



## Kenai City Council - Regular Meeting

June 02, 2021 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

[www.kenai.city](http://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. **Robert Ruffner** - Cook Inlet Fisheries Update

#### C. UNSCHEDULED PUBLIC COMMENTS

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

#### D. PUBLIC HEARINGS

1. **Ordinance No. 3214-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and the Airport Snow Removal Equipment Capital Project Funds to Provide Supplemental Funding for the Replacement of the Wide-Area Tractor and Mower. (Administration)
2. **Ordinance No. 3215-2021** - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue and Water and Sewer Capital Projects Funds to Provide Supplemental Funding for the Wellhouse #1 Relocation Project and Authorizing the Issuance of a Contract for the Project. (Administration)
3. **Ordinance No. 3216-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Terminal Improvement Capital Project Fund to Provide Additional Local Share to the Terminal Rehabilitation Project and to Provide Funding to Install Wireless Internet Service for the Public. (Administration)

- 4. Resolution No. 2021-35** - Awarding a Professional Services Agreement and Issuing a Purchase Order for Design Services for the Kenai Bluff Stabilization Project. (Administration)
- 5. Resolution No. 2021-36** - Authorizing the Purchase of a New Grader for the Streets Department through Utilization of the State of Alaska Procurement Contract and Issuance of a Purchase Order. (Administration)
- 6. Resolution No. 2021-37** - Approving an Amendment to a Lease of Airport Reserve Lands Using the Standard Lease Form Between the City of Kenai and Soar International Ministries, Incorporated, for Tract A-2, General Aviation Apron Subdivision No.7. (Administration)
- 7. Resolution No. 2021-38** - Authorizing Contracts for Employee Health Care and Other Benefits Effective July 1, 2021. (Administration)
- 8. Resolution No. 2021-39** - Authorizing Renewal of the City's Insurance Coverage with Alaska Municipal League Joint Insurance Association for July 1, 2021 through June 30, 2022. (Administration)

**E. MINUTES**

- 1.** \*Regular Meeting of May 19, 2021. (City Clerk)

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

- 1.** \***Action/Approval** - Bills to be Ratified. (Administration)
- 2.** \***Ordinance No. 3217-2021** - Conditionally Donating Certain City Owned Property Described as Two Approximate 1 1/4 Acre Parcels to be Subdivided from a Portion of the 72 Acre More or Less Portion of the SE 1/4 Lying East of Tract A Kenai Meadows (KPB Parcel No. 039 010 65) To Kenai Peninsula Housing Initiative for the Development of Restricted Income and Senior Housing. (Mayor Gabriel, Vice Mayor Molloy, Council Member Winger)
- 3.** \***Ordinance No. 3218-2021** - Accepting and Appropriating Drug Seizure Funds into the Police Small Tools Account. (Administration)
- 4.** \***Ordinance No. 3219-2021** - Conditionally Donating Certain City Owned Property Described as One Approximate 2 Acre Parcel to be Subdivided from a Portion of the 6.8 Acre More or Less Portion of the East of Tract 4, Baron Park Subdivision (KPB Parcel No. 045 01 035) to Triumvirate Theatre for the Development of a Theatre Facility. (Administration)
- 5.** \***Ordinance No. 3220-2021** - Authorizing a Tourism, Travel, and Hospitality Services Economic Stimulus Program to Benefit Certain Kenai Small Businesses and Award of a Professional Services Agreement to the Kenai Chamber of Commerce and Visitor Center for Administration of the Program. (Administration)

**6.** \*Action/Approval - Special Use Permit to Crowley Fuels, LLC, for Aviation Fueling on the Apron Fueling Area. (Eland Conway)

**7.** Discussion - Set Board of Adjustment Hearings for Two Appeals. (City Clerk)

**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**

1. Negotiate a Settlement Agreement with Ron and Shirley Smith Regarding Utility Fees for 11440 Kenai Spur Highway Pursuant to AS 44.62.310(c)(1) a Matter of Which the Immediate Knowledge may have an Adverse Effect Upon the Finances of the City.

**M. PENDING ITEMS**

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

- 1.** Purchase Orders Between \$2,500 and \$15,000

*The agenda and supporting documents are posted on the City's website at [www.kenai.city](http://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/89022372498>

**Meeting ID:** 890 2237 2498 **Passcode:** 207016

OR

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

**Meeting ID:** 890 2237 2498 **Passcode:** 207016



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE 3214-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT SPECIAL REVENUE AND THE AIRPORT SNOW REMOVAL EQUIPMENT CAPITAL PROJECT FUNDS TO PROVIDE SUPPLEMENTAL FUNDING FOR THE REPLACEMENT OF THE WIDE-AREA TRACTOR AND MOWER.

WHEREAS, Council approved Substitute Ordinance No. 3176-2020 at the January 6, 2021 council meeting which provided funding and award of a new Tractor and Lawn Mower for the Kenai Municipal Airport; and,

WHEREAS, passage of that Ordinance did not include costs associated with City Admin Services which were inadvertently excluded in the original project cost estimate; and,

WHEREAS, \$1,500 is requested for anticipated costs associated with the procurement process and management of this purchase.

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

**Section 1.** That the estimated revenues and appropriations be increased as follows:

<u>Airport Special Revenue Fund:</u>	
Increase Estimated Revenues -	
Appropriation of Fund Balance	<u>\$1,500</u>
Increase Appropriations –	
Transfer to Airport Snow Removal Equipment	
Capital Project Fund	<u>\$1,500</u>
<u>Airport Snow Removal Equipment Capital Project Fund:</u>	
Increase Estimated Revenues -	
Transfer from Airport Special Revenue Fund	<u>\$1,500</u>
Increase Appropriations –	
Machinery & Equipment	<u>\$1,500</u>

**Section 2.** 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.

Ordinance No. 3214-2021  
Page 2 of 2

The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.


**Section 3.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>rd</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 

Introduced: May 19, 2021  
Enacted: June 2, 2021  
Effective: June 2, 2021



# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin  
**DATE:** May 10, 2021  
**SUBJECT:** **Ordinance No. 3214-2021**

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The purpose of this memo is to request Council's approval to provide a small amount of supplemental funding to cover the costs of Administrative Services that were not originally included in the appropriation for the purchase of the Kenai Municipal Airport Tractor and Mower. The requested \$1,500 covers Public Works Admin time used in the development of procurement documents, execution of contract documents, and management of contract through receipt of equipment and closeout.

This appropriation allows staff's actual time being utilized to be billed to the correct project. The requested funding was mistakenly left out of the original appropriation. Council's support in providing the requested funds is appreciated.



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3215-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE WATER AND SEWER SPECIAL REVENUE AND WATER AND SEWER CAPITAL PROJECTS FUNDS TO PROVIDE SUPPLEMENTAL FUNDING FOR THE WELLHOUSE #1 RELOCATION PROJECT AND AUTHORIZING THE ISSUANCE OF A CONTRACT FOR THE PROJECT.

WHEREAS, Well house #1 suffered severe damages during the 2018 earthquake with areas of the foundation subsiding five to six inches; and,

WHEREAS, staff in coordination with our insurance carrier counterparts successfully assembled and agreed to a project scope to correct the damages; and,

WHEREAS, on March 8, 2021 an Invitation to Bid was released with Construction Documents prepared by Nelson Engineering with bids due on April 19, 2021; and,

WHEREAS, the following bids were received:

Contractor	Base Bid	Deductive Alternate
Polar North	\$242,961.40	\$71,956.38
Peninsula Construction	\$275,850.00	\$82,722.50
BMGC	\$487,352.00	\$255,763.50

; and,

WHEREAS, Polar North Construction was found to be the lowest responsive responsible bidder, and Administration is in support of award to Polar North Construction for the base bid amount of \$242,961.40; and

WHEREAS, award of this project will allow the existing metal building structure to be relocated over to the Water Treatment Facility located on Shot Gun Drive and placed on a new concrete foundation where it will be used as a storage facility, and the remaining well house infrastructure will be demolished, abandoned and capped in compliance with the State of Alaska Department of Environmental Conservation (DEC) requirements; and,

WHEREAS, the total project cost share is anticipated as follows: insurance carrier cost participation at \$179,665.02 with City share participation at \$109,742.38 which covers all project costs including design, construction, admin services, and contingency; and,

WHEREAS, award and completion of this work is in the best interest of the City.



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

**Section 1.** That the City Manager is authorized to accept additional insurance proceeds in the amount of \$123,165.02 for total insurance proceeds of \$179,665.02.

**Section 2.** That the estimated revenues and appropriations be increased as follows:

Water & Sewer Fund:	
Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$16,242.38</u>
Increase Appropriations –	
Transfer to Water & Sewer Capital Project Fund	<u>\$16,242.38</u>

**Section 3.** That the estimated revenues and appropriations be increased as follows:

Water & Sewer Capital Project Fund:	
Increase Estimated Revenues –	
Restitution	\$123,165.02
Transfer from Water & Sewer Fund	<u>16,242.38</u>
	<u>\$139,407.40</u>
Increase Appropriations –	
Construction	<u>\$139,407.40</u>

**Section 4.** That the City Manager is authorized to execute a contract with Polar North Construction, the lowest responsive bidder in the amount of \$242,961.40 for the demolition, moving and reconstruction of the Wellhouse #1 building. Further, the City Manager is authorized to issue a purchase order to Polar North Construction in the amount of \$266,961.40 which includes \$24,000 in contingency for completion of the project.

**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 immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of June, 2021.


\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

Ordinance No. 3215-2021  
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Jamie Heinz, MMC, City Clerk

Approved by Finance:  \_\_\_\_\_

Introduced: May 19, 2021  
Enacted: June 2, 2021  
Effective: June 2, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin  
**DATE:** May 12, 2021  
**SUBJECT:** **Ordinance No. 3215-2021**

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The purpose of this memo is to request Council's approval to accept insurance proceeds from damages sustained to Wellhouse 1 during the November 2018 earthquake as well as award of a construction agreement for modifications to relocate the Wellhouse. As this Wellhouse has historically been a very low producing well that has not seen much use since the construction of the water treatment facility, abandonment and capping of this well supports the long term needs of the utility and is in the best interest of the city.

The damages were primarily focused around the foundation settling. While the existing concrete foundation is no longer useable the steel building itself remains intact and in relatively good condition considering the age of the building. The Public Works department intends to repurpose the structure as a much needed storage facility for parts and accessories, in support of the utility, to be located adjacent to the Water & Sewer office trailer off of Shotgun Drive. This will provide a more appropriate and secure location than other storage options the department is currently utilizing, including the reservoir building at the airport and Wellhouse 3.

The existing well and appurtenances will be capped and abandoned in compliance with Department of Environmental Conservation (DEC) requirements. Completion of this work removes a level of risk and potential liability from the utility by eliminating an unmanned conduit to the aquifer.

The project was competitively bid with three bids received and Polar North Construction as the successful bidder with a total construction cost of \$242,961.40. Polar North is a very familiar contractor to the City having recently completed the WAS Pump installations at the WWTP as well as the Vault Restrooms project at the beaches. Completion of this project is anticipated for late this calendar year.

Council's support is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3216-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT SPECIAL REVENUE AND TERMINAL IMPROVEMENT CAPITAL PROJECT FUND TO PROVIDE ADDITIONAL LOCAL SHARE TO THE TERMINAL REHABILITATION PROJECT AND TO PROVIDE FUNDING TO INSTALL WIRELESS INTERNET SERVICE FOR THE PUBLIC.

WHEREAS, to date the Terminal Rehabilitation Project has total costs of \$13,534,729.52 including grant eligible expenditures of \$12,373,389.27 and \$1,682,347.25 in Airport Special Revenue Fund proceeds for its required grant matching funds and for other ineligible grant costs; and,

WHEREAS, the project needs an additional \$1,690.97 in Airport Special Revenue Fund proceeds for ineligible grant costs which were greater than projected at the time Ordinance 3133-2020 removed \$208,485 in Airport Special Revenue Fund proceeds to fund other airport projects; and,

WHEREAS, the terminal does not have public wireless internet for the traveling public or users of the rentable conference room; and,

WHEREAS, the estimated cost to purchase and install the needed equipment to provide wireless internet throughout the terminal is \$19,000; and,

WHEREAS, the cost includes installation of a network switch with the necessary room for expansion of network devices in the future and installation of cameras in the terminal if they are deemed to be needed for security.

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

**Section 1.** That the estimated revenues and appropriations be increased as follows:

Airport Special Revenue Fund:	
Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$20,690.97</u>
Increase Appropriations –	
Transfer to Terminal Improvement Capital Project Fund	<u>\$20,690.97</u>

**Section 2.** That the estimated revenues and appropriations be increased as follows:

Terminal Improvement Capital Project Fund:

Increase Estimated Revenues –  
Transfer from Airport Special Revenue Fund \$20,690.97

Increase Appropriations –  
Construction \$20,690.97

**Section 3.** 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 4.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 

Introduced: May 19, 2021  
Enacted: June 2, 2021  
Effective: June 2, 2021



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** May 11, 2021

**SUBJECT:** **Ordinance 3216-2021 providing supplemental funding to the Terminal Rehabilitation Project for ineligible grant expenditures and installation of wireless internet for the public.**

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The purpose of this memo is to recommend enactment of Ordinance 3216-2021 which will provide supplemental funding to the airport's Terminal Rehabilitation Project for ineligible grant expenditures in excess of projected amounts and to install wireless internet for the public which is not a grant eligible expense.

Ordinance 3133-2020 moved \$208,485 in Airport Special Revenue Fund proceeds from the Terminal Rehabilitation project to provide partial funding for replacement of the Airport's wide-area mower and HVAC repairs at the Airport Operations Facility. It was anticipated that remaining Airport Special Revenue Fund proceeds would be sufficient to provide the remaining grant match funds and cover any ineligible grant costs. \$1,690.97 is now needed to complete grant closeout as those estimates were low.

In addition to the supplemental funding for ineligible grant expenditures, the Administration is recommending the installation of wireless internet for the public and for use in the airport conference room that is now available for rent. The cost to install wireless internet is \$19,000 including installation of a network switch which will accommodate expansion in the facility for items such as security cameras and a battery backup to insure network equipment remains online in the event of a power outage.

Your support for enactment of Ordinance 3216-2021 is respectfully requested.



Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2021 - 35

A RESOLUTION OF THE CITY OF KENAI, ALASKA, AWARDING A PROFESSIONAL SERVICES AGREEMENT AND ISSUING A PURCHASE ORDER FOR DESIGN SERVICES FOR THE KENAI BLUFF STABILIZATION PROJECT.

WHEREAS, A Request for Proposals was released on January 28, 2021 with proposals due on March 4, 2021. Five proposals were received by the City, scored as follows below:

Firm	Score
<b>HDR Engineering</b>	<b>283.2</b>
R&M Consultants	253.2
Stantec Engineering	246
PND Engineers	239.8
Moffat & Nichol Engineers	236.6

; and,

WHEREAS, HDR Engineering was determined to have provided the highest scoring proposal, having proven extensive experience with Army Corp of Engineering Projects; and,

WHEREAS, on March 18, 2021 an Intent to Award to HDR Engineering was released; and,

WHEREAS, negotiations began with HDR Engineering to further refine the scope of services and the City received a formal cost proposal on May 4, 2021; and,

WHEREAS, the cost proposal will provide for bid ready plans and specifications for an armored rock revetment barrier along roughly one mile of the North Side of the Kenai River from near the river's mouth to the first cannery; and,

WHEREAS, the initial agreement will be for \$716,907.75 with available contingency of \$74,924.93 for a total purchase order amount of \$791,832.68; and,

WHEREAS, the costs are within estimated and budgeted amounts, and both the Administration and our counterparts at the Army Corp of Engineers are in support of award of this agreement; and,

WHEREAS, award of this agreement is in the best interest of the City of Kenai.

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

**Section 1.** That the Kenai City Council authorizes the Award of a Professional Engineering Services Agreement to HDR Engineering, Inc. in the amount of \$716,907.75 for the Bluff

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Resolution No. 2021-35  
Page 2 of 2

Stabilization Project with available contingency for the processing of contract amendments in the amount of \$74,924.93.

**Section 2.** That the Kenai City Council authorizes the City Manager to issue a Purchase Order to HDR Engineering in the amount of \$791,832.68.


**Section 3.** That this Resolution takes effect immediately upon adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 

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# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Scott Curtin

**DATE:** May 27, 2021

**SUBJECT:** **Resolution 2021-35 – Awarding a Professional Service Agreement for the Kenai Bluff Stabilization Project.**

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The purpose of this memo is to request Council's support of Resolution 2021-35 to award a Professional Engineering Services agreement to HDR Engineering for the Kenai Bluff Stabilization Project. As council is well aware this project has been an ongoing concern for many years. Last year a large milestone was reached with the execution of a design agreement on September 14, 2020 with the Army Corps of Engineers. This agreement, formally referred to as the PED agreement (Preliminary Engineering & Design) is intended to allow the City to move forward with the overall design of the project and to provide the City with bid ready plans and specifications.

It should be noted that the Army Corps of Engineers has not funded the Federal share of this work as of the date of this memo. The City is intending on moving forward with fully funding the design effort with funds we have already appropriated, and to either seek reimbursement of the Federal share or to have our additional expenses applied to the City's share of the construction effort, whichever path is the most preferable to the Army Corps of Engineers.

This work is anticipated to take place throughout 2021 with the final deliverable of plans and specifications available June 2022.

In the opinion of the Administration this is a necessary step to keep this project moving. HDR Engineering is experienced in working through Army Corps projects. Staff at the USACE Alaska District are familiar and approving of HDR's team and proposal. Award of this agreement is in the best interest of the City.

Council's support is respectfully requested.



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Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2021 - 36**

A RESOLUTION OF THE CITY OF KENAI, ALASKA, AUTHORIZING THE PURCHASE OF A NEW GRADER FOR THE STREETS DEPARTMENT THROUGH UTILIZATION OF THE STATE OF ALASKA PROCUREMENT CONTRACT AND ISSUANCE OF A PURCHASE ORDER.

WHEREAS, the State of Alaska competitively bids a variety of equipment every year and KMC 1.15.070 – Innovative Procurements and Other Exceptions, allow the City to purchase equipment through the State of Alaska; and,

WHEREAS, the State of Alaska Contract Award CA2255-21 to NC Machinery for a Caterpillar Motor Grader meets the needs of the City of Kenai’s Street Department for the replacement of aging existing equipment; and,

WHEREAS, the Public Works Department intends to surplus two existing motor graders to contribute to the purchase of one new CAT 160 Motor Grader, and the equipment replacement fund has sufficient funds to support this purchase; and,

WHEREAS, purchasing the equipment in this way saves time, staff resources, and results in a competitive purchase price; and,

WHEREAS, this equipment will allow for the Streets Department to continue to provide reliable service to our citizens for both clearing of roadways in the winter months as well grading of gravel roadways during the summer; and

WHEREAS, the purchase of this equipment through the State Contract is in the best interest of the City.

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

**Section 1.** That the Kenai City Council authorizes utilization of the State of Alaska procurement contract for the purchasing of a new CAT 160 motor grader with accessories for the Streets Department with funds provided by the equipment replacement fund.

**Section 2.** That the Kenai City Council authorizes the City Manager to issue a Purchase Order to NC Machinery in the amount up to \$340,000.

**Section 3.** That this Resolution takes effect immediately upon adoption.

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of June, 2021.

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BRIAN GABRIEL SR., MAYOR


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Resolution No. 2021-36  
Page 2 of 2

ATTEST:

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Jamie Heinz, MMC, City Clerk

Approved by Finance: 

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## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Scott Curtin, Public Works Director  
**DATE:** May 28, 2021  
**SUBJECT:** Resolution 2021-36

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The purpose of this memo is to request Council's Support of Resolution 2021-36 for the replacement purchase of a new roadway grader for the Streets Department utilizing the State of Alaska Fleet Purchasing Procurement Contract. This purchase will replace two 20+ year old pieces of equipment which will be surplus auctioned upon receipt of the new equipment. The surplus funds will be returned to the equipment replacement plan fund.

Council should be aware the base model with state bid options and freight is approximately \$290K. Staff is reviewing additional available options from the manufacturer that are specific to a municipal application. These additional options shall not exceed \$50K for a total anticipated not to exceed grader purchase of \$340K. These options shall be presented to the City Manager for approval in the form of a sole source. Installation of these items after purchase of the base equipment would create additional costs and void warranties associated with the equipment. Items consist of snow gate and wing, moldboard extension as examples.

Purchase of this equipment will allow the Streets Department to continue to provide the level of service our citizens have come to expect. Council may recall the department has been reduced from a staff of six down to five, which is one of the reasons why two graders are being replaced with one. It is also the reason why it is imperative the one new unit is capable of meeting the demands and needs of the department. The purchase of this equipment is in the best interest of the City.

Council's support is respectfully requested.





Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2021-37**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA APPROVING AN AMENDMENT TO A LEASE OF AIRPORT RESERVE LANDS USING THE STANDARD LEASE FORM BETWEEN THE CITY OF KENAI AND SOAR INTERNATIONAL MINISTRIES, INCORPORATED, FOR TRACT A-2, GENERAL AVIATION APRON SUBDIVISION NO.7.

WHEREAS, on July 1, 2019, SOAR International Ministries, Inc., (SOAR) submitted an application to lease City owned properties within the Airport Reserve, described as the undeveloped portion of Tract A, General Aviation Apron Number 2; and,

WHEREAS, SOAR's lease application states plans to construct a hangar facility for aircraft storage and maintenance; a connecting office facility, an aircraft ramp and tie-down area, and parking, an investment that gives a lease term of 45 years according to the term table in Kenai Municipal Code 21.10.080; and,

WHEREAS, the proposed development would be mutually beneficial and would conform with the Kenai Municipal Code for zoning, Kenai's Comprehensive Plan, 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 within thirty (30) days of publishing a public notice of the lease application from SOAR; and,

WHEREAS, at their regular meeting on August 14, 2018, the Planning and Zoning Commission reviewed the lease application and recommended approval by the City Council; and,

WHEREAS, at their regular meeting on August 8, 2018, the Airport Commission reviewed the lease application and recommended approval by the City Council; and,

WHEREAS, the Kenai City Council approved a 45-year lease with Soar International Ministries for Tract A-2, General Aviation Apron Subdivision No. 7 to be used as a hangar with office space; and,

WHEREAS, a 6-month application extension was granted by Kenai City Council on August 19, 2020 with an expiration date of February 21, 2021; and,

WHEREAS, a lease was delivered to Soar International Ministries on February 19, 2021; and,

WHEREAS, a lease extension was approved by the City Manager to Soar International Ministries until June 19, 2021; and,

WHEREAS, Soar International Ministries requested an amendment to the approved lease execution resolution on May 4, 2021 to construct the 100 foot by 110 foot connecting office facility, with an aggregate cost of \$1,500,000, to be completed no later than June 30, 2025, two years later than the other required improvements; and,

WHEREAS, at their regular meeting on May 12, 2021, the Planning and Zoning Commission reviewed the requested lease amendment and recommended approval by the City Council; and,

WHEREAS, at their regular meeting on May 13, 2021, the Airport Commission reviewed the requested lease amendment and recommended approval by the City Council; and,

WHEREAS, approval of the requested amendment to the lease is in the best interest of the City.

