-----------------------|-----------------------------------|---------------------------------|---------------|---------------------|
| SADLER PROPERTY MANAGEMENT | FY21 CONTRACTOR'S FEE | 120503 - CONGREGATE HOUSING | EXTEND CONTRACT OCTOBER-JUNE | 45,936.00 | 66,651.00 |



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: Kathy Romain, Senior Center Director

DATE: September 2, 2020

SUBJECT: **Purchase Order Increase to Sadler Property Management**

This memo is to request a change order to purchase order number 120503 to Sadler Property Management for the remainder of FY21 Contractor's Fee for Vintage Pointe Manor. This purchase order was initially for the months of July, August, and September of 2020 to finish out the first of two amendments to the agreement for services. The second amendment to the agreement for services was signed by the City Manager and the Contractor to continue services ending June 30, 2021.

Beginning in March, the current Contractor (Sadler Property Management) has continuously maintained a secure and sanitized building to ensure the residents and staff of Vintage Pointe remain safe through this current public health emergency.

I respectfully ask for your approval to increase the purchase order to Sadler Property Management for the remainder of FY21.

Thank you for your consideration.



MEMORANDUM

TO: Mayor Gabriel and Kenai Council Members
FROM: Jamie Heinz, City Clerk
DATE: September 9, 2020
SUBJECT: **Marijuana License Renewal**

The Alcoholic & Marijuana Control Office has sent notification that the following applicant has requested license renewal:

Applicant: Grateful Bud LLC
Owners: Jennifer Huffman
D/B/A: Grateful Bud LLC
License Type: Limited Marijuana Cultivation Facility

Pursuant to KMC 2.40.010, *It is determined to be in the public interest that holders of or applicants for licenses issued by the Alcoholic Beverage Control Board or the Marijuana Control Board of the State of Alaska **shall have all obligations to the City of Kenai on a satisfactory basis prior to the City Council approval of any activity of said license holder or applicant.***

A review of City accounts has been completed and the applicant has satisfied all obligations to the City. With the approval of Council, a letter of non-objection to the request for the renewal of a Limited Marijuana Cultivation Facility will be forwarded to the Alcoholic & Marijuana Control Office and the applicant.

Your consideration is appreciated.



THE STATE of ALASKA GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE 550 West 7th Avenue, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

July 23, 2020

City of Kenai

Attn: Jamie Heinz VIA Email: jheinz@kenai.city

Kenai Peninsula Borough

Attn: Borough Clerk Via Email: tshassetz@kpb.us jblankenship@kpb.us micheleturner@kpb.us sness@kpb.us dhenry@kpb.us

Table with 2 columns: Field Name and Value. Fields include License Number (16474), License Type (Limited Marijuana Cultivation Facility), Licensee (GRATEFUL BUD LLC), Doing Business As (GRATEFUL BUD LLC), Physical Address (1817 Sunset Blvd Kenai, AK 99611), Designated Licensee (Jennifer Huffman), Phone Number (907-283-2837), and Email Address (gratefulbudllc@gmail.com).

[X] License Renewal Application [] Endorsement Renewal Application

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart". The signature is written in a cursive, somewhat stylized font.

Glen Klinkhart, Interim Director

AMCO License Application

Date

7/23/2020

Establishment Information

License Type

Licensee

Grateful Bud, LLC

Doing Business As

Grateful Bud, LLC

Premises Address

1817 Sunset Blvd

City, State

Kenai, AK

Contact Information

Contact Licensee

Jennifer Huffman

Contact Phone No.

283-2837

Contact Email

gratefulbudllc@gmail.com

Additional Contact Information

Name

Phone No.

Email

Documents

File Upload

| | |
|---|----------|
| 16474 Entity Documents (2).pdf | 960.08KB |
| 16474 MJ-20 Renewal Application Certifications (1).pdf | 1.23MB |
| 16474 Online Renewal Application_Redacted.pdf | 148.3KB |
| 16474 POPPP (2).pdf | 648.37KB |
| Renewal - LG Notice - Limited Marijuana Cultivation - Grateful Bud LLC #16474.pdf | 184.49KB |

- Submit** by Jamie Heinz 7/23/2020 7:11:37 PM (Form Submission)
- Approve** by Wilma Anderson 7/24/2020 10:45:09 AM (Lands Review)
■ *Licensee is currently in compliance with the terms of the Conditional Use Permit granted for a Marijuana Cultivation Facility, Limited.*
- The task was assigned to Wilma Anderson. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Jeremy Hamilton 7/27/2020 12:06:11 PM (Fire Marshall Review)
■ *Inspection completed 7/27/20*
- The task was assigned to Jeremy Hamilton. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Michael Wesson 7/28/2020 4:32:41 PM (Building Official Review)
- The task was assigned to Michael Wesson. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Jacquelyn LaPlante 7/24/2020 1:42:34 PM (Police Department Review)
■ *Approve per D. Ross*
- Jacquelyn LaPlante reassigned the task to Jacquelyn LaPlante 7/24/2020 1:41 PM
 - The task was assigned to David Ross. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Tina Williamson 8/3/2020 10:29:44 AM (Finance Asst Review)
- The task was assigned to Tina Williamson. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Cindy Herr 7/28/2020 4:28:40 PM (Legal Asst Review)
■ *No outstanding citations or restitution owed.*
- The task was assigned to Cindy Herr. The due date is: August 3, 2020 5:00 PM 7/23/2020 7:11 PM
- Approve** by Terry Eubank 8/3/2020 11:24:52 AM (Finance Review)
- The task was assigned to Terry Eubank. The due date is: August 12, 2020 5:00 PM 8/3/2020 10:29 AM
- Approve** by Scott Bloom 8/3/2020 11:38:50 AM (Legal Review)
- The task was assigned to Scott Bloom. The due date is: August 12, 2020 5:00 PM 8/3/2020 10:29 AM
- Approve** by Jacquelyn LaPlante 9/4/2020 2:40:04 PM (P&Z Department Review)
■ *Approve per E. Appleby.*
- Jacquelyn LaPlante reassigned the task to Jacquelyn LaPlante 9/4/2020 2:39 PM
 - The task was assigned to Elizabeth Appleby. The due date is: August 12, 2020 5:00 PM 8/3/2020 10:29 AM



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

| | | | | | |
|--------------------|--|-----------------|--------|------|-------|
| Licensee: | Grateful Bud LLC | License Number: | 16474 | | |
| License Type: | Limited Marijuana Cultivation Facility | | | | |
| Doing Business As: | Grateful Bud LLC | | | | |
| Premises Address: | 1817 Sunset Blvd | | | | |
| City: | Kenai | State: | Alaska | ZIP: | 99611 |

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

| | |
|--------|------------------|
| Name: | Jennifer Huffman |
| Title: | Entity Official |

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

Initials

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



Alaska Marijuana Control Board Form MJ-20: Renewal Application Certifications

Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

JNH

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

JNH

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

JNH

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

JNH

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

JNH

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

JNH

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

JNH

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.


