



Kenai City Council - Regular Meeting

August 07, 2019 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

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)

C. UNSCHEDULED PUBLIC COMMENTS

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

D. PUBLIC HEARINGS

1. **Resolution No. 2019-54** - Designating Management Authority For Tract 2, Baron Park Subdivision To Reflect That Revenues And Expenses Associated With The Property Are Allocated To The Airport Fund. (Administration)
2. **Resolution No. 2019-55** - Designating Management Authority For Tract 3, Baron Park Subdivision To Reflect That Revenues And Expenses Associated With The Property Are Allocated To The Airport Fund. (Administration)

E. MINUTES

1. *Regular Meeting of July 3, 2019.

F. UNFINISHED BUSINESS

G. NEW BUSINESS

- 1. *Action/Approval** - Bills to be Ratified (Administration)
- 2. *Action/Approval** - Purchase Orders Exceeding \$15,000 (Administration)
- 3. Ordinance No. 3072-2019** - Renaming, Repealing and Re-Enacting Kenai Municipal Code Title 22-General Fund Lands, Renaming Title 21-City Airport and Airport Lands, and Repealing Kenai Municipal Code Chapter 21.15-Lease and Sale of Airport Lands Outside of the Airport Reserve to Encourage Responsible Growth and Development to Support a Thriving Business, Residential, Recreational and Cultural Community through Responsible Land Policies and Practices. (Administration)
- 4. *Ordinance No. 3073-2019** - Accepting and Appropriating a Grant from the State of Alaska for the Purpose of Purchasing Books. (Administration)
- 5. *Ordinance No. 3074-2019** - Increasing Estimated Revenues and Appropriations by \$1,504.82 in the FY2019 General Fund - Police Department for State Traffic Grant Overtime Expenditures. (Administration)
- 6. *Ordinance No. 3077-2019** - Increasing Estimated Revenues and Appropriations in the Water & Sewer Special Revenue and Water & Sewer Improvements Capital Project Funds for Engineering and Design Services to Relocate Well House #1 which was Damaged by the November 30, 2018 Magnitude 7.0 Southcentral Alaska Earthquake. (Administration)
- 7. Action/Approval** - Authorizing a Special Use Permit for the Kenai Chamber of Commerce and Visitor Center for the Use of the "Moose Meat John" Cabin. (Administration)

H. COMMISSION / COMMITTEE REPORTS

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

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

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

K. ADDITIONAL PUBLIC COMMENT

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

L. EXECUTIVE SESSION

M. PENDING ITEMS

N. ADJOURNMENT

O. INFORMATION ITEMS

- [1.](#) Purchase Orders between \$2,500 and \$15,000 for Council Review
- [2.](#) Kenai Chamber of Commerce Thank You Letter
- [3.](#) Kenai Performers Sponsorship Request

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.



Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2019-54

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, DESIGNATING MANAGEMENT AUTHORITY FOR TRACT 2, BARON PARK SUBDIVISION TO REFLECT THAT REVENUES AND EXPENSES ASSOCIATED WITH THE PROPERTY ARE ALLOCATED TO THE AIRPORT FUND.

WHEREAS, the City of Kenai received a Quitclaim Deed from the Federal Aviation Administration (FAA) on December 1, 1962, to nearly 2,000 acres of land subject to certain restrictions, including that no property shall be used, leased, sold, salvaged, or disposed of for reasons other than for Airport purposes; and,

WHEREAS, in 1991, the FAA executed a Deed of Release for a 40.329-acre tract, including what is now Tract 2, Baron Park Subdivision, releasing the City from all conditions, reservations, and restrictions of the FAA Deed to permit the long-term lease or sale of the property for non-airport purposes; and,

WHEREAS, in February 1991, Council approved Ordinance 1413-91 appropriating \$212,500 from the General Fund to pay the Airport Fund the Fair Market Value of an approximately 40-acre tract, Tract A-1 Baron Park Sub. No. 1, including what is now Tract 2, from the City Airport Fund for Marathon Road street and utility improvements to encourage industrial development in the area; and,

WHEREAS, in May 1991, the City entered into a lease with the University of Alaska for Tract A-1, and the lease was amended in 1996 to remove approximately 10 acres to be used to build the Alaska Regional Fire Training Facility located on what is now Tract 2, Baron Park Subdivision; and,