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

**Section 1:** That a Lease of Airport Reserve Lands as amended is approved and the City Manager is authorized to execute a lease between the City of Kenai, Lessor, and SOAR International Ministries, Incorporated, Lessee, as follows:

**REQUIRED IMPROVEMENTS:** At no cost to the City, Lessee agrees to complete land development and construction of Permanent Improvements including prepare site for construction and construct an approximately 120 foot x 180 foot hangar facility for aircraft storage and maintenance, an aircraft ramp and tie-down area, and parking, by no later than June 30, 2023, with an aggregate cost of at least \$2,000,000.00, excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the City written evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$2,000,000.00. The evidence of cost must be submitted to the City within sixty days of the completion of the development and improvements, but by no later than August 29, 2023.

At no cost to the City, Lessee agrees to complete land development and construction of Permanent Improvements including prepare site for construction and construct an approximately 100 foot x 110 foot connecting office facility, by no later than June 30, 2025, with an aggregate cost of at least \$1,500,000.00, excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the City written evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$1,500,000.00. The evidence of cost must be submitted to the City within sixty days of the completion of the development

and improvements, but by no later than August 29, 2025.

Lot developments will prevent unauthorized access to the airfield;

Structures will be built behind the 100 foot building restriction line;

The relocation of the airport perimeter fence will allow aircraft full access to the proposed aircraft ramp and tie down area;

Paving will be completed up to the existing transient aircraft apron pavement;

SOAR is responsible for all snow removal, and snow may not touch the perimeter security fence or be piled to a height that would allow access to the airport.

**Section 2:** The lease must be executed and returned by Soar International Ministries, Inc. by June 19, 2021.

**Section 3:** That this resolution takes effect immediately upon passage.

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2nd day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Ryan Foster, Planning Director

**DATE:** May 24, 2021

**SUBJECT:** **Resolution No. 2021-37 – Approving the Execution of a Lease to Soar International Ministries**

---

The Kenai City Council approved, via Resolution 2019-57, of a 45-year lease application from Soar International Ministries for Tract A-2, General Aviation Apron Subdivision No. 7 to be used as a hangar with office space on August 21, 2019. A 6-month application extension was granted by Kenai City Council on August 19, 2020 with an expiration date of February 21, 2021. A lease was delivered to Soar International Ministries on February 19, 2021 and a lease extension was approved by the City Manager to Soar until June 19, 2021. Soar International Ministries has requested an amendment to the approved lease execution resolution on May 4, 2021. Soar has requested that the 100 foot by 110 foot connecting office facility, with an aggregate cost of \$1,500,000, be completed no later than June 30, 2025, two years later than the other required improvements. All of the other required improvements from Resolution 2019-57, the approximately 120 foot by 180 foot hangar, aircraft ramp and tie-down area, and parking, with an aggregate cost of at least \$2,000,000, would be completed by June 30, 2023. Soar has noted that extending the connecting office facility portion of the improvements completion date to 2025 will assist with their concurrent improvements to the former Kenai Fabric property.

The Planning and Zoning Commission reviewed the requested lease amendment on May 12, 2021 and recommended approval by the City Council. The Airport Commission reviewed the requested lease amendment on May 13, 2021 and recommended approval by the City Council.

Thank you for your consideration.

**Attachment A:** Resolution 2019-57.

**Attachment B:** May 4, 2021 email from Soar requesting the lease amendment proposal.

**Attachment C:** Application





Sponsored by: Administration

## CITY OF KENAI

### RESOLUTION NO. 2019 - 57

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 SOAR INTERNATIONAL MINISTRIES, INCORPORATED, FOR THE UNDEVELOPED PORTION OF TRACT A, GENERAL AVIATION APRON NUMBER TWO.

WHEREAS, on July 1, 2019, SOAR International Ministries, Inc., (SOAR) submitted an application to lease City owned properties within the Airport Reserve, described as the undeveloped portion of Tract A, General Aviation Apron Number 2; and,

WHEREAS, SOAR's lease application states plans to construct a hangar facility for aircraft storage and maintenance; a connecting office facility, an aircraft ramp and tie-down area, and parking, an investment that gives a lease term of 45 years according to the term table in Kenai Municipal Code 21.10.080; and,

WHEREAS, the proposed development would be mutually beneficial and would conform with the Kenai Municipal Code for zoning, Kenai's Comprehensive Plan, 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 within thirty (30) days of publishing a public notice of the lease application from SOAR; and,

WHEREAS, at their regular meeting on August 14, 2018, the Planning and Zoning Commission reviewed the lease application and recommended approval by the City Council; and,

WHEREAS, at their regular meeting on August 8, 2018, the Airport Commission reviewed the lease application 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 between the City of Kenai, Lessor, and SOAR International Ministries, Incorporated, Lessee, as follows:

Lot improvements as outlined in lease application from SOAR International Ministries, Incorporated, including an approximately 120 foot x 180 foot hangar facility for aircraft storage and maintenance, an approximately 100 foot x 110 foot connecting office facility, an aircraft ramp and tie-down area, and parking to be completed within two (2) years of signing the lease;

The evidence must be submitted to the City within 60 days of the completion of the development and improvements;

The lease term will be 45 years;

Lot developments will prevent unauthorized access to the airfield;

Structures will be built behind the 100 foot building restriction line;

The relocation of the airport perimeter fence will allow aircraft full access to the proposed aircraft ramp and tie down area;

Paving will be completed up to the existing transient aircraft apron pavement;

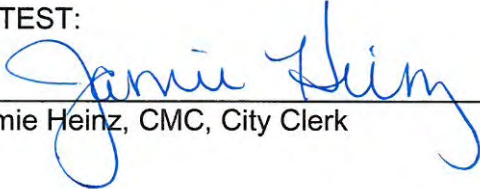
SOAR is responsible for all snow removal, and snow may not touch the perimeter security fence or be piled to a height that would allow access to the airport; and

SOAR will subdivide the property to designate the portion of Tract A, General Aviation Apron Number Two (2) that it wishes to lease from the City of Kenai as set forth on Exhibit A attached hereto, and the subdivision will include a 40-foot easement for utilities with the cost of the subdivision being shared equally by the City and SOAR.

**Section 2:** That this resolution takes effect immediately upon passage.

ADOPTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 21st day of August, 2019.

  
BRIAN GABRIEL SR., MAYOR

ATTEST:  
  
Jamie Heinz, CMC, City Clerk





*"Village with a Past, City with a Future"*

210 Fidalgo Ave, Kenai, Alaska 99611-7794  
 Telephone: (907) 283-7535 | Fax: (907) 283-3014  
[www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Elizabeth Appleby, City Planner  
**DATE:** August 14, 2019  
**SUBJECT:** Resolution 2019-57

SOAR International Ministries, Incorporated (SOAR) submitted a lease application to develop a hangar, office, and parking on the undeveloped portion of Tract A, General Aviation Apron No. 2 within the Airport Reserve on July 1, 2019. SOAR had previously submitted an application for the same parcel for the same use in 2018 that was approved by City Council, but it expired after one year after no lease was executed and an extension was not granted pursuant to Kenai Municipal Code 21.10.050 No right of occupancy - Application expiration in May 2019.

The parcel is 5.25 acres fronting the aviation apron. It has street frontage on North Willow and Granite Point streets. The area adjacent to the taxiway has been developed for airplane parking and the back half of the lot with the street frontages remains treed and undeveloped. SOAR proposes to build on the portion of the lot that is currently treed, and would need to subdivide the lot prior to construction. SOAR is proposing the City share evenly in the cost of the subdivision required before the parcel may be leased. Kenai Municipal Code 21.10.040(c) states subdivision costs may be shared in whatever amount the City Council determines is reasonable given benefit to the Airport if City Council determines the subdivision serves other Airport purposes. City staff recommends an even split as both SOAR benefits and the City benefits from the creation of a more desirable parcel for lease. SOAR is current on rent payments for existing leases within the Airport Reserve from the City of Kenai.

SOAR proposes to lease a portion of Tract A, General Aviation Apron No. 2 for an aeronautical use. SOAR proposes to construct an approximately 120 foot x 180 foot hangar for aircraft storage and maintenance. There would also be a connecting office facility of approximately 100-foot x 110-foot, an aircraft ramp and tie-down area, and parking. Possible activities noted on SOAR's lease application include flight training, aircraft parts sales, aviation safety meetings, community meetings, and storage of aircraft floats. SOAR requested a lease term of 55 years to start on September 1, 2019, however, the maximum term of a lease allowed under KMC 21.10.080 is 45



years. In addition, with timing of Commission and Council meetings and the 30-day waiting period to allow for a competitive lease process to accept other lease applications, the lease may not reasonably start until mid-September 2019. SOAR would need to ensure the fence encompassing its development met Airport safety and security standards.

Pursuant to Kenai Municipal Code 21.10.060 Lease application review, notice of the new lease application was posted in the *Peninsula Clarion* and stated competing applications may be submitted for the parcel within 30-days to the City. The 30-day window from publication ended on August 3, 2019, and no competing applications were submitted to the City.

The parcel is within the Airport Light Industrial (ALI) Zone. Pursuant to KMC 14.20.065, the purpose 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 aeronautical use by SOAR is a permitted and compatible use in the ALI Zone.

The Imagine Kenai 2030 Comprehensive Plan outlines goals, objectives, and action items for the City, including this one pertaining to the Kenai Municipal Airport:

- Objective T-1: *Support future development near or adjacent to the airport when such development is in alignment with the Kenai Municipal Airport's primary mission, "To be the commercial air transportation gateway to the Kenai Peninsula Borough and Cook Inlet."*

The proposed use by SOAR complies with the Imagine Kenai 2030 Comprehensive Plan in that it supports development on lease lots and the development is in alignment with the Kenai Municipal Airport's marketing strategy.

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 SOAR complies with the Airport Land Use Plan. It would enhance local economic development.

The Airport Commission and Airport Manager recommended approval of the lease application during their meeting on August 8, 2019, as they found it complied with the Airport Land Use Plan, Airport Layout Plan, Federal Aviation Administration regulations, Airport Master Plan, Airport Improvement Program grant assurances, and Airport operations. The Planning and Zoning Commission recommended approval during their meeting on August 14, 2019.

Thank you for your consideration.



*"Serving the Greater Kenai Peninsula"*

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

# Memo

**To:** Elizabeth Appleby – City Planner  
Wilma Anderson – Assistant to City Planner

**From:** Mary Bondurant - Airport Manager *Hub*

**Date:** August 9, 2019

**Subject:** **SOAR Lease Application – Tract A General Aviation Apron No. 2**

---

Airport Commission reviewed the lease application from SOAR International Ministries at the August 8, 2019 Commission meeting.

Airport Commission unanimously recommends Council approve the subject lease.

If you have any questions, please contact me.

Cc: Wilma Anderson

**From:** [Richard Page](#)  
**To:** [Ryan Foster](#)  
**Subject:** Re: Tract A-2, General Aviation Apron Subdivision No. 7  
**Date:** Tuesday, May 4, 2021 10:28:23 AM

---

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Looks fine

Dick Page

Sent from Richard Page

On May 3, 2021, at 4:56 PM, Ryan Foster <[rfoster@kenai.city](mailto:rfoster@kenai.city)> wrote:

Good Afternoon Dick and Scott,

As discussed earlier today, below is a draft of the updated improvements for the lease. Please review and let me know if this is acceptable in order to allow me to move forward with drafting the resolution and memo for the upcoming Planning and Airport Commission meetings.

**ARTICLE XIV  
 SURVEY, IMPROVEMENTS AND PERFORMANCE BOND**

**B. IMPROVEMENTS:**

<!--[if !supportLists]-->1. <!--[endif]-->**REQUIRED IMPROVEMENTS:** At no cost to the City, Lessee agrees to complete land development and construction of Permanent Improvements including prepare site for construction and construct an approximately 120 foot x 180 foot hangar facility for aircraft storage and maintenance, an aircraft ramp and tie-down area, and parking, by no later than June 30, 2023, with an aggregate cost of at least \$2,000,000.00, excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the City written evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$2,000,000.00. The evidence of cost must be submitted to the City within sixty days of the completion of the development and improvements, but by no later than August

29, 2023.

At no cost to the City, Lessee agrees to complete land development and construction of Permanent Improvements including prepare site for construction and construct an approximately 100 foot x 110 foot connecting office facility, by no later than June 30, 2025, with an aggregate cost of at least \$1,500,000.00, excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the City written evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$1,500,000.00. The evidence of cost must be submitted to the City within sixty days of the completion of the development and improvements, but by no later than August 29, 2025.

Lot developments will prevent unauthorized access to the airfield;

Structures will be built behind the 100 foot building restriction line;

The relocation of the airport perimeter fence will allow aircraft full access to the proposed aircraft ramp and tie down area;

Paving will be completed up to the existing transient aircraft apron pavement;

SOAR is responsible for all snow removal, and snow may not touch the perimeter security fence or be piled to a height that would allow access to the airport.

Please let me know if you have any questions.

Sincerely,

**Ryan Foster**  
Planning Director  
City of Kenai  
907-283-8235

<image001.png>

**From:** Scott Page <scottpage@soarinternational.org>



# City of Kenai Kenai Municipal Airport Land Lease Application

Application for:

New Lease  
 Amendment  
 Extension/Renewal

Application Date: July 1, 2019

### Applicant Information

Name of Applicant: Richard Page

Mailing Address: 34225 Page street City: Soldotna State: Alaska Zip Code: 99669

Phone Number(s): Home Phone: (907) 252-1841 Cell Work/ Message Phone: (907) 283-1961

E-mail: (Optional) RichardPage@soarinternational.org

Name to Appear on Lease: SOAR International Ministries

Mailing Address: P.O. Box 1714 City: Kenai State: Alaska Zip Code: 99611

Phone Number(s): Home Phone: (907) 252-1841 Cell Work/ Message Phone: (907) 283-1961

E-mail: (Optional)

Type of Applicant:  Individual (at least 18 years of age)  Partnership  Corporation  
 Limited Liability Company (LLC)  Government  Other \_\_\_\_\_

### Description of Property and Term Requested

Legal Description of Property: Undeveloped portion of General Aviation Subdivision #2 Tract A

Does the Property Require Subdivision? (if Yes, answer next two questions)  YES  NO

Are you prepared to be responsible for all costs associated with subdivision?  YES  NO

Do you believe the proposed subdivision would serve other Airport purposes?  YES  NO

Do you have or have you ever had a lease with the City of Kenai?  YES  NO

If Yes, please provide description of property leased (e.g. legal or physical description):

Is this application for renewal or term extension of an existing lease?  YES  NO

If Yes, please provide a description of the property leased:

Lease Term Requested: <sup>45</sup> ~~55~~ Years *FAA approved* Starting Date: September 1, 2019

### Proposed Use and Activities

Proposed Use (check one):  Aeronautical  Non-Aeronautical

Do you plan to construct new or additional improvements?  YES  NO



Will the proposed improvement char or alter the use under an existing lea:

YES

If yes, what is the new proposed use?

What is the type (e.g. building, land) and nature (e.g. maintenance, new construction) of the proposed improvement?  
New office and hangar facility for SOAR International Ministries and additional hangar facility to accommodate transient corporate aircraft. Potential FBO and flight training facility.

What is the estimated amount of investment in the construction of new permanent improvements on the premises?  
The complete project is estimated to cost 3.5 million dollars.

List of proposed use and business activities:

Base of operations for SOAR International Ministries. Aircraft storage and maintenance, hangaring transient aircraft, potential FBO, potential flight training facility, potential aircraft parts sales, installation, removal, and inside storage of aircraft floats, facility to host community events such as aviation safety meetings, community fundraising events, etc.

**Lease Extension or Renewal\***

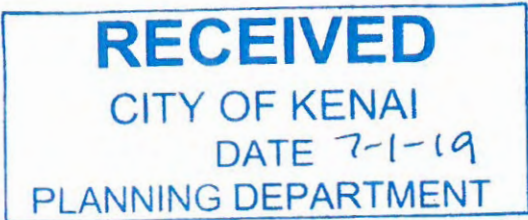
\*This section not required for new lease or amendment applications

Method to determine value of improvements/term for a lease renewal or expiring lease:

- Professional estimate of the remaining useful life of the principle improvement on the property
- Market value appraisal of the principle improvement on the property
- Purchase price of improvements

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>Richard L Page</i>	Date:	<i>07/01/2019</i>
Print Name:		Title:	



**Elizabeth Appleby**

---

**From:** Elizabeth Appleby  
**Sent:** Monday, July 22, 2019 3:40 PM  
**To:** 'Richard Page'  
**Cc:** Wilma Anderson  
**Subject:** Lease Application (new lease)

Good afternoon,

Thanks for dropping off the new assignment request today. I was reviewing your application for the new lease and noticed you had requested a term of 55 years. The maximum term allowed in City Code is 45 years. I will amend your application term request to 45 years. Please let me know if you have questions. I think this was just a copy carry-over from when you had applied to lease this lot in 2018 as the same change was made then to the requested term.

--Elizabeth

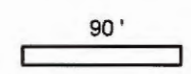
Elizabeth Appleby, AICP  
City Planner  
City of Kenai  
210 Fidalgo Avenue  
Kenai, AK 99611  
(907) 283-8235/phone  
[eappleby@kenai.city](mailto:eappleby@kenai.city)



# SOA Lease Application

Parcel No:  
04324025

Undeveloped  
portion of  
General Aviation #2  
Tract A



1 inch equals 110 feet

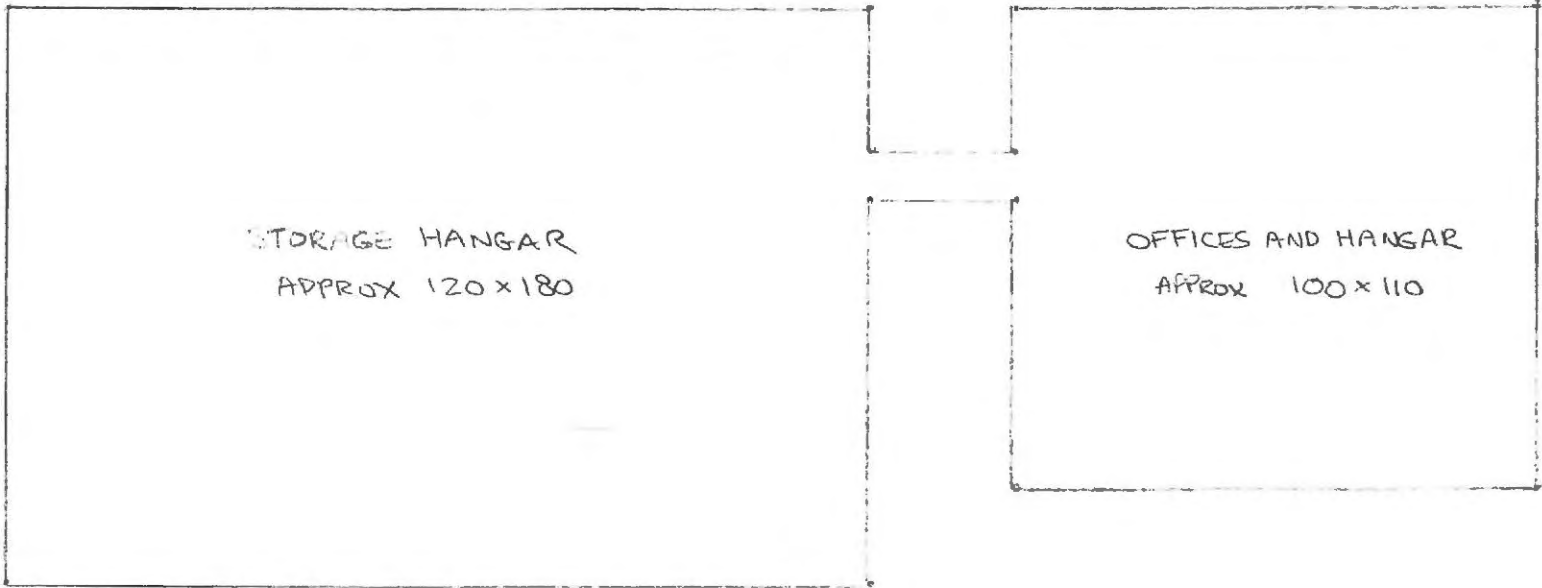
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Date: 7/23/2019



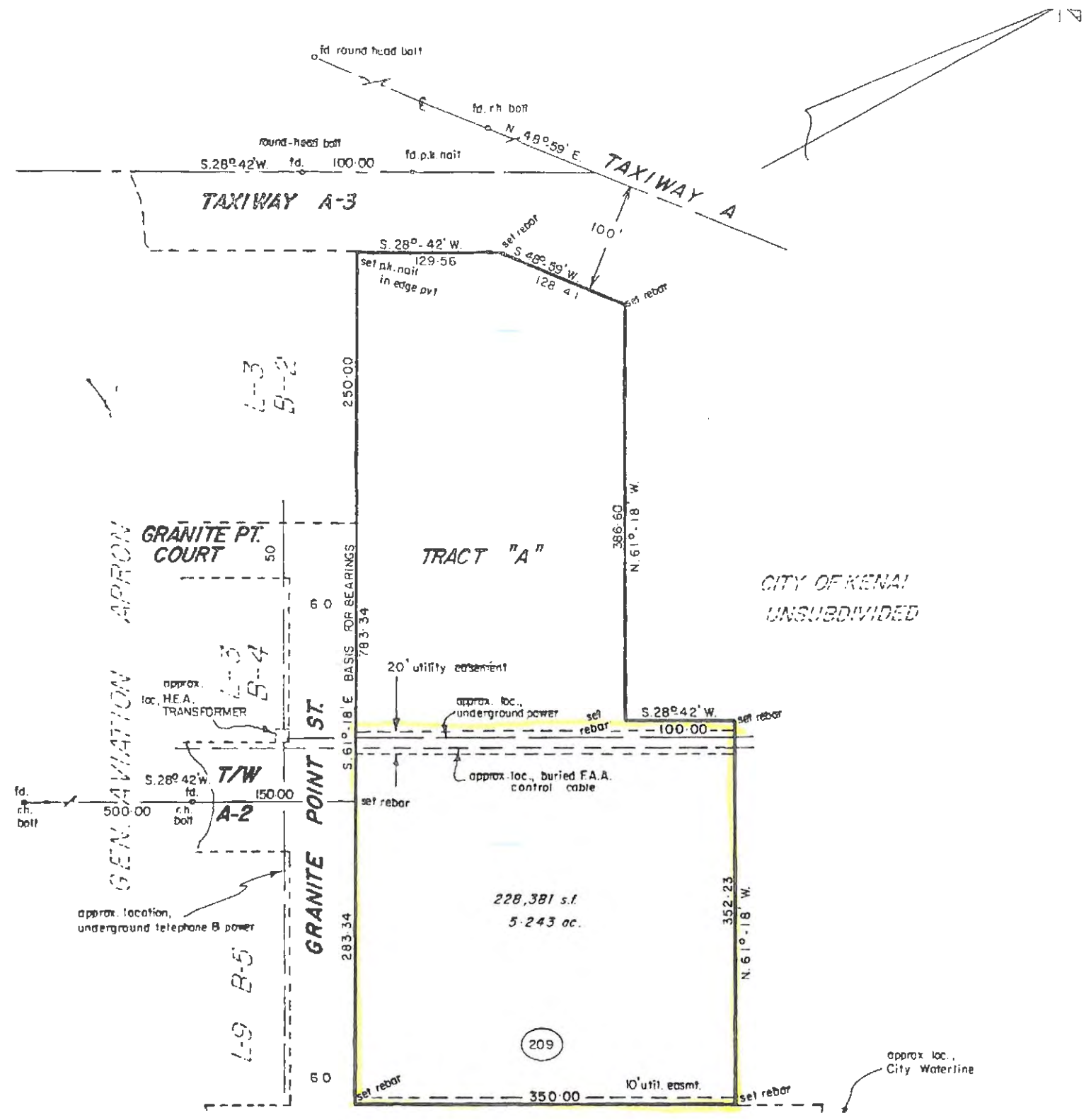
AIRCRAFT RAMP AND TIE-DOWN AREA

APPROX 350'