Signature of licensee


Notary Public in and for the State of Alaska

Jennifer Huffman
Printed name of licensee

My commission expires: 6/27/22

Subscribed and sworn to before me this 21 day of July, 2020.

Notices of Violation received by Grateful Bud LLC (license number 16474) between July 1st 2019 and June 30th 2020.

09/15/2019 - NOTICE OF VIOLATION - Delinquent Taxes (paid)

10/17/2019 - NOTICE OF VIOLATION - Delinquent Taxes (paid)

11/13/2019 - NOTICE OF VIOLATION - Delinquent Taxes (paid)

02/23/2020 - NOTICE OF VIOLATION - Delinquent Taxes (paid)

03/20/2020 - NOTICE OF VIOLATION - Delinquent Taxes (paid)



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

FROM: Jamie Heinz, City Clerk

DATE: September 11, 2020

SUBJECT: **October 6, 2020 Regular City Election – Precinct Election Boards**

Pursuant to KMC 6.05.040, which requires that City Council appoint the members of the election boards, I am respectfully requesting the following be appointed to work on the Election Board for Kenai Precincts as listed:

| Kenai No. 1, 30-210 | Kenai No. 2, 30-230 | Kenai No. 3, 30-240 |
|---------------------|---------------------|---------------------|
| Carol Freas | Rebecca Glick | Sharon Efta |
| Virginia Walters | Margaret Reitter | TBD |
| Barbara Norbeck | Laura Swen | TBD |
| Linda Swarner | Deborah Glick | TBD |
| June Harris | Cleta Elefritz | TBD |

We have messages out to the Chair of Kenai No. 3 and expect the list of who has been recruited early next week; an updated list will be provided as a laydown.

Thank you for your consideration.

**KENAI AIRPORT COMMISSION
REGULAR MEETING
SEPTEMBER 10, 2020 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
VICE CHAIR KIMBERLY DODGE, PRESIDING**

MEETING SUMMARY

1. CALL TO ORDER

Vice Chair Dodge called the meeting to order at approximately 6:00 p.m.

a. Pledge of Allegiance

Vice Chair Dodge led those assembled in the Pledge of Allegiance.

b. Roll was confirmed as follows:

Commissioners Present: K. Dodge, D. Pitts, P. Minelga, J. Zirul, J. Bielefeld, D. Leichliter
Commissioners Absent: G. Feeken

Staff/Council Liaison Present: Airport Manager M. Bondurant, Deputy Clerk J. LaPlante

A quorum was present.

c. Agenda Approval

MOTION:

Commissioner Zirul **MOVED** to approve the agenda and Commissioner Pitts **SECONDED** the motion. There were no objections; **SO ORDERED**.

2. SCHEDULED PUBLIC COMMENT – None.

3. UNSCHEDULED PUBLIC COMMENT – None.

4. APPROVAL OF MEETING SUMMARY

a. August 13, 2020

MOTION:

Commissioner Zirul **MOVED** to approve the meeting summary of August 13, 2020 and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED**.

5. UNFINISHED BUSINESS – None.

6. NEW BUSINESS

- a. **Discussion/Recommendation** – Execution of a Forty-Five Year Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Kenai Aviation Operations, LLC, for Lot 9A, Block 5, General Aviation Apron No. 5.

MOTION:

Commissioner Minelga **MOVED** to recommend Council approve execution of a forty-five year lease with Kenai Aviation Operations, LLC and Commissioner Pitts **SECONDED** the motion.

It was noted in the memorandum, last paragraph, the company name should be “Kenai Aviation Operations, LLC”; and within the application, in the section Property Information and Term Requested, the response within the second question was contradictory. Corrections were noted and did not affect the content or intent of the application.

The Airport Manager noted this went before the Planning and Zoning Commission on September 8 and approval was recommended.

UNANIMOUS CONSENT was requested.

VOTE: There were no objections; **SO ORDERED.**

7. REPORTS

- a. **Airport Manager** – Bondurant reported on the following:
- The Terminal Rehabilitation project was near completion; still waiting on new terminal seating and would then discuss a grand opening date;
 - New ARFF vehicles scheduled to be here June 2021;
 - The Beacon Fire Training Facility project was going well;
 - Grant offer from FAA for new loader with attachments was received this week;
 - Sand Storage Building bids were opened on August 31;
 - Land acquisition grant came today, full FAA participation;
 - Finalized paperwork today for new airline group d/b/a Ravn to be reviewed by City Council on September 16; hoping to be operating in Kenai the end of September;
 - Advertising in place for winter equipment operators, closes September 18;
 - Training for Storm Water Prevention Plan scheduled for September 16;
 - Annual review of Airport Emergency Control Plan on October 13; and
 - Pre-season winter operations meeting on October 21; gearing up for winter.
- b. **City Council Liaison** – Council Member Navarre referred to the September 2 City Council action agenda in the packet.

8. NEXT MEETING ATTENDANCE NOTIFICATION – October 8, 2020

9. COMMISSIONER COMMENTS AND QUESTIONS

Commissioner Minelga commented on the recent supplements released and noted he would meet with Kenai Airport administration to discuss revisions needed regarding air fuel.

Commissioner Pitts noted he and Chair Feeken did a tour of the Kenai Airport, looked at the float plane basin, public safety building, found it very interesting and recommended it for more familiarity and information about the airport; contact Operations Supervisor, Jim Lackey if interested in a tour.

10. ADDITIONAL PUBLIC COMMENT – None.

11. INFORMATION ITEMS

- a. August 2020 Mid-Month Report
- b. August 2020 Float Plane Basin Report
- c. Additional Information – Alaska Air Fuel

12. ADJOURNMENT

There being no further business before the Commission, the meeting was adjourned at 6:24 p.m.

Meeting summary prepared and submitted by:

Jacquelyn LaPlante
Deputy City Clerk

**KENAI HARBOR COMMISSION
REGULAR MEETING
AUGUST 10, 2020 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
CHAIR MIKE DUNN, PRESIDING**

MEETING SUMMARY

1. CALL TO ORDER

Chair Dunn called the meeting to order at approximately 6:00 p.m.

a. Pledge of Allegiance

Chair Dunn led those assembled in the Pledge of Allegiance.

b. Roll Call

Roll was confirmed as follows:

Commissioners present: Chair M. Dunn, Vice-Chair N. Berga, C. Crandall, J. Desimone, B. Bornemann, B. Peters

Commissioners absent: C. Hutchison

Staff/Council Liaison present: Public Works Director S. Curtin, Deputy City Clerk J. LaPlante, Public Works Assistant K. Feltman, Council Member J. Glendening

A quorum was present.

MOTION:

Commissioner Crandall **MOVED** to approve the agenda as written and Commissioner Desimone **SECONDED** the motion. There were no objections; **SO ORDERED**.

2. SCHEDULED PUBLIC COMMENTS – None.

3. UNSCHEDULED PUBLIC COMMENT – None.

4. APPROVAL OF MEETING SUMMARY

a. June 8, 2020

A correction was noted regarding the Vice Chair named in the Roll Call section.

MOTION:

Commissioner Crandall **MOVED** to approve the meeting summary of June 8, 2020 with the revision noted; and Commissioner Desimone **SECONDED** the motion. There were no objections; **SO ORDERED**.

