



Kenai City Council - Regular Meeting

March 06, 2024 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

****Telephonic/Virtual Information on Page 2****

Agenda

A. CALL TO ORDER

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

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

B. SCHEDULED ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker*)

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

E. PUBLIC HEARINGS

1. **Ordinance No. 3400-2024** - Increasing Estimated Revenues and Appropriations in the Airport Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's Airport Fund. (Administration)
2. **Ordinance No. 3401-2024** - Increasing Estimated Revenues and Appropriations in the General Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's General Fund. (Administration)

F. MINUTES

1. *Regular Meeting of February 21, 2024. (City Clerk)

G. UNFINISHED BUSINESS

1. **Resolution No. 2024-05** - Amending the Employee Classification Plan by Reclassifying the Public Works Building Official/Manager to a Building Official and Adjusting the Range for this Class. (Administration) [*On 02/07/24 Postponed to 02/21/24; On 02/21/24 Postponed to 03/06/24*]

H. NEW BUSINESS

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

2. ***Ordinance No. 3402-2024** - Accepting and Appropriating a Donation to the Kenai Community Library for Library Materials, Programming, Furniture and Shelving. (Administration)
3. ***Ordinance No. 3403-2024** - Amending Sections of Kenai Municipal Code Chapters 21.10 - Leasing and Acquisition of Airport Reserve Lands, and 22.05 - Disposition of City Lands, to Extend the Time Allowed for Private Development on City Leased Lots and Requiring Certain Financial Assurances Prior to Lease Execution. (Administration)

I. 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

J. REPORT OF THE MAYOR

1. Mayor Recognition - Thanking Bob Peters for 30-Years of Service to the City of Kenai.

K. ADMINISTRATION REPORTS

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

L. ADDITIONAL PUBLIC COMMENTS

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

M. EXECUTIVE SESSION

N. PENDING ITEMS

1. **Ordinance No. 3392-2024** - Amending the Kenai Zoning Code to Add a New Zoning District, Working Waterfront (WW) and Amending the Official Zoning Map for Certain Parcels from Heavy Industrial (IH) to Working Waterfront (WW) or Conservation (C) Zoning District. (Knackstedt) [*On 02/21/24 this item was postponed to 03/20/24.*]

O. ADJOURNMENT

P. INFORMATION ITEMS

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

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

<https://us02web.zoom.us/meeting/register/tZwtd-2orD8oEta33knLcl2JxQATeGQyaNn7>



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3400-2024**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT LAND SALE PERMANENT FUND TO TRANSFER EARNINGS IN EXCESS OF BUDGETED AMOUNTS TO THE CITY'S AIRPORT FUND.

WHEREAS, Kenai Municipal Code 7.30.010 established a fund to account for the proceeds from sale of land deeded to the City by the US Government for the benefit of the Kenai Municipal Airport; and,

WHEREAS, Kenai Municipal Code 7.30.020(a)(5) provides for appropriations from the Airport Land Sale Permanent Fund at 3.8% or 4.2% of the funds five-year, December 31st fair market value depending on the inflation adjusted principal balance; and,

WHEREAS, the 2023 year-end market value of the fund was \$28,316,544, the 2023 year-end inflation adjusted balance was \$31,302,494, and the fund's five-year year-end average market value was \$28,042,585; and,

WHEREAS, as the five-year, year-end market value was less than the inflation adjusted balance at December 31,2023, the FY2024 annual transfer is limited to 3.8% pursuant to KMC 7.30.020(a)(5); and,

WHEREAS, the allowable transfer for FY2024, 3.8% of the five-year, year-end market value, is \$1,065,518 and the FY2024 budgeted transfer from the Airport Land Sale Permanent Fund was \$1,053,636 meaning the actual transfer can be \$11,983 more than budgeted and increasing the transfer amount to the maximum amount is in the City's best interest.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. That the estimated revenues and appropriations in the Airport Land Sale Permanent Fund be increased as follows:

Airport Land Sale Permanent Fund:

Increase Estimated Revenues – Investment Earnings	<u>\$11,983</u>
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Increase Appropriations – Transfer to Airport Fund	<u>\$11,983</u>
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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. 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 6TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance:



Introduced:

February 21, 2024

Enacted:

March 6, 2024

Effective:

March 6, 2024



MEMORANDUM

TO: Mayor Gabriel and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Dave Swarner, Finance Director
DATE: February 21, 2024
SUBJECT: Ordinance No. 3400-2024 – ALSPF Appropriation Increase

The Purpose of this memo is to recommend passage of Ordinance 3400-2024. This Ordinance will increase the authorized transfer amount from the Airport Land Sale (ALSPF) to the City's Airport Fund for FY24. This increase amount is possible because earnings were higher than projected for calendar year 2023.

ALSPF

Pursuant to KMC 7.30.020 (a) (5) the annual transfer from the ALSPF will be based upon the five (5) year average of the fund's calendar year end market value. An amount not to exceed three and four-fifths percent of the five-year average market value may be distributed if the average market value is less than the fund's inflation adjusted principal balance. An amount not to exceed four and one-fifth percent of the five-year average market value may be distributed if the average market value is greater than the fund's inflation adjusted principal balance.

The December 31, 2023 5-year average market value of the portfolio (\$28,042,585) was below the inflation adjusted principal (\$31,302,494), thus the allowable transfer is limited to the lower bound of the spending rate (3.8%). The 2023 allowable transfer based upon this calculation is \$1,065,518.

The FY24 budgeted transfer amount was \$1,053,635. This Ordinance will increase the budgeted transfer amount to the maximum value of \$1,065,518, an increase of \$11,983.

Your support for Ordinance 3400-2024 is respectfully requested.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3401-2024**

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE GENERAL LAND SALE PERMANENT FUND TO TRANSFER EARNINGS IN EXCESS OF BUDGETED AMOUNTS TO THE CITY'S GENERAL FUND.

WHEREAS, Article 5, Section 5-11 of the City's Charter, requires the proceeds from the Sales of the City owned, non-trust lands be deposited in a separate fund, the General Land Sale Permanent Fund, and allows for the investment earnings to be used for any lawful purpose but prohibits the expending of the proceeds from land sales; and,

WHEREAS, the General Land Sale Permanent Fund's 2023 year ending market value of \$3,654,494 was an increase of \$414,376 from December 31, 2022 balance; and,

WHEREAS, the allowable transfer to the General Fund for operations is limited to 4% annually and excess earnings are reserved to supplement spending when portfolio earnings are less than the 4% limit in any given year; and,

WHEREAS, the December 31, 2023 earnings reserve balance was \$173,382, thus the FY2024 transfer is limited to \$146,180 (4% of the Fund's value); and,

WHEREAS, after deducting the FY2024 allowable transfer, the earnings reserve balance will be \$27,202; and,

WHEREAS, the FY2024 budgeted transfer from the General Land Sale Permanent Fund was \$138,209, meaning the actual can be \$7,971 more than budgeted, and increasing the transfer amount to the maximum amount is in the City's best interest.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. That the estimated revenues and appropriations in the General Land Sale Permanent Fund be increased as follows:

General Land Sale Permanent Fund:

Increase Estimated Revenues – Investment Earnings	<u>\$7,971</u>
Increase Appropriations – Transfer to General Fund	<u>\$7,971</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. The City Council hereby declares

Ordinance No. 3401-2024
Page 2 of 2

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 6TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



Introduced: February 21, 2024
Enacted: March 6, 2024
Effective: March 6, 2024



MEMORANDUM

TO: Mayor Gabriel and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Dave Swarner, Finance Director

DATE: February 13, 2024

SUBJECT: Ordinance No. 3401-2024 – GLSPF Appropriation Increase

The purpose of this memo is to recommend passage of Ordinance 3401-2024. This Ordinance will increase the authorized transfer amount from the General Ledger Sale (GLSPF) to the City’s General Fund for FY24. This increased amount is possible because earnings were higher than projected for calendar year 2023.