WHEREAS, Ordinance 1756-97 appropriated Airport Improvement Program Funds for the construction of the 23,460 square foot Alaska Regional Fire Training Facility on Tract 2 to facilitate hands-on training for fire response personnel in scenarios replicating actual emergencies involving aircraft and structural/industrial settings; and,

WHEREAS, Resolution 2008-12 approved a Facility Management Agreement with Beacon Occupational Health and Safety Services, which occupies the first floor of the Fire Training Facility, and the American National Red Cross utilizes approximately 475 square feet of temporary office space; and,

WHEREAS, the Airport Fund has provided for facility management services and facility repairs and maintenance for the Fire Training Facility and property with the exception of a one-time transfer of \$110,000 from the General Fund authorized by Ordinance 2296-2008 to fund repairs and maintenance at the Facility due to deficits in the Airport Fund; and,

WHEREAS, the City and the Kenai Municipal Airport are strongly committed to rehabilitation and infrastructure at the Facility and Ordinance 3059-2019 authorized \$216,000 in FAA grant-eligible Airport Improvement Capital Project funds for engineering, design, and construction services at the Facility; and,

WHEREAS, Tract 2, Baron Park Subdivision is no longer subject to FAA deed restrictions that require the property be used for Airport purposes, however, it is in the best interest of the City that this property be managed for the benefit of the Airport; and,

WHEREAS, due to the number and nature of improvements on and surrounding the property, specifically the investment by the General Fund in street and utility improvements and the Airport Fund in permanent improvements at the Fire Training Facility and former UAA Lease Lot, it is in the best interest of the City to designate the management authority for Tract 2 to the Airport to accurately reflect the Airport's investment in and responsibility for the property.

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

Section 1. That management authority for Tract 2 Baron Park Subdivision is designated to the Airport Fund.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 7th 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

MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

FROM: Paul Ostrander, City Manager

DATE: July 25, 2019

SUBJECT: **Resolution 2019-54 and 2019-55 – Designating Management Authority for Tracts 2 and 3, Baron Park Subdivision**

At the July 3, 2019 City Council Meeting, the City Council discussed an Action/Approval item to delineate management authority to the Airport Fund for two tracts of land in the Baron Park Subdivision to clarify which City fund is responsible for expenditures associated with said properties and which City Fund will receive revenues from the land and improvements on the properties as well as facilitate a subdivision to preserve public access along the existing constructed road.

Resolution 2019-54 and 2019-55 designate management authority for Tracts 2 and 3, respectively. Attached is the June 20, 2019 memo which provides additional detail in support of the resolutions, which will clarify that the Airport Fund is the appropriate fund to pay all expenditures and receive all revenues associated with the properties and improvements on the properties.

Your consideration is appreciated.

Attachment





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

FROM: Paul Ostrander, City Manager

DATE: June 20, 2019

SUBJECT: **Action/ Approval - Baron Park Subdivision Properties**

The purpose of this memo is to affirmatively delineate management authority for two properties in the Baron Park Subdivision to clarify which City fund is responsible for and receives the benefit from the property and improvements on the property as well as facilitate a subdivision to preserve public access along the existing constructed road.

The City has discussed properties in the Baron Park Subdivision as it relates to management authority since the property was first proposed to provide land for a future Fire Training Facility site in 1990. The 40-acre tract was undeveloped except for a small observation antennae installed by the National Oceanic and Atmospheric Administration (NOAA) and a small pond. Payment was made from the General Fund to the Airport Fund in the amount of \$212,500 to transfer Management authority for the land from the Airport Fund to the General Fund in 1991 for Marathon Road street and utility improvements to encourage industrial development in the area as well as facilitate a lease to the University of Alaska for the development of the indoor fire training facility. Since that time, the 40-acre tract has been the subject of multiple subdivisions and development as follows:

In 1991, the City entered into a lease with the University of Alaska on what is now Tract 3, but was formerly Tract A-1, an approximately 40-acre parcel. The lease was amended in 1996 to remove approximately 10 acres to be used to build the Alaska Regional Aircraft Rescue & Fire Training Center. The University constructed substantial improvements on the leased property and by mutual agreement the University and the City terminated the Lease with the City Airport Fund purchasing the improvements on the property. Ordinance 2380-2009 authorized the purchase of the improvements, which included a water launch/recovery training apparatus, Fire Training Burn Building, chain link fencing, gravel pad, utility improvements, a 1,000 square foot modular classroom, modular bathrooms and showers, an 800 square foot garage building, and other items for \$325,000. At the time the expenditure was approved by City Council, there was a discussion of repayment to the General Fund of a portion of the



\$212,500 which was paid to the Airport Fund in 1991 for the portion of the property that was returned to Airport management. No repayment was made nor was the property that was returned to Airport management clearly defined.

In 1997, the Alaska Fire Training Facility was built on what is now Tract 2, and Ordinance 1756-97 appropriated Airport Fund and Airport Improvement Program Funds for construction of the facility, which was designed to facilitate hands-on training for fire response personnel in scenarios replicating actual emergencies involving aircraft and structural/industrial settings. The Facility is currently under a Facility Management Agreement with Beacon Occupational Health and Safety Services, which occupies the first floor, and the American National Red Cross utilizes approximately 475 square feet of temporary office space on the second floor. The Airport Fund provides facility repairs and maintenance for the property with the exception of a one-time transfer of \$110,000 from the General Fund authorized by Ordinance 2296-2008 to fund repairs and maintenance at the facility due to deficits in the Airport Fund. The City and the Kenai Municipal Airport are strongly committed to rehabilitation and infrastructure at the Facility and solicited proposals for engineering, design, and construction services in March 2019 to be funded with FAA funds.

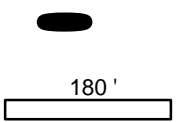
The City Council held a work session on January 27, 2010 to discuss the management authority for the Baron Park Subdivision and a return of the University parcel (now Tract 3) to the Airport in recognition of the \$325,000 paid by the Airport Fund. However, no action was taken as a result of the work session, and the City moved forward with plans to construct a City park around a small pond on the parcel. Daubenspeck Family Park was formally 'dedicated' in 2012. Ordinance No 2601-2011 appropriated \$150,000 from a State of Alaska grant for municipal improvements at Daubenspeck Park. Resolution 2018-52 authorized a portion of the park for the construction and presence of an off-leash dog park. The area encompasses approximately 22,500 square feet within Daubenspeck Family Park along the northeast side of the pond.

In 2015, the City maintenance shop facility was built on what is now Tract 1. Some of the development on this lot is in common with the lot to the west, Tract 3, the site of the University of Alaska Fire Training Facility. When the tracts were re-platted in 2012 into Tracts 1-5 Baron Park 2012 Addition, the improvements purchased by the Airport Fund on former Tract A-1 Baron Park Sub. No 7 were located on both Tract 1 and Tract 3. Additionally, the City Shop uses the access road along the lot line common to Tracts 3 and 4. The 2012 plat dedicated Daubenspeck Circle, providing interior and/or alternate access to all five tracts, but the actual constructed road is a loop, extending past the cul-de-sac bulb back to Marathon Road. A 30-foot utility easement was granted on the plat along that common lot line, running down the center of the travel way and there are water and sewer lines along the road.

Due to the number and nature of improvements on and surrounding the properties, specifically the investment by the General Fund in street and utility improvements and the Airport Fund in permanent improvements at the Fire Training Facility and former UAA Lease Lot, it is in the best interest of the City to designate the management authority for Tracts 2 and 3 to the Airport. If City Council approves of this action, management authority for Tracts 2 and 3 will accurately reflect the Airport's investment in and responsibility for the properties. Additionally, the transfer of authority will resolve the comingled responsibility and benefit of the properties to associate them with the appropriate fund as well as allow the City to move forward in a subdivision to preserve public access along the existing constructed road to Tract 1.

Your consideration is appreciated.

**Baron Park
Subdivision
2012 Addition**



1 inch equals 208 feet

The information depicted here on is for graphic representation only of the best available sources. The City of Kenai assumes no responsibility for errors on this map.