5. **UNFINISHED BUSINESS** – None.

6. **NEW BUSINESS**

a. **Discussion** – River Safety - Commercial vs. Personal Use

Overall positive feedback was expressed of the personal use fishery this year and use of the City dock. Some safety concerns noted included dipnetters going further into the channel when the tide goes out, brochures not thoroughly distributed, and discussion was recommended with the Alaska Fish and Game to move markers, changing the boundaries to separate commercial fishing from the personal use fishery. Dipnet fishery employees were also recognized for their excellent efforts at the beach and during this year's season.

It was clarified that cleaning fish tables at the beach were not supported as it was advised/directed that fish were not to be cleaned at the beach with high risk of bacteria coming from the gulls.

b. **Discussion** – Set Next Meeting Date

It was the consensus of the Commission to reschedule the September 7 (Labor Day) Commission meeting to Monday, October 12, 2020.

7. **REPORTS**

a. **Public Works Director** – S. Curtin reported the following:

- Permanent Vault Restrooms project awarded to Polar North Construction, moving forward, and would be installed before winter for full use at next year's Personal Use Fishery;
- City Dock Repair project contract to be awarded to Endries Company at August 19 Council meeting;
- As a result of the Personal Use Fishery, there was an increase of over 20 percent in revenues than budgeted and last year's amount;
- The Preconstruction Engineering Design agreement for the Bluff Erosion Project would likely be fully executed in early September;
- Provided an update about the Beaver Loop bicycle path; and
- Additional educational and safety signage was put up at the Bluff.

b. **Commission Chair** – M. Dunn requested having a request for proposals/bids advertised with cost for file tables and fresh water tanks.

c. **City Council Liaison** – R. Peterkin noted the actions of the July and August Council Meetings were provided in the packet; added that there were several uses of cranes at the City Dock this summer; and thanked the new Fire Chief, Tony Prior for making it possible to have campfires on the beach this summer.

8. **NEXT MEETING ATTENDANCE NOTIFICATION** – October 12, 2020

9. **COMMISSIONER COMMENTS AND QUESTIONS**

Commissioner Berga inquired about the City purchasing property bordering the City Dock to expand parking for food trucks.

Commissioners Peters, Bornemann and Chair Dunn thanked everyone for participating tonight.

Commissioner Desimone expressed positively about the progress forward with the goals of the Harbor Commission.

Commissioner Crandall expressed interest in increasing the dipnet fisheries rate; noted appreciation of the Public Works Director for his diligence; thanked the Commission liaison and members for their work; and noted interest in having a Harbor in Kenai.

10. ADDITIONAL PUBLIC COMMENT

Jim Glendening noted positively about the work on the dredging program and Bluff Erosion project; expressed interest in having the U.S. Coast Guard on the river next year during the personal use fishery as a safety presence; and appreciated the Commission members' enthusiasm and contributions in the meetings.

11. INFORMATION ITEMS – None.

12. ADJOURNMENT

There being no further business before the Commission, the meeting was adjourned at 7:45 p.m.

Meeting summary prepared and submitted by:

Jacquelyn LaPlante
Deputy City Clerk

**KENAI PLANNING & ZONING COMMISSION
REGULAR MEETING
SEPTEMBER 9, 2020 – 7:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVENUE, KENAI, ALASKA
CHAIR JEFF TWAIT, PRESIDING**

MINUTES

A. CALL TO ORDER

Commission Chair Twait called the meeting to order at 7:00 p.m.

1. Pledge of Allegiance

Commission Chair Twait led those assembled in the Pledge of the Allegiance.

2. Roll Call

Commissioners present: J. Twait, D. Fikes, J. Halstead, V. Askin, T. McIntyre

Commissioners absent: R. Springer, G. Greenberg

Staff/Council Liaison present: City Attorney S. Bloom, Planning Assistant W. Anderson, Deputy City Clerk J. LaPlante, Council Liaison H. Knackstedt

A quorum was present.

3. Agenda Approval

MOTION:

Commissioner Halstead **MOVED** to approve the agenda as written and Commissioner Askin **SECONDED** the motion. There were no objections; **SO ORDERED**.

4. Consent Agenda

MOTION:

Commissioner Askin **MOVED** to approve the consent agenda and Commissioner Halstead **SECONDED** the motion. There were no objections; **SO ORDERED**.

All items listed with an asterisk () are considered to be routine and non-controversial by the Commission and will be approved by one motion. There will be no separate discussion of these items unless a Commission 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.

5. *Excused absences – R. Springer, G. Greenberg

B. APPROVAL OF MINUTES

- 1. *August 26, 2020

The minutes were approved by the Consent Agenda.

C. SCHEDULED PUBLIC COMMENT – None.

D. UNSCHEDULED PUBLIC COMMENT – None.

E. CONSIDERATION OF PLATS – None.

F. PUBLIC HEARINGS – None.

G. UNFINISHED BUSINESS – None.

H. NEW BUSINESS

- 1. **Resolution PZ2020-32** - Recommending to the Kenai City Council that the City of Kenai Rename Daubenspeck Circle to Daubenspeck Road on the Plat of Baron Park 2020 Replat. The request was submitted by the City of Kenai, 210 Fidalgo Street, Kenai, AK 99611

The Planning Assistant referred to the staff report in the packet noting the Plat of Baron Park 2020 was recommended for approval by the Commission in May 2020. With the vacation of the right-of-way for the cul-de-sac of Daubenspeck Circle, the road was being extended, it was recommended by the Kenai Peninsula Borough to rename it from Daubenspeck Circle to Daubenspeck Road for ease to emergency services.

MOTION:

Commissioner Askin **MOVED** to recommend Council approval of Resolution No. PZ2020-32 and Commissioner Fikes **SECONDED** the motion.

VOTE:

YEA: McIntyre, Halstead, Fikes, Askin, Twait
NAY:

MOTION PASSED UNANIMOUSLY.

- 2. **Action/Approval** – Recommendation to the Kenai City Council for the Execution of a Forty-Five Year Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Kenai Aviation Operations, LLC, for Lot 9A, Block 5, General Aviation Apron No. 5.

The Planning Assistant reviewed the memorandum in the packet, adding that a notice was advertised opening the space for additional applicants submission and there were none.

MOTION:

Commissioner Askin **MOVED** to recommend approval of the execution of a forty-five year lease between the City of Kenai and Kenai Aviation Operations, LLC as described and Commissioner Fikes **SECONDED** the motion.

VOTE:

YEA: Halstead, McIntyre, Twait, Fikes, Askin
NAY:

MOTION PASSED UNANIMOUSLY.