GLSPF

Pursuant to KMC 7.30.020 (a) (6) the annual transfer from the GLSPF shall be limited to the lesser of the cumulative earnings at calendar year end for the fund or four percent (4%) of the fund’s fair market value as of December 31st of each year. “Cummulative Earnings” is defined as the market value at calendar year end minus the fund’s inflation adjusted principal balance.

The December 31, 2023 market value of the GLSPF was \$3,654,494 with cumulative earnings of \$173,382.

December 31, 2023

Market Value	\$3,654,494
4% of Market Value	\$ 146,180
Cumulative Earnings	\$ 173,382
FY24 Allowable Transfer	\$ 146,180

Th FY24 budgeted transfer amount was \$138,209. This Ordinance will increase the budgeted transfer amount to the maximum value of \$146,180, an increase of \$7,971.

Your support for Ordinance 3401-2024 is respectfully requested.

**KENAI CITY COUNCIL - REGULAR MEETING
FEBRUARY 21, 2024 - 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 February 21, 2024, 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, Vice Mayor |
| Phil Daniel | Deborah Sounart |
| Alex Douthit | Victoria Askin |
| James Baisden (<i>remote participation</i>) | |

A quorum was present.

Also in attendance were:

- **Xinlan Tanner, Student Representative
- Terry Eubank, City Manager
- Scott Bloom, City Attorney
- David Swarner, Finance Director
- Linda Mitchell, Planning Director
- Scott Curtin, Public Works Director
- Derek Ables, Airport Manager
- Dave Ross, Police Chief
- Shellie Saner, City Clerk

3. Agenda Approval

Mayor Gabriel noted the following additions to the Packet:

- Add to item E. 1. **Public Hearing - Ordinance No. 3391-2024**
 - Amendment Memo
- Add to item E. 2. **Public Hearing - Ordinance No. 3392-2024**
 - Postponement Memo
- Add to item G. 1. **Unfinished Business/Public Hearing - Resolution No. 2024-05**
 - Update and Further Postponement Memo

MOTION:

Vice Mayor Knackstedt **MOVED** to approve the agenda and consent agenda with the requested revisions. Council Member Askin **SECONDED** the motion.

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

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

UNANIMOUS CONSENT was requested.

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

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

B. SCHEDULED ADMINISTRATIVE REPORTS - None.

C. SCHEDULED PUBLIC COMMENTS

1. John Williams, CIRCAC Reappointment

John Williams, former Mayor of the City of Kenai thanked Mayor Gabriel and the City Council for nominating him for re-appointment to the Cook Inlet Regional Citizen's Advisory Council Board (CIRCAC) and provided an overview of the history of CIRCAC.

Shaylon Cochran, CIRCAC Director of Communications and Public Outreach provided an update on the current activates which includes long term steps and response strategies.

D. UNSCHEDULED PUBLIC COMMENTS

Samantha Springer, Executive Director of the Kenai Chamber of Commerce and Visitor Center reported on the relocation of the Steelhead Platform Model; that Kenaitze Indian Tribe members would be reviewing artifacts; and the new Cultural display is anticipated to be reopened in April.

Marion Nelson, Kenai Fine Art Center Board President addressed the Council regarding the First Friday Opening Reception, "Medieval Forest" which sets the stage for the TreeFort Theater production of the True Tale of Robin Hood.

E. PUBLIC HEARINGS

1. **Ordinance No. 3391-2024** - Amending the Imagine Kenai 2030 Comprehensive Plan Land Use Plan Map for Certain Parcels from Industrial to Mixed-Use. (Knackstedt)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3391-2024. Council Member Daniel **SECONDED** the motion.

Mayor Gabriel opened the floor for public comment.

Duke Hardcastle addressed the Council with concerns on how the changes would effect his existing business within the area.

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

It was reported that this ordinance would amend the Comprehensive Plan (plan) and the plan was really a vision for the City; the changes to the plan would align with the Waterfront Development vision of the City; and this does not change the current zoning, Ordinance 3392-2024 would make those adjustments.

MOTION TO AMEND:

Vice Mayor Knackstedt **MOVED** to amend Ordinance No. 3391-2024 as follows:

Eleventh whereas clause to read, “the Harbor Commission and Planning and Zoning Commission held a joint work session on February 12, 2024 to discuss the proposed ordinance to create a waterfront zoning district and amend the Comprehensive Plan; and,”

Twelfth whereas clause to read, “the Planning and Zoning Commission at its regularly scheduled meeting of February 14, 2024 approval on amendment of the Comprehensive Plan Land Use Designation; and,”

Thirteenth whereas clause to read, “the Harbor Commission at its regularly scheduled meeting of February 12, 2024 recommended approval on amending the Comprehensive Plan Land Use Designation.”

Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

VOTE ON MAIN MOTION AS AMENDED:

YEA: Gabriel, Daniel, Sounart, Knackstedt, Douthit, Baisden, Askin

NAY: None

**Student Representative Tanner: Yea

MAIN MOTION AS AMENDED PASSED.

- 2. **Ordinance No. 3392- 2024** - Amending the Kenai Zoning Code to Add a New Zoning District, Working Waterfront (WW) and Amending the Official Zoning Map for Certain Parcels from Heavy Industrial (IH) to Working Waterfront (WW) or Conservation (C) Zoning District. (Knackstedt)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3392-2024. Council Member Sounart **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.

There was discussion regarding the recommended proposed amendments from the Planning and Zoning Commission; and the benefit to having a work session to discuss the ordinance with the Planning and Zoning Commission.

MOTION TO POSTPONE:

Vice Mayor Knackstedt **MOVED** to postpone Ordinance No. 3392-2024 to March 20, 2024 and to schedule a Joint Work Session with the Planning & Zoning Commission on March 20, 2024 at 4:30 p.m. Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone and schedule a Joint Work Session.

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

- 3. **Ordinance No. 3393-2024** - Accepting and Appropriating Donations to the Kenai Animal Shelter for the Care of Animals. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3393-2024. Council Member Sounart **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.

Appreciation was stated for the individuals who donated.

VOTE:

YEA: Sounart, Knackstedt, Douthit, Baisden, Askin, Gabriel, Daniel

NAY: None

**Student Representative Tanner: Yea

MOTION PASSED.

- 4. Ordinance No. 3394-2024** - Increasing Estimated Revenues and Appropriations in the General Fund to Provide Supplemental Funding to the Street Lights Repair and Maintenance Operational Budget. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3394-2024. Council Member Douthit **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 reported that the 98% of the current budget for street light repairs and locates had been expended and the request for additional funding would allow utility locates to continue uninterrupted into the spring and summer construction season.

There was discussion regarding possible amendments to the fee schedule; the addition of a summer hire position for to provide locate services rather than contracting for them; and concerns were stated regarding a summer hire not having the necessary qualifications to perform the locates.

VOTE:

YEA: Knackstedt, Douthit, Baisden, Askin, Gabriel, Daniel, Sounart

NAY: None

**Student Representative Tanner: Yea

MOTION PASSED.

- 5. Ordinance No. 3395-2024** - Increasing Estimated Revenues and Appropriations in the General Fund for Radio Advertising and Approving Council Policy 20.030-Radio Advertising for Public Meetings and Elections. (Douthit)

MOTION:

Council Member Douthit **MOVED** to enact Ordinance No. 3395-2024. Council Member Daniel **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.

There was discussion regarding the need to explore ways to reach voters and promote City events; concerns were stated regarding the effectiveness of increasing voter participation with the allocation of funds; the need for the policy if the funds would be used for advertising meetings and elections; comparison was provided for a Public Service Announcement verses paid advertising; City purchasing requirements which would require the City to explore options for cost-effectiveness; advertising at the department level would be a budgetary item; evaluating the number of ads and associated cost for events and promotions of the city; and general concerns related to the value of advertising for a non-commercial entity like the city.

VOTE:

YEA: Douthit, Daniel

NAY: Baisden, Askin, Gabriel, Sounart, Knackstedt

**Student Representative Tanner: Yea

MOTION FAILED TO ENACT.