PARKING

APPROX 350'



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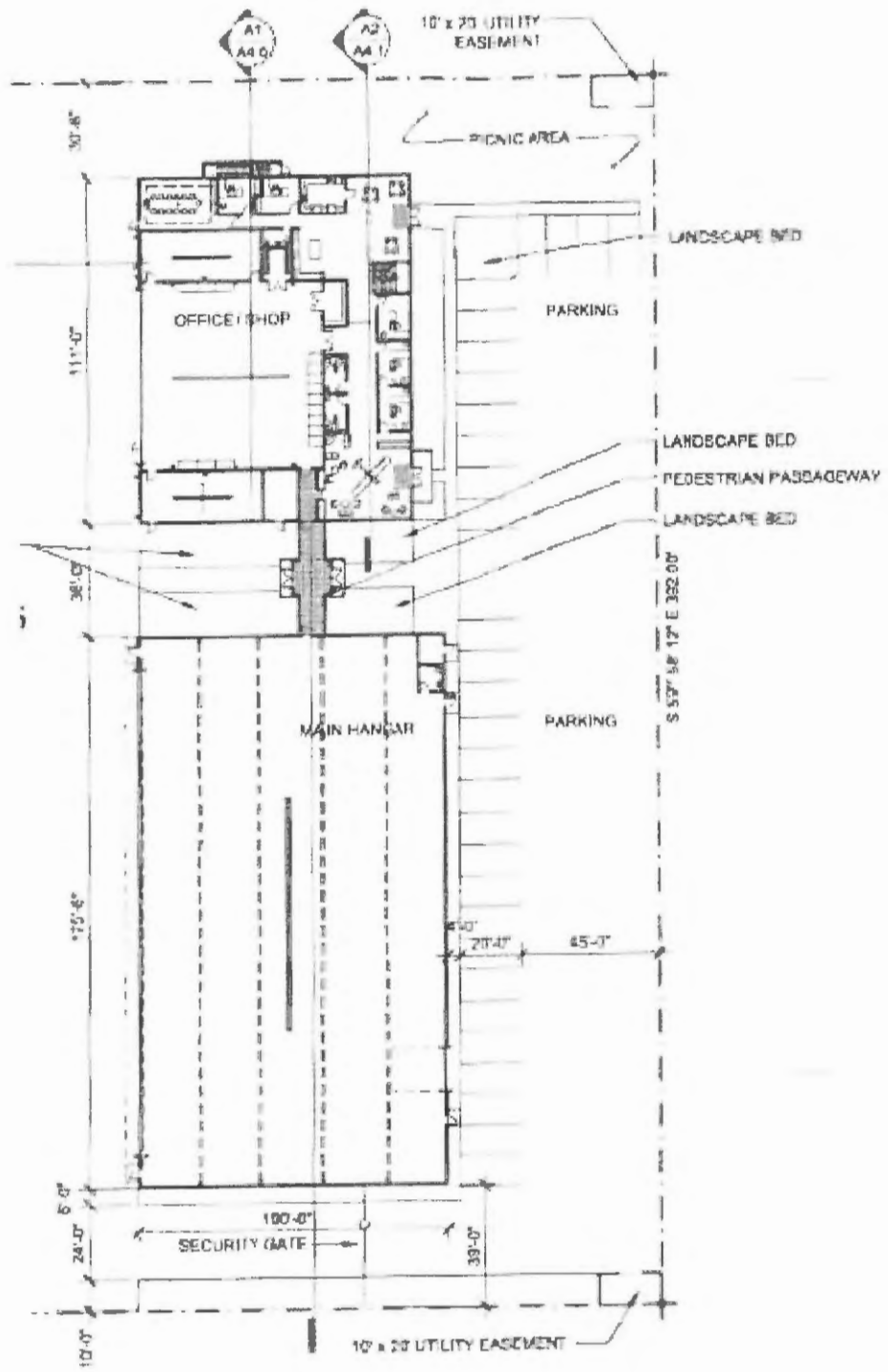
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*Janice*  
 CITY CLERK

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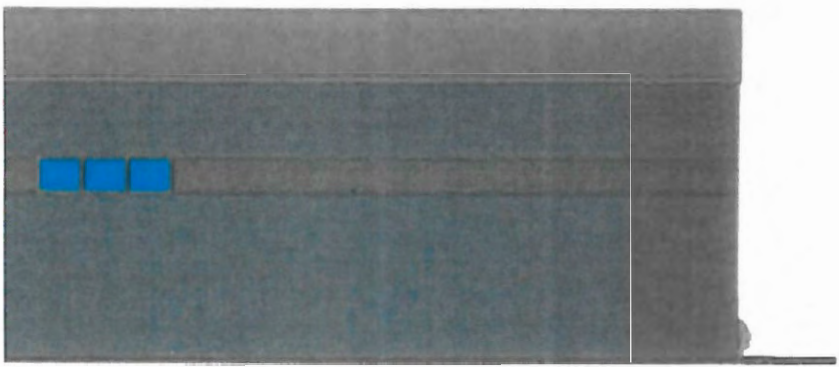
*Janice*  
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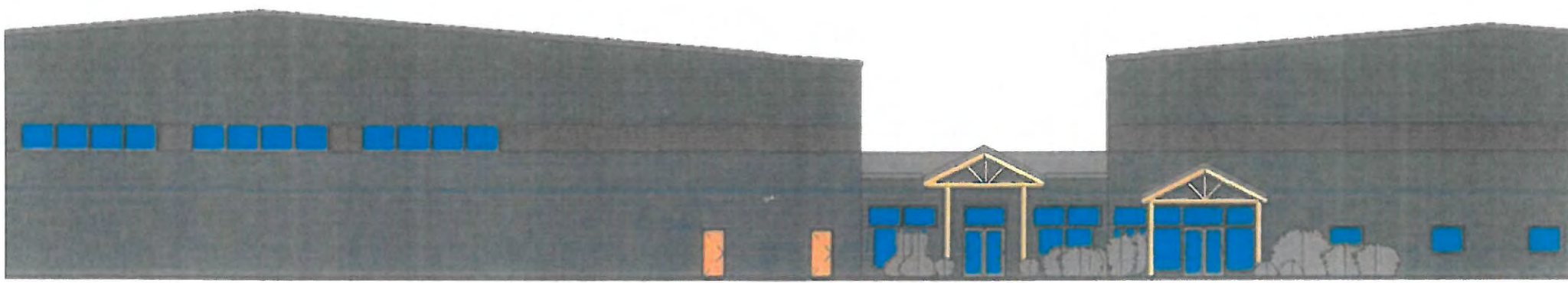




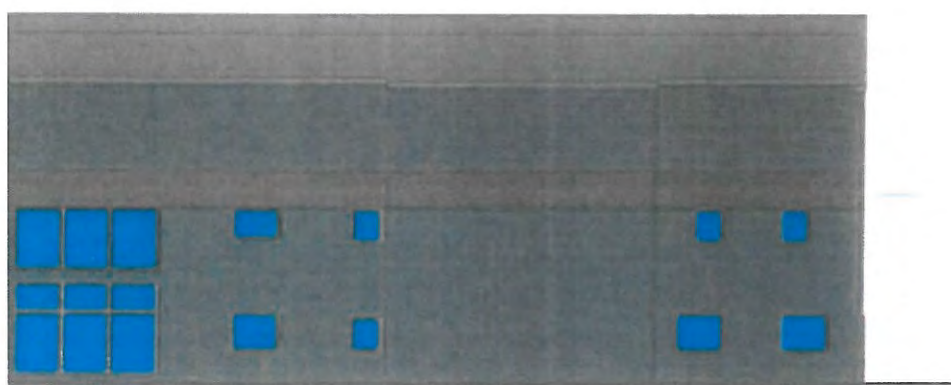
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Sponsored by: Administration

## CITY OF KENAI

### RESOLUTION NO. 2021-38

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AUTHORIZING CONTRACTS FOR EMPLOYEE HEALTH CARE AND OTHER BENEFITS EFFECTIVE JULY 1, 2021.

WHEREAS, as part of a comprehensive employee benefit package and pursuant to KMC 23.40.120 the City provides group medical, dental, vision, life, and supplemental life insurance to its employees; and,

WHEREAS, the City's current provider for group medical, dental and vision is PREMERA Blue Cross Blue Shield of Alaska, and UNUM for both life and supplemental life insurance; and,

WHEREAS, PREMERA Blue Cross Blue Shield of Alaska has provided a renewal quote for continuing group medical and vision coverage at an average premium increase of 8.5% and continuing group dental at an average premium increase of 3%; and,

WHEREAS, the standard benefit cycle is on a calendar year basis; and

WHEREAS, the City plans to seek ways to improve the benefit value to employees and the City by considering plan and provider changes that would be effective on January 1, 2022; and

WHEREAS, Unum has provided a quote with a \$0.01 increase in rates, changing to \$0.19 per \$1,000 of group life insurance and AD&D with a two-year rate hold; and,

WHEREAS, providing quality major medical, dental, vision, life, and supplemental life insurance is a component of a comprehensive compensation package which allows the City to recruit and retain quality employees to provide the services of the City for its residents.

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

**Section 1.** That the City Council authorizes the City Manager to execute a contract with PREMERA Blue Cross Blue Shield of Alaska to provide group medical insurance, group dental insurance and group vision insurance to the employees of the City of Kenai effective July 1, 2021 for an estimated annual premium of \$3,149,602.

**Section 2.** That the City Council authorizes the City Manager to execute a contract with Unum to provide life and supplemental life insurance to the employees of the City of Kenai effective July 1, 2020 for an estimated annual premium of \$ 20,587.

**Section 3.** That the City Council authorizes funding of an employee only HRA at \$1,800 including \$1,650 for group medical deductible and prescription copay and \$150 for vision related expenses.

Resolution No. 2021-38  
Page 2 of 2

**Section 4.** That the City Council authorizes funding of an employee with dependent(s) HRA at \$3,600 including \$3,300 for group medical deductible and prescription copay and \$300 for vision related expenses.

**Section 5.** That this resolution takes effect July 1, 2021.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of June, 2021.


---

BRIAN GABRIEL SR., MAYOR

ATTEST:

---

Jamie Heinz, MMC, City Clerk

Approved by Finance: 



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Stormy Brown, Human Resources  
Terry Eubank, Finance Director

**DATE:** May 26, 2021

**SUBJECT:** Resolution 2021-38 - Employee Health Insurance Renewal

---

Resolution 2021-28 will authorize renewal of the City's employee health care plan and additional coverage types with PREMERA Blue Cross Blue Shield of Alaska and other providers as summarized here. KMC 23.40.120 requires the City to provide medical, dental and vision coverage for its employees.

As negotiations with these health care providers are now complete, the following summaries and updates are provided in support of the negotiated FY22 City of Kenai employee benefits offerings.

The Administration is recommending the following:

1. Renewal with PREMERA Blue Cross Blue Shield of Alaska for employee **group medical** insurance. Renewal premiums are an average of 8.5% higher than FY2021 rates. The City was not offered a one-month premium holiday, as it had been offered in the last two renewals. There are no changes being made to the plan design through the end of the calendar year. The Administration will begin a project to develop improved plan design and potential changes in vendors in an effort to find sustainable options for coverage in calendar year 2022 and beyond.
2. Renewal with PREMERA Blue Cross Blue Shield of Alaska for employee **group dental** insurance. Renewal premiums, include a 3% increase over last year. The project noted above is intended to address improvements to our group dental as well.
3. Renewal with UNUM for employer-provided and employee supplemental **life insurance**. UNUM provided a renewal quote with modest increases.

The result of this renewal, including changes to the employee census, as well as the provider updates and related changes, will result in a total increase of \$378,268 or 14.34% with a projected decrease in Employee Health Care Fund reserves of \$191,323 in FY22. Total billings to City departments will be \$2,823,679, a 7.09% increase; the employee cost share increase by 1% to 12% will generate employee contributions of \$443,316, resulting in a 26.93% increase.

Your support for the renewal as presented by the Administration is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2021-39**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AUTHORIZING RENEWAL OF THE CITY'S INSURANCE COVERAGE WITH ALASKA MUNICIPAL LEAGUE JOINT INSURANCE ASSOCIATION FOR JULY 1, 2021 THROUGH JUNE 30, 2022.

WHEREAS, the City has been a member of Alaska Municipal League Joint Insurance Association (AMLJIA) since July 1, 2020 receiving competitive rates and quality insurance coverage for the City; and,

WHEREAS, the City has entered into a three-year commitment with AMLJIA for insurance coverage for the period of July 1, 2020 through June 30, 2023; and,

WHEREAS, the three-year commitment allows the City to terminate the agreement should the City's net premium increase by more than 10% in any single year; and,

WHEREAS, the FY22 renewal quote shows a decrease in insurance premiums of \$4,882 or negative 0.81%; and,

WHEREAS, the three-year commitment with AMLJIA entitles the City to a 5% annual discount, \$31,123 for FY22, on renewal premiums; and,

WHEREAS, based upon the high-quality coverage, competitive premiums and credit totaling \$31,123 for FY22 it is in the City's best interest to retain coverage with AMLJIA for the City's insurance needs.

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

**Section 1.** The Council authorizes the City Manager to renew the City's insurance coverage for FY2022 with AMLJIA for an estimated annual premium of \$591,330.

**Section 2.** That this resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 2<sup>nd</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL, SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 



# KENAI

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

## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** May 26, 2021

**SUBJECT:** **Resolution 2021-39 Authorizing Renewal of the City's Property, Liability, Workers' Compensation, Airport and other ancillary policies with the Alaska Municipal League Joint Insurance Association.**

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Each year the City goes through a process of renewing its insurance coverages. The City has been a member of the Alaska Municipal League Joint Insurance Association (AMLJIA) since July 1, 2020 and has received quality insurance at competitive rates.

AMLJIA provides a 5% premium credit to members who enter into a three-year commitment for coverage with AMLJIA. The FY22 credit offered to the City is \$31,123. The three-year agreement required to receive the credit allows the City to terminate the agreement at any time should the net premium for coverage increase by more than 10% from one fiscal year to the next. Exclusion to this limit are increases in declared property values, vehicle counts or covered payroll. After consideration of the longevity credit and the three-year discount, the FY22 premium is 0.81% less than FY21.

Based upon the quality coverage, competitive rates, excellent service, and \$ 31,123 in credit offered to the City for renewing it coverage, I recommend renewing coverage with AMLJIA.

**KENAI CITY COUNCIL – REGULAR MEETING  
MAY 19, 2021 – 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 May 19, 2021, 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  
Henry Knackstedt  
Jim Glendening  
Victoria Askin

Robert Molloy  
Teea Winger  
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**

**MOTION:**

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

Add to item D.2.

**Ordinance No. 3211-2021**

- Amendment Memo
- Dog Park Request
- Daubenspeck Information Memo

Add to item J.1.

**City Manager's Report**

- Airport Mid-month Report

**MOTION:**

Vice Mayor Molloy **MOVED** to amend the agenda by removing item G.2 and with the requested additions. Council Member Askin **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

#### 4. Consent Agenda

**MOTION:**

Council Member Knackstedt **MOVED** to approve the consent agenda and Vice Mayor Molloy **SECONDED** the motion.

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.

**UNANIMOUS CONSENT** was requested.

**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.

With no objections, Mayor Gabriel delivered a proclamation in honor of the American Legion Auxiliary, Kenai Unit 20, recognizing the month of May 2021 as Poppy Month.

#### **B. SCHEDULED PUBLIC COMMENTS**

#### **C. UNSCHEDULED PUBLIC COMMENTS**

Brittany Brown spoke on behalf for Al Hall to address the Council regarding the Daubenspeck Dog Park, reporting that the project is on phase 3 of 3. The request was made for \$25,000 to be appropriated from the Daubenspeck Fund for the fund for the dog park, and it is clarified that fundraising is taking place but it may need the additional funds to reach their goal.

Brittany Brown, Executive Director of the Chamber of Commerce, provided a final overview of the impact of the shop local and grocery programs. She explained that all of the allocated funds had been used, and after completing processing the final applications for the shop local program they were \$11,250 over allocated total. She reported approximately 3,380 people participated in the shop local program, \$326,500 had been paid out to 60 local small businesses, and total spending in the City of Kenai outside of the program was approximately \$500,000. She noted that the Chamber had seen great support from within the community as well as outside.

## D. PUBLIC HEARINGS

1. **Ordinance No. 3210-2021** - Amending Kenai Municipal Code Sections 23.25.020 - Pay Plan and Adoption, 23.55.020 – Compensation Structure by Grade for Employees in the Classified Service, 23.55.050 – Hourly Rates, Removing the Appended Salary Schedule from the City’s Code of Ordinances to Allow for Adoption of the Salary Schedule through the Ordinance Adopting a Budget for the Following Fiscal Year or by Resolution. (Administration)  
*[Clerk's Note: At the May 5th Meeting, this Ordinance was Postponed to this Meeting; a Motion to Enact is On the Floor.]*
  - **Substitute Ordinance No. 3210-2021** – Amending Kenai Municipal Code Sections 23.20.010 – Initial Classification, 23.20.020 – Revisions to Classification Plan, 23.25.020 – Pay Plan and Adoption, 23.55.020 – Compensation Structure by Grade for Employees in the Classified Service, 23.50.010 – Employee Classification, 23.55.050 – Hourly Rates, to Remove the Appended Salary Schedule and Classification Plan from the City’s Code of Ordinances to Allow for Adoption of the Salary Schedule and Classification Plan Before July 1 Each Year Through the Ordinance Adopting a Budget for the Following Fiscal Year or by Resolution. (Administration)

### MOTION TO AMEND:

Vice Mayor Molloy **MOVED** to amend Ordinance 3210-2021 by Substitute Ordinance 3210-2021 and Council Member Knackstedt **SECONDED** the motion.

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

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

### VOTE:

YEA: Gabriel, Askin, Glendening, Knackstedt, Molloy, Pettey, Winger  
 NAY:

### MOTION PASSED UNANIMOUSLY.

2. **Ordinance No. 3211-2021** - Adopting the Annual Budget for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022 and Committing \$4,898,000 of General Fund, Fund Balance for Future Capital Improvements. (Administration)
  - **Substitute Ordinance No. 3211-2021** – Adopting the Annual Budget, Salary Schedule and Employee Classification Plan for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022 and Committing \$4,898,000 of General Fund, Fund Balance for Future Capital Improvements. (Administration)

### MOTION:

Council Member Knackstedt **MOVED** to enact Ordinance No. 3211-2021 and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.



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 3211-2021 by enacting Substitute Ordinance 3211-2021 and Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

**MOTION TO AMEND:**

Council Member Knackstedt **MOVED** to amend Ordinance 3211-2021 by amending Section 5 and deleting the number "1" as the Range for the Recreation Center Worker and replacing it with "3." Vice Mayor Molloy **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

**MOTION TO AMEND:**

Council Member Glendening **MOVED** to amend Ordinance 3211-2021 by stipulating up to \$25,000 be allocated to the Kenai Dog Park from the Daubenspeck Fund. Council Member Winger **SECONDED** the motion.

The many benefits of the dog park to the community were described, and it was recognized that there is a need for it in Kenai. It was explained that the Daubenspeck Fund was intended to be used for athletic activities, and that the dog park should qualify as such. The suggestion was made that the money be provided through a revolving fund so that the money may be available as needed throughout development. The general fund was suggested as a more appropriate source for the donation funds, due to the specific requirement of athletic activities for Daubenspeck funding.

Clarification was provided that through this amendment, if the group had insufficient funding for something they needed at a specific time, they could request those funds from the City. Discussion included whether those funds could be replenished as part of a revolving fund, whether the funds revert back when the project is complete, whether the dog park activities qualify as athletic activities, and at what point the revolving fund would close.

**MOTION TO AMEND THE AMENDMENT:**

Council Member Knackstedt **MOVED** to amend the amendment to make funds to be available for the fiscal year 2022. Vice Mayor Molloy **SECONDED** the motion.

Clarification was provided that this amendment would make the funds available within a reasonable timeframe for construction.

**VOTE ON AMENDMENT TO THE AMENDMENT:**

YEA: Askin, Glendening, Knackstedt, Molloy, Pettey, Winger, Gabriel  
NAY:

**MOTION PASSED UNANIMOUSLY.**

Council was advised that additional costs and complication could result if the project exceeded \$25,000 which would constitute it as a public construction project under the Little Davis Bacon Act.

Concerns were expressed about the additional complications that could arise from establishing a revolving fund for this project, and it was recommended that the funds be provided through a grant for up to \$25,000 on a reimbursable basis. Concerns were also raised about the timing of the donation.

**VOTE ON AMENDMENT:**

YEA:

NAY: Glendening, Knackstedt, Molloy, Pettey, Winger, Gabriel, Askin

**MOTION FAILED.****MOTION TO AMEND:**

Council Member Askin **MOVED** to amend the proposed FY22 budget to increase the General Fund Legislative Grants to Other Agencies by \$25,000 utilizing Restricted Fund Balance and restricting the grant period to FY22, and further amend Substitute Ordinance 3211-2021 by amending Section 2 General Fund total from \$19,083,063 to \$19,108,063, and amending the total for all funds from \$36,415,773 to \$36,440,773. Council Member Winger **SECONDED** the motion.

**VOTE ON AMENDMENT:**

YEA: Knackstedt, Pettey, Winger, Gabriel, Askin, Glendening

NAY: Molloy

**MOTION PASSED.**

Clarification was provided that a decision has been reached regarding healthcare insurance renewal, and it is within the amount included in the budget. Administration is considering a potential change of healthcare insurance provider in the future.