I. PENDING ITEMS – None.

J. REPORTS

- 1. **Borough Planning** – Commissioner Fikes reported the Borough Planning Commission has not met since the last Planning and Zoning Commission meeting; the next meeting is on September 14.
- 2. **City Council** – Council Member Knackstedt reported on the actions from the September 2 City Council meeting, also noting a presentation by Janice Nightingale regarding the need for cold-weather shelter in Kenai/Soldotna area, and introduction of the new Executive Director at the Kenai Chamber of Commerce and Visitors’ Center, Brittany Brown.
- 3. **Administration** – City Attorney S. Bloom reported that Assistant Planner, W. Anderson was the point of contact for the Planning Department until a new Planning Director was hired. It was also reported that Deputy Clerk, Jacquelyn LaPlante submitted her resignation to be a stay at home mother; her last day would be October 6.

K. ADDITIONAL PUBLIC COMMENT – None.

L. INFORMATIONAL ITEMS – None.

M. NEXT MEETING ATTENDANCE NOTIFICATION – September 23, 2020

N. COMMISSION COMMENTS & QUESTIONS – None.

O. ADJOURNMENT

There being no further business before the Commission, the meeting was adjourned at 7:31 p.m.

Minutes prepared and submitted by:

Jacquelyn LaPlante
Deputy City Clerk



Sept. 3, 2020

Leslie Rohr, Executive Director, Love INC
Chair Kenai Peninsula Continuum of Care
PO Box 3052
Kenai, AK 99611

Ms. Rohr,

On behalf of the City of Kenai, we offer this letter of support for the Love INC application for AHFC SFY CARES Act Emergency Solutions Grant (ESG-CV).

The City of Kenai recognizes that homelessness is an area of concern in Kenai as well as in the Central Kenai Peninsula, and we support the application for the proposed grant toward addressing this concern. The City of Kenai has not taken a position on potential locations for the shelter, but we are aware of the urgency of the situation and appreciate the work of Love INC and other Continuum of Care agencies serving communities in the greater Kenai area.

Thank you for asking the City to comment, and if you need any additional information, please feel free to contact me at (907) 283-8222 or postrander@kenai.city

Sincerely,


for
City Manager

Paul Ostrander



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Mary Bondurant, Airport Manager
DATE: September 3, 2020
SUBJECT: **Airport Mid-Month Report September 2020**

2018 Terminal Rehabilitation Project – Construction: The project is winding down: inside and outside signage is installed, the boiler install is complete, the tank project is complete, and the hydro-seeding has been completed. We are still waiting for the new furniture.

2019 Alaska Fire Training Facility Rehabilitation & Acquire Aircraft Rescue and Firefighting Trucks (ARFF) – The contractor was back on-site the week of August 31, 2020 to address maintenance issues. The two ARFF vehicles are on-order with OSHKOSH.

2020 Acquire SRE (Loader) – The FAA grant offer for \$266,100 was received on September 3, 2020, and the loader with attachments was ordered that same day.

2020 Sand/SRE Storage Building – Bids were opened on August 31, 2020 with Orion the apparent low bidder. The Office of the Secretary of Transportation approved this project on September 1, 2020. An updated grant application along with a request for concurrence to award was submitted to the FAA on September 3, 2020.

2020 Land Acquisition – The Office of the Secretary of Transportation approved this project on September 1, 2020 and the City is waiting for the FAA grant offer to complete the purchase.

In-house Activities:

RAVN Shutdown – The City is still in discussions with Float Shuttle representatives to complete an agreement for RAVNAlaska operating at the Kenai Airport.

Winter Hiring – The Airport is advertising for winter equipment operators; one full-time winter seasonal position from November 1 through March 31 and temporary on-call operators. The recruitment ends September 18, 2020.

SWPPP Tenant Meeting – A training meeting to discuss the Storm Water and Prevention Pollution Plan (SWPPP) for airfield tenants and staff is scheduled for Wednesday, September 16, at 9 a.m.

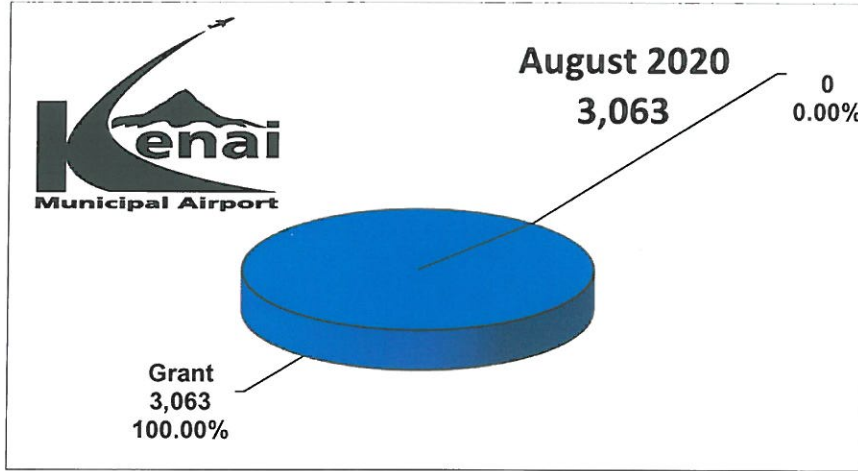
in the City Council Chambers. You may also attend via ZOOM. Contact Erica at 283-7951 or email ebrincefeld@kenai.city to make arrangements.

Annual Airport Emergency Control Plan Review – The annual review of the AECP will be held in the City Council Chambers on Tuesday, October 13 from 2:00 p.m. to 5:00 p.m. This is an annual CFR 139 requirement. All AECP participants are encouraged to attend.

Pre-Winter Operations Meeting – The Airport’s pre-season winter operations meeting for all staff, airport tenants, and users will be held on October 21, 2020 at 9:00 a.m., in the City Council Chambers.



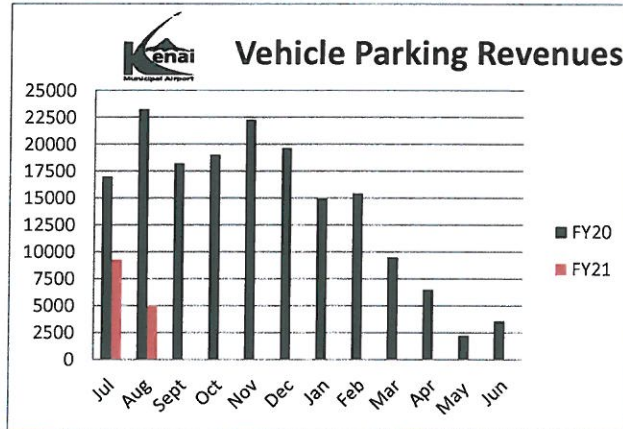
August Enplanement Report



| Month | RAVN ALASKA | GRANT AVIATION | Total 2020 | 2019 | Change from 2019 |
|---------------|--------------|----------------|------------|--------|------------------|
| January | 4,109 | 2,281 | 6,390 | 6,785 | -395 |
| February | 3,988 | 1,942 | 5,930 | 5,957 | -27 |
| March | 0 | 1,317 | 1,317 | 6,808 | -5,491 |
| April | 0 | 359 | 359 | 6,441 | -6,082 |
| May | 0 | 702 | 702 | 7,198 | -6,496 |
| June | 0 | 1,367 | 1,367 | 7,656 | -6,289 |
| July | 0 | 2,445 | 2,445 | 10,658 | -8,213 |
| August | 0 | 3,063 | 3,063 | 12,925 | -9,862 |
| September | | | 0 | 8,951 | |
| October | | | 0 | 7,594 | |
| November | | | 0 | 6,998 | |
| December | | | 0 | 7,033 | |
| Totals | 8,097 | 13,476 | 21,573 | 95,004 | -42,855 |