[Clerk's Note: A motion to suspend the rules to hear agenda item H. 8. prior to agenda item E. 6. was unanimously approved.]

- H. 8. Action/Approval** - Special Use Permit to Nilchil Solutions, LLC for an Off-Premise Sign on City-Owned Property Described as Tract B, Gusty Subdivision Addition No. 2 Located at 11631 Kenai Spur Highway. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to authorize a Special Use Permit to Nilchil Solutions, LLC for an Off-Premise Sign. Council Member Askin **SECONDED** the motion.

It was reported that this Special Use Permit (SUP) was different than most; zoning code prohibits off-premise signs and a variance was granted by the Planning and Zoning Commission; and the applicant was aware of the requirement to renew yearly.

UNANIMOUS CONSENT was requested on the motion.

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

- 6. Ordinance No. 3396-2024** - Amending Kenai Municipal Code 4.31.015 - Local Amendments to the 2009 International Fuel Gas Code for Housekeeping Purposes. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3396-2024. Council Member Sounart **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 reported that these were general housekeeping amendments.

VOTE:

YEA: Baisden, Askin, Gabriel, Daniel, Sounart, Knackstedt, Douthit

NAY: None

**Student Representative Tanner: Yea

MOTION PASSED.

- 7. Ordinance No. 3397-2024** - Increasing Estimated Revenues and Appropriations in the Water Sewer Capital Project Fund for the Cemetery Creek Culvert Replacement Project and Accepting a Donation from the Kenai Foundation in Support of the Project. (Administration)

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3397-2024. Council Member Sounart **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 reported that the funds were from the Silver Salmon Derby.

VOTE:

YEA: Askin, Gabriel, Daniel, Sounart, Knackstedt, Douthit, Baisden

NAY: None

**Student Representative Tanner: Yea

MOTION PASSED.

- 8. Ordinance No. 3398-2024** - Amending Kenai Municipal Code Title 6 - Elections, to Enhance Consistency, Promote Efficiencies and Make Housekeeping Changes. (City Clerk)

MOTION:

Council Member Askin **MOVED** to enact Ordinance No. 3398-2024. Council Member Douthit **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 reported that this would amend portions of the recount process; remove retention of election records from code and refer to the Council adopted retention schedule; amend the number of nomination-petitions a voter could sign; added new sections for Write-In Candidates and Review of Returned By-Mail or Electronic Transmission ballots; repeal and combine into one section the Vote By-Mail and Vote By-Electronic Transmissions chapters; and included other housekeeping amendments.

Clarification was that a voter requesting to be on a permanent absentee status would be mailed an application for an absentee ballot annually and that a ballot package would only be sent if the completed application was returned to the Clerk's Office.

MOTION TO AMEND:

Council Member Knackstedt **MOVED** to amend Ordinance No. 3399-2024 as follows:

Section 4, paragraph (b)(5) to read, "Certification that the petitioners' names appear on current voter registration rolls for the City of Kenai [, ARE QUALIFIED TO VOTE FOR A CANDIDATE FOR ELECTIVE MUNICIPAL OFFICE AND HAVE NOT SIGNED MORE NOMINATING PETITION THAN THERE ARE VACANCIES TO BE FILLED FOR THE PARTICULAR OFFICE THE NAMED CANDIDATE SEEKS]."

Section 4, paragraph (c) to read, "[IF A VOTER SIGNS MORE NOMINATION PETITIONS THAN HEREBY AUTHORIZED, THE VOTERS' SIGNATURE WILL BE VOID EXCEPT AS TO THE AUTHORIZED NUMBER OF PETITIONS FIRST FILED WITH THE CLERK.] A voter may sign as many petitions that are circulated for each election, but may only sign each petition one time. If a voter signs one petition more than once, only one signature will be counted."

Council Member Askin **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to amend.

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

VOTE ON MAIN MOTION AS AMENDED:

YEA: Gabriel, Daniel, Sounart, Knackstedt, Douthit, Baisden, Askin

NAY: None

**Student Representative Tanner: Yea

MAIN MOTION AS AMENDED PASSED.

- 9. Ordinance No. 3399-2024** - Awarding a Service Contract for Airport Security Guard Services at The Kenai Municipal Airport and Increasing Estimated Revenues and Appropriations in the Airport Fund for Costs in Excess of Budgeted Amounts. (Administration) [KMC 1.15.070(d)]

MOTION:

Vice Mayor Knackstedt **MOVED** to introduce Ordinance No. 3399-2024. Council Member Sounart **SECONDED** the motion.

VOTE ON MOTION TO INTRODUCE:

YEA: Daniel, Sounart, Knackstedt, Douthit, Baisden, Askin, Gabriel

NAY: None

**Student Representative Tanner: Yea

MOTION TO INTRODUCE PASSED.

MOTION:

Vice Mayor Knackstedt **MOVED** to conduct the second reading on Ordinance No. 3399-2024. Council Member Daniel **SECONDED** the motion.

VOTE ON MOTION FOR SECOND READING:

YEA: Sounart, Knackstedt, Douthit, Baisden, Askin, Gabriel, Daniel

NAY: None

**Student Representative Tanner: Yea

MOTION FOR SECOND READING PASSED.

MOTION:

Vice Mayor Knackstedt **MOVED** to enact Ordinance No. 3399-2024. 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: Knackstedt, Douthit, Baisden, Askin, Gabriel, Daniel, Sounart

NAY: None

**Student Representative Tanner: Yea

MOTION PASSED.

H. MINUTES

1. *Regular Meeting of February 7, 2024. (City Clerk)

I. UNFINISHED BUSINESS

1. **Resolution No. 2024-05** - Amending the Employee Classification Plan by Reclassifying the Public Works Building Official/Manager to a Building Official and Adjusting the Range for this Class. (Administration) *[At the 02/07/24 Council Meeting, this item was postponed to 02/21/24]*

[Clerk's Note: The motion to adopt Resolution No. 2024-05 was on the floor from the February 7, 2024 City Council meeting.]

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

It was reported that the administration was requesting further postponement to allow the interview process to be completed prior to amending the classification of the position.

MOTION:

Vice Mayor Knackstedt **MOVED** to postpone Resolution No. 2024-05 until March 6, 2024. Council Member Asking **SECONDED** the motion.

UNANIMOUS CONSENT was requested on the motion to postpone.

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

J. NEW BUSINESS

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

Approved by the consent agenda.

2. ***Action/Approval** - Authorizing a Memorandum of Agreement with Greatland Consulting and Training LLC. for Use of the Alaska Regional Fire Training Facility. (Administration)

Approved by the consent agenda.

3. ***Action/Approval** - Special Use Permit to Rebecca Boettcher, DBA: The Fishing Grounds, LLC for Operation of a Snack/Gift Shop Inside the Kenai Municipal Airport. (Administration)

Approved by the consent agenda.

4. ***Action/Approval** - Confirmation of Mayoral Nomination of John Williams for Appointment as City of Kenai Representative to the Cook Inlet Regional Citizens Advisory Council Board. (Mayor Gabriel)

Approved by the consent agenda.

5. ***Action/Approval** - Non-Objection to the Renewal of a Limited Marijuana Cultivation Facility License for Grateful Bud LLC, DBA Grateful Bud LLC - License No. 16474. (City Clerk)

Approved by the consent agenda.

6. ***Ordinance No. 3400-2023** - Increasing Estimated Revenues and Appropriations in the Airport Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's Airport Fund. (Administration)

Introduced by the consent agenda and Public Hearing set for March 6, 2024.

7. ***Ordinance No. 3401-2023** - Increasing Estimated Revenues and Appropriations in the General Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's General Fund. (Administration)

Introduced by the consent agenda and Public Hearing set for March 6, 2024.

[Clerk's Note: Agenda item H. 8. was heard prior to agenda item E. 6.]