**VOTE ON MAIN MOTION AS AMENDED:**

YEA: Molloy, Pettey, Winger, Gabriel, Askin, Glendening, Knackstedt

NAY:

**MOTION PASSED.**

3. **Ordinance No. 3212-2021** - Increasing Estimated Revenues and Appropriations in the Airport Fund, Airfield and Administration Departments for Expenditures in Excess of Budgeted Amounts Related to Additional Temporary Hours and Overtime Hours Needed for Winter Snow Removal Activity and Leave Cash-In Amounts in Excess of Budgeted Amounts Caused by Employee Retirement. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to enact Ordinance No. 3212-2021 and Council Member Askin **SECONDED** the motion.

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

**VOTE:**

YEA: Pettey, Winger, Gabriel, Askin, Glendening, Knackstedt, Molloy

NAY:

**MOTION PASSED UNANIMOUSLY.**

4. **Ordinance No. 3213-2021** - Increasing Revenues and Appropriations in the General, Airport, Water and Sewer and Senior Citizen Funds for City Employee COVID-19 Resilience Pay and Authorizing Payments to Employees on a Retroactive Monthly Basis. (Council Member Glendening, Council Member Winger)

**MOTION:**

Council Member Winger **MOVED** to enact Ordinance No. 3213-2021 and Council Member Glendening **SECONDED** the motion.

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

Clarification was provided that the intention of this ordinance is to recognize City of Kenai employees for remaining employed with the City and taking on extra responsibilities over the past year; would provide employees with a payment of \$175 per month over a 13-month period.

It was noted that the City Manager ensured that over the past year, no regular employee was laid off or lost payment and employees were safe and protected. City taxpayers were in the same boat as employees over the last year and using taxpayer funds to provide bonuses to City employees is poor public policy.

Appreciation was expressed for the City employees and taxpayers. It was noted that during COVID-19, some City departments and facilities were closed to the public, all employees were eligible for COVID-19 leave, and many employees were also provided opportunities to work from home. Administration worked very hard to make sure employees were kept safe and their jobs secure, and many taxpayers did not have these benefits.

Clarification was provided that these payments would not be a raise, but would be retroactive compensation and recognition, and employees should not have an expectation for next year.

Mayor Gabriel passed the gavel to Vice Mayor Molloy, and noted that at the previous Council meeting he had voted to introduce this Ordinance because this is an important discussion and it should be made known why Council Members support or are against it. He reiterated the work that City Administration had done to mitigate COVID-19 and keep employees safe, and noted that citizens may not be so fortunate but had still worked hard to provide taxpayer money. Vice Mayor Molloy returned the gavel.

Clarification was provided that the source of the payments would not be from taxpayer funds, but from the general fund which had allocated COVID-19 funds originally provided by the federal government. It was also noted that many employees did not have the option to work from home.

**VOTE:**

YEA: Winger, Glendening  
 NAY: Pettey, Gabriel, Askin, Knackstedt, Molloy

**MOTION FAILED.**

5. **Resolution No. 2021-30** - Fixing the Rate of Levy of Property Tax for the Fiscal Year Commencing July 1, 2021 and Ending June 30, 2022. (Administration)

**MOTION:**

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-30 and Council Member Askin **SECONDED** the motion.

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

It was noted that the mill rate has not changed in several years, and the City has enjoyed a relatively low mill rate. It was requested of administration to provide information about mill rate changes for the next Council meeting.

**UNANIMOUS CONSENT** was requested.

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

6. **Resolution No. 2021-31** - Amending its Comprehensive Schedule of Rates, Charges, and Fees to Incorporate Changes Included in the FY2022 Budget to Include Adjusting Terminal Fees Consistent with the City's Five-Year Airline Operating Agreement, Airport Reserve Land Annual Lease Rates, and Adjusting the Monthly Rental Rates at Vintage Pointe, Eliminating the Fire Departments Fee for Medical Treatment Without Transportation of the Patient, Creating a Fee for Internal Apartment Moves at Vintage Point Manor, No Fees Associated with the City's Operation of the Kenai Recreation Center, Adding a Conference Room Rental Fee for the Airport and Amending the City's Library Fees. (Administration)

**MOTION:**

Vice Mayor Molloy **MOVED** to adopt Resolution No. 2021-31 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.

Administration was thanked for the informative memos and the memo from Fire Chief Prior regarding Non-Transport fees for ambulance calls was highlighted, noting the valuable service

they provide. Clarification was provided that the Kenai Recreation Center fees will remain the same as they were under Boys & Girls Club management.

**UNANIMOUS CONSENT** was requested.

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

7. **Resolution No. 2021-32** - Authorizing the Purchase of Airport Snow Removal Equipment and Accessories Utilizing the State of Alaska Cooperative Fleet Purchasing Agreement. (Administration)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-32 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.

**VOTE:**

YEA: Winger, Gabriel, Askin, Glendening, Knackstedt, Molloy, Pettey  
NAY:

**MOTION PASSED UNANIMOUSLY.**

8. **Resolution No. 2021-33** - Authorizing a Budget Transfer in the General Fund, Non-Departmental Department to Provide Supplemental Funding for the Shop Local Economic Stimulus Program, Authorizing an Amendment of the Program to Extend the Date Vouchers Must Be Spent, and Authorizing the City Manager to Execute an Amendment to the Professional Services Agreement with the Kenai Chamber of Commerce and Visitor Center for Administration of the Program. (Administration)

**MOTION:**

Council Member Askin **MOVED** to adopt Resolution No. 2021-33 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.

Administration was thanked for being proactive, and it was noted that the program was very well managed and Council had been provided regular updates on its progress.

**UNANIMOUS CONSENT** was requested.

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

9. **Resolution No. 2021-34** - 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)

**MOTION:**

Council Member Knackstedt **MOVED** to adopt Resolution No. 2021-34 and Vice Mayor Molloy **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

April Orth stated her opposition to the resolution, explaining that the public looks to the Council for guidance and the extension of the emergency declaration will cause fear. She expressed skepticism towards the virus's mortality rate, federal funding and the potential need to pay it back, and the efficacy of masks. She noted that there are treatments available for COVID-19, and shared her family's personal experience with the virus.

There being no one else wishing to be heard, the public hearing was closed.

Doubts were expressed about whether having an emergency order in place would be necessary to receive future federal COVID-19 funding. Reasons to oppose the extension were discussed, including that it is time to get out of recovery phase and into resilience phase, and that a significant amount of the public have been vaccinated.

Clarification was provided that at this time, it is unknown whether the City would be eligible to receive further federal COVID-19 funding without an emergency order in place. Discussion included the possibility of enacting a new emergency order if it was required to receive funding, the effect of the emergency order on commission/committee participation, timeline for moratorium on penalties for water and sewer accounts, and the option of repealing the extension declaration prior to expiration if it is found it is not necessary for funding. It was requested that Administration provide data on where COVID-19 federal funding has been spent.

**VOTE:**

YEA: Gabriel, Askin, Knackstedt, Molloy, Pettey  
NAY: Glendening, Winger

**MOTION PASSED.**

**E. MINUTES**

1. \*Regular Meeting of May 5, 2021. (City Clerk)

Approved by the consent agenda.

**F. UNFINISHED BUSINESS**

**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)

*[Clerk's Note: This item was removed from the agenda during approval of the agenda.]*

3. **\*Ordinance No. 3214-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and the Airport Snow Removal Equipment Capital Project Funds to Provide Supplemental Funding for the Replacement of the Wide-Area Tractor and Mower. (Administration)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

4. **\* Ordinance No. 3215-2021** - Increasing Estimated Revenues and Appropriations in the Water and Sewer Special Revenue and Water and Sewer Capital Projects Funds to Provide Supplemental Funding for the Wellhouse #1 Relocation Project and Authorizing the Issuance of a Contract for the Project. (Administration)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

5. **\*Ordinance No. 3216-2021** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Terminal Improvement Capital Project Fund to Provide Additional Local Share to the Terminal Rehabilitation Project and to Provide Funding to Install Wireless Internet Service for the Public. (Administration)

Introduced by the consent agenda and Public Hearing set for June 2, 2021.

6. **Discussion** - COVID-19 Response.

City Manager Ostrander reported that there is currently no City employees in COVID-19 protocol, and that Central Peninsula General Hospital currently has 1 patient hospitalized with COVID-19. Kenai Peninsula Borough's COVID-19 risk level has dropped from high to intermediate, and the Library and Senior Center have removed their mask requirements and continued to move towards normal operations. Council agreed that this will be the final COVID-19 Response discussion during Council meetings.

## **H. COMMISSION / COMMITTEE REPORTS**

1. Council on Aging – Council Member Pettey reported on the meeting of May 13, 2021. Next meeting June 10, 2021.
2. Airport Commission – Council Member Knackstedt reported on the meeting of May 13, 2021. Next meeting June 10, 2021.
3. Harbor Commission – No report. Next meeting June 7, 2021.
4. Parks and Recreation Commission – Council Member Winger reported on the meeting of May 6, 2021. Next meeting June 3, 2021.

5. Planning and Zoning Commission – Council Member Glendening reported on the meeting of May 12, 2021. Next meeting May 26, 2021.
6. Beautification Committee – Council Member Askin reported on the meeting of May 11, 2021. Next meeting September 7, 2021.
7. Mini-Grant Steering Committee – No report.

#### **I. REPORT OF THE MAYOR**

Mayor Gabriel reported on the following:

- Noted the removal of trees around City Hall and remarked on how widespread the spruce bark beetle kill has been. Explained how he managed slash in past years;
- He threw the first pitch for Little League season last Saturday;
- Noted the upcoming American Legion Memorial Day Event.

#### **J. ADMINISTRATION REPORTS**

1. City Manager - City Manager P. Ostrander reported on the following:
  - Noted the removal of trees around City facilities;
  - City will be receiving a capital refund credit from HEA for \$32,000;
  - Highlighted employee James Adcox for being an amazingly creative artist who created a story walk for the Library;
  - Met with Robert Ruffner and Nate Berga, who will be providing an update on the Cook Inlet fisheries during the upcoming Council Meeting on June 2, 2021;
  - Met with other Kenai Peninsula City Managers in Homer;
  - Introduce Eland Conway, the Kenai Airport's new Airport Manager;
  - Signed grant agreement of Phase 2 of the Airport sand storage facility;
  - There was a single engine plane accident at the Airport, which was met with an excellent response from City staff which met all FAA requirements;
  - Bluff Project update: finalized negotiations with HDR;
  - Invited Council Members to Kenai's Employee Appreciation Party on June 4, 2021;
  - Will not be able to attend the Council Meeting on June 2, 2021. Acting Manager Terry Eubank will attend in his place;
2. City Attorney – No report.
3. City Clerk – No report.

#### **K. ADDITIONAL PUBLIC COMMENT**

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

City Manager Ostrander provided information from the latest taxable sales report.

2. Council Comments



Council Member Glendening stated he is glad for Council's support on the dog park, and looks forward to a creative collaborative effort between the community and City. Noted upcoming event opportunities, and reflected on past health emergencies. Encouraged everyone to be vigilant, healthy and responsible as individuals.

Council Member Pettey gave a heartfelt thanks to veterans who have served our country and sacrificed so we can have our freedoms. She thanked Administration for creating the budget and looking for efficiencies. Noted that she hopes more trees can be planted to replace the ones that were removed around City facilities. Reiterated her support for the dog park, and encouraged our new grant writer to find funding opportunities for it. Encourage everyone to live fearlessly and be safe.

Council Member Winger welcomed new Airport Manager Conway, and congratulated the graduating class of 2021. Reported on recent events she participated in including a trash cleanup, Kenai Home Builders Association Spring Show, and the Mountain View Bike Rodeo. Noted that she hopes the carnival returns to Kenai, and encouraged pursuing a spruce bark kill dumping site.

Council Member Askin reported on Police Memorial Day on May 15, 2021, and encouraged everyone to participate in Memorial Day celebrations. Noted other upcoming events including the Chamber of Commerce fundraiser and Kenai Employee Party. Thanked Administration for their hard work.

Vice Mayor Molloy welcomed new Airport Manager Conway, and thanked the families of veterans who sacrificed for our freedoms. Stated his remorse for the loss of trees to spruce bark beetles. Noted that a lot of good work had been done on the FY22 Budget, and was pleased to hear the good news on our sales tax.

Council Member Knackstedt welcomed new Airport Manager Conway, and noted he looks forward to working with him on the Airport Commission. Reported he attended the Kenai Home Builders Association Spring Show, and thanked the Cannery Lodge for their donation to the Kite Festival. Expressed appreciation for the Chamber of Commerce for worked cooperatively with the City.

Mayor Gabriel wished the Kenai River Brown Bears good luck on their playoffs.

**L. EXECUTIVE SESSION** – None.

**M. PENDING ITEMS** – None.

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000
2. Boy Scouts of America Letter
3. CIRCAC Directors Report

There being no further business before the Council, the meeting was adjourned at 9:08 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of May 19, 2021.

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Jamie Heinz, MMC  
City Clerk

DRAFT

**PAYMENTS OVER \$15,000.00 WHICH NEED COUNCIL RATIFICATION  
COUNCIL MEETING OF: JUNE 2, 2021**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>DEPARTMENT</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
PERS	PERS	VARIOUS	LIABILITY	89,803.19
ENSTAR NATURAL GAS	GAS USAGE	VARIOUS	UTILITIES	25,913.54

**INVESTMENTS**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>MATURITY DATE</b>	<b>AMOUNT</b>	<b>Effect. Int.</b>
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Sponsored by: Mayor Brian Gabriel  
 Vice Mayor Bob Molloy  
 Council Member Teea Winger

## CITY OF KENAI

### ORDINANCE NO. 3217-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, CONDITIONALLY DONATING CERTAIN CITY OWNED PROPERTY DESCRIBED AS TWO APPROXIMATE 1 1/4 ACRE PARCELS TO BE SUBDIVIDED FROM A PORTION OF THE 72 ACRE MORE OR LESS PORTION OF THE SE 1/4 LYING EAST OF TRACT A KENAI MEADOWS (KPB PARCEL NO. 039 010 65) TO KENAI PENINSULA HOUSING INITIATIVE FOR THE DEVELOPMENT OF RESTRICTED INCOME AND SENIOR HOUSING.

WHEREAS, Kenai Municipal Code 22.05.110, Determination as to Need for Public Purpose, allows the Council, by Ordinance, to donate real property that is no longer needed by the City for a public purpose, to a non-profit corporation for a consideration agreed upon between the City and grantee without a public sale if the donation is advantageous to the City; and,

WHEREAS, Kenai Peninsula Housing Initiatives (KPHI) is a non-profit corporation with a mission to provide low income, very low income, senior and special needs residents affordable housing options; and,

WHEREAS, there is a need for low income and senior housing in the City of Kenai; and,

WHEREAS, the City desires to support further development of low income and senior housing in the community; and,

WHEREAS, donating the subject parcels to KPHI at less than fair market value is in the best interest of the City, and;

WHEREAS, conditions must be placed on the transfer or condition the transfer to ensure low income and senior housing is developed or the property is returned to the City, including in the event of a land sale, to a for profit entity, the market value of the property shall be reimbursed to the City, if the sale occurs within twenty years after transfer to KPHI.

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

**Section 1.** Form: That this is a non-code ordinance.

**Section 2.** That the Kenai City Council hereby authorizes the City Manager to execute, upon completion of a subdivision and necessary proof of financing for the development, the transfer of title for the properties: two approximate 1 1/4 acre parcels to be subdivided from a portion of the 72 acre more or less portion of the SE 1/4 lying east of Tract A Kenai Meadows (KPB PARCEL No. 03901065), to Kenai Peninsula Housing Initiatives, Inc. (KPHI), on a form approved by the

City Attorney, for less than fair market value (\$1.00) and for the sole purpose of developing income restricted and senior housing.

**Section 3.** That KPHI must complete at its own expense all actions necessary for the subdivision and development of the properties; and to provide proof of financing sufficient for the projects as prior conditions of the transfer of title; and to pay all closing costs and fees for said properties and said consideration to the City for the properties.

**Section 4.** That the Kenai City Council further finds the disposal of the parcels to be in the best interests of the citizens of the City of Kenai and that the public interest shall be served by disposing of the properties interest for less than the fair market value, in accordance with the recitals above which are incorporated herein.

**Section 5.** That the Kenai City Council further finds that if the action items described herein are not completed by July 16, 2026, the authorization to transfer the lands lapses unless further authorized by the City Council.

**Section 6. 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 7. 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 16<sup>th</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Introduced: June 2, 2021  
Enacted: June 16, 2021  
Effective: July 16, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Ryan Foster, Planning Director

**DATE:** May 24, 2021

**SUBJECT:** **Ordinance No. 3217-2021 - Conditionally Donating a Portion of Tract A Kenai Meadows for the Development of Restricted Income and Senior Housing.**

---

The purpose of this correspondence is to respond to City Council direction to the City Manager to bring an ordinance to conditionally donate the properties referenced in the above described ordinance to the Kenai Peninsula Housing Initiative.

On June 15, 2016 City Council approved Ordinance No. 2899-2016; conditionally donating certain foreclosed city owned property described as two approximate 1 1/4 acre parcels to be subdivided from a portion of the 77 acre more or less portion of the SE 1/4 lying east of Mommsen Subdivision Addition No. 2 section 25, T6N, R12W (KPB Parcel No. 039 010 18) to Kenai Peninsula Housing Initiative for the development of restricted income and senior housing.

On April 7, 2021, Steven Rouse, Executive Director of KPHI, presented on the completion of the housing constructed on the two parcels conditionally donated in Ordinance No. 2899-2016. In addition, he requested consideration of a donation of 2.5 acres adjacent to the existing developments on Redoubt Avenue to construct additional restricted income and senior housing.

Thank you for your consideration.

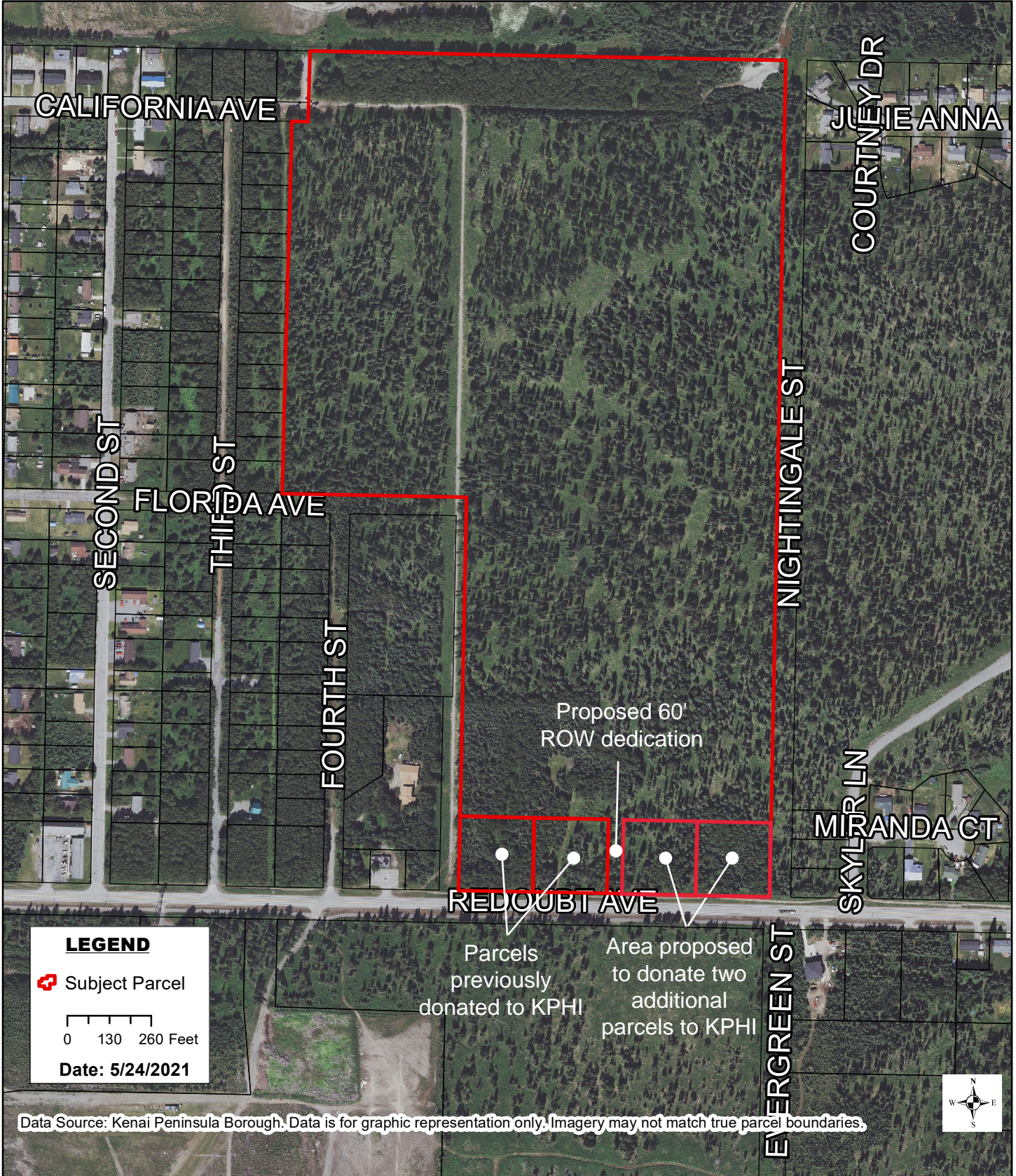
**Attachment A:** Aerial Map illustrating the previously donated parcels and the proposed parcel to be subdivided.

**Attachment B:** PowerPoint Presentation dated April 7, 2021 from Kenai Peninsula Housing Initiative requesting consideration of a donation of an additional 2.5 acres for restricted income and senior housing.