Terminal - Vehicle Parking Revenues

| August | | | |
|--------|----------|------------|-----------|
| FY19 | \$23,265 | FY20 Total | \$171,739 |
| FY20 | \$4,994 | FY21 YTD | \$14,264 |





FLOAT PLANE BASIN ACTIVITY 2016-2020

OPERATIONS

| Month | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------|------------|------------|------------|------------|------------|
| MAY | 21 | 64 | 39 | 23 | 44 |
| JUNE | 105 | 123 | 139 | 106 | 85 |
| JULY | 178 | 166 | 261 | 144 | 151 |
| AUGUST | 174 | 172 | 164 | 103 | 191 |
| SEPTEMBER | | 132 | 156 | 107 | 115 |
| OCTOBER | | 37 | 47 | 6 | CLSD |
| Total | 478 | 694 | 806 | 489 | 586 |

0 not reported

FUEL SALES

| Month | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------|----------------|-----------------|-----------------|-----------------|-----------------|
| MAY | \$1,422 | \$1,685 | \$134 | \$784 | \$1,175 |
| JUNE | \$2,909 | \$5,870 | \$3,203 | \$3,423 | \$1,656 |
| JULY | * unavailable | \$9,030 | \$3,635 | \$3,420 | \$3,036 |
| AUGUST | * unavailable | \$7,146 | \$5,890 | \$4,325 | \$3,647 |
| SEPTEMBER | | \$5,906 | \$5,590 | \$4,901 | \$3,830 |
| OCTOBER | | \$1,752 | \$1,060 | \$583 | CLSD |
| Total | \$4,331 | \$31,389 | \$19,512 | \$17,436 | \$13,344 |

Slips Rented

| | |
|------------|---|
| Private | 4 |
| Commerical | 0 |

*City IT needs to install wireless radio



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
THROUGH: Dave Ross, Police Chief
FROM: Jessica “JJ” Hendrickson, Animal Control Chief
DATE: September 2, 2020
SUBJECT: August 2020 Monthly Report

This month the Kenai Animal Shelter took in **48** animals. Animal intake and disposition:

| DOGS: | | | | |
|-------|--------------------|----|--------------------|----|
| | INTAKE | 21 | DISPOSITION | 28 |
| | Waiver | 6 | Adopted | 4 |
| | Stray | 10 | Euthanized | 3 |
| | Impound | 0 | Claimed | 10 |
| | Protective Custody | 2 | Field Release | 0 |
| | Quarantine | 3 | Transferred | 11 |
| | Other Intakes | 0 | Other Dispositions | 0 |
| CATS: | | | | |
| | INTAKE | 22 | DISPOSITION | 22 |
| | Waiver | 10 | Adopted | 5 |
| | Stray | 12 | Euthanized | 3 |
| | Impound | 0 | Claimed | 3 |
| | Protective Custody | 0 | Field Release | 0 |
| | Quarantine | 0 | Transferred | 11 |
| | Other Intakes | 0 | Other Dispositions | 0 |

| OTHER ANIMALS: | | | | |
|----------------|--------|---|---------------------------------------|----|
| | INTAKE | 5 | DISPOSITION | 0 |
| | Bird | 2 | Bird | 0 |
| | Rabbit | 0 | Rabbit | 0 |
| | Other | 3 | Other | 0 |
| | DOA: | 7 | OTHER STATISTICS: | |
| | Dog | 6 | Licenses (City of Kenai Dog Licenses) | 16 |
| | Cat | 1 | Microchips (Dog and Cat) | 17 |
| | | | | |
| | | | | |

- 6 Animal dropped with After Hours (days we are closed but cleaning and with KPD)
- 34 Animals are *known* borough animals
- 30 Animals are *known* City of Kenai
- 2 Animals are *known* City of Soldotna
- 1 Animals from unknown location
- 52 Field Investigations & patrols
- 0 Volunteer Hours Logged
- 1 Citations
- 0 Educational Outreach

Statistical Data:

- 540 2018 YTD Intakes
- 623 2019 YTD Intakes
- 502 2020 YTD Intakes





MEMORANDUM

TO: Mayor Gabriel and Council Members

THROUGH: Paul Ostrander, City Manager

FROM: Sue Best, Acting Finance Director

DATE: September 9, 2020

SUBJECT: **Finance Department Mid-month Report – August 2020**

With the end of FY2020, the department's focus has switched to closing of that year's books and completion of the City's Comprehensive Annual Financial Report. This process includes the closing of the FY20 financial records, fiscal year-end grant reporting, completion of the annual audit, and finally, financial statement preparation. The annual audit is scheduled for the week of October 5, 2020.

The cybersecurity audit is wrapping up and should be complete by the middle of October, 2020.

The Finance Department is working well as a team navigating the COVID-19 public health emergency interruptions and additional workloads monitoring, reporting, and navigating the various grants, added expenditures, and employee schedule changes and use of COVID-19 Leave in Payroll.



MEMORANDUM

TO: Mayor Brian Gabriel and City Council

THROUGH: Paul Ostrander, City Manager

FROM: Mark Anderson, Deputy Fire Chief

DATE: September 8, 2020

SUBJECT: Fire Department Mid-Month Report - September

Our numbers are continuing to trend downward, and we can only surmise that it may have something to do with people avoiding the hospital due to COVID-19. Here are the numbers for August:

| Year | 2019 | 2020 | % change |
|--------------|------|------|----------|
| August total | 148 | 96 | -35.1% |
| EMS | 108 | 75 | -30.6% |
| All Other | 40 | 21 | -47.5% |
| Year total | 1069 | 852 | -20.3 |

The new station alerting system is not yet up and running. There has been recent progress, and it is now tentatively scheduled to go live by the middle of this month.

Firefighter’s Mitch Miller and Cory Lehl have both passed all of their probationary testings and are now concentrating on becoming Driver qualified. Firefighter Turkington has been enrolled in an EMT 3 class.

We are in the process of setting everything up for the Preceptorship program for Kenai Peninsula College’s paramedic program. We will be taking in two paramedic students for the next five weeks as part of the program.



MEMORANDUM

TO: Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager





FROM: Katja Wolfe

DATE: September 6, 2020

SUBJECT: Library Mid-Month Report August 2020

The Kenai Community Library continues to operate with a reduced building capacity, Grab & Go services, and curbside pickup and other services during this ongoing public health emergency. For more information on all the services we provide, please visit our website at <https://www.kenai.city/library>.