Date: 5/20/2019





Sponsored by: Administration

CITY OF KENAI

RESOLUTION NO. 2019-55

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, DESIGNATING MANAGEMENT AUTHORITY FOR TRACT 3, BARON PARK SUBDIVISION TO REFLECT THAT REVENUES AND EXPENSES ASSOCIATED WITH THE PROPERTY ARE ALLOCATED TO THE AIRPORT FUND.

WHEREAS, the City of Kenai received a Quitclaim Deed from the Federal Aviation Administration (FAA) on December 1, 1962, to nearly 2,000 acres of land subject to certain restrictions, including that no property shall be used, leased, sold, salvaged, or disposed of for reasons other than for Airport purposes; and,

WHEREAS, in 1991, the FAA executed a Deed of Release for a 40.329-acre tract, including what is now Tract 3, Baron Park Subdivision, releasing the City from all conditions, reservations, and restrictions of the FAA Deed to permit the long-term lease or sale of the property for non-airport purposes; and,

WHEREAS, in February 1991, Council approved Ordinance 1413-91 appropriating \$212,500 from the General Fund to pay the Airport Fund the Fair Market Value of an approximately 40-acre tract, Tract A-1 Baron Park Sub. No. 1, including what is now Tract 3, from the City Airport Fund for Marathon Road street and utility improvements to encourage industrial development in the area; and,

WHEREAS, in May 1991, the City entered into a lease with the University of Alaska for Tract A-1, upon which the University constructed substantial improvements for their University of Alaska Fire Training Facility; and,

WHEREAS, in February 2009, Ordinance 2380-2009 authorized the City Airport Fund to purchase the improvements for \$325,000, and by mutual agreement the University and the City decided to terminate the Lease; and,

WHEREAS, in July 2013, Ordinance 2711-2013 appropriated funds for the construction of the new City Shop and maintenance facility on the parcel adjacent to what is now Tract 3, for all City vehicle and equipment including the equipment of the Kenai Municipal Airport; and,

WHEREAS, some of the development on this lot is common with Tract 3, the site of the former University of Alaska Fire Training Facility, and the City Shop uses the access road along the lot line common to Tracts 3 and 4; and,

WHEREAS, Tract 3, Baron Park Subdivision is no longer subject to FAA deed restrictions that require the property be used for Airport purposes, however, it is in the best interest of the City that this property be managed for the benefit of the Airport; and,

WHEREAS, due to the number and nature of improvements on and surrounding the property, specifically the investment by the General Fund in street and utility improvements and the Airport Fund in permanent improvements at the Fire Training Facility and former UAA Lease Lot, it is in the best interest of the City to designate the management authority for Tract 3 to the Airport to accurately reflect the Airport's investment in and responsibility for the property.

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

Section 1. That management authority for Tract 3 Baron Park Subdivision is designated to the Airport Fund.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 7th day of August, 2019.

BRIAN GABRIEL, SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

FROM: Paul Ostrander, City Manager

DATE: June 20, 2019

SUBJECT: **Action/ Approval - Baron Park Subdivision Properties**

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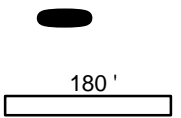
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Subdivision
2012 Addition**



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Date: 5/20/2019



**KENAI CITY COUNCIL – REGULAR MEETING
JULY 3, 2019 – 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 July 3, 2019, in City Hall Council Chambers, Kenai, AK. Mayor Gabriel called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Mayor Gabriel led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

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

A quorum was present.

Also in attendance were:

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

3. Agenda Approval

Mayor Gabriel noted the following revisions to the packet:

- | | |
|------------------|---|
| Add to item D.1. | Resolution No. 2019-45 <ul style="list-style-type: none"> • Amendment Memo • Amended Facility Agreement |
| Remove Item G.2. | Purchase Orders over \$15,000 |
| Add to item G.3. | Special Use Permit for Use of City Dock <ul style="list-style-type: none"> • Amended Special Use Permit |

MOTION:

Council Member Molloy **MOVED** to approve the agenda with the requested revisions to the agenda and packet and requested **UNANIMOUS CONSENT**. Council Member Knackstedt **SECONDED** the motion.

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

4. Consent Agenda

MOTION:

Council Member Knackstedt **MOVED** to approve the consent agenda and requested **UNANIMOUS CONSENT**. Council Member Molloy **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: There being no objections, **SO ORDERED**.