9. **Discussion/Action** - Scheduling a Work Session for the Purpose of Discussing the Emergency Services Facility Improvements as Presented in the CIP Plan. (Administration)

The work session was scheduled for April 3, 2024 at 4:30 p.m.

K. COMMISSION / COMMITTEE REPORTS

1. Council on Aging

Council Member Baisden reported on the February 8, 2024 Work Session, next meeting March 14, 2024.

2. Airport Commission

No report, next meeting March 14, 2024.

3. Harbor Commission

Council Member Askin reported on the February 12, 2024 Joint Work Session with the Planning Commission and the February 12, 2024 Regular Meeting, next meeting March 11, 2024.

4. Parks and Recreation Commission

No report, next meeting March 7, 2024.

5. Planning and Zoning Commission

Council Member Douthit reported on the February 14, 2024 Regular Meeting, next meeting February 28, 2024.

6. Beautification Committee

Council Member Daniel reported on the February 13, 2024 Regular Meeting, next meeting April 9, 2024.

L. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Participation with the 2024 Job Shadow Event
- Cutting the ribbon at the opening of Madly Krafty
- Attending the Board of Fish Meeting in Anchorage

M. ADMINISTRATION REPORTS

1. City Manager - City Manager Eubank reported on the following:

- Installation of a path on top of the Bluff Stabilization wall was not a part of the project covered by the Army Corps of Engineers; funding for installation of the path would be the full responsibility of the City and grant funds received for the project were eligible for the path.
- Planning Director Mitchell applied for a Hazard Mitigation Plan Update grant through FEMA with 100% cost share.
- There would be periodic closures at Recreation Center during the roof and floor repairs.
- The 2024 Silver Salmon Derby permit was approved.
- Working on proposed amendments to the Airport and General land lease codes.

2. City Attorney, no report:

3. City Clerk – City Clerk Saner reported on the following:

- Additional security features were implemented with Zoom meetings.
- The final meeting of the Voter Turn Out Work Group is scheduled for February 22, 2024.
- Reported on Alaska Legislature House Bill 250 - An Act relating to municipal and school board elections; declaring Election Day a holiday; relating to terms of office for municipal mayors, municipal governing bodies, elected utility boards, and school boards; and providing for an effective date.

N. ADDITIONAL PUBLIC COMMENTS

1. Citizen Comments (*Public comments limited to (5) minutes per speaker*) - None.

2. Council Comments

Council Member Douthit noted he had two participants at his business for the Job Shadow Event and reminded everyone to visit the Cultural Center at the Visitor Center.

Student Representative Tanner provided a report on the activities and upcoming events at Connection Home School, Kenai Alternative High School and Kenai Central High School.

Council Member Sounart thanked the City Clerk for her work on Ordinance No. 3398-2024 and for the report regarding HB250.

Council Member Daniel apologized for missing the last meeting and noted his participation at the Love of Reading Event held at Mountain View Elementary.

Council Member Knackstedt noted that he was able to get a Voter Pamphlet during the last election at the Library.

O. EXECUTIVE SESSION - None.

P. PENDING ITEMS

Q. ADJOURNMENT

R. INFORMATIONAL ITEMS - None.

There being no further business before the Council, the meeting was adjourned at 9:03 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of February 21, 2024.

Michelle M. Saner, MMC
City Clerk

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

DRAFT



Sponsored by: Administration

**CITY OF KENAI
RESOLUTION NO. 2024-05**

A RESOLUTION AMENDING THE EMPLOYEE CLASSIFICATION PLAN BY RECLASSIFYING THE PUBLIC WORKS BUILDING OFFICIAL/MANAGER TO A BUILDING OFFICIAL AND ADJUSTING THE RANGE FOR THIS CLASS.

WHEREAS, Ordinance 3353-2023 adopted the FY2024 annual budget, salary schedule, employee classification plan and authorized staffing table for the fiscal year commencing July 1, 2023 and ending June 30, 2024; and,

WHEREAS, the annual budget includes current authorized staffing for a full-time Building Official/Manager in the Public Works Department; and,

WHEREAS, the Building Official/Manager position will be vacant on February 17, 2024; and,

WHEREAS, the role of the Building Official within the Public Works Department involves critical responsibilities related to the inspection and compliance of various buildings with applicable codes and regulations; and,

WHEREAS, a significant increase in building permits from 2022 and 2023 emphasizes the importance of focusing on the core job duties and responsibilities of the Building Official to enhance efficiency and effectiveness in building compliance and administrative functions; and,

WHEREAS, the Public Works Director worked with Human Resources to amend the position description to remove the manager responsibilities to ensure a concentrated focus on key tasks related to building inspection and compliance; and,

WHEREAS, these proposed changes would not result in an increase to the FY2024 budget and would result in a potential decrease beginning in FY2025; and,

WHEREAS, the duties and responsibilities of the Building Official were compared to other positions in the City within the City's Classification Plan to ensure an amendment to the range of the Building Official from a 22 to a 21 fairly reflects the compensation within the City's classification plan and is competitive with compensation for comparable positions in other places of public employment; and,

WHEREAS, this amendment ensures that the title and range for the Building Official accurately reflects the duties and responsibilities of the position comparable to other positions within the City, is adequate to recruit and retain qualified candidates for the position, and is in the best interests of the City.

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

Section 1. The Council amends the Employee Classification Plan by reclassifying the position Public Works Building Official position as follows:

401 – Building Official [MANAGER]

Range [22]21

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 6TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk



MEMORANDUM

TO: Mayor Gabriel and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Stephanie Randall, Human Resources Director

DATE: January 26, 2024

SUBJECT: **Resolution 2024-05 – Amending Public Works Building Official position**

This resolution amends the City’s Classification Plan to reclassify the Building Official/Manager classification in Public Works. This change would remove manager responsibilities, rename the class to “Building Official”, and amend the hourly pay range.

This class of employees is staffed with a single position, was initially classified as “Building Official,” and was reclassified in 2018 as part of the FY19 budget process. The 2018 amendment added supervisory responsibilities, oversight of the Building Maintenance division of the Public Works Department, and City-wide Safety Coordinator duties formerly handled between the Public Works Director and the Building Maintenance Lead positions. As part of this amendment, the salary range was increased two steps to reflect the additional duties.

Since that time, the position has been considered “difficult to fill” and was vacant for over a year, between 3/19/2021 and 4/4/2022. The Building Official/Manager position will become vacant on February 17, 2024. The Public Works Director worked with Human Resources to recommend changes to the job description to remove the supervision of Building Maintenance and related responsibilities, which would be temporarily reassigned to the Public Works Director until such time as the current Public Works organizational structure assessment is complete. This proposed change would benefit the City by allowing the Building Official to concentrate on core responsibilities, including building inspection, compliance, administrative direction, and effective communications with the community.

This proposed change would remove “Manager” from the job title and would result in a reclassification to a lower pay range from 22 to 21 which remains competitive with other building official positions in the state of Alaska.

This resolution would amend the Employee Classification Plan by reclassifying the Public Works Building Official position as follows:

401 – Building Official [MANAGER]

Range [22]21

Your consideration is appreciated.



MEMORANDUM

TO: Mayor Gabriel and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Scott Curtin, Public Works Director
DATE: February 21, 2024
SUBJECT: **Resolution 2024-05 Update and further postponement request.**

This memo provides an update on the status of the City Building Official recruitment. The Building Official position was posted for three weeks and closed on Tuesday, February 14th. Ten applications were received with two selected for interviews. The two candidates selected for interview possess the International Code Council's (ICC) Certified Building Plans Examiner designation.

The City, per its Agreement for Exemption of Plan Review and Deferral of Life Safety Inspections with the State of Alaska Department of Public Safety, Division of Fire Prevention, is required to maintain on its enforcement staff at least one person with a current ICC certificate as a Building Plans Examiner and at least one person with a current ICC certificate as a Fire Inspector I. The Fire Inspector I certification is being met by the City's Fire Marshal.