August 2020 at a Glance

| Checkouts |  | Aug-19 | Aug-20 | 2020 YTD |
|---------------------------------|---|---------------|---------------|-----------------|
| Physical | | 7,116 | 4,859 | 34,404 |
| Digital | | 1,247 | 1,574 | 11,121 |
| Visits | | | | |
| Number of Visitors |  | 6,644 | 2,607 | 19,045 |
| New Library Cards | | 62 | 31 | 187 |
| Room Use | | 179 | n/a | 396 |
| Programs | | | | |
| Number of Programs |  | 34 | 14 | 171 |
| Program Attendance | | 744 | n/a | n/a |
| Volunteer Hours | | 33 | n/a | 105 |
| Technology Sessions | | | | |
| Computer Sessions | | 825 | 374 | 2,633 |
| iPad Sessions |  | 160 | n/a | 203 |
| WiFi Sessions | | n/a | 2,799 | 12,650 |
| Early Literacy Station Sessions | | 321 | n/a | 786 |

August 2020 programming highlights

- All programs in August 2020 were virtual (Facebook and YouTube)
- We averaged about 4 programs per week
 - Weekly Lego® challenge
 - Virtual story time
 - DIY skillet cookies
 - DIY ice cream in a bag
 - DIY community quilt
 - Let's Draw Bald Eagles
- We reached over 3,100 individuals on our social media platform

August 2020 library services highlights

- Circulation increased by 16% from July 2020 to August 2020
- 2,799 Wi-Fi sessions by 524 unique users were registered
- Digital checkouts were 26.2% higher in August 2020 than in August 2019!
- 31 new library cards were issued
- Kenai library patrons continue to place holds on Soldotna library items and vice versa
 - We sent 237 items to Soldotna
 - We received 80 items from Soldotna



Summer Reading 2020 Program Summary

- May 18, 2020 – August 6, 2020
- 186 readers registered
- 136,417 minutes read!
- 345 DIY Take Home packets and 570 meals distributed





MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Robert J. Frates, Parks & Recreation Director
DATE: September 8, 2020
SUBJECT: **Mid-month Report – August 2020**

All but one of our temporary employees have departed. Overall, it was a good season, and I am proud of how our temporary staff came together and excelled as a team. Routine turf maintenance activities are continuing, although the cooler nights have noticeably stunted the rate of growth. A few of the baskets have been pulled, and some of the flowerbeds are beyond their prime as well.

Waste management and restroom cleaning activities are ongoing. Since August 6, a total of 3.7 tons of debris have been picked up from various illegal camps and disposed of at the landfill. This work was accomplished with the assistance of the Kenai Police Department, Public Works Department, and inmates at Wildwood Corrections. Another clean-up is scheduled in the near future.

Other highlights and maintenance activities included:

- Portions of the Kenai Eagle Disc Golf Course were mulched to increase playability and eliminate some of the old stumps.
- Windshield counts performed for spruce-bark beetle trees – high profile locations include the Kenai Cemetery, Public Safety Building, Municipal Park, City Hall, Municipal Golf Course, and East End Park.
- Staff installed the new Old Town Historic District signs; the new Tarbox Bird Viewing signs are in production.
- Staff replaced some old parking bollards at the Kenai Little League complex.
- Two memorial trees (Donald Wyman Lilacs) were planted at Leif Hansen Memorial Park.
- Operator Dodge picked up and delivered election equipment to various voting precincts.
- Kenai Little League concludes their fall season September 12.
- Kenai River Marathon is still planned for September 27.
- The department is working with administration at the Wildwood Correctional Facility for the construction of 20 picnic tables.
- Two memorial benches have been purchased and will be installed at Eric Hansen Scout Park in the near future.



MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: David Ross, Police Chief

DATE: September 8, 2020

SUBJECT: Police & Communications Department Activity – August 2020

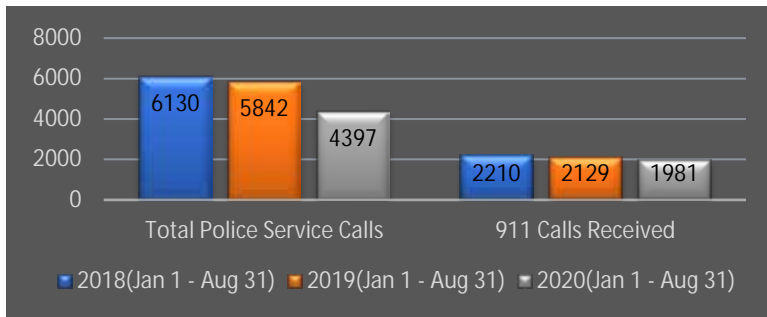
Police handled 575 calls for service in August. Dispatch received 227 9-1-1 calls. Officers made 32 arrests. Traffic enforcement resulted in 130 traffic contacts and 55 traffic citations. There were 6 DUI arrests. Officers investigated 7 motor vehicle crashes. There were 2 collisions involving moose. There were no collisions involving drugs or alcohol.