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

B. SCHEDULED PUBLIC COMMENTS – None

C. UNSCHEDULED PUBLIC COMMENTS

Elizabeth Odom spoke in favor of allowing for residential water meters noting she, as a single person, did not use \$100 worth of water each month. She also noted green spaces around the City appeared to be dry and suggested more watering.

Sheryl Main expressed concern for crime in the City suggesting more needed to be done.

D. PUBLIC HEARINGS

- 1. **Resolution No. 2019-45** – Authorizing a Facility Management Agreement with the Kenai Chamber of Commerce and Visitor Center, Inc., for the Operation and Management of the Kenai Visitor and Cultural Center. (Administration) *[Clerk's Note: Council May Convene in Executive Session to Discuss this Agenda Item, a Matter of which the Immediate Knowledge may have an Adverse Effect Upon the Finances of the City (AS44.62.310(c)(1))]*

MOTION:

Council Member Molloy **MOVED** to adopt Resolution No. 2019-45 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.

MOTION TO AMEND:

Council Member Molloy **MOVED** to amend Section 2 to read, “that the compensation for the Facility Management Services shall not exceed \$95,000,” and amend the second whereas clause to read “whereas, the award of the agreement is in the amount of \$95,000 beginning July 4, 2019 or as soon as possible thereafter and ending June 30, 2020.” Council Member Knackstedt **SECONDED** the motion and requested **UNANIMOUS CONSENT**.

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

VOTE ON THE MAIN MOTION AS AMENDED:

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

MOTION PASSED UNANIMOUSLY.

2. **Resolution No. 2019-46** – Selecting Divining Point, LLC, for City of Kenai Tourism and Marketing Services. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-46 and Council Member Glendening **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.

An description of the firm was provided.

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

3. **Resolution No. 2019-47** – Providing For The Submission To The Qualified Voters Of The City Of Kenai, At The Regular Election Of October 1, 2019, The Question Of Amending Article 10, Elections, Of The Charter Of The City Of Kenai To Provide Designated Seats For Each Council Position And Allow Qualified Voters To Vote In An Election For A Candidate For Each Seat. (Council Member Knackstedt and Vice Mayor Navarre)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-47 and Council Member Peterkin **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Linda Swarner spoke against the resolution suggesting that the Charter, as written, has worked well over the years. She suggested that with designated seats, there was potential that the best candidates were not elected; however, when the seats went to the top two vote getters the cream of the crop were elected.

Bob Peters spoke against the resolution noting citizens wanted the best people qualified and pointed out situations where someone receiving less votes could be elected when designated seats.

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

A person not running for a City Council seat to prevent unseating a preferred Council Member running for reelection, the City of Soldotna’s use of identified seats, and people only voting for one candidate as a strategy or confusion were discussed.

Having designated seats making running for a City Council seat more issue related for the candidates, targeting, and discourse were also discussed

VOTE:

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

MOTION FAILED.

- 4. **Resolution No. 2019-48** – Providing For The Submission To The Qualified Voters Of The City Of Kenai, At The Regular Election Of October 1, 2019, The Question Of Amending Section 10-3 Filing, To Remove The Requirement That Candidates For Mayor And Council Provide A Petition Signed By Twenty Or More Registered Voters. (Council Member Knackstedt and Vice Mayor Navarre)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-48 and Council Member Glendening **SECONDED** the motion.

Mayor Gabriel opened for public hearing.

Linda Swarner spoke against the resolution noting it was not too much to ask a candidate to get twenty signatures as it showed the candidate was dedicated to running for the seat.

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

The ease of obtaining twenty signatures, the need for the requirement, the opportunity to obtain additional signatures if needed, timing, last minute filing, the signatures validating the commitment of the person running, the importance of getting out and communicating opinions, and the requirement for filing a financial disclosure statements preventing last minute decisions for running were topics discussed.

VOTE:

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

MOTION PASSED.

- 5. **Resolution No. 2019-49** – Providing For The Submission To The Qualified Voters Of The City Of Kenai, At The Regular Election Of October 1, 2019, The Question Of Amending Section 10-2 Three-Year Terms – Election At Large – Nonpartisan Elections, To Provide That The Terms Of Office Of The Mayor And Other Councilmembers Shall Begin The Monday Following Certification Of The Election. (Vice Mayor Navarre)

MOTION:

Vice Mayor Navarre **MOVED** to adopt Resolution No. 2019-49 and Council Member Knackstedt **SECONDED** the motion.