The City is working with the State Fire Marshal to determine an appropriate method for the City to meet requirements under its Deferral Agreement while recruiting a new Building Official. Options include temporary staffing with the proper certification, contract services with a contractor possessing the proper certification, and cooperative plan review services supervised by the State Fire Marshal Office or other plan review services.

To date, one interview has been completed with the second to be completed this week. The Administration requests additional postponement of Resolution 2024-05 to the March 6, 2024 City Council Meeting in order to complete the interview process prior to amending the Building Official classification. Your support is respectfully requested.

**PAYMENTS OVER \$35,000.00 WHICH NEED COUNCIL RATIFICATION
COUNCIL MEETING OF: MARCH 6, 2024**

VENDOR	DESCRIPTION	DEPARTMENT	ACCOUNT	AMOUNT
PERS	PERS	VARIOUS	LIABILITY	108,475.35
PREMERA	FEBRUARY PREMIUM	VARIOUS	INSURANCE	207,123.52
ENSTAR NATURAL GAS	GAS USAGE	VARIOUS	UTILITIES	50,927.60

INVESTMENTS

VENDOR	DESCRIPTION	MATURITY DATE	AMOUNT	Effect. Int.
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Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3402-2024**

AN ORDINANCE ACCEPTING AND APPROPRIATING A DONATION TO THE KENAI COMMUNITY LIBRARY FOR LIBRARY MATERIALS, PROGRAMMING, FURNITURE AND SHELVING.

WHEREAS, the Kenai Community Library received a \$11,500 in donations from community members and the Friends of the Kenai Community Library; and,

WHEREAS, the donations will be used for materials, programming, furniture, and shelving; and,

WHEREAS, the materials will be added to our print collection in memory of Don Weller; and,

WHEREAS, the funds earmarked for programming will bolster and enhance our STEAM (Science, Technology, Engineering, Arts, and Mathematics), Summer Reading, and other programs; and,

WHEREAS, the furniture will provide additional seating in the Kids' Spot; and,

WHEREAS, shelving will provide additional storage for materials and programming supplies; and,

WHEREAS, acceptance of these donations to further the mission of the Kenai Community Library 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 accept these donations in the amount of \$11,550.

Section 2. That the following budget revision is authorized:

General Fund:

Increase Estimated Revenues–	
Miscellaneous Donation	<u>\$11,550</u>
 Increase Appropriations –	
Library – Small Tools/Equipment	\$ 9,400
Library – Operating and Repair Supplies	1,700
Library – Advertising	300
Library – Printing and Binding	100
Library – Books	<u>50</u>
	<u>\$11,550</u>

Section 3. That the City Manager is authorized to expend these funds in line with the intentions of the donors.

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 20TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Approved by Finance: _____



Introduced: March 6, 2024
Enacted: March 20, 2024
Effective: March 20, 2024



MEMORANDUM

TO: Mayor Gabriel and Council Members
THROUGH: Terry Eubank, City Manager
FROM: Katja Wolfe, Library Director
DATE: February 20, 2024
SUBJECT: **Donations to the Kenai Community Library**

The Kenai Community Library received the following donations:

- \$10,000 from Deborah S. McCarthy
- \$1,200 from the Friends of the Kenai Community Library
- \$350 from various community members

The funds will be used to purchase print materials, bolster and enhance our STEAM (Science, Technology, Engineering, Arts, and Mathematics), Summer Reading, and other programs, as well as purchase furniture to provide additional seating and storage for library materials and programming supplies.

We are deeply grateful for the continued support of our library!

Thank you for your consideration.



Sponsored by: Administration

**CITY OF KENAI
ORDINANCE NO. 3403-2024**

AN ORDINANCE AMENDING SECTIONS OF KENAI MUNICIPAL CODE CHAPTERS 21.10- LEASING AND ACQUISITION OF AIRPORT RESERVE LANDS, AND 22.05-DISPOSITION OF CITY LANDS, TO EXTEND THE TIME ALLOWED FOR PRIVATE DEVELOPMENT ON CITY LEASED LOTS AND REQUIRING CERTAIN FINANCIAL ASSURANCES PRIOR TO LEASE EXECUTION.

WHEREAS, Ordinance 2998-2018, and 3072-2019(Substitute) respectively amended the City's land leasing program for Airport Reserve and Non-Airport Reserve lands owned by the City; and,

WHEREAS, since these two ordinances became effective the local and national economies have undergone significant change; and,

WHEREAS, additionally the City's leasing policies expressed in these Ordinances have been tested by the market; and,

WHEREAS, due to economic changes and the City's recent experience with developments on leased parcels it is in the best interest of the City to extend the initial term for development of improvements from 2 years to 3 years with the opportunity for two additional one-year extensions if certain conditions are met; and,

WHEREAS, similarly it is in the best interest of the City to require prospective lessee's provide reasonable evidence to the City that they have the financial capabilities to complete the improvements proposed on respective lease lots; and,

WHEREAS, at its regular meeting on March 14, 2024 the Airport Commission recommended the City Council _____ this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. Amendment of Section 21.10.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.040-Initial lease application, is hereby amended as follows:

21.10.040 Initial lease application.

- (a) All applications for lease of lands must be submitted to the City on an approved application form provided by the City. Applications will be dated on receipt and payment of the nonrefundable application fee as set forth in the City's schedule of fees adopted by the City Council.
- (b) The application form must include the following information:
 - (1) The purpose of the proposed lease;
 - (2) The use, nature, type and estimated cost of improvements to be constructed;
 - (3) The dates construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years); and
 - (4) A comprehensive description of the proposed business or activity intended.

(5) Evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.

- (c) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to any new appraisal, engineering services, surveying and consulting costs, unless in the sole discretion of the City Council, the City Council determines that the subdivision serves other airport purposes. If the Council determines that other airport purposes are served by the subdivision, the City Council may choose in its sole discretion that the City will share in the subdivision costs with the applicant in whatever amount the City Council determines is reasonable given the benefit to the airport.
- (d) Anytime during the processing of a lease application, the City may request, and the applicant must supply, any clarification or additional information that the City reasonably determines is necessary for the City to make a final decision on the application.

Section 2. Amendment of Section 21.10.060 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.060-Lease Application review, is hereby amended as follows:

21.10.060 Lease application review.

- (a) Applications shall be reviewed by City staff for:
 - (1) Application completeness;
 - (2) Conformance with municipal ordinances;
 - (3) Conformance with the airport layout plan, airport master plan, Federal Aviation Administration regulations applicable to the airport, airport improvement projects, airport sponsor grant assurances to the Federal Aviation Administration, and airport regulations and operations; and
 - (4) Conformance with the comprehensive plan.
- (b) Based on the initial review and staff recommendation for action, if the City Manager determines the application is complete and the applicant has reasonable financial means to complete the proposed improvements, the application shall be referred to the Airport Commission and the Planning and Zoning Commission for review and comment, together with the City Manager's recommendation for approval or rejection. For protection of private financial information, documentation showing the applicant has reasonable financial resources to complete the proposed improvement will be redacted or withheld from the application when published and provided to the Airport, Planning Commission and City Council.
- (c) Notice of applications for new leases, renewals or extensions must be published in a newspaper of general circulation within the City. The notice must contain the name of the applicant, a brief description of the land and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).
- (d) The recommendations of the City Manager, Airport Commission and Planning and Zoning Commission shall be brought to the City Council. The decision whether or not to lease land or authorize a lease extension or renewal rests in the sole discretion of the City Council.
- (e) The City Council may waive provisions of this chapter to lease property or interests in real property with the United States, the state of Alaska or an Alaska political subdivision when in the judgment of the City Council it is advantageous to the City to do so.

- (f) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease shall not be entered into until the deficiencies are cured.