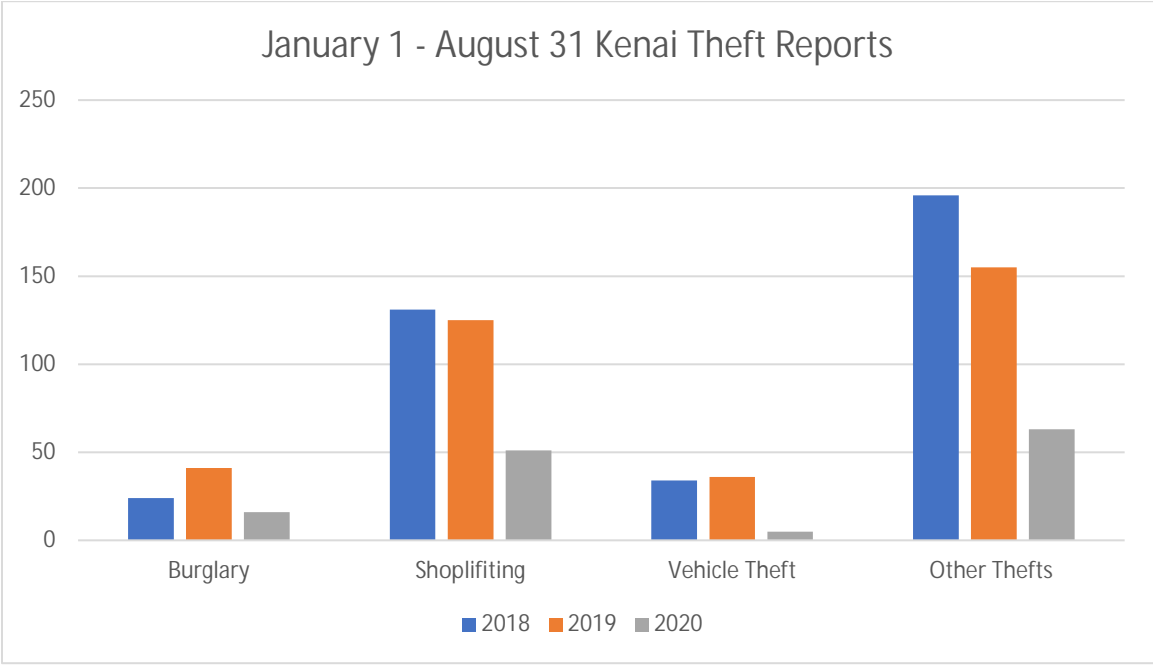
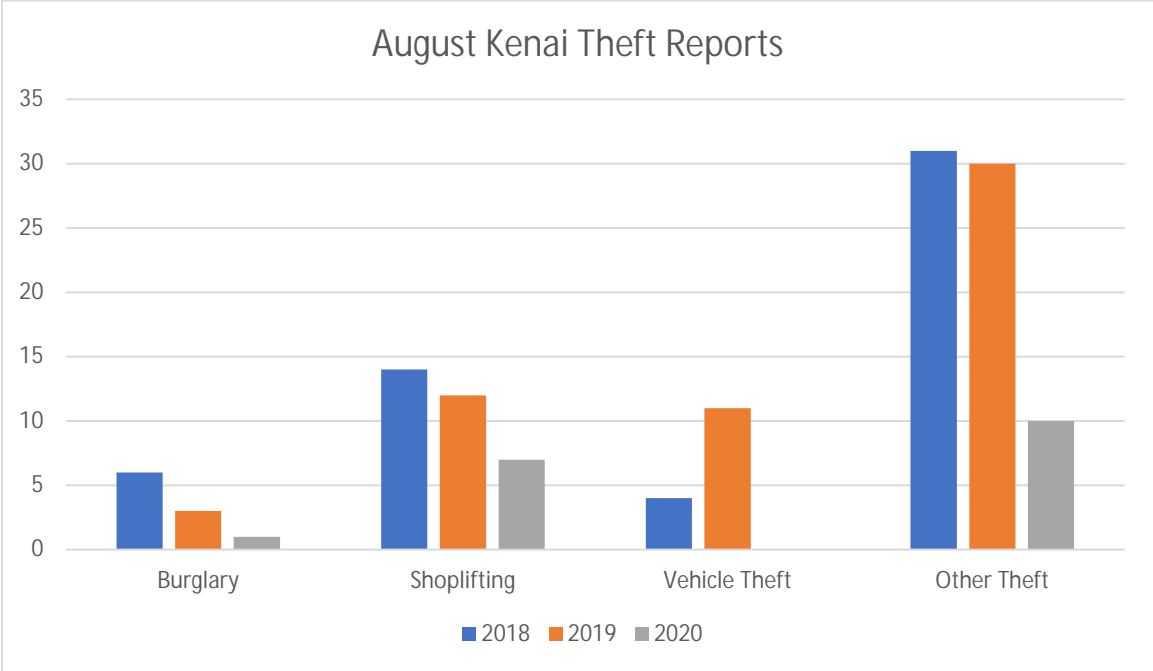
Police Department call volumes are still significantly lower than in prior years. COVID-19 appears to have led to a slowed crime rate in Kenai. I have attached a second page to this month’s report that contains two charts showing the reductions in one crime category (Theft) both for this month and for this year to date.

The KPD Officer on the regional SERT team attended two days of training. One Officer attended a three-day virtual Drug Recognition Expert (DRE) training. One officer attended a week-long crisis negotiator training in Anchorage.

Due to COVID-19 testing and quarantining, two dispatchers had to be put on leave for short durations, impacting dispatcher schedules. Dispatch was switched back to a twelve-hour shift schedule for one pay period to help ensure employee separation while waiting on COVID-19 test results.

(The below chart was reversed from prior monthly reports, showing 2020 last in the chart instead of first)







MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Scott Curtin, Public Works Director
DATE: September 2020
SUBJECT: **Mid-Month Report; Public Works / Capital Projects**

-
- Terminal Building Rehabilitation Project – The project reached Substantial Completion on March 27, 2020! Project is nearing closeout, we are awaiting arrival of the furniture and completion of remaining signage.
 - Alaska Regional Fire Training Facility Building Rehabilitation Project – The project reached Substantial Completion on June 2, 2020 and Fire Training is actively taking place. Staff will be working with the FAA on project closeout over the next 60-90 days. Engineers were on site the week of September 1 to verify punch list completion.
 - Alaska Regional Fire Training Facility Equipment Rehabilitation Project - The project reached Substantial Completion on March 13, 2020 and Fire Training is actively taking place. Staff will be working with the FAA on project closeout over the next 60-90 days. The contractor returned to Alaska to complete punch list the week of September 1, the Engineers were also on site to verify completion of remaining items.
 - Kenai Municipal Airport Wheeled Loader Replacement – An Invitation to Bid was released on May 20, 2020 with bids due on June 10, 2020. Two bids were received with Yukon Equipment, Inc. providing the lowest responsive bid for 2020 Case model 621G and associated attachments. Total cost of loader with all attachments as well as some minor administrative costs equal \$270,000. An FAA grant will be covering 100% of the costs. Contract was executed on September 4, 2020 and the Loader has now been ordered. Currently anticipating delivery in February 2021.
 - Kenai Municipal Airport Sand Storage Facility – The City executed a design agreement to HDL Engineering on April 17, 2020 for a new Sand Storage Facility. On August 7, 2020 Final Design Documents were received and a Formal Invitation to Bid was released on August 10 with Bids due on August 31, 2020. Orion Construction was the successful bidder with a low



bid of \$2,289,000. The City is in coordination with the FAA to process a pending grant, a Notice to Proceed for Construction is anticipated for October 1, 2020. The majority of work, however, will not take place until next spring.

- Dock repair – An Invitation to Bid was released on May 29, 2020 with Bids due on June 19, 2020. No bids were received. On July 10, 2020 the project was re-advertised for bids with bids due on July 27, 2020. The City received one Bid from Endries Company in the amount of \$298,365. Ordinance 3154-2020 was introduced on August 5, 2020 and approved on August 19, 2020. *Formal contract was executed with Endries Company on August 31, 2020 with a formal Notice to Proceed provided on the same day. Repairs are anticipated to start this fall, and will likely extend into the spring as weather permits.*
- Peninsula Avenue Bluff Erosion 2020 – An Invitation to Bid was released on May 31, 2020 with Bids due on June 19, 2020. Four bids were received with Foster Construction being the lowest responsive responsible bidder at \$94,670. Council approved the project through passage of Resolution 2020-57 at the July 1, 2020 meeting. *Contractor has completed submittals with the Engineers, and is anticipated to mobilize to the site on September 11, 2020 and begin moving dirt the week of September 14.*
- Vault Restrooms – 100% Design documents were received on June 10, 2020 from Nelson Engineering. An Invitation to Bid was released on June 14, 2020 with Bids due on June 29, 2020. Four bids were received with Polar North Construction being the lowest responsive responsible bidder at \$359,850. Council approved the project through passage of Resolution 2020-58 at the July 1, 2020 meeting. *Contract documents were executed on July 23, 2020 and the Design Team have been approving submittals. Contractor is anticipated to begin construction late in the week of September 14.*
- Waste Water Treatment Plant Master Plan – HDL Engineering Consultants will be beginning to assist the Public Works Department in development of a new Master Plan for the facility. The last one was completed in March 2004. Resolution 2020-48 was approved at the June 17, 2020 Council meeting allowing this work to proceed. On July 2, 2020 HDL staff and consultants spent the day on the property going through all systems of the plant, it is anticipated that these services will take place throughout the summer months. *On August 31, 2020 the first draft assessment was received. Staff continues to work with HDL to develop plans for the facility in preparation of updates to the Capital Plan. HDL also continues to assist the department with the renewal of our APDES Permit which expires every five years.*
- USACE Bluff Erosion – See City Manager's report. Director's Report from the Army Corp of Engineers was signed April 10, 2019. As of April 29, 2020 we are waiting on a Section 221 MOU (Memorandum of Understanding) from the Army Corp of Engineers. On June 17, 2020 Council authorized the City Manager to sign the MOU received from the Corp. August 4, 2020 phone conference with the Corp indicated the PED Agreement was anticipated to arrive around September 1, 2020. The City received approval to Execute the Design Agreement for Preconstruction Engineering and Design (PED) for the Kenai Bluff Stabilization project this



week and the agreement approved by City Council was returned to the Corps on September 4, 2020.