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

The sometimes awkward situations at the second meeting in October, those leaving office or not reelected not attending the second meeting in October, and the proposed alternative were topics discussed.

Clarification was provided that the City Council was required to certify the election.

The current method not being a big issue and providing a buffer for someone who was uncomfortable after losing an election were additional topics discussed.

Additional clarification was provided that the Charter didn't prescribe anything related to the Oath of Office, only that the Oath of Office be administered; a possible alternative process for administering oaths was also provided.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

- 6. **Resolution No. 2019-50** – Awarding an Agreement for the Purchase of Security Cameras and Software for the Public Safety Building Security Camera Project. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-50 and requested **UNANIMOUS CONSENT**. Council Member Molloy **SECONDED** the motion.

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

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

- 7. **Resolution No. 2019-51** – Awarding an Agreement to Furnish and Deliver Chemicals for the Wastewater Treatment Plant and Water Treatment Facility. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-51 and requested **UNANIMOUS CONSENT**. 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: There being no objections, **SO ORDERED**.

8. **Resolution No. 2019-52** – Amending its Comprehensive Schedule of Rates, Charges, and Fees, to Eliminate the Ambulance Fee for Patient Treatment without Transport. (Administration)

MOTION:

Council Member Molloy **MOVED** to adopt Resolution No. 2019-52 and Council Member Knackstedt **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.

Clarification was provided that if a patient was transported to the hospital and the hospital deemed the patient qualified for charity care, the ambulance would follow suit; however, given the amount of money received and the process involved to determine charity care qualification it was not warranted in the cases of patient treatment without transport.

Administration was thanked for bringing this forth.

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

9. **Resolution No. 2019-53** – Authorizing the City Manager to Enter into a One-Year Agreement with the City of Soldotna to Provide Animal Shelter Services for the City of Soldotna at the Kenai Animal Shelter. (Administration)

MOTION:

Council Member Knackstedt **MOVED** to adopt Resolution No. 2019-53 and Council Member Glendening **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.

Clarification was provided that Soldotna had experienced a significant decrease in the number of animals they housed and it was felt there could be a collaboration between the cities. The fee structure, based on the number of animals, was reviewed. It was noted this was a pilot project and, assuming it worked well, would continue. It was added that there was not an expectation that the agreement would require increasing staff.

Further clarification was provided that the Soldotna animals would be brought over by Soldotna Animal Control or the Soldotna Police Officers.

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

E. MINUTES

1. *Work Session of June 11, 2019, 2019

Approved by the consent agenda.

2. *Regular Meeting of June 19, 2019

Approved by the consent agenda.

F. UNFINISHED BUSINESS – None.

G. NEW BUSINESS

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

Approved by the consent agenda.

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

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

3. **Action/Approval** – Approving a Special Use Permit of the Use of the City Dock Crane. (Administration)

MOTION:

Council Member Molloy **MOVED** to approve the Special Use Permit provided in the laydown for the Use of the City Dock Crane and Council Member Peterkin **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

There was no objection to opening for public comment.

Mayor Gabriel opened for public comment.

David Chessick noted the City's dock was his connection to the world from Kalagin Island; pointed out an effort was made to contract for facility management but not successful. He noted the City Manager and City Attorney developed a process so the dock could be utilized by individuals; hopes to see fuel provided again soon as well as a fish market and water taxi in the future.

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

Clarification was provided that the City Manager was allowed to issue as many Special Use Permits as he wanted and the difference between the permit provided in the packet and the permit provided in the laydown related to the addition of a training.

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

- 4. **Action/Approval** – Delineate Management Authority for Two Properties in the Baron Park Subdivision. (Administration)

MOTION:

Council Member Molloy **MOVED** to approve delineation of management authority for two properties in the Baron Park Subdivision and Council Member Peterkin **SECONDED** the motion.