**Attachment C:** Concept site plan provided by the Kenai Peninsula Housing Initiative.



RESOLUTON 3217-2021  
DONATION AND PROPOSED DONATION TO KPHI  
KPB #03901063; 03901064 AND 03901065  
LOTS 1 & 2 AND A PORTION OF TRACT A  
KENAI MEADOWS



**LEGEND**

Subject Parcel

0 130 260 Feet

Date: 5/24/2021

Proposed 60'  
ROW dedication

Parcels  
previously  
donated to KPHI

Area proposed  
to donate two  
additional  
parcels to KPHI

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

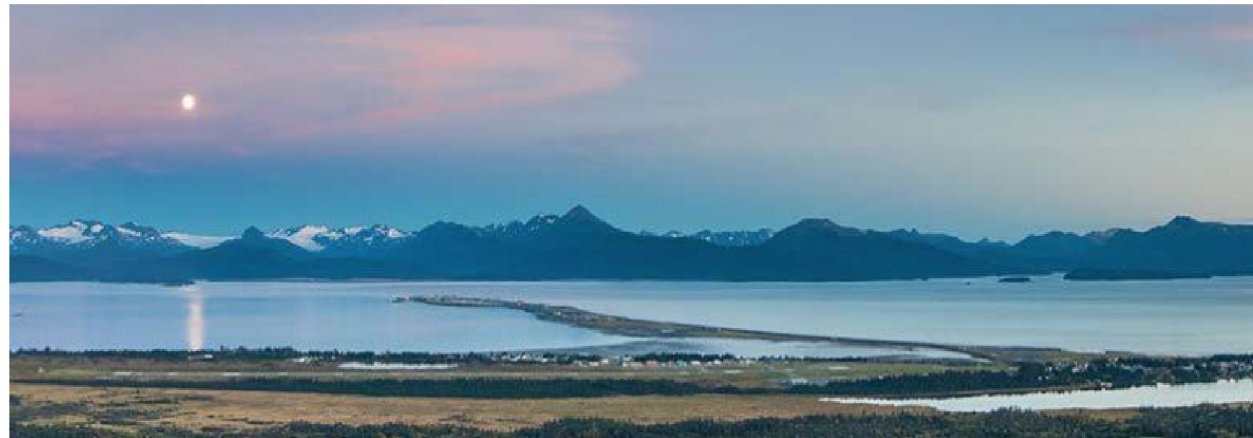




# **Kenai Peninsula Housing Initiatives**

## **Steven Rouse, Executive Director**

### **April 7, 2021**







## Today's Presentation:

- **Who is KPHI?**
- **What We Do**
- **How We Do It**
- **Our Work on the Kenai Peninsula, so far**
- **Project Just Completed in Kenai**
- **City of Kenai's Role in the Past**
- **Our Next Kenai Project and What We Are Asking of You**





## Who Is KPHI?

**A nonprofit housing organization that provides low-income, senior and special needs residents of the Kenai Peninsula with affordable housing options**

**Established in 2003, currently manage 148 units in Kenai, Homer, Seward, Soldotna and Ninilchik**

**KPHI offices are located at the Homer Community Housing Center**

**Board of Directors represents all areas of the Peninsula, staff of 5**

**We offer tenants a solid foundation on which to improve their overall quality of life**





## How Do We Provide Affordable Housing?

- **Develop** – Identify need, debt capacity, identify funding sources, compete for gap/subsidy funding
- **Own** – Responsible for debt service and maintenance
- **Manage** – Screen applicants, ensure compliance with funding sources, protect tenants and property

**Partner with other community organizations to ensure a full continuum of housing services are available to address housing needs**



# KPHI Accomplishments To-Date Homer



# KPHI Accomplishments To-Date Soldotna

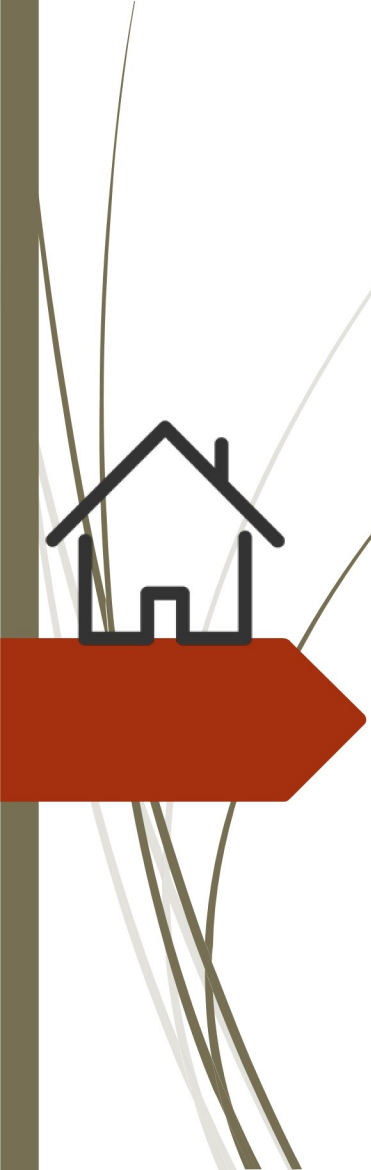




# KPHI Accomplishments To-Date Ninilchik



# KPHI Accomplishments To-Date Seward





# KPHI Accomplishments To-Date

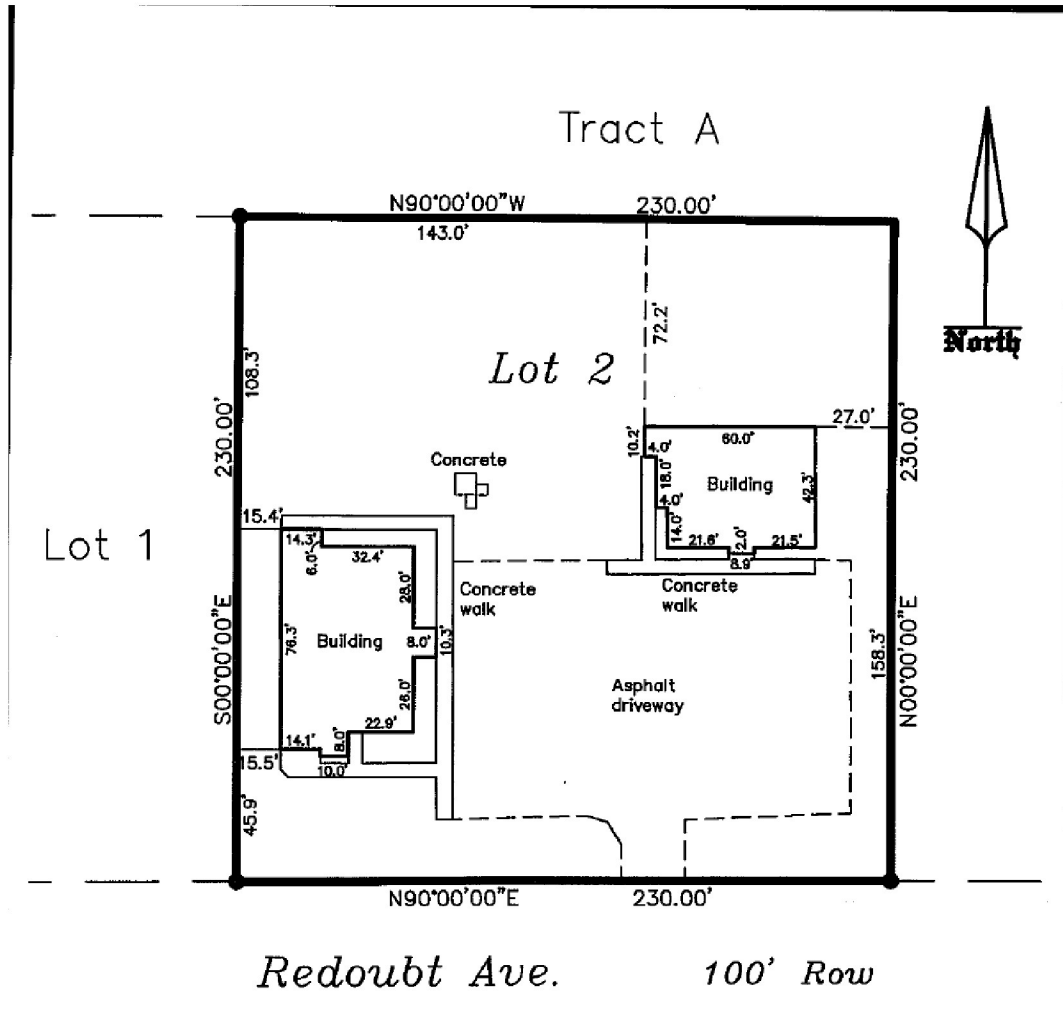
## Kenai

### Clear Pointe Phase I & II





## KPHI Accomplishments To-Date – Clear Pointe

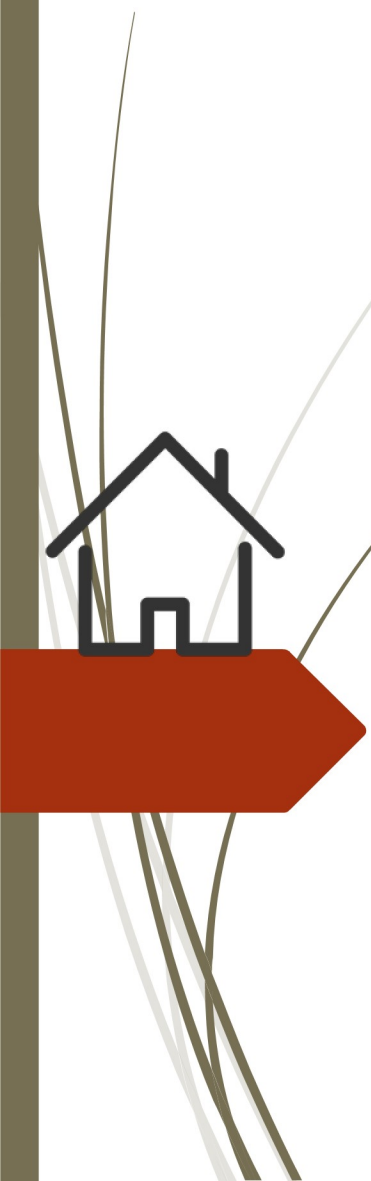




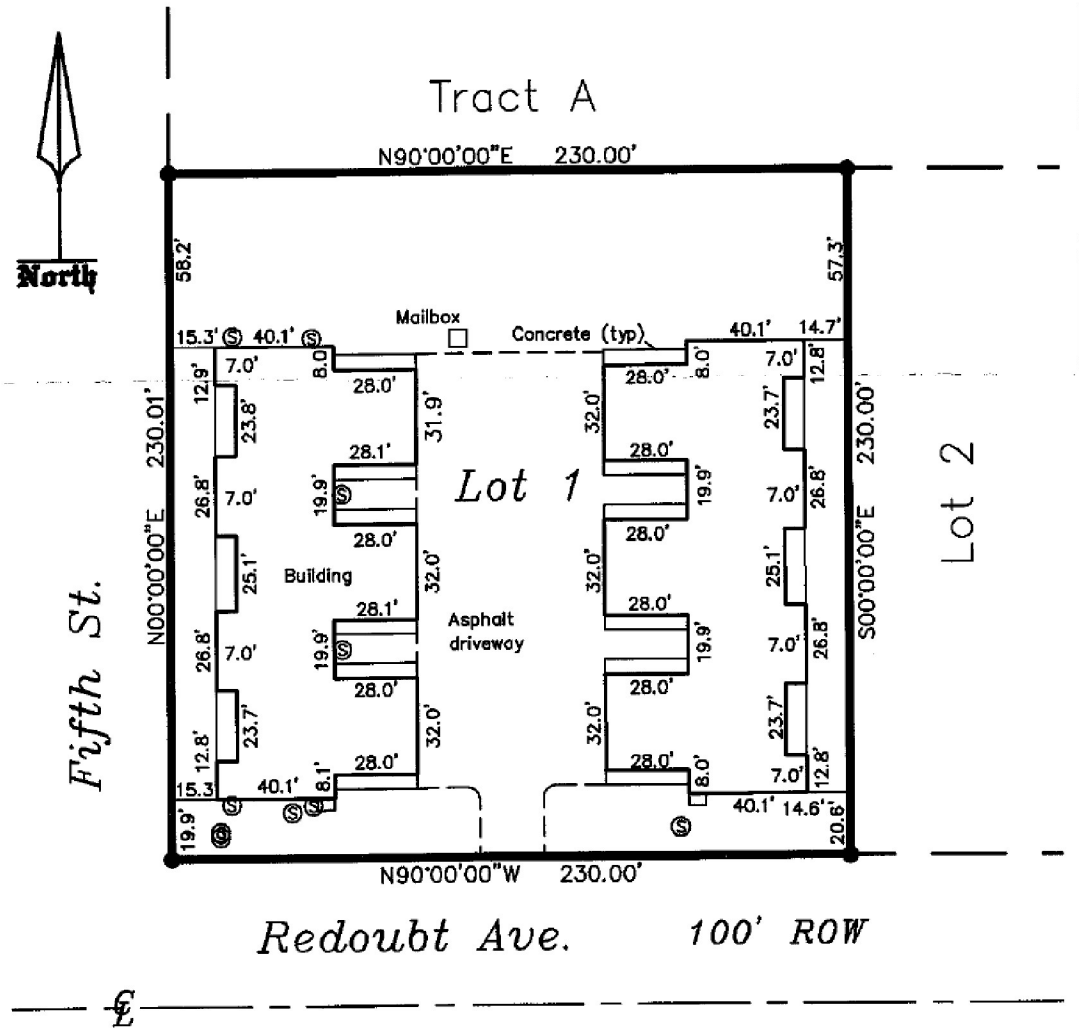
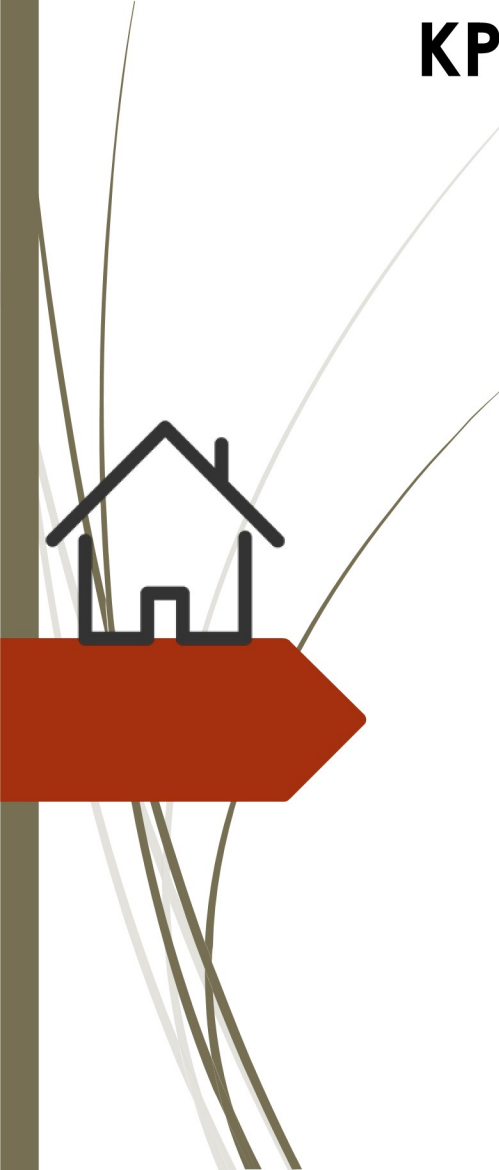
# KPHI Accomplishments To-Date

## Kenai

### Kenai Meadows



## KPHI Accomplishments To-Date – Kenai Meadows





## City of Kenai's Contribution To Clear Pointe & Kenai Meadows

June 2016-City Council passed Ordinance 2899-2016

June 2017 – City transferred 1.25 acre parcel (Clear Pointe Phase 1)

June 2018 – City transferred 1.25 acre parcel (Kenai Meadows Phase 1)

Land donation leveraged other funding sources including AHFC, Rasmuson Foundation and Wells Fargo Foundation

Projects helped to support hiring area businesses including Nelson Engineering of Kenai, Central Alaska Engineering of Soldotna and Sundance Construction of Kasilof





## How Did KPHI Perform?

- Four phases of the Kenai Projects completed early or on-time
- All units rented quickly, now have wait lists
- Last phase of Kenai Meadows complete in Jan. 2021 and fully rented by March 2021
- 22 individuals and families live in the two projects now
- Additional benefit during pandemic: KPHI connecting tenants to available resources





## KPHI's Ask Today

Requesting consideration of a donation of 2.5 acres, adjacent to existing developments on Redoubt

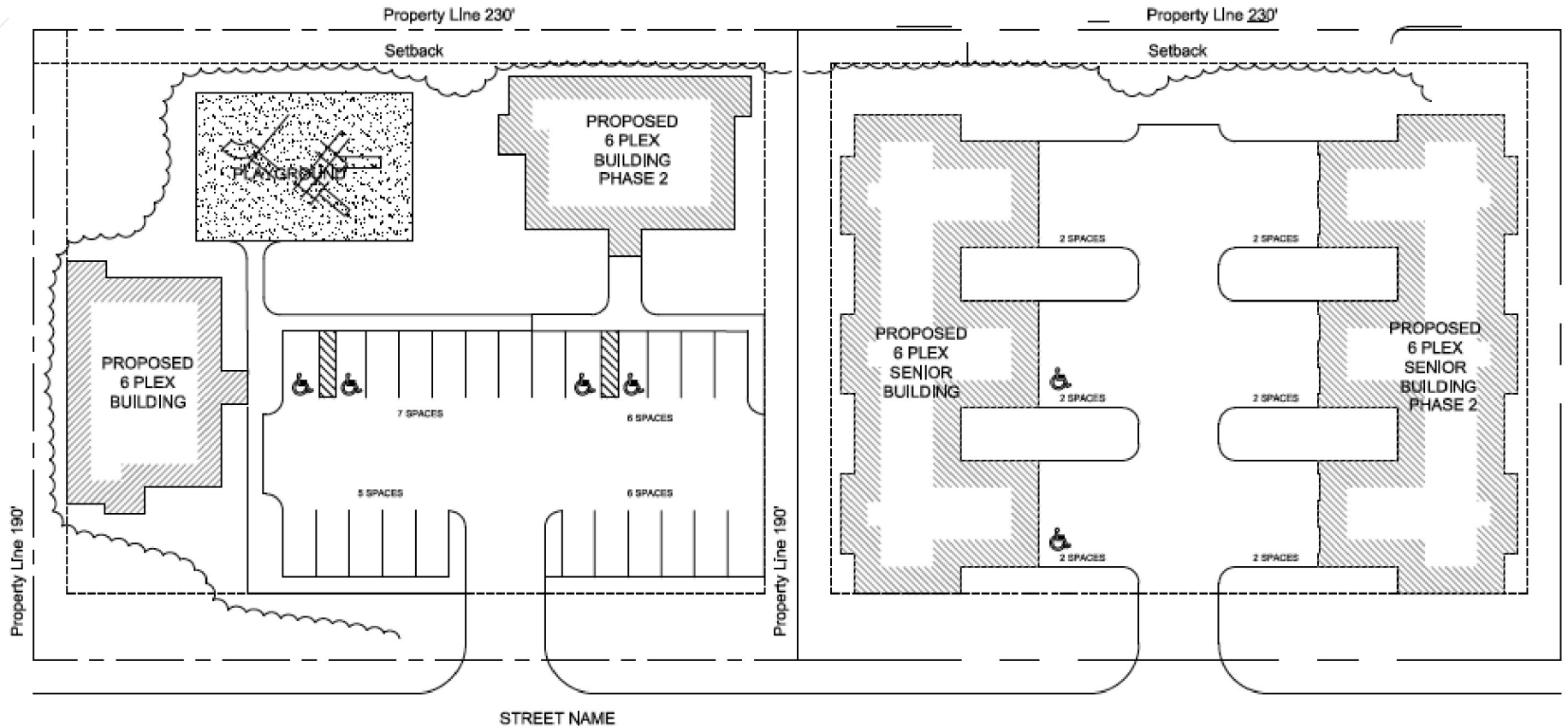
Same terms and conditions as contained in previous ordinance

Intent is to develop 24 units of senior and low-income, multi-family rental apartments

An independent analysis has already confirmed the need and demand for additional housing (study commissioned by AHFC)

**Timeline:** KPHI needs an ordinance passed to demonstrate options for site control to apply for funding in August 2021. Completion of four phases of the development would take 3 to 5 years.

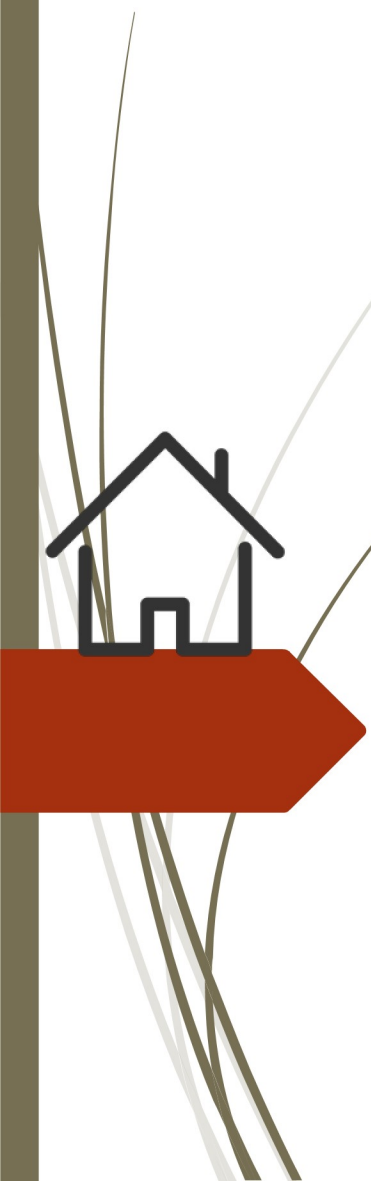




### SITE PLAN CONCEPT

SCALE: 1/32" = 1'-0"

Kenai Peninsula Housing Initiatives  
**Apartment Concept**





## Questions?

Steven Rouse, Executive Director  
Kenai Peninsula Housing Initiatives

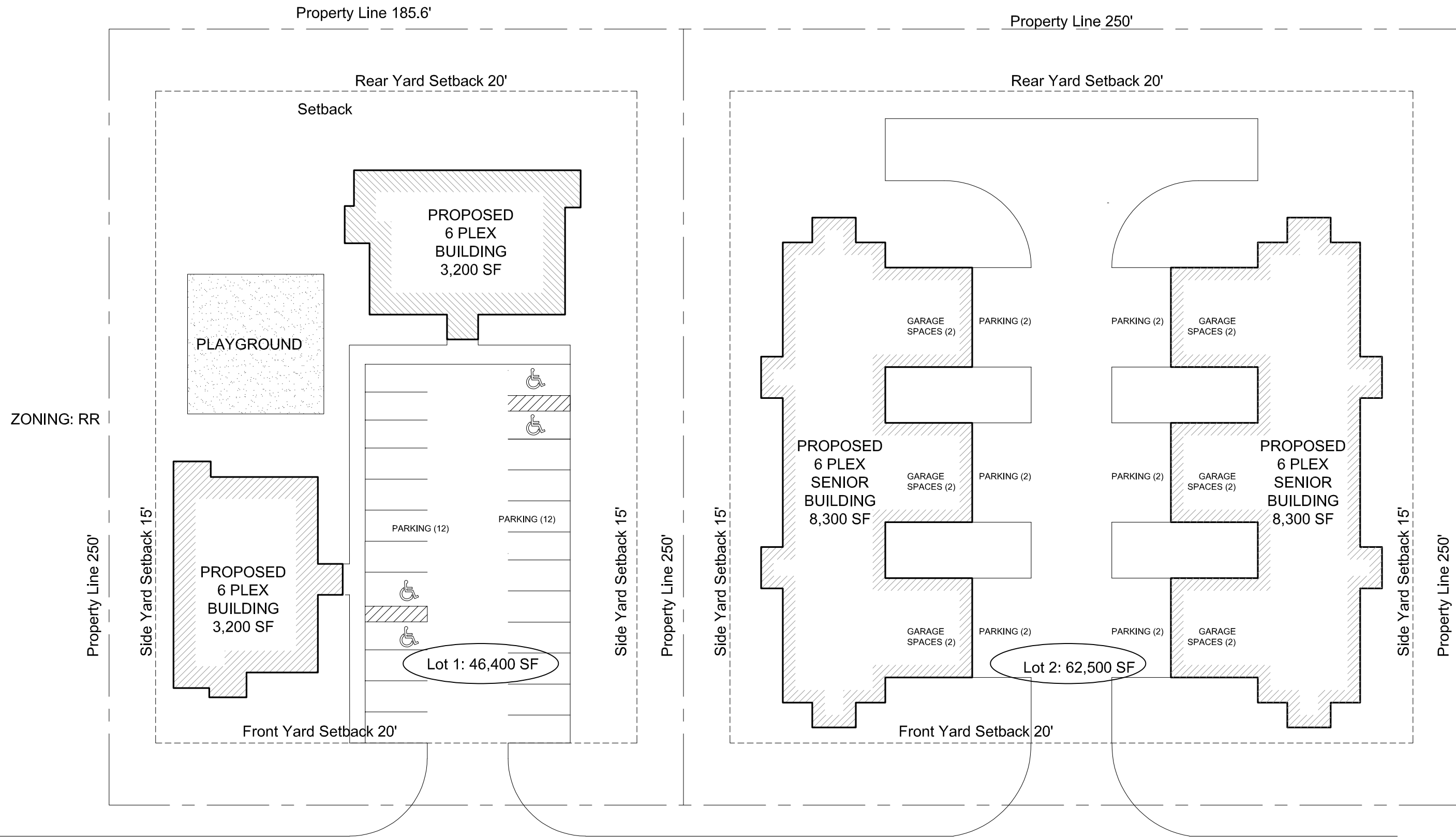
[www.KPHI.net](http://www.KPHI.net)

Phone: (907) 399-4357

Email: [steven@kphi.net](mailto:steven@kphi.net)







Kenai Peninsula Housing Initiatives  
**Apartment Concept**

**SITE PLAN CONCEPT**

SCALE: 1/32" = 1'-0"



Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3218-2021**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING DRUG SEIZURE FUNDS INTO THE POLICE SMALL TOOLS ACCOUNT.