Section 3. Amendment of Section 21.10.070 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.070-Application for lease amendment, extension or renewal, is hereby amended as follows:

21.10.070 Application for lease amendment, extension or renewal.

- (a) A request from an existing lessee for a lease amendment, extension or renewal of the lease must be submitted to the City on an application form provided by the City. Applications must be complete and dated on receipt and payment of the nonrefundable application fee as set forth in the City's schedule of fees adopted by the City Council. All applications proposing new improvements must include evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.
- (b) An application for an amendment must include the following information:
 - (1) The purpose of the proposed amendment;
 - (2) The proposed change in use or activity; and
 - (3) A comprehensive description of the proposed business, if applicable.
- (c) An application for a lease extension must include the following information:
 - (1) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (2) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years).
- (d) An application for a lease renewal must include the following information:
 - (1) For a lease renewal of an existing lease:
 - (i) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (ii) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years).
 - (2) For a lease renewal of an expiring lease:
 - (i) A professional estimate of the remaining useful life of the principal improvement on the property, paid for by the applicant; or
 - (ii) A market value appraisal of the principal improvement on the property, paid for by the applicant; or
 - (iii) The purchase price of improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction; and
 - (iv) The use, nature, type and estimated cost of additional improvements to be constructed, if applicable.
 - (v) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years) if applicable.

(e) Applications for amendment, extension or renewal shall be processed in accordance with the lease application review provisions of this chapter. 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.

Section 4. Amendment of Section 21.10.070 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.070-Application for lease amendment, extension or renewal, is hereby amended as follows:

21.10.080 Length of lease term.

- (a) The length of term for an initial lease shall be based on the amount of investment the applicant proposes to make in the construction of new permanent improvements on the premises as provided in the application. The City Council may offer a shorter lease term, if the City Council makes specific findings that a shorter lease term is in the best interest of the City.
- (b) The maximum term of an initial lease shall be determined according to the following term table:

Term Table

Applicant's Investment/Value	Maximum Term of Years
\$7,500	5
15,000	6
22,500	7
30,000	8
37,500	9
45,000	10
52,500	11
60,000	12
67,500	13
75,000	14
82,500	15
90,000	16
97,500	17
105,000	18
112,500	19

Applicant's Investment/Value	Maximum Term of Years
120,000	20
127,500	21
135,000	22
142,500	23
150,000	24
157,500	25
165,000	26
172,500	27
180,000	28
187,500	29
195,000	30
202,500	31
210,000	32
217,500	33
225,000	34
232,500	35
240,000	36
247,500	37
255,000	38
262,500	39
270,000	40
277,500	41
285,000	42
292,000	43

Applicant's Investment/Value	Maximum Term of Years
300,000	44
307,500	45

- (c) The length of term for a lease extension shall be determined according to the term table and based on the total amount of the investment provided in the initial lease application and the estimated cost of additional permanent improvements as provided in the application for lease extension and provided no extension shall extend a lease term past forty-five (45) years.
- (d) The length of term for a lease renewal of an existing lease shall be determined according to the term table and based on the total amount of the investment provided in the initial lease application and the estimated cost of additional permanent improvements as provided in the application. The renewal term of an existing lease pursuant to a transaction between the current lessee and a new buyer and prospective lessee will be determined by the purchase price of permanent improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction, and the proposed additional permanent improvements, if any. The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (e) The length of term for a lease renewal of an expiring lease shall be determined according to a professional estimate of the remaining useful life of the principal improvement on the property, paid for by the applicant or the term table and based on the following:
 - (1) The purchase price of real property improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction; or
 - (2) A market value appraisal of the principal improvement on the property, paid for by the applicant; and
 - (3) The estimated cost of any additional investment the applicant proposes to make in the construction of permanent improvements on the premises as provided in the application.
 - (4) The term for renewal of an expiring lease cannot exceed forty-five (45) years.
- (f) Before the City approves or extends the term of a lease, permit, concession, or other interest for any use of a premises that the City has determined in writing will be needed for airport development in the future, the City will first estimate when the premises will likely be needed for airport development. A term or a term extension for use of those premises may not run beyond the time that the City estimates the premises will become needed for airport development and is subject to further extension only to the extent that need does not arise or is otherwise satisfied or deferred by the City.
- (g) If the initial lease, term extension, or lease renewal granted to the applicant requires construction of permanent improvements, the lease or term extension shall be subject to the following conditions:
 - (1) The lessee to complete the proposed permanent improvements within a reasonable period of time set by the City, considering the cost and nature of the improvements; provided, however, that the time allowed shall not [ORDINARILY] exceed [TWENTY-FOUR (24)] 36 months after the effective date of the lease, renewal, or extension unless additional time is approved as provided in subsection 5 below.
 - (2) The lessee to provide a performance bond, deposit, personal guarantee, or other security if the City Council determines security is necessary or prudent to ensure the applicant's

completion of the permanent improvements required in the lease, renewal, or extension. The City Council shall determine the form and amount of the security according to the best interest of the City, after a recommendation by the City Manager considering the nature and scope of the proposed improvements and the financial responsibility of the applicant.

- (3) At no expense to the City, the lessee must obtain and keep in force during the term of the lease, insurance of the type and limits required by the City for the activities on the premises.
- (4) Within thirty (30) days after completion of the permanent improvements, the lessee shall submit to the City written documentation that the improvements have been completed as required. The City Manager shall make a report to the City Council of completion as soon as reasonably practical.
- (5) If the [APPLICANT] lessee shows good cause to the City Council, and evidence of progress towards completion of the proposed improvements, including but not limited to a building permit, invoices for site specific building materials, or third party contracts for construction, as well as updated financial information as required in KMC 21.20.040(B)(5) and the City Council determines the action is in the best interest of the City, the City Council may grant an extension of the time [ALLOWED] initially not to exceed 12 months to complete permanent improvements by resolution that is sufficient to allow for the completion of the permanent improvements or for submission of documentation that the permanent improvements have been completed. A final twelve month extension may be granted by separate resolution of Council if the lessee meets the same criteria for the first twelve month extension and provides a performance bond, deposit, personal guarantee or other security interest sufficient to cover the remained of the unfinished work on the proposed improvements and Council determines the final extension is in the best interest of the City. [NO EXTENSION OR COMBINATION OF EXTENSIONS GRANTED SHALL EXCEED TWELVE (12) MONTHS OR CAUSE THE TOTAL TIME ALLOWED TO COMPLETE PERMANENT IMPROVEMENTS TO EXCEED THIRTY-SIX (36) MONTHS.]
- (6) If, within the time required, the applicant fails to complete the required permanent improvements, the City shall:
 - (i) If the application is for a new lease or lease renewal, execute the forfeiture of the performance bond, deposit, personal guarantee, or other security posted by the applicant under subsection (g)(2) of this section to the extent necessary to reimburse the City for all costs and damages, including administrative and legal costs, arising from the applicant's failure to complete the required improvements, and initiate cancellation of the lease or reduce the term of the lease to a period consistent with the portion of the improvements substantially completed in a timely manner according to the best interests of the City.
 - (ii) If the application is for a lease extension, the City shall terminate the amendment extending the term of the lease or reduce the term of the extension at the City's sole discretion.

Section 5. Amendment of Section 22.05.025 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.025-Initial lease application, is hereby amended as follows:

22.05.025 Initial lease application.

- (a) All applications for lease of lands must be submitted to the City Manager or designee on an application form provided by the City. Applications will be dated on receipt and must include payment of the nonrefundable application fee as set forth in the City's schedule of fees approved by the City Council.