Clarification was provided that the issue had been long standing with a lot of complexity and a lot of confusion related to management authority; noted that from an administrative standpoint there was a need to establish management authority going forward. A brief history was provided and clarification on which funds benefited from certain transactions. It was pointed out the FAA deed restrictions had been satisfied and there was no requirement that the Red Cross be charged fair market value. It was also noted that General Fund management authority would be retained for the shop building so that the City didn't have to pay lease payments to the airport.

It was suggested a resolution be brought for adoption to provide a better paper trail.

Additional clarification was provided that fire training facility had never been profitable; however, renovations which were currently being designed could make it a revenue generator and revenue generated would be available for airport operations.

The motion was withdrawn.

MOTION:

Council Member Molloy **MOVED** to direct the City Manager to bring back a resolution or resolutions at the August 7 meeting and Council Member Glendening **SECONDED** the motion.

VOTE:

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

MOTION PASSED UNANIMOUSLY.

- 5. **Action/Approval** – Confirmation of Mayoral Nomination to the Parks and Recreation Commission. (Mayor Gabriel)

MOTION:

Council Member Knackstedt **MOVED** to confirm the Mayor’s nomination of Teea Winger to the Parks and Recreation Commission and Council Member Glendening **SECONDED** the motion. **UNANIMOUS CONSENT** was requested.

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

- 6. **Discussion** – City Parks Hours of Operations for the Protection of City Property, City Resources, and Residential Neighborhoods. (Administration)

City Manager P. Ostrander noted staff was finding an increased amount of needles and drug paraphernalia in City parks, many other cities close parks to provide a tool for law enforcement, the matter was discussed in 2013, and Administration wanted to ensure Council was supportive of the move to close parks. He added the Parks & Recreation Commission held a work session to discuss the matter and was in full support. Timeframes and “non-park” parks were discussed.

A damage report, letting homeless families use parks and not pushing them into the business sector, unintended consequences, special provisions for certain parks for fishing, responsible management of parks, protecting the community and neighborhoods, the police department’s compassionate treatment of those experiencing homelessness, and giving the police department a tool for asking park users what was going on during certain times of the day were topics discussed.

Clarification was provided administration would still be able to permit the use of parks after hours and the Multi-Purpose Facility and golf course would not be affected.

MOTION:

Council Member Knackstedt **MOVED** to concur with the manager’s memo regarding closing parks with special provisions for Cunningham Park and Council Member Pettey **SECONDED** the motion.

MOTION TO AMEND:

Vice Mayor Navarre **MOVED** to amend to allow those experiencing homelessness to use the parks after hours.

The motion died for lack of a second.

VOTE ON THE MAIN MOTION:

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

MOTION PASSED.

H. COMMISSION/COMMITTEE REPORTS

1. Council on Aging – It was reported the July 11 meeting was cancelled.
2. Airport Commission – No report; next meeting July 11.
3. Harbor Commission – No report; next meeting August 12.
4. Parks and Recreation Commission – No report; next meeting August 1.
5. Planning and Zoning Commission – It was reported that at their June 26 meeting the Commission approved an amendment to a Conditional Use Permit related to hours of operation for a Marijuana Retail Store and some discussion of uniform hours of operation, also approved a Home Occupation Permit for a daycare which changed

location; provided an update on upcoming work sessions and meetings; next meeting July 24.

6. Beautification Committee – No report; next meeting September 10.
7. Mini-Grant Steering Committee – No report.

I. REPORT OF THE MAYOR

Mayor Gabriel reported on the following:

- Attended Bill Osborn’s memorial service;
- Provided a reminder of upcoming Fourth of July events.

J. ADMINISTRATION REPORTS

1. City Manager – P. Ostrander reported on the following:
 - Working with the marketing firm who had exciting ideas for the Silver Salmon Derby;
 - Met with State Parks regarding parking issues on Kenai Spur Highway near the Eagle Rock boat launch;
 - Dipnet operations were ramping up – hoping for a good year, fences had been repaired where destroyed by storms, and “minimize your wake” signs were in place;
 - Continuing to work with the Corps of Engineers - Alaska District to push the Bluff Erosion Project forward.
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*)

Bob Peters suggested additional public testimony be taken on matters after Council discussion, noted the City was looking good this summer, and added he was looking forward to entertaining dipnetters.

2. Council Comments

All wished the everyone a Happy Fourth of July.