WHEREAS, the Kenai Police Department has received notice from the Court authorizing the forfeiture to the Kenai Police Department of \$112.50 in cash related to the adjudication of drug cases; and,

WHEREAS, the cash was seized during drug investigations, in which the Kenai Police Department was the investigating agency; and,

WHEREAS the Police Department, pursuant to conditions of acceptance, will utilize the forfeited funds in the furtherance of the administration of justice.

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

**Section 1.** That the City Manager is authorized to accept these forfeited funds in the amount of \$112.50 and to expend those funds to fulfill the purpose and intent of this ordinance.

**Section 2.** That the estimated revenues and appropriations be increased as follows:

General Fund:

Increase Estimated Revenues – Forfeitures - Police	<u>\$112.50</u>
Increase Appropriations – Police – Small Tools	<u>\$112.50</u>

**Section 3.** 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 4.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16<sup>th</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 

Introduced: June 2, 2021  
Enacted: June 16, 2021  
Effective: June 16, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** David Ross – Police Chief

**DATE:** May 21, 2021

**SUBJECT:** **Ordinance No. 3218-2021, Accepting Forfeiture Funds**

---

The City of Kenai currently holds \$112.50 in investigative seizure money that has been forfeited to the Department. Kenai Court orders were issued, that ordered the forfeiture of funds including \$112.50 to the Kenai Police Department. The forfeiture is the result of drug investigations in which the Kenai Police Department was the investigating agency. The funds are designated to be used in the furtherance of the administration of justice.

I am respectfully requesting an ordinance appropriating \$112.50 into the General Fund, Police-Small Tools account to be used for law enforcement tools.



Sponsored by: Administration

## CITY OF KENAI

### ORDINANCE NO. 3219-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, CONDITIONALLY DONATING CERTAIN CITY OWNED PROPERTY DESCRIBED AS ONE APPROXIMATE 2 ACRE PARCEL TO BE SUBDIVIDED FROM A PORTION OF THE 6.8 ACRE MORE OR LESS PORTION OF THE EAST OF TRACT 4, BARON PARK SUBDIVISION 2012 ADDITION (KPB PARCEL NO. 045 01 035) TO TRIUMVIRATE THEATRE FOR THE DEVELOPMENT OF A THEATRE FACILITY.

WHEREAS, Kenai Municipal Code 22.05.110, Determination as to need for public purpose, allows the Council, by Ordinance, to donate real property that is no longer needed by the City for a public purpose, to a non-profit corporation for consideration; agreed upon between the City and grantee without a public sale if the devotion is advantageous to the City; and,

WHEREAS, Triumvirate Theatre is a 501(c)3 non-profit corporation with a mission to provide performing arts opportunities with an emphasis on theatre with and for children; and,

WHEREAS, there is a need for a community theatre in the City of Kenai; and,

WHEREAS, the City desires to support performing arts in the community; and,

WHEREAS, donating the subject parcel to Triumvirate Theatre at less than fair market value is in the best interest of the City, and;

WHEREAS, conditions must be placed on the transfer or condition the transfer to ensure a theatre facility is developed or the property is returned to the City including in the event of a land sale, to a for profit entity, the value of the property shall be reimbursed to the City, if the sale occurs within twenty years after transfer to Triumvirate Theatre.

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

**Section 1.** Form: That this is a non-code ordinance.

**Section 2.** That the Kenai City Council hereby authorizes the City Manager to execute, upon completion of a subdivision and necessary proof of financing for the development, the transfer of title for the property: one approximate 2 acre parcel to be subdivided from a portion of the 6.8 acre more or less portion of the east of Tract 4, Baron Park Subdivision 2012 Addition (KPB PARCEL No. 045 01 035), to Triumvirate Theatre, on a form approved by the City Attorney, for less than fair market value (\$1.00) and for the sole purpose of developing a theatre facility.

**Section 3.** That Triumvirate Theatre must complete at its own expense all actions necessary for the subdivision and development of the properties; and to provide proof of financing sufficient for

the projects as prior conditions of the transfer of title; and to pay all closing costs and fees for said property and said consideration to the City for the property.

**Section 4.** That the Kenai City Council further finds the disposal of the parcel to be in the best interests of the citizens of the City of Kenai and that the public interest shall be served by disposing of the property interest for less than the fair market value, in accordance with the recitals above which are incorporated herein.

**Section 5.** That the Kenai City Council further finds that if the action items described herein are not completed by July 16, 2023, the authorization to transfer the land lapses unless further authorized by the City Council.

**Section 6. 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 7. 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 16<sup>th</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Introduced: June 2, 2021  
Enacted: June 16, 2021  
Effective: July 16, 2021



## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Ryan Foster, Planning Director

**DATE:** May 24, 2021

**SUBJECT:** **Ordinance No. 3219-2021 - Conditionally Donating a Portion of Tract 4, Baron Park Subdivision 2012 Addition for the Development of a Theatre Facility.**

---

The purpose of this correspondence is to respond to the City Manager request to bring an ordinance to consider conditionally donating the properties referenced in the above described ordinance to the Triumvirate Theatre.

On May 20, 2021, Joseph Rizzo, on behalf of the Triumvirate Theatre, requested consideration of a donation of approximately 2 acres to the north of Daubensbeck Park to construct a theatre facility. The Triumvirate Theatre has been looking for a new home since a February 20, 2021 fire which resulted in a complete loss of their 5,000 square foot theatre facility. A donation of approximately 2 acres would require a subdivision of the approximately 6.8 acres of Tract 4, Baron Park Subdivision 2012 Addition. The parcel is zoned Light Industrial, which allows a theater with a conditional use permit, requiring submission of an application and approval by the Planning and Zoning Commission.

Thank you for your consideration.

**Attachment A:** Letter from Triumvirate Theatre proposing a land donation for construction of a theatre facility.

**Attachment B:** Aerial Map illustrating the proposed parcel to be subdivided for a theatre facility.

Joseph Rizzo  
ACIPA  
PO Box 322  
Kenai, Alaska 99611

Dear Mr. Ostrander:

Thank you for all your assistance and guidance in helping us put together this proposal that the City of Kenai donate a piece of property on which to build the new Triumvirate Theatre facility. The following information will be helpful for the City Council in determining if this proposal is viable.

### ***History of Alaska Children's Institute for the Performing Arts (Triumvirate Theatre)***

Our organization was formed as a 501(c)3 nonprofit in November 1998. For over 20 years, we have provided performing arts opportunities for members of our community with a special emphasis on theatre with and for children. We serve people in the communities of Kenai, Soldotna, Sterling, Nikiski and Kasilof.

In 2005, we began renting a 3,000-square-foot space in the Peninsula Center Mall in Soldotna, where we operated a 100-seat theatre and a bookstore for almost 10 years. In 2006, four members of the board formed an LLC, North Road Properties, and bought a mechanic shop just a few miles north of the Kenai city limits with the intention of remodeling it to have a permanent home for the theatre's operations, renting it to us for well below market value. Through many grants and thousands of volunteer hours, the remodel was completed in 2013. The last two years of the remodel, the bulk of the interior work was completed by the Nikiski High shop class. White Christmas, the first of dozens of productions and events that would be held at the new facility, opened that December.

Plays, concerts, fundraisers for cancer victims, corporate events, Eagle Scout award ceremonies, wedding receptions and movies are just some of the activities that have taken place in our facility over the last eight years. It was truly a community space for the whole central Kenai.

### ***The Fire***

In the early morning hours of Feb. 20, 2021, a fire broke out in the backstage area of the theatre and engulfed the building in flames. In spite of valiant efforts by the Nikiski and Kenai Fire Departments, it was a complete loss of the 5,000-square-foot facility. Both the insurance forensic expert and the state fire marshal's office could not determine the cause of the blaze.

Currently, fundraising efforts are underway to rebuild the theatre. Meanwhile, the Kenai Peninsula Borough School District is providing our organization use of the Little Theatre at Kenai High to continue our operations throughout the next school year.

### ***Some highlights of services provided by Triumvirate Theatre in the community and the state:***

- We have produced well over a hundred plays, musicals and events over the last 23 years.
- Working with James Adcox, kids and adults in the community created a 240-square-foot mural depicting the history of the Kenai Peninsula.
- Large stained glass artwork was created by children under the direction of Sandy Stevens, a stained glass artist in our community.
- The Class Act Drama Troupe was established in 2005. This troupe is made up of seventh- to 12th-grade youth. Half of funds raised from their shows are distributed back to the kids in the form of scholarships when they graduate high school. Thousands of dollars have been awarded in scholarships over the years. To our knowledge, this is the only program of its kind in the U.S.



***Highlights cont.***

- Working with the Alaska Humanities Forum, we have made two television programs teaching children about Alaska history. *Baranov's Castle* won a Best Indie Film Award at the Kids First Film Festival, the largest such festival in the world. It was also translated into Russian for Russian Television. *Davenport Flagstop and the Case of the Golden Spike* is a 45-minute film created in cooperation with the Alaska Railroad and has enjoyed extensive play on KTUU-TV.
- *Eight Stars of Comedy Gold* was a 90-minute history of the State of Alaska funded through a \$30,000 grant from the Rasmuson Foundation, commemorating the 50th anniversary of statehood.
- Mental Health Mondays is one of our current programs done in cooperation with KSRM Radio. Youth actors produce radio dramas about mental health issues facing teens. The dramas are followed by a round table discussion between the actors and Dr. Paul Turner, a Kenai psychologist.

***Description of Beneficiaries***

We know that the performing arts are critical to children's development and we provide opportunities for them to discover how much the stage can teach them about themselves and the world around them. By getting kids on stage to perform, parents and families that come to see them perform are also important beneficiaries of our programs. Lastly, we are heavily involved in fundraisers for local causes from kids who have cancer to people who lose their homes to house fires. We often provide entertainment for fundraising events and, before our facility burned down, provided a place for the community to hold such events.

***Current Status of the Project (Rebuilding efforts), timeline, and funds raised to date.***

We are currently in the fundraising and planning stages of rebuilding the theatre. Our hope is to have the new theatre open by April or May 2023.

***Fundraising Efforts***

Shortly after the fire occurred, the Rasmuson Foundation helped us set up a disaster relief fund with the Alaska Community Foundation, generously seeding that fund with \$10,000. Through an outpouring of community support, we have raised over \$100,000 in cash donations from over 500 individual donors over the last 10 weeks. This includes a \$10,000 donation from Marathon Oil. We have also received several significant in-kind donations including: \$10,000 in free radio advertising from KSRM Radio Group, a grand piano from the Kenai Peninsula College and excavating services for clean-up.

With the help of a \$25,000 Tier 1 grant from the Rasmuson Foundation, we are working with John Conway, a Foraker consultant hired to help us plan our rebuild efforts. This grant is also paying for architectural services from K&A Design Studios, a local Kenai firm, to develop conceptual drawings and determine an estimated cost of the rebuilding of the facility.

Fundraising efforts will continue over the summer with a goal of raising another \$100,000 in cash donations. We have some great help from local businesses, including Kenai Catering, which is planning on holding a fundraising dinner for us.

In addition to cash that the theatre has raised so far, our former landlord, North Road Properties, is committed to donating over \$200,000 from the insurance settlement so the theatre can build its own facility. We estimate that cost of rebuilding the theatre with the enormous rise in the cost of building materials will exceed \$1,000,000. We are hoping to raise additional funds from foundations and trusts.

Our goal is to submit a Tier 2 grant letter of inquiry to the Rasmuson Foundation by July 31. We will have no less than \$400,000 in funds to bring to this project. A land donation from the City of Kenai for the new theatre will be critical to our request to pursue a Tier 2 grant. The Rasmuson Foundation generally funds capital projects at 50% of the total cost. They have told me that the land donation would be considered matching funds.

### *The Property*

At your suggestion and working with Ryan Foster, we have considered four possible donated sites for the new facility in the City of Kenai. After careful consideration and in consultation with you, John Conway and our architect, we believe KPB Parcel No. 04501035 would best suit the purposes of the new theatre. This facility would require approximately 2 acres to accommodate adequate parking and the footprint of the building. Triumvirate would pay to have Parcel No. 04501035 subdivided so that we would occupy the east part of the parcel.

The following information comes from Ryan Foster:

Legal Description: Tract 4, Baron Park Subdivision 2012 Addition Physical Address: 450 Marathon Road

Size: 6.85 acres (298,386 square feet)

City Zoning: Light Industrial

Land Value: \$417,500 (from KPB)

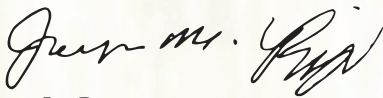
This parcel would likely require a subdivision of the 6.85 acres for a theater project/donation. The new Kenai Dog Park is being constructed on this parcel and the City is amending the plat to remove the dog park from Tract 4 and add it to Tract 5. Water and sewer is adjacent to the property from Marathon Road and Daubensbeck Road. Theaters are allowed in the Light Industrial zoning district with a conditional use permit.

### *Advantages for the City of Kenai*

Theatres are economic engines for communities. Not only would Triumvirate Theatre patronize hardware stores and grocery stores in the course of our operations but our patrons will eat at local restaurants before or after shows. In addition to paying property tax, Triumvirate would also hire locals in teaching drama camps, running operations and conducting maintenance on the building.

The other advantage, of course, is having the arts in the community and the educational opportunities for local kids. We have no doubt that being in town will increase the number of children we serve with our programs.

Thank you for considering this proposal. If you need further information, please contact me on my cell at: (907) 394-1159 or by email.



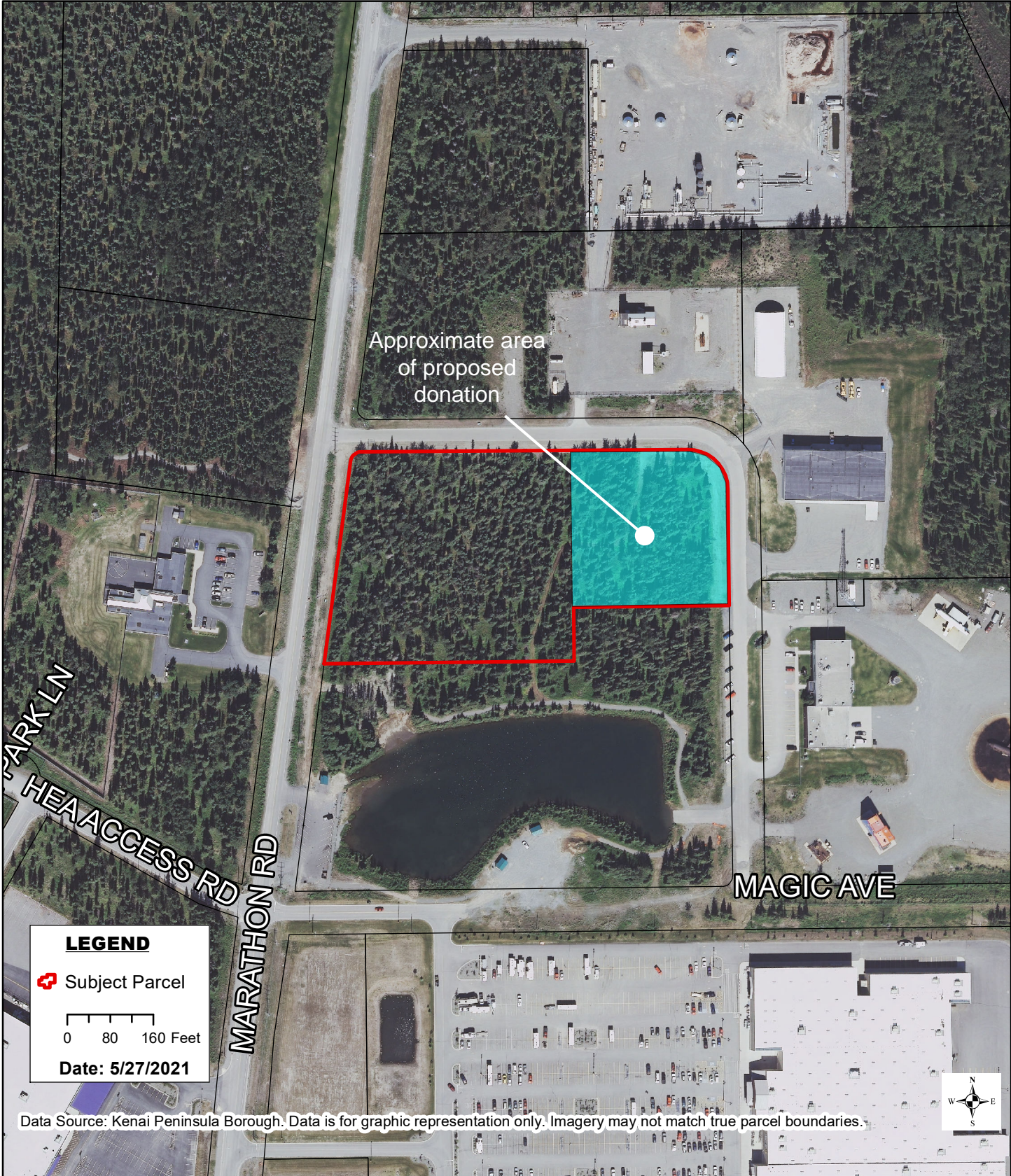
Joe Rizzo  
Executive Director  
ACIPA



triumvirate  
**THEATRE**



RESOLUTION 3219-2021  
PROPOSED DONATION TO TRIUMVIRATE THEATRE  
KPB #045 01 035  
APPROXIMATELY 2 ACRE PORTION OF  
TRACT 4, BARON PARK SUBDIVISION 2012 ADDITION



**LEGEND**

Subject Parcel

0 80 160 Feet

Date: 5/27/2021

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





Sponsored by: Administration

## CITY OF KENAI

### ORDINANCE NO. 3220-2021

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, AUTHORIZING A TOURISM, TRAVEL, AND HOSPITALITY SERVICES ECONOMIC STIMULUS PROGRAM TO BENEFIT CERTAIN KENAI SMALL BUSINESSES AND AWARD OF A PROFESSIONAL SERVICES AGREEMENT TO THE KENAI CHAMBER OF COMMERCE AND VISITOR CENTER FOR ADMINISTRATION OF THE PROGRAM.

WHEREAS, the COVID-19 Public Health Emergency significantly affected local businesses; and,

WHEREAS, local business in the tourism travel and hospitality industry have been some of the most impacted businesses; and,

WHEREAS, local businesses are the lifeblood of the Kenai economy providing services and jobs to residents and sales taxes used to provide essential public services like public safety, street maintenance, parks & recreation, senior services, etc.; and,

WHEREAS, creation of a program to support tourism, travel, or hospitality businesses in Kenai will encourage local spending at Kenai businesses at a critical time in the community's recovery from the COVID-19 Public Health Emergency; and,

WHEREAS, the City has worked directly with the Kenai Chamber of Commerce and Visitor Center on a project to create a tourism, travel, and hospitality services program which will provide economic relief and stimulus to certain local businesses and incentivize local spending in the summer months and into the fall season; and,

WHEREAS, the Kenai Chamber of Commerce and Visitor Center is uniquely qualified to administer the program because of its relationship with and advocacy for Kenai businesses; and,

WHEREAS, the success of the City is dependent upon the success of the local economy and its businesses and a program to reward local spending, promote certain Kenai businesses most impacted by the Public Health Emergency, and continue the community's recovery is in the best interest of the City and its residents.

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

**Section 1.** That the City Manager is authorized to establish a Kenai Tourism, Travel and Hospitality Services Program in the amount of \$200,000.

**Section 2.** That the City Manager is authorized to execute a professional service agreement with the Kenai Chamber of Commerce for administration of the program for a total cost not to

exceed \$5,600 including up to \$3,400 to promote the program and up to \$2,000 for program administration and support.

**Section 3.** That the estimated revenues and appropriations be increased as follows:

General Fund:

Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$205,600</u>
Increase Appropriations – Non-Departmental	
Professional Services	\$ 5,600
Grants to Others	<u>200,000</u>
	<u>\$205,600</u>

**Section 4.** 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 5.** Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 16<sup>th</sup> day of June, 2021.

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

\_\_\_\_\_  
Jamie Heinz, MMC, City Clerk

Approved by Finance: 

Introduced: June 2, 2021  
Enacted: June 16, 2021  
Effective: June 16, 2021



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**FROM:** Paul Ostrander, City Manager

**DATE:** May 25, 2021

**SUBJECT:** **Ordinance 3220-2021 – Kenai Tourism, Travel, and Hospitality Services Stimulus Program to Benefit Kenai Small Business**

---

The Administration is working with the Kenai Chamber of Commerce and Visitor Center to develop a Kenai tourism, travel, and hospitality services program (“The Second One is On Us!”) to provide economic relief and stimulus to Kenai small businesses in the tourism, travel, and hospitality industry, some of which were hardest hit by the COVID-19 Public Health Emergency. The program is designed to attract new spending and purchasing of goods and services in Kenai by incentivizing local tourism-related purchases. Individuals who purchase a single tourism, travel, or hospitality service in Kenai with a participating business will receive a voucher of equal value on a second purchase at that business.