- Multi-purpose Facility – The Building Maintenance Department went through the Ice Rink and pressure washed all of the algae that has been growing on the steel beams. Nelson Engineering was also able to come out and assess the structure and condition of the rusting. Formal report to follow at a later date. Photos below.



- Recreation Center – The Building Maintenance Department and Streets Department are performing repairs with in house personnel. Repairs to a drainage issue on the west side of building are being completed, as well as pressure washing of the building and new exterior staining. Photos below.





MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Kathy Romain, Senior Center Director
DATE: September 2, 2020
SUBJECT: **August 2020 Monthly Report**

| | |
|---------------------------------|------|
| Home Delivered Meals | 1376 |
| Home Delivered Meals – COVID-19 | 996 |
| Pick Up Meals – COVID-19 | 188 |
| Grocery Shopping Assistance | 4 |
| Vintage Pointe Meals – COVID-19 | 378 |

Though closed to the public, the Senior Center continues to provide services to our senior population. During this crisis we have been able to offer the following:

- Home delivered meals, served Monday – Friday to over 100 individuals in the greater Kenai area.
- Shopping and delivery assistance through Country Foods.
- Prescription pickups and delivery.
- Low income food box delivery.
- Telephone support and wellness checks.
- Information on COVID19, State of Alaska benefits, and the newest scams surrounding the current crisis.

In addition to this, the staff has been working on various projects including:

- COVID-19 grant opportunities – received new grant from the Kenai Peninsula Borough.
- Produce boxes and milk from the Food Bank for delivery and senior pick up.
- Upcoming reopening phases research.
- Construction projects within the Senior Center.

PURCHASE ORDERS BETWEEN \$2,500.00 AND \$15,000.00 FOR COUNCIL REVIEW
COUNCIL MEETING OF: SEPTEMBER 16, 2020

| VENDOR | DESCRIPTION | DEPT. | ACCOUNT | AMOUNT |
|--------------------------|---------------------------------|---------------|--------------------|---------------|
| KENAI HISTORICAL SOCIETY | CABIN DOCENT | LEGISLATIVE | GRANTS TO AGENCIES | 4,000.00 |
| KENAI PENINSULA BOROUGH | STATION ALERTING | FIRE | SOFTWARE | 4,882.72 |
| SPENARD BUILDERS SUPPLY | LUMBER FOR PICNIC TABLES, TENTS | ADMIN EXPENSE | OPERATING SUPPLIES | 3,564.40 |
| NC MACHINERY | MOLDBOARD FOR GRADER | STREETS | OPERATING SUPPLIES | 2,661.35 |
| DOLAN CONSULTING | SUPERVISOR TRAINING | POLICE | TRANSPORTATION | 3,980.00 |
| GRAINGER | LEXAN SHEETS | RECREATION | OPERATING SUPPLIES | 2,868.00 |



Update from the Board of Directors Cook Inlet Regional Citizens Advisory Council

John Williams, President, representing the City of Kenai

Public health concerns about the ongoing Covid-19 pandemic did not allow our August council meeting to take place in Seldovia as originally planned, but we did meet via video conference. Despite the challenges we're all facing right now, CIRCAC staff and directors have been able to continue conducting much of the council's business with little interruption.

On August 28th, we were notified that the U.S. Coast Guard had approved CIRCAC's application for recertification. This triennial recertification required a public comment period, for which dozens of comments supporting CIRCAC were submitted from industry and regulatory partners, municipalities and a variety of regional interest groups. CIRCAC's record for recertification from the USCG remains unblemished going into its 31st year of operations.

We received several industry and agency updates at the meeting, including from Graham Wood of the Alaska Department of Environmental Conservation. ADEC is still working through a regulatory review of the state's oil spill prevention and response laws. While no specific changes have been made public at this time, CIRCAC maintains its position that any changes should be no weakening of Alaska's oil spill prevention laws. We support current standards and contingency plan regulations and only support changes that would improve Alaska's spill response capabilities. We look forward to working with the state to strengthen Alaska's model for spill response and prevention. The council also received a report from Heather Crowley, CIRCAC's ex-officio member representing the Bureau of Ocean Energy Management. BOEM has released its Environmental Studies Program Development Plan for 2021-2022, which includes several studies in Cook Inlet that overlap with the area strategic plan.

Throughout the summer, CIRCAC's Protocol and PROPS Committees have been busy, submitting numerous comments for various plans sent to the state. In particular, staff reviewed the Alaska Inland Area Contingency Plan (AIA), one of four area plans for Alaska, applying to all the inland area 1,000 yards shoreward from the high tide mark. These plans provide valuable information necessary for an effective coordinated response in the event of a spill or other incident. We evaluate the adequacy of these plans to ensure their effectiveness. The Protocol Committee also approved comments to the Pipeline and Hazardous Materials Safety Administration regarding updated procedures and clarification of regulatory language and comments to the USCG regarding our support of the collection of information to maintain the National Response Resource Inventory.

CIRCAC continues to work toward a long-term goal of better data access for planners. With our agency partners, our science team has been planning development of a new and publicly accessible oil spill model, using NOAA's new Cook Inlet hydrographic forecasting capabilities and integrating new and improved data.

Most of CIRCAC's field work was postponed this year, but one project did continue in a limited capacity on the west side of Cook Inlet, where researchers with the National Park Service are studying Cook Inlet's near shore environment. This study overlaps with CIRCAC's needs for an oil spill trajectory model that better predicts the movement of spilled oil as it moves toward shore. CIRCAC was also notified that several collaborative studies on Cook Inlet's oceanography and background contaminants will receive funding for fieldwork in 2021.

CIRCAC's scholarship program has also wrapped up for this year. We were proud to award \$2,500 scholarships to two students from Homer, Autumn Carlson and Rio Shemet Pitcher. Both intend to pursue degrees in marine biology.

Overall, despite the inherent difficulties of working remotely, CIRCAC continues to fulfill its mission on behalf of the residents of Cook Inlet. Like everyone, we are very much looking forward to a return to normal, but we have refined our operations to meet these challenges for the foreseeable future.