- (b) The application form must include the following information:
- (1) The purpose of the proposed lease;
 - (2) The use, nature, type, and estimated cost of improvements to be constructed;
 - (3) The dates construction is estimated to commence and be completed. Construction must be completed within [TWO (2)] 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council;
 - (4) Evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.
 - ~~(4)5~~ A comprehensive description of the proposed business or activity intended;
 - ~~(5)6~~ Whether the applicant requests a lease with an option to purchase; and
 - ~~(6)7~~ How the proposed lease meets the intent of this chapter.
- (c) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to any new appraisal, engineering services, surveying and consulting costs unless, in the sole discretion of the City Council, it is determined that the subdivision serves other City purposes.
- (1) If the Council determines that other City purposes are served by the subdivision, the City Council may choose in its sole discretion to share in the subdivision costs with the applicant in an amount the City Council determines is reasonable given the benefit to the City.
 - (2) If the Council does not make a determination that other City purposes are served by the subdivision, the applicant must submit a deposit to cover the estimated costs associated with the subdivision.
 - (3) If the City enters into a lease with the applicant, any unused balance of the deposit made to cover costs associated with subdivision will apply to the rent payable under the lease.
 - (4) If the City's costs exceed the amount of any deposit made to cover costs associated with subdivision, the applicant must pay the shortage to the City as a condition of the lease.
 - (5) If the application is rejected or if the applicant withdraws the application or fails to sign a lease offered to the applicant, the City will return any unused deposit balance to the applicant.
- (d) Applications for lands which have not been appraised within one (1) year of the requested starting date of the lease require the applicant to be responsible for all costs associated with appraisal. The cost of the appraisal shall be credited or refunded to the lessee once development is completed as required by the lease, extension or renewal.
- (e) Applications which result in a lease agreement with the City require the lessee to be responsible for all recording costs and any other fees associated with execution of the lease including a preliminary commitment for title insurance and fifty percent (50%) of the required costs associated with a sale of leased land in which the lease contains an option to purchase once the minimum development requirements have been met.
- (f) Anytime during the processing of a lease application, the City may request, and the applicant must supply, any clarification or additional information that the City reasonably determines is necessary for the City to make a final decision on the application.

Section 6. Amendment of Section 22.05.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.040-Lease application review, is hereby amended as follows:

22.05.040 Lease application review.

- (a) Applications shall be reviewed by City staff for application completeness and conformance with City ordinances.
- (b) Based on the initial review, if the City Manager determines the application is complete and the applicant has reasonable financial means to complete the proposed improvements, the application shall be referred to the Planning and Zoning Commission and any other applicable commissions for review and comment, together with the City Manager's recommendation for approval or rejection. The recommendation may include a recommendation for a subdivision to reduce or enlarge a parcel to meet the intended development or use. For protection of private financial information, documentation showing the applicant has reasonable financial resources to complete the proposed improvement will be redacted or withheld from the application when published and provided to the Planning Commission, other applicable commission and City Council.
- (c) Notice of complete applications for new leases, renewals or extensions shall be published in a newspaper of general circulation within the City and posted on the property. The notice must contain the name of the applicant, a brief description of the land, whether the applicant requests a lease with an option to purchase, and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).
- (d) The recommendations of the City Manager, Planning and Zoning Commission, and any other applicable commissions shall be provided to the City Council. The City Council shall determine whether the lease, renewal, amendment or extension is consistent with the intent of this chapter and in the best interest of the City. The decision whether or not to lease land or authorize a lease extension, renewal, amendment or assignment rests in the sole discretion of the City Council.
- (e) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease shall not be entered into until the deficiencies are remedied.

Section 7. Amendment of Section 22.05.045 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.045-Application for lease amendment, assignment, extension or renewal, is hereby amended as follows:

22.05.045 Application for lease amendment, assignment, extension or renewal.

- (a) A request from an existing lessee for a lease amendment, assignment, extension or renewal of the lease must be submitted to the City Manager or designee on an application form provided by the City. Applications must be complete and dated on receipt and include payment of the nonrefundable application fee and applicable deposit as set forth in the City's schedule of fees adopted by the City Council. All applications proposing new improvements must include evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law. Construction must be completed within 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council;
- (b) An application for an amendment must include the following information:
 - (1) The purpose of the proposed amendment;
 - (2) The proposed change in use or activity, if any;
 - (3) A comprehensive description of the proposed business or activity, if applicable; and
 - (4) How the proposed amendment meets the intent of this chapter.

- (c) An application for a lease assignment must include the following:
 - (1) The name of the individual or legal entity to which the lessee requests to assign the lease.
- (d) An application for a lease extension must include the following information:
 - (1) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (2) The dates new construction is estimated to commence and be completed; and
 - (3) How the proposed lease extension meets the intent of this chapter.
- (e) An application for a lease renewal must include the following information:
 - (1) For a lease renewal of an existing lease:
 - (i) The use, nature, type and estimated cost of additional investment in the construction of new permanent improvements;
 - (ii) The dates new construction is estimated to commence and be completed;
 - (iii) If the renewal is pursuant to a transaction between the current lessee and a new buyer and prospective lessee, the estimated purchase price of real property improvements on the premises as certified by the current lessee and proposed purchaser in a bill of sale or purchase agreement dated within one (1) year of the requested starting date of the renewal; and
 - (iv) How the proposed lease renewal meets the intent of this chapter.
 - (2) For a lease renewal of an expiring lease:
 - (i) A fair market value appraisal of the existing principal improvement on the property, paid for by the applicant, and the estimated cost of any additional investment in the construction of permanent improvements on the premises, if applicable;
 - (ii) If the renewal is pursuant to a transaction between the current lessee and a new buyer and prospective lessee, the estimated purchase price of existing real property improvements, as certified by the current lessee and the proposed purchaser in a bill of sale or purchase agreement dated within one (1) year of the requested starting date of the renewal, and the estimated cost of any additional investment in the construction of permanent improvements on the premises, if applicable;
 - (iii) If the renewal is based on a professional estimate of the remaining useful life of the real property improvements on the premises, the estimated value dated within one (1) year of the requested starting date of the renewal and how it was determined;
 - (iv) The use, nature, type and estimated cost of any additional improvements to be constructed, if applicable;
 - (v) The dates any new construction is estimated to commence and be completed; and
 - (vi) How the proposed lease meets the intent of this chapter.
- (f) Applications for amendment, assignment, extension or renewal shall be processed in accordance with the lease application review provisions of this chapter, except that applications for assignment shall not be referred to the Planning and Zoning Commission. The City has no obligation to amend, assign, renew or extend a lease and may decline to do so upon making specific findings as to why a lease amendment, assignment, renewal, or extension is not in the best interest of the City.

Section 8. Amendment of Section 22.05.055 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.055-Length of lease term, is hereby amended as follows:

22.05.055 Length of lease term.

- (a) The length of term for an initial lease shall be based on the amount of investment the applicant proposes to make in the construction of new permanent improvements on the premises as provided in the application. The City Council may offer a shorter lease term, if the City Council makes specific findings that a shorter lease term is in the best interest of the City.
- (b) The maximum term of a lease shall be determined according to the following term table and cannot exceed forty-five (45) years:

Term Table

APPLICANT'S INVESTMENT/VALUE	MAXIMUM TERM OF YEARS
\$7,500	5
15,000	6
22,500	7
30,000	8
37,500	9
45,000	10
52,500	11
60,000	12
67,500	13
75,000	14
82,500	15
90,000	16
97,500	17
105,000	18
112,500	19
120,000	20
127,500	21
135,000	22
142,500	23

APPLICANT'S INVESTMENT/VALUE	MAXIMUM TERM OF YEARS
150,000	24
157,500	25
165,000	26
172,500	27
180,000	28
187,500	29
195,000	30
202,500	31
210,000	32
217,500	33
225,000	34
232,500	35
240,000	36
247,500	37
255,000	38
262,500	39
270,000	40
277,500	41
285,000	42
292,500	43
300,000	44
307,500	45

(c) *Lease Extension.* The length of term for a lease extension shall be determined based on the remaining term of the initial lease and the estimated cost of new investment the applicant proposes to make in the construction of new permanent improvements on the premises according to the term table and provided no extension shall extend a lease term past forty-five (45) years.