The program will provide economic support and attract business activity in Kenai during this critical time of recovery from the COVID-19 Public Health Emergency. The program would run between July 16, 2021 and September 30, 2021, when residents and businesses may benefit from the program the most.

The Administration recommends entering into an Agreement with the Kenai Chamber of Commerce and Visitor Center to administer the program for \$5,600. This amount includes \$200,000 as a direct incentive to shoppers and \$5,600 for actual administrative costs, including a marketing campaign, supplies and materials, and administrative costs.

Your consideration is appreciated.



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Eland Conway, Airport Manager  
**DATE:** May 20, 2021  
**SUBJECT:** **Action/Approval – Special Use Permit Crowley Fuels LLC**

---

Crowley Fuels LLC is requesting a Special Use Permit for a one-year term beginning July 1, 2022 through June 30, 2022.

The Permit is for 35,000 square foot of the apron for aviation fueling on the apron fueling area.

Crowley Fuels LLC is current on all fees owed and we have a current Certificate of Insurance.

Airport Commission reviewed the request at the May 13, 2021 Commission meeting and recommends Council approval.

Administration respectfully requests Council to authorize the City Manager to enter into a Special Use Permit with Crowley Fuels LLC.

Thank you for your consideration.

attachments

## SPECIAL USE PERMIT – 2021

The CITY OF KENAI (City) grants to CROWLEY FUELS LLC (Permittee), whose address is 201 Arctic Slope Ave., Anchorage, AK 99518, a Special Use Permit for the fueling area on the apron at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 35,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.
  
2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2021 and ending on June 30, 2022. Regardless of the date of signature, this Permit shall be effective as of July 1, 2021.
  
3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:
  - A. **Permit:** Permittee shall pay a monthly fee of \$3,529.16 plus applicable sales tax.
  
  - B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.
  
  - C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least thirty (30) days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by July 1, 2021. The effective date of the insurance shall be no later than July 1, 2021.

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

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

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

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

any damage caused by and costs associated with any spill, the cleanup of any spill, or the discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF KENAI**

**CROWLEY FUELS LLC**

By: \_\_\_\_\_  
Paul Ostrander Date  
City Manager

By: \_\_\_\_\_  
Richard W. Meidel Date  
Vice President

ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2021, the foregoing instrument was acknowledged before me by Paul Ostrander, City Manager, of the City of Kenai, an Alaska municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2021, the foregoing instrument was acknowledged before me by Richard W. Meidel, Vice President, Crowley Fuels LLC, on behalf of the State of Alaska.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

ATTEST:

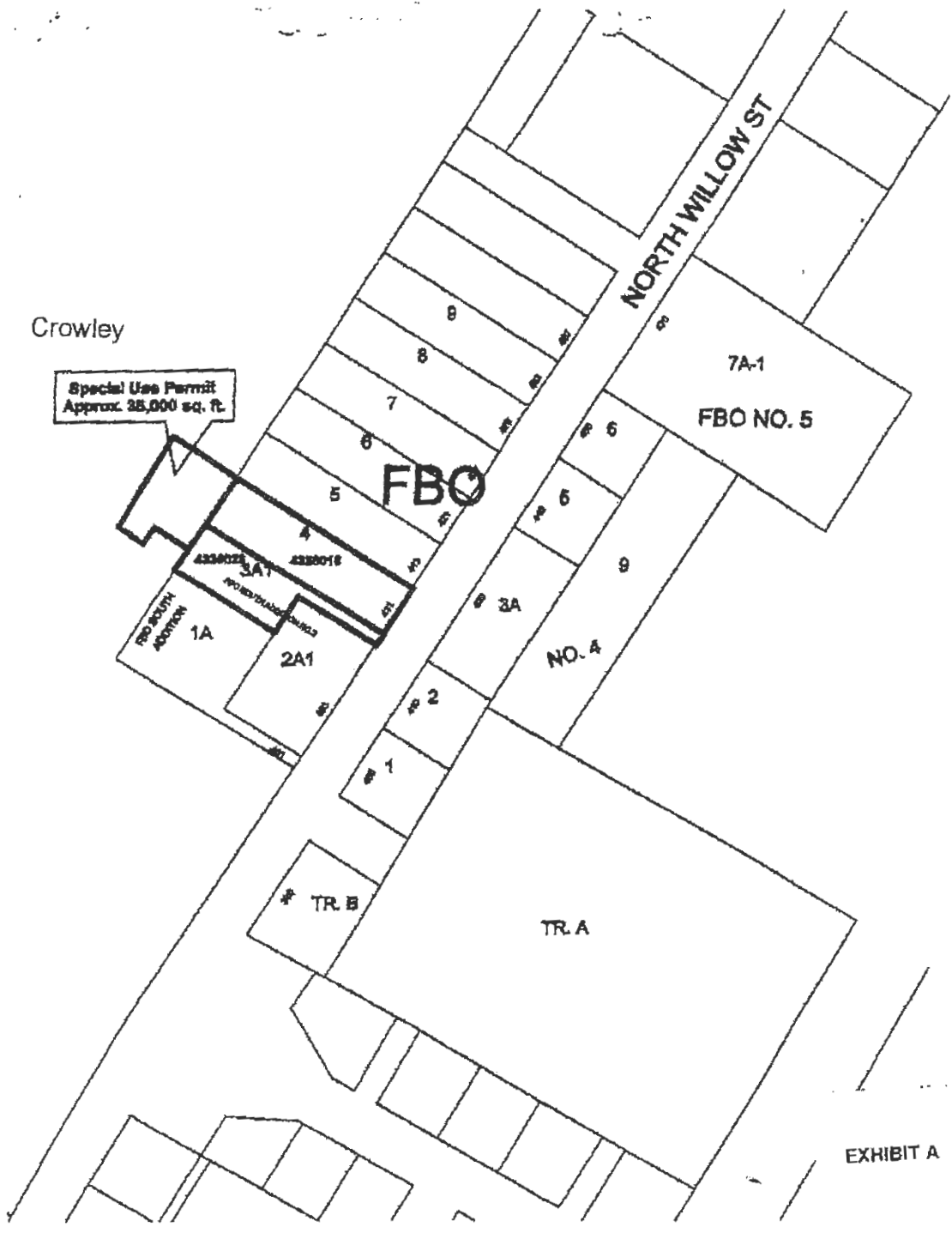
\_\_\_\_\_  
City Clerk

SEAL:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Scott M. Bloom, City Attorney

EXHIBIT A







# 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, MMC, City Clerk  
**DATE:** May 27, 2021  
**SUBJECT:** **Appeal of a Planning and Zoning Commission Action Approving a Conditional Use Permit to Applicant, Dean Schlehofer, to Operate a Guide Service at 345 Dolchok Lane, Lot 4, Block 4, Basin View Subdivision Part 3.**

An application to appeal the above-referenced matter was received on May 26, 2021.

KMC 14.20.290(f)(1), "Appeals - Board of Adjustment" provides,

(1) The Board of Adjustment shall ordinarily set a date for and hold a hearing on all appeals within forty-five (45) days of the filing of the appeal. However, should the forty-fifth day fall on a weekend or a municipal holiday, the hearing may be scheduled for the next following weekday which is not a municipal holiday under KMC 23.40.020(a)(1)-(10) and (b). For good cause, the Board of Adjustment may hold the hearing up to sixty (60) days after the filing of the appeal. Notice of the time and place of such hearing shall be mailed to all parties interested and to all property owners within 300 feet of the property involved at least fifteen (15) days prior to the hearing. Notices to the appellant and/or applicant for the action or determination must be sent by certified mail, return receipt requested.

The following information is provided to help in setting a Board of Adjustment hearing date:

<b>FORTY-FIVE DAY END DATE</b>	<b>Saturday, July 10, 2021 which would be extended to Monday, July 12, 2021 per KMC 14.20.290(f)(1)</b>
<b>COUNCIL MEETING DATES (within 45-day requirement)</b>	<b>Wednesday, June 16, 2021 Wednesday, July 7, 2021</b>
<b>SIXTY-DAY END DATE</b>	<b>Sunday, July 25, 2021</b>
<b>COUNCIL MEETING DATE(S) (within 60-day requirement)</b>	<b>Wednesday, June 16, 2021 Wednesday, July 7, 2021</b>

Pursuant to KMC 14.20.290 referenced above, the City is required to provide notice of the hearing at least fifteen (15) days prior to the hearing. As such, to comply with the notice requirements, the hearing must be scheduled no sooner than Friday, June 18, 2021.

KMC 14.20.290 allows for an extension, "For good cause, the Board of Adjustment may hold the hearing up to sixty (60) days after the filing of the appeal."





# 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, MMC, City Clerk

**DATE:** May 27, 2021

**SUBJECT:** **Appeal of a Planning and Zoning Commission Action Denying a Conditional Use Permit to Applicant, Dean Schlehofer, for Lodging at 345 Dolchok Lane, Lot 4, Block 4, Basin View Subdivision Part 3.**

An application to appeal the above-referenced matter was received on May 27, 2021.

KMC 14.20.290(f)(1), "Appeals - Board of Adjustment" provides,

(1) The Board of Adjustment shall ordinarily set a date for and hold a hearing on all appeals within forty-five (45) days of the filing of the appeal. However, should the forty-fifth day fall on a weekend or a municipal holiday, the hearing may be scheduled for the next following weekday which is not a municipal holiday under KMC 23.40.020(a)(1)-(10) and (b). For good cause, the Board of Adjustment may hold the hearing up to sixty (60) days after the filing of the appeal. Notice of the time and place of such hearing shall be mailed to all parties interested and to all property owners within 300 feet of the property involved at least fifteen (15) days prior to the hearing. Notices to the appellant and/or applicant for the action or determination must be sent by certified mail, return receipt requested.

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KMC 14.20.290 allows for an extension, "For good cause, the Board of Adjustment may hold the hearing up to sixty (60) days after the filing of the appeal."



**KENAI PARKS & RECREATION COMMISSION  
MAY 6, 2021 – 6:00 PM  
KENAI CITY COUNCIL CHAMBERS  
CHAIR CHARLIE STEPHENS, PRESIDING**

**MEETING SUMMARY**

**1. CALL TO ORDER**

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

**a. Pledge of Allegiance**

Chair Stephens led those assembled in the Pledge of Allegiance.

**b. Roll was confirmed as follows:**

Commissioners present: C. Stephens, T. Wisniewski, J. Dennis, S. Kisena, M. Bernard,

Commissioners absent: J. Joanis, D. Rigall, R. Tomrdle

Staff/Council Liaison present: Parks & Rec Director B. Frates, Council Liaison T. Winger

A quorum was present.

**c. Agenda Approval**

**MOTION:**

Commissioner Kisena **MOVED** to approve the agenda as presented and Vice Chair Wisniewski **SECONDED** the motion. There were no objections; **SO ORDERED**.

**2. SCHEDULED PUBLIC COMMENTS**

**a. Marek Grieme – Boot Brushing Stations (Eagle Scout Project)**

Marek Grieme introduced himself and noted he is seeking approval and support to install boot brush stations at several places in the city. He explained this is a project he is tackling in order to obtain his Eagle Scout status. It was noted that Merek met with Director Frates and discussed possible areas. As noted in his PowerPoint presentation, targeted areas include Ryan’s Creek Trail, Shqui Tsatnu Creek Trail, Meeks Trail, and Cunningham Park. Cunningham Park, at the suggestion of Director Fratres, will include a collector for fishing line.

**3. UNSCHEDULED PUBLIC COMMENT**

Christina Warner noted that the disc golf course has been really busy and requested portable restrooms be placed for summer use.

**4. APPROVAL OF MEETING SUMMARY**

**a. April 1, 2021**

**MOTION:**

Vice Chair Wisniewski **MOVED** to approve the meeting summary of April 1, 2021 and Commissioner Kisena **SECONDED** the motion. There were no objections; **SO ORDERED.**

5. **UNFINISHED BUSINESS** – None.

6. **NEW BUSINESS**

a. **Discussion** – Boot Brushing Stations (Eagle Scout Project)

Members of the commission noted willingness to contribute money to help with costs. Director Frates requested Marek keep him in the loop and the department could help, if needed.

7. **REPORTS**

a. **Parks and Recreation Director** – Director Frates reported

- Crews have been out prepping areas to be mowed (sand removal), turning on water, etc.;
- Response for summer jobs so far has been low;
- Updates on Kite Festival and volunteer planting dates.

b. **Commission Chair** – Chair Stephens thanked everyone for their participation and noted he enjoyed Marek's presentation.

c. **City Council Liaison** – Council Member Winger reported on the actions of the March May 5, 2021 City Council meeting.

8. **NEXT MEETING ATTENDANCE NOTIFICATION** – June 3, 2021

9. **COMMISSION QUESTIONS & COMMENTS** – None.

10. **ADDITIONAL PUBLIC COMMENT** – None.

11. **INFORMATIONAL ITEMS**

12. **ADJOURNMENT**

There being no further business before the Commission, the meeting was adjourned at 6:50 p.m.

Meeting summary prepared and submitted by:

---

Meghan Thibodeau  
Deputy City Clerk

**KENAI PLANNING & ZONING COMMISSION**  
**REGULAR MEETING**  
**MAY 12, 2021 – 7:00 P.M.**  
**KENAI CITY COUNCIL CHAMBERS**  
**210 FIDALGO AVENUE, KENAI, ALASKA**  
**CHAIR JEFF TWAIT, PRESIDING**

**MINUTES**

**A. CALL TO ORDER**

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

**1. Pledge of Allegiance**

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

**2. Roll Call**

Commissioners present: J. Twait, D. Fikes, J. Halstead, G. Woodard, G. Greenberg,  
A. Douthit, R. Springer

Commissioners absent:

Staff/Council Liaison present: Planning Director R. Foster, Planning Assistant W.  
Anderson, Deputy City Clerk M. Thibodeau, Council Liaison  
J. Glendening

A quorum was present.

**3. Agenda Approval**

Chair Twait noted the following revisions to the agenda and packet:

- |                  |   |
|------------------|---|
| Add to item F.2. | <p><b>Resolutions PZ2021-16 and PZ2021-17</b></p> <ul style="list-style-type: none"> <li>• Emails objecting to Guide Service and Lodging</li> <li>• Covenants, Conditions and Restrictions Basin View Subd. Part 3</li> </ul> |
|------------------|---|

**MOTION:**

Commissioner Greenberg **MOVED** to approve the agenda with requested additions and Commissioner Woodard **SECONDED** the motion. There were no objections; **SO ORDERED**.

**4. Consent Agenda**

**MOTION:**

Commissioner Greenberg **MOVED** to approve the consent agenda and Vice Chair Fikes **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 – None

**B. APPROVAL OF MINUTES**

1. \*April 28, 2021

The minutes were approved by the Consent Agenda.

**C. SCHEDULED PUBLIC COMMENT** – None.

**D. UNSCHEDULED PUBLIC COMMENT** – None.

**E. CONSIDERATION OF PLATS**

- 1. **Resolution PZ2021-14** – Preliminary Subdivision Plat of FBO Subdivision No. 11, submitted by Segesser Surveys, 30485 Rosland Street, Soldotna, AK 99669, on behalf of City of Kenai, 210 Fidalgo Avenue, Kenai, AK 99611

Planning Director Foster presented his staff report with information provided in packet noting that the City of Kenai wishes to increase the size of the Lot 3 for the construction of a sand storage building for maintenance of the airfield. The preliminary plat of FBO Subdivision No. 11 will move the property line between two lots approximately 125 feet, resulting in a larger lot for the sand storage building and a smaller lot that is leased to the State of Alaska, Division of Forestry.

Approval of the plat was recommended, subject to the following conditions:

- 1. Further development of the property shall conform to all federal, State of Alaska, and local regulations.

**MOTION:**

Commissioner Greenberg **MOVED** to approve Resolution No. PZ2021-14 with staff recommendations and Commissioner Douthit **SECONDED** the motion.

**VOTE:**

YEA: Springer, Halstead, Douthit, Fikes, Greenberg, Woodard, Twait

NAY:

**MOTION PASSED UNANIMOUSLY.**

**F. PUBLIC HEARINGS**

- 1. **Resolution PZ2021-15** – Application for a Conditional Use Permit for Cabin Rentals for the property described as Lot 3, James H Cowan Estates, located at



1050 Angler Drive, Kenai, Alaska 99611. The application was submitted by Bryan Lowe, Rachel Lowe and Bryson Lowe, 411 Eadies Way, Kenai, AK 99611

Planning Director Foster presented his staff report with information provided in packet explaining that the applicant wishes to obtain a Conditional Use Permit for a cabin rental business. The criteria for conditional use permits was reviewed; it was noted the application met the criteria and City staff recommends approval subject to the following conditions:

1. Further development of the property shall conform to all federal, State of Alaska, and local regulations.
2. Prior to issuance of a Building Permit, a landscape/site plan must be reviewed and approved by the Planning Director.
3. Prior to beginning construction of the project, a building permit must be issued by the Building Official for the City of Kenai.
4. A yearly Conditional Use Permit report must be submitted to the City of Kenai prior to the 31st day of December of each year.
5. The applicant will meet with City staff for on-site inspections when requested.
6. If there is a change of use for the above described property a new Conditional Use Permit must be obtained, pursuant to 14.20.150(i)(5).
7. Pursuant to KMC 14.20.150(i)(2), this permit shall expire automatically upon termination or interruption of the use for a period of at least one year.
8. Failure to provide documentation to the City for meeting these conditions shall be grounds for the suspension or revocation of the conditional use permit.

#### **MOTION:**

Commissioner Douthit **MOVED** to approve Resolution No. PZ2021-15 with staff recommendations and Commissioner Woodard **SECONDED** the motion.

Chair Twait opened for public hearing.

Jerry Huf stated that he believed the City should not issue any more Conditional Use Permits (CUP) until the CUP process changes because, after issuing a CUP the City does not do enough to enforce the conditions of the permit. He stated that he knew of individuals that had been issued CUPs who don't follow the conditions and there are complaints from neighbors and the City should be addressing this.

Ron Rogalsky emphasized the importance of Criteria #2 "*KMC 14.20.150(d)(d) The value of the adjoining property and neighborhood will not be significantly impaired,*" noting how the actions of neighbors can devalue one's own property and neighborhood. He noted that CUPs are often used to bypass the rules of zoning.

Rick Baldwin encouraged the commission to consider the impact of the proposed use on the surrounding property. He stated that the key question to ask is whether the CUP would prohibit uses which would violate the residential character of the neighborhood environment, and noted that due to the number of businesses already operating on Angler Drive, there is very little residential character left.

Jerry Huf commented that Angler Drive is saturated with businesses operating under CUPs and, while most businesses owners are responsible and live in the area, some do not. He stated that Angler Drive used to be a residential neighborhood but it has evolved into a tourism area which

some people find to be undesirable.

Jim Richardson noted that as a longtime resident of the area, he had observed the rising number of CUPs. He clarified that he had previously researched the number of CUPs in the area and found that at the time not all of these businesses were reporting income and paying taxes on it. He also noted that his plans to retire in this area has changed, because he has had issues with trespassing, partying, riding golf carts on the road, loud music, and attempts to work with the police and the City to resolve these issues have been unsuccessful.

Rachel Lowe explained that she is involved in this project, she has lived in the area for most of her life and her family has been involved in lodging businesses there for generations. She explained that lodges help bring tourism to Kenai and boost the economy through taxes and money spent at local businesses. She clarified that her intent is not to allow partying, but to invest in this business as an upstanding place that people will want to return to. She also noted that, while she was growing up, very few year-round residents lived there and the area has been primarily for charter businesses and lodging so it is not a new change.

There being no one wishing to be heard, the public hearing was closed.

Clarification was provided that more detailed schematics of the operation will be provided by the applicant per the conditions of the CUP. The question was raised about the work the applicant may have already done on the property and it was clarified that the property is classified as being vacant without a structure, and groundwork or clearing that has been done would not be getting ahead of the CUP.

Concerns were expressed about the City's process for addressing complaints towards CUP properties, and clarification was provided that CUPs were reviewed on an annual basis and if problems arise, those permits can be revoked by the Planning & Zoning Commission through a public hearing.

Commissioner Greenberg noted that there are many other CUPs in the area that have all gone through the same approval process along with annual reviews, and that because this application meets all the criteria it would be unfair to vote against it.

Commissioner Douthit, referring to a public comment that this would affect the environment of the neighborhood, noted that with so many similar businesses in the subdivision it is actually consistent with what many neighbors are doing and prospective homeowners would be well aware of this environment, so voting against it would be counterproductive.

Chair Twait recognized that there may be issues with CUP properties that the Commission is not being made aware of and noted that, when they approve a permit like this it is with the intention that if things are not being run the way they should, the permit can be revoked. He noted that he believes this application falls within the parameters of a CUP and meets the criteria to qualify. It was clarified that there is a process in Kenai Municipal Code that outlines how the process of revocation for a CUP occurs.

Vice Chair Fikes expressed concern that the business model presented in the CUP application is too vague and ambiguous, and when met with this kind of opposition it presents a difficult situation if the Commission is not receiving feedback about permits.

Commissioner Greenberg noted that the applicant for this particular CUP is a different person who has met the necessary criteria.

Clarification was provided that revocation of a CUP can be done based on an annual review or any other investigation undertaken, and one reason that the Planning & Zoning Commission can revoke a CUP is if they violate the terms of the permit.

Discussion included potential conditions which could be attached to the resolution and how that could affect the enforcement of conditions or revocation, and whether other CUP property owners in the area are held to similar conditions. The applicant clarified that she would be the onsite manager and other family members would also be working there, and they would be overseeing the operation.

Vice Chair Fikes clarified that the areas she found incomplete in the application were details regarding management's availability, which she believed were relevant due to the number of concerned parties in the audience. It was clarified that hours of operation are not a requirement of the application, but it is within the purview of the commission to ask for this.

**MOTION TO AMEND:**

Vice Chair Fikes **MOVED** to amend PZ2021-15 to include the following condition under Section 2: "9. No loud noises past the hour of 10pm until the hour of 5am." Commissioner Halstead **SECONDED** the motion.

Questions were raised about how noise complaints can be investigated and enforced, and the process by which the Commission receives information about complaints and other violations which could result in permit revocation.

**VOTE ON AMENDMENT:**

YEA: Halstead, Fikes, Twait  
 NAY: Douthit, Greenberg, Woodard, Springer

**MOTION FAILED.**

**MOTION TO POSTPONE:**

Commissioner Halstead **MOVED** to postpone PZ2021-15 until the Planning & Zoning Commission meeting of May 26, 2021, with the intent of having a work session prior to the meeting. Commissioner Douthit **SECONDED** the motion.

**VOTE ON POSTPONEMENT:**

YEA: Fikes, Woodard, Halstead  
 NAY: Douthit, Greenberg, Twait, Springer

**MOTION FAILED.**

The comment was made that the main issue that should be addressed is a breakdown in communication on the enforcement side, and not necessarily this specific permit application.