- (d) *Lease Renewal for an Existing Lease.* A renewal for an existing lease requires the construction of new permanent improvements, and the length of term for a lease renewal for an existing lease shall be determined as follows:
- (1) Based on the remaining term of the initial lease according to the term table and the estimated cost of new investment the applicant proposes to make in the construction of new permanent improvements on the premises according to the term table; or
 - (2) Pursuant to a transaction between the current lessee and a new buyer and prospective lessee and based on the purchase price of existing real property improvements on the premises, as certified by the current lessee and the proposed purchaser in the bill of sale or purchase agreement, to be executed at closing of the transaction and the estimated cost of new investment in the construction of new permanent improvements on the premises according to the term table.
 - (3) The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (e) *Lease Renewal for an Expiring Lease.* The length of term for a lease renewal of an expiring lease shall be determined as follows:
- (1) The purchase price of existing real property improvements on the premises, as certified by the current lessee and the proposed purchaser in the bill of sale or purchase agreement, to be executed at closing of the transaction and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table; or
 - (2) A professional estimate of the remaining useful life of the real property improvements on the premises, paid for by the applicant, and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table; or
 - (3) A fair market value appraisal of the existing real property improvements on the premises, paid for by the applicant, and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table.
 - (4) The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (f) If the initial lease, term extension, or lease renewal granted to the applicant requires construction of new permanent improvements, the lease or term extension shall be subject to the following conditions:
- (1) The lessee to complete the proposed permanent improvements within [TWO (2)] 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council[,] in the initial lease or unless additional time is approved after the lease is executed as provided in subsection 5 below.
 - (2) The lessee to provide a performance bond, deposit, personal guarantee, or other security if the City Council determines security is necessary or prudent to ensure the applicant's completion of the permanent improvements required in the lease, renewal, or extension. The City Council shall determine the form and amount of the security according to the best interest of the City, after a recommendation by the City Manager considering the nature and scope of the proposed improvements and the financial responsibility of the applicant.
 - (3) At no expense to the City, the lessee must obtain and keep in force, during the term of the lease, insurance of the type and limits required by the City for the activities on the premises.
 - (4) Within thirty (30) days after completion of the permanent improvements, the lessee shall submit to the City written documentation that the improvements have been completed as required. The City Manager shall make a report to the City Council of completion as soon as reasonably practical.

- (5) If the [APPLICANT] lessee shows good cause and evidence of progress towards completion of the proposed improvements, including but not limited to building permits, invoices for site specific building materials, or third party contracts for construction, as well as updated financial information as required in KMC 22.05.25(b)(4) and the City Council determines the action is in the best interest of the City, the City Council may grant an extension of the time initially not to exceed 12 months [ALLOWED] to complete permanent improvements by resolution that is sufficient to allow for the completion of the permanent improvements or for submission of documentation that the permanent improvements have been completed. A final twelve-month extension may be granted by separate resolution of Council if the lessee meets the same criteria for the first twelve-month extension and provides a performance bond, deposit, personal guarantee or other security interest sufficient to cover the remained of the unfinished work on the proposed improvements and Council determines the final extension is in the best interest of the City.
- (6) If, within the time required, the applicant fails to complete the required permanent improvements, the City shall:
 - (i) If the application is for a new lease or lease renewal, execute the forfeiture of the performance bond, deposit, personal guarantee, or other security posted by the applicant under subsection (f)(2) of this section to the extent necessary to reimburse the City for all costs and damages, including administrative and legal costs, arising from the applicant’s failure to complete the required improvements, and/or initiate cancellation of the lease or reduce the term of the lease to a period consistent with the portion of the improvements substantially completed in a timely manner according to the best interest of the City.
 - (ii) If the application is for a lease extension, the City shall terminate the amendment extending the term of the lease or reduce the term of the extension at the City’s sole discretion.

Section 9. 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 10. 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 20TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Introduced:	March 6, 2024
Enacted:	March 20, 2024
Effective:	April 19, 2024



KENAI

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

MEMORANDUM

TO: Mayor Gabriel and Council Members
FROM: Terry Eubank, City Manager
DATE: February 29, 2024
SUBJECT: **Ordinance 3403-2024 – Amending Leasing of Lands**

The City Council adopted Ordinance 2998-2018 and 3072-2019 (Substitute), amending the City's land leasing program for Airport Reserve and Non-Airport Reserve lands owned by the City.

These two ordinances included substantial changes to the City's leasing program, including simplifying the application process and standardizing the lease process and forms to encourage growth, development, and a thriving business and aviation community. Since these changes have become effective, the City has seen an increase in lease applications and new leases of Airport Reserve lands. However, the local and national economies have undergone significant change, and the City has also seen an increase in requests for extensions for the completion of construction required under a lease.

Due to economic changes and the City's recent experience with developments on leased parcels, it is in the best interest of the City to extend the initial term for the development of improvements from two years to three years with the opportunity for two additional one-year extensions if certain conditions are met. These conditions would require lease applicants to provide reasonable evidence to the City that they have the financial capabilities to complete proposed improvements and require the lessee to show evidence of progress towards completion of the proposed improvements, including but not limited to a building permit, invoices for site-specific building materials, or third-party contracts for construction.

This amendment has been discussed with existing leaseholders who have received an extension of time for good cause for the completion of permanent improvements required by the Lease, and a copy of the Ordinance has been scheduled for the March 14 meeting of the Airport Commission for recommendation.

Thank you for your consideration.



MEMORANDUM

TO: Mayor Gabriel and Council Members
FROM: Scott Bloom
DATE: February 29, 2024
SUBJECT: Airport Lands Sectional Analysis

This memo provides a sectional analysis for the code changes in Ordinance 3403-2024.

Section 1. The changes to 21.10.040, which lays out what information is required in lease applications for airport reserve lands, include a change to subsection (b)(3) indicating construction of improvements on leased property ordinarily must be completed in 3 years or less, instead of 2 years or less. Additionally, a new subsection (b) (5) is added to require that evidence of the lessee's financial ability to complete the project must be provided to administration as part of the lease application package, and that this financial information will be kept confidential as allowed by relevant law.

Section 2. This section amends 21.10.060, which describes the process for reviewing lease applications for lands on the airport reserve, subsection (b), to describe the process for reviewing the financial capability of the proposed lessee to complete the proposed projects. The amendment also provides that this financial information will not be shared publicly. The changes provide that the financial resources of the lessee will be checked administratively by the City Manager, and will not be a part of the decision-making process of applicable advisory bodies or the City Council, in order to protect the lessee's financial information. Essentially in order for an application to be deemed complete by administration and forwarded to the advisory bodies and Council, the City Manager will need to determine that financial information provided is sufficient.

Section 3. This section amends 21.10.070(a) (c) and (d), applying the same financial resources check, and improvement construction timeline of 3 years, instead of 2 years, to lease extensions and renewals on airport reserve lands, similar to new lease applications.

Section 4. This section amends 21.20.080(g)(1) and (5) to again state that construction must ordinarily be completed in 3 years (36 months) but that two, one-year extensions can be granted by the Council, for a total of five years to complete construction on airport reserve lands. The first one-year extension requires the lessee to show good cause and progress, such as a building permit, proof of purchase of materials, or construction contracts with a third party, and evidence that they still have the financial capability to complete the project. The second one-year extension can be granted by Council if the same criteria of the first extension are met, and the lessee provides a financial guarantee to complete the project.

Section 5. This section amends 22.05.025(b), making the same amendments to the initial lease application requirements for lands outside the airport reserve, as within the airport reserve, regarding financial resources of the lessee to complete the project and changing the timeline to complete construction from 2 years to 3.

Section 6. This section amends 22.05.040(b) regarding lands outside the airport in the same respects as lands on the reserve for the lease review process by administration, advisory bodies and Council.

Section 7. This section amends 22.05.045, which guides the process for lease extensions and renewals outside the airport reserve, to include similar language regarding financial resources of the lessee to complete the project and describing that new improvements must be ordinarily completed in 3 years.

Section 8. This section amends 22.05.055(f) to again change the ordinary timeline for completion of construction of improvements on a leased lot outside the airport reserve from 2 to 3 years, and provide the same opportunity for two, one-year extensions as described above for leases on the airport reserve as in Section 4.