**VOTE ON MAIN MOTION:**

YEA: Fikes, Greenberg, Woodard, Twait, Springer, Halstead, Douthit  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

Chair Twait noted the fifteen-day appeal period.

2. **Resolutions PZ2021-16 and PZ2021-17** – Application for a Conditional Use Permit for a Guide Service and Lodging for the property described as Lot 4, Block 4, Basin View Subdivision Part 3, located at 345 Dolchok Lane, Kenai, Alaska 99611. The application was submitted by Dean M. Schlehofer, P.O. Box 201565, Anchorage, AK 99520-1565

Planning Director Foster presented his staff report with information provided in packet noting that the applicant would like to conduct a fishing guide service and lodging accommodations for his clients. The criteria for conditional use permits was reviewed; it was noted the application met the criteria and City staff recommends approval subject to the following conditions:

1. Further development of the property shall conform to all federal, State of Alaska, and local regulations.

**MOTION:**

Commissioner Douthit **MOVED** to approve of Resolution No. PZ2021-16 with staff recommendations and Commissioner Greenberg **SECONDED** the motion.

Commissioner Douthit disclosed that he is a registered fishing guide and he has no financial gain or personal interest in this or anything else pertaining to this, nor does he have any kind of personal relationship with the owner of this property. Chair Twait noted that he does not see a conflict of interest.

Chair Twait opened for public hearing.

Evelyn Dolchok Huf stated her opposition to the resolution. She explained that the area has always been a single-family dwelling neighborhood, and to change the established dynamic would be detrimental. She referenced KMC 14.29.150(d)(2) *The value of the adjoining property will not be significantly impaired*, noting that those looking for a family neighborhood would look elsewhere. She expressed concerns about safety, increased traffic, noise, and the ability of the City to enforce conditions of these permits.

Rick Baldwin clarified that his remarks would be in opposition to the guide service. He questioned how the business would operate and whether the application was complete enough for approval. He stated that the key question the Commission should be asking is whether the proposed use of the CUP is compatible with the character of the neighborhood as determined in the covenants, and that the Commission should give deference to these covenants.

Jerry Huf expressed concern about the inclusion of conditions for a dock in the resolution, noting that allowing this would open the door for others to ask for more permits. He stated his opposition, noting concern for the character of the neighborhood.

Mylee Niederhauser questioned how the applicant had begun to advertise this business online prior to the approval of his permit. She expressed opposition to the resolution, noting concerns about noise and trespassing.

Charlotte Coats stated her opposition to both permits for guide service and lodging. She noted the family-centered character of the neighborhood and that a fishing lodge would be in direct conflict with it, as some family activities would not be possible with these businesses operating there. She expressed concerns about how the river could be accessed from this property, the increased water and septic needs of a lodge leading to pollution of the anadromous ecosystem, increased traffic, safety, and adherence to covenants.

Elaine Larson emphasized the family-centered character of the neighborhood, noting that the residents oppose this because it would *"Violate the residential character of the environment"* which is a prohibited use under Criteria #1, *"KMC 14.20.150(d)(1) The use is consistent with the purpose of this chapter and the purposes and intent of the zoning district."* She also referred to Criteria #2 *"KMC. 14.20.150(d)(2) The value of the adjoining property and neighborhood will not be significantly impaired"* explaining that she is very concerned about her property values and it sets a precedent for allowing other guide services.

Phil Daniel questioned the data collection process for Criteria #2 *"KMC. 14.20.150(d)(2) The value of the adjoining property and neighborhood will not be significantly impaired"* noting that the driveway is gravel and not paved, the aerial photo is not current and the tree line may not provide a natural buffer in the future due to spruce bark beetles. He encouraged the Commission to see the property for themselves, noting that it is a neighborhood the residents do not want to change the character of.

Dean Schlehofer, applicant, responded to an earlier testimony regarding his online advertisement and clarified that it is a very old website which had not been updated since he moved and he intends to change. He explained that he had concerns for the neighborhood prior to purchasing the property and only did so after conducting his own research. He addressed concerns regarding how his clients would access the river, their road access and how he intends to manage the traffic. He suggested allowing a year trial for his business and revisiting concerns after that point. He also clarified details regarding his bookings, boat storage, parking, months of operation and occupancy, and scope of guide services.

Mark Larson clarified that his opposition is nothing personal against the applicant, but that CUP approval can be a slippery slope and he would rather not see that situation in this neighborhood.

Ron Rogalsky thanked the Commission and noted that he had heard that bookings are already in place and construction has already started for this operation.

Barbara Baldwin read "Opposition to Application for Conditional Use Permit" as provided in the laydown into the record, clarifying that it was signed by over forty people in the neighborhood.

Duane Mayes spoke to the character and integrity of the applicant, noting their history of working together and the applicant's reputation as a successful guide, businessman and leader in the deaf community.

Amber Every stated her opposition to the resolution, expressing concern over a change to the neighborhood dynamic, noise, loss of privacy, negative impacts on property value, unsafe road

conditions as a result of boats on the road, overcrowding on the property, and widespread opposition from neighbors.

There being no one wishing to be heard, the public hearing was closed.

The applicant provided clarification on his previous location of business, expected hours of operation for the guide service, whether guests need to be booked on fishing trips, the traffic from other potential employees.

Discussion included the possibility of a one-year trial, and it was noted that there is not currently a process in place for these kinds of permit conditions.

The applicant provided clarification on the number of employees for the guide service that would operate from the property, and how much of the business as done on the property versus at off-site locations.

**VOTE:**

YEA: Greenberg, Twait, Halstead, Douthit  
NAY: Woodard, Springer, Fikes

**MOTION PASSED.**

Chair Twait noted the fifteen-day appeal period.

**MOTION:**

Vice Chair Fikes **MOVED** to approve Resolution No. PZ2021-17 with staff recommendations and Commissioner Douthit **SECONDED** the motion.

Chair Twait opened for public hearing.

Rick Baldwin stated his opposition, and noting there was a large trailer on site which, along with other vehicles, has clogged up the parking lot. He referenced the findings in the staff report under Criteria #1 *KMC 14.20.150(d)(1) The use is consistent with the purpose of this chapter and the purposes and intent of the zoning district* in which it states "there are no proposed physical changes that would violate the residential character of the neighborhood," arguing that the character can be violated by non-physical changes such as an increase in noise. He responded to staff findings under Criteria #4 *"KMC 14.20.150(d)(3) The proposed use is in harmony with the Comprehensive Plan"* which state "The Comprehensive Plan has goals to support businesses and economic development" by stating that economic development should never override quality of life.

Chuck Eubank questioned how the applicant will operate his business within the subdivision and his need for a permit, stated his opposition to the resolution and warned against setting a precedent.

Kelsey Daniel expressed concern for the safety of neighborhood children, traffic, littering, noise and disturbances, strangers on the road, and boats backing out.

Amber Every clarified that her opposition is nothing personal against the applicant, but that he had agreed to the neighborhood's covenants. She stated that if the Commission approves his application it will be setting a precedent for others.

Dean Schlehofer stated that he understands the concerns about the safety of neighborhood children, and is very careful to keep an eye out for children around boats and other vehicles.

There being no one wishing to be heard, the public hearing was closed.

Clarification was provided that there is a 50-foot anadromous stream buffer along Beaver Creek. Discussion included lodging capacity, the possibility of hosting lodgers in recreational vehicles, and how restrictions on these aspects of the business could be enforced if added.

Chair Twait re-opened for public hearing to hear the testimony of Valerie Eubank, who questioned the recreational vehicle on the applicant's property.

Clarification was provided that there are no other CUPs in this subdivision.

**VOTE:**

YEA: Greenberg

NAY: Twait, Springer, Halstead, Douthit, Fikes Woodard

Chair Twait clarified that he voted no out of concern for the character of the neighborhood being altered.

Commissioner Springer clarified that he voted no because it is a residential neighborhood, and we don't want to go down the path of allowing commercial activity in a residential area.

Commissioner Halstead clarified that he voted no due to the number of neighbors in opposition to it, the safety of the neighborhood and the overall expectations of the area.

Commissioner Douthit clarified that he voted no due to the overwhelming feelings of the neighborhood and their worries about traffic, opening up doors for increased lodging in the future, and not going with the ambiance of the neighborhood.

Vice Chair Fikes clarified that she voted no due to health and safety, increased traffic, the area being a rural residential zone and the expectation of a certain quality of life, and the value of people's property which could change due to proximity to a 24-hour business. She noted that with no other CUPs in the area, we shouldn't open that door.

Commissioner Greenberg clarified that he voted yes because the zone is the same, the permit is the same, and this is the fair and equal way to apply the code.

Commissioner Woodard clarified that she voted no because she can't overlook that every resident of the area is in opposition to it, and passing it means the area could end up like Angler Drive.

**MOTION FAILED.**

Chair Twait noted the fifteen-day appeal period.

**G. UNFINISHED BUSINESS** – None.

**H. NEW BUSINESS**

1. **Action/Approval** – Application for Lease of City-owned Lane within the Airport Reserve described as Tract A-2, General Aviation Apron Subdivision No. 7. The application was submitted by SOAR International Ministries, P.O. Box 1714, Kenai, AK 99611

Planning Director Foster presented his staff report with information provided in packet noting a draft Resolution and memorandum for consideration for Council which is first being presented to the Planning & Zoning Commission and Airport Commission for approval. He noted that the applicant has requested an amendment to the approved lease execution resolution, so that the 100 foot by 110 foot connecting office facility, with an aggregate cost of \$1,500,000, can be completed no later than June 30, 2025, two years later than the other required improvements.

**MOTION:**

Vice Chair Fikes **MOVED** to recommend approval of Application for Lease of City-owned Lane within the Airport Reserve described as Tract A-2, General Aviation Apron Subdivision No. 7. Commissioner Woodard **SECONDED** the motion.

**VOTE:**

YEA: Springer, Douthit, Fikes, Greenberg, Woodard, Twait  
 NAY:

**MOTION PASSED UNANIMOUSLY.**

**I. PENDING ITEMS** – None.

**J. REPORTS**

1. **City Council** – Council Member Glendening reported on the actions from the May 5, 2021 City Council meeting.
2. **Borough Planning** – Vice Chair Fikes reported on the actions from the May 10, 2021 Kenai Peninsula Borough Planning meeting.
3. **City Administration** – Planning Director Foster reported on the following:
  - Upcoming meeting on May 26, 2021 will include four plats, one Conditional Use Permit and one Special Use Permit.

**K. ADDITIONAL PUBLIC COMMENT**

1. Citizens Comments

Rick Baldwin thanked the Commission and asked them to think seriously about their decision regarding PZ2021-16, noting that it sets a precedent for other guide businesses to come to the



neighborhood. He noted that there is a procedural way to change the decision and implored them to reconsider.

2. Council Comments

**L. INFORMATIONAL ITEMS**

**M. NEXT MEETING ATTENDANCE NOTIFICATION**

1. May 26, 2021

**N. COMMISSION COMMENTS & QUESTIONS**

Commissioner Greenberg noted that he appreciated the lively debate.

Commissioner Woodard noted she will not be able to attend the next meeting on May 26, 2021.

Vice Chair Fikes noted that in June the Kenai Peninsula Borough will be offering commissioners training on vacation coding and setbacks, and encouraged those who are interested to attend.

**O. ADJOURNMENT**

There being no further business before the Commission, the meeting was adjourned at 11:17 p.m.

Minutes prepared and submitted by:



Meghan Thibodeau  
Deputy City Clerk





## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** May 27, 2021

**SUBJECT:** CARES Act Administration & Non-Payroll Expenditures to Date

The purpose of this memo is to provide a breakdown of City expenditures through May 27, 2021 and obligated funds utilizing funds budgeted for the City's CARES Act Grants and further breakdown of expenditures in the CARES Act Administration & Non-Payroll allocation.

<u>Description</u>	<u>Expended through 5/27/2021</u>	<u>Projected</u>	<u>Total Expended &amp; Projected</u>
Program administration payroll & benefits	\$ 46,147.54	\$ -	\$ 46,162.24
City employee COVID-19 leave taken	150,171.92	-	150,171.92
Dipnet shack upgrades for cashless transaction and customer self-pay	9,952.99	-	9,952.99
Additional cleaning services, supplies and employee protective gear	33,102.88	-	33,102.88
Grant program postage	712.18	-	712.18
Paperless paystub distribution software	3,168.00	-	3,168.00
COVID-19 procurement advertising	508.06	-	508.06
Video conferencing	5,690.04	-	5,930.04
Employee recruitment/screening software	889.00	-	889.00
Voting supplies	998.06	-	998.06
Facility occupancy compliance project	124,235.15	-	124,235.15
Area school outdoor tents	31,190.92	-	31,190.92
Library expanded wireless	1,889.00	-	1,889.00
Library self-checkout solution	3,436.00	-	3,436.00
COVID-19 Testing	125.00	-	125.00
Mental Health Counseling Services	240.00	-	240.00
Vaccine Transportation	132.13	-	132.13
Vaccine Supplies	3,112.08	-	3,112.08
City Drinking Fountain Replacement	-	20,000.00	20,000.00
City Hall Spatial Analysis	-	6,300.00	6,300.00
	<u>\$415,700.95</u>	<u>\$26,300.00</u>	<u>\$442,000.95</u>



City of Kenai COVID-19 CARES Act  
Relief and Recovery Grant Programs  
Expenditures and Available Balances

	Current Budget	Actual FY20	Actual FY21	Total Expenditures & Encumbrances	Available Balance	Projected Expenditures Remaining	Projected Excess or (Deficit)
<b>First Responder and Incident Management Team Payroll</b>	\$ 4,914,484.66	\$ 2,005,476.77	\$ 2,909,007.89	\$ 4,914,484.66	\$ -	\$ -	\$ -
<b>Business and Nonprofit Entity Recovery Grants</b>							
Round 1: Small Business and Nonprofit Grants	2,215,000.00	1,905,000.00	310,000.00	2,215,000.00	-	-	-
Round 2: Small Business Grants	<u>1,511,872.00</u>	<u>-</u>	<u>1,511,872.00</u>	<u>1,511,872.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business and Nonprofit Entity Recovery	3,726,872.00	1,905,000.00	1,821,872.00	3,726,872.00	-	-	-
<b>CARES Act Administration &amp; Non-Payroll</b>	446,868.82	146,609.73	269,091.22	415,700.95	31,167.87	31,167.87	0.00
<b>Individual Assistance Grants</b>							
Small Business	14,000.00	-	14,000.00	14,000.00	-	-	-
Commercial Fishers	50,000.00	-	50,000.00	50,000.00	-	-	-
Rental and Mortgage Relief	1,073,131.18	-	1,019,801.00	1,019,801.00	53,330.18	-	53,330.18
Mental Health Services	-	-	-	-	-	-	-
Small Business Marketing Services	24,000.00	-	24,000.00	24,000.00	-	-	-
Food Assistance Services	127,000.00	-	127,000.00	127,000.00	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Individual Assistance Grants	<u>1,288,131.18</u>	<u>-</u>	<u>1,234,801.00</u>	<u>1,234,801.00</u>	<u>53,330.18</u>	<u>-</u>	<u>53,330.18</u>
<b>Total All</b>	<u>\$ 10,376,356.66</u>	<u>\$ 4,057,086.50</u>	<u>\$ 6,234,772.11</u>	<u>\$ 10,291,858.61</u>	<u>\$ 84,498.05</u>	<u>\$ 31,167.87</u>	<u>\$ 53,330.18</u>

May 27, 2021



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**FROM:** Paul Ostrander, City Manager

**DATE:** May 27, 2021

**SUBJECT:** **American Rescue Plan Act of 2021 – Coronavirus State and Local Fiscal Recovery Funds Update**

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The Administration received Interim Final Rule and US Treasury Guidance related to the American Rescue Plan Act of 2021 (ARPA) on May 10 and has put together an internal team to review the guidance as it relates to the City's portion of the funding. The City expects to receive an estimated \$1.7 million in ARPA funding.

The Administration recommends investing time and carefully deliberating the use of the funds to consider all alternatives for the use of ARPA funding to maximize the benefit to the City's residents. Administration plans to continue a thorough review of the eligible and ineligible uses and provide a report with recommendations, including a proposed process for public input at a future City Council meeting.

Your consideration is appreciated.



## MEMORANDUM

**TO:** Mayor Gabriel and Council Members

**THROUGH:** Paul Ostrander, City Manager

**FROM:** Terry Eubank, Finance Director

**DATE:** May 26, 2021

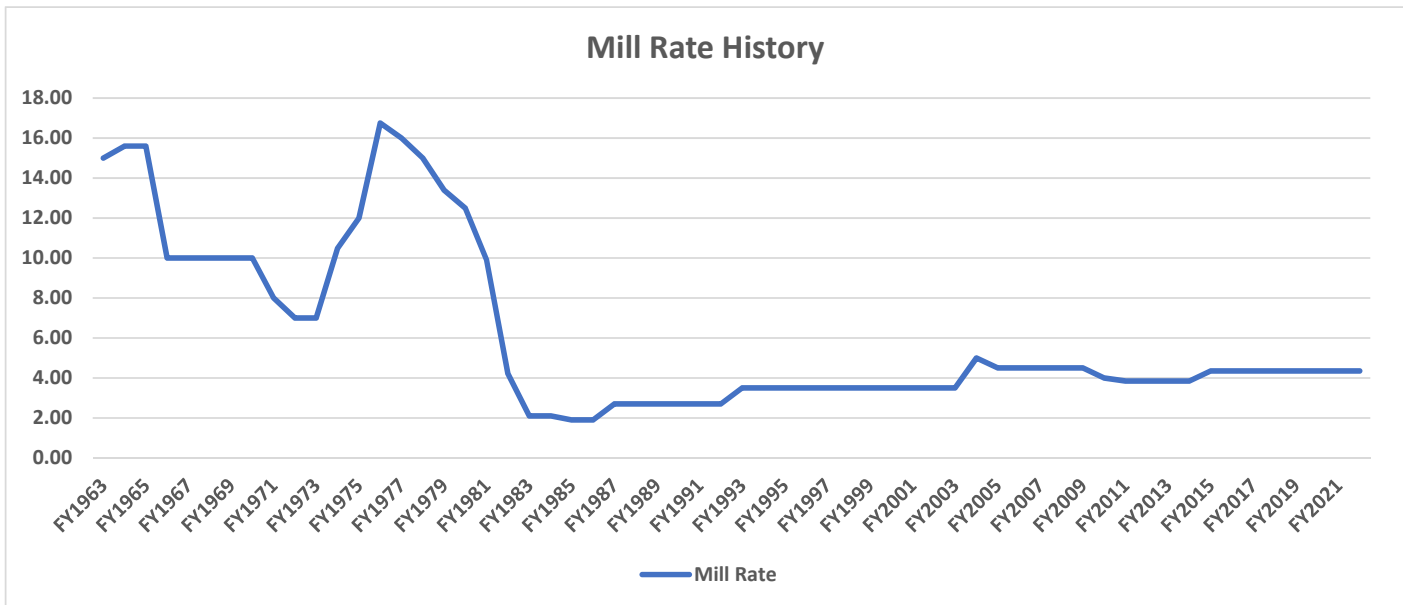
**SUBJECT:** **Council Member Knackstedt request for City of Kenai mill rate history.**

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The purpose of this memo is to provide the City of Kenai's mill rate history which was requested by Council Member Knackstedt at the May 19, 2021 Council Meeting. I was able to trace the City's mill rate back to fiscal year 1962 including the legislation by which each was adopted. The attached schedule provides the history including a graph showing the mill rate over time.

# City of Kenai Mill Rate History

Fiscal Year	Adopting Legislation	Legislation Type	Mill Rate	Fiscal Year	Adopting Legislation	Legislation Type	Mill Rate
FY1963	1962-24	Resolution	15.00	FY1993	1992-36	Resolution	3.50
FY1964	1963-16	Resolution	15.60	FY1994	1993-40	Resolution	3.50
FY1965	1964-14	Resolution	15.60	FY1995	1994-30	Resolution	3.50
FY1966	1965-22	Resolution	10.00	FY1996	1995-29	Resolution	3.50
FY1967	1966-26	Resolution	10.00	FY1997	1996-43	Resolution	3.50
FY1968	1967-25	Resolution	10.00	FY1998	1997-29	Resolution	3.50
FY1969	1968-27	Resolution	10.00	FY1999	1998-32	Resolution	3.50
FY1970	1969-08	Resolution	10.00	FY2000	1999-32	Resolution	3.50
FY1971	1970-14	Resolution	8.00	FY2001	2000-24	Resolution	3.50
FY1972	1971-28	Resolution	7.00	FY2002	2001-34	Resolution	3.50
FY1973	1972-22	Resolution	7.00	FY2003	2002-28	Resolution	3.50
FY1974	225-73	Ordinance	10.50	FY2004	2003-29	Resolution	5.00
FY1975	245-74	Ordinance	12.00	FY2005	2004-27	Resolution	4.50
FY1976	264-75	Ordinance	16.75	FY2006	2005-24	Resolution	4.50
FY1977	297-76	Ordinance	16.00	FY2007	2006-29	Resolution	4.50
FY1978	340-77/78	Ordinance	15.00	FY2008	2007-27	Resolution	4.50
FY1979	415-78	Ordinance	13.40	FY2009	2008-30	Resolution	4.50
FY1980	494-79	Ordinance	12.50	FY2010	2009-23	Resolution	4.00
FY1981	580-80	Ordinance	9.90	FY2011	2010-33	Resolution	3.85
FY1982	680-81	Ordinance	4.21	FY2012	2011-40	Resolution	3.85
FY1983	1982-47	Resolution	2.10	FY2013	2012-28	Resolution	3.85
FY1984	1983-84	Resolution	2.10	FY2014	2013-28	Resolution	3.85
FY1985	1984-61	Resolution	1.90	FY2015	2014-36	Resolution	4.35
FY1986	1985-55	Resolution	1.90	FY2016	2015-30	Resolution	4.35
FY1987	1986-52	Resolution	2.70	FY2017	2016-23	Resolution	4.35
FY1988	1987-25	Resolution	2.70	FY2018	2017-27	Resolution	4.35
FY1989	1988-41	Resolution	2.70	FY2019	2018-25	Resolution	4.35
FY1990	1989-44	Resolution	2.70	FY2020	2019-29	Resolution	4.35
FY1991	1990-24	Resolution	2.70	FY2021	2020-25	Resolution	4.35
FY1992	1991-30	Resolution	2.70	FY2022	2021-30	Resolution	4.35



**PURCHASE ORDERS BETWEEN \$2,500.00 AND \$15,000.00 FOR COUNCIL REVIEW**  
**COUNCIL MEETING OF: JUNE 2, 2021**

<b>VENDOR</b>	<b>DESCRIPTION</b>	<b>DEPT.</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
ALASKA RESTAURANT SUPPLY	OVEN CABINET, DEEP FRYER	SENIOR CENTER	MACHINERY& EQUIPMENT	13,586.00
STRYKER MEDICAL	4 - AED'S FOR FISHERIES	PERSONAL USE FISHERY	SMALL TOOLS	8,746.50