Council Member Pettey also thanked the Parks and Recreation Department for the American flags on the Kenai Spur Highway.

Council Member Molloy also thanked those that came to testify and speak to the Council.

L. EXECUTIVE SESSION – None.

M. PENDING ITEMS – None.

N. ADJOURNMENT

There being no further business before the Council, the meeting was adjourned at 9:12 p.m.

I certify the above represents accurate minutes of the Kenai City Council meeting of July 3, 2019.

Jamie Heinz, CMC
City Clerk

**PAYMENTS OVER \$15,000.00 WHICH NEED COUNCIL RATIFICATION
COUNCIL MEETING OF: AUGUST 7, 2019**

VENDOR	DESCRIPTION	DEPARTMENT	ACCOUNT	AMOUNT
PERS	PERS	VARIOUS	LIABILITY	96,867.98
INTEGRITY JANITORIAL	JUNE SERVICE AT CITY HALL	NON-DEPARTMENTAL	REPAIR & MAINTENANCE	1,389.00
PRECIOUS JANITORIAL	JUNE SERVICE AT LIBRARY	LIBRARY	REPAIR & MAINTENANCE	2,795.00
PRECIOUS JANITORIAL	JUNE SERVICE AT TERMINAL	AIRPORT	REPAIR & MAINTENANCE	4,495.00
PRECIOUS JANITORIAL	JUNE SERVICE AT POLICE	POLICE	REPAIR & MAINTENANCE	978.00
PRECIOUS JANITORIAL	JUNE SERVICE AT VISITOR CENTER	VISITOR CENTER	REPAIR & MAINTENANCE	928.00
HOMER ELECTRIC	ELECTRICITY USAGE	VARIOUS	UTILITIES	110,743.57

INVESTMENTS

VENDOR	DESCRIPTION	MATURITY DATE	AMOUNT	Effect. Int.
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PURCHASE ORDERS OVER \$15,000.00 WHICH NEED COUNCIL APPROVAL
 COUNCIL MEETING OF: AUGUST 7, 2019

VENDOR	DESCRIPTION	DEPT.	ACCOUNT	AMOUNT
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INCREASE OF EXISTING PURCHASE ORDER

VENDOR	DESCRIPTION	P.O. # - DEPT.	REASON	AMOUNT	TOTAL PO AMT
NELSON ENGINEERING	ADDITIONAL SERVICES	115143 - CEMETERY IMP CAP PROJ	AMEND #1	10,351.00	27,534.00



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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: July 31, 2019
SUBJECT: **Purchase Order over \$15K**

The purpose of this memo is to request approval of Amendment #1 to Nelson Engineering in the amount of \$10,351.00 for additional services on the City Cemetery Expansion Project.

On March 30, 2018 the City awarded an Agreement to Nelson Engineering in the amount of \$17,183.00 to provide complete Construction Documents for the expansion of the City Cemetery located on First Avenue and Float Plane Road.

The Public Works Department is intending to perform much of the work in house with staff from the Street's Division. This change order will cover completion of a Storm Water Protection Plan (SWPP), Surveying Services for setting grade, locating fence line, parking area, etc. as well as an additional \$2,500 toward contract administration services.

Total revised agreement with Nelson Engineering will now be \$27,534.00; increasing PO115143 by \$10,351.00 from Fund 118 Activity Code 228.

Council's approval is respectfully requested.





Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3072-2019

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, RENAMING, REPEALING AND RE-ENACTING KENAI MUNICIPAL CODE TITLE 22-GENERAL FUND LANDS, RENAMING TITLE 21-CITY AIRPORT AND AIRPORT LANDS, AND REPEALING KENAI MUNICIPAL CODE CHAPTER 21.15-LEASE AND SALE OF AIRPORT LANDS OUTSIDE OF THE AIRPORT RESERVE TO ENCOURAGE RESPONSIBLE GROWTH AND DEVELOPMENT TO SUPPORT A THRIVING BUSINESS, RESIDENTIAL, RECREATIONAL AND CULTURAL COMMUNITY THROUGH RESPONSIBLE LAND POLICIES AND PRACTICES.

WHEREAS, amendments to Title 22-General Fund Lands, coupled with the repeal of Chapter 21.15- Lease and Sale of Airport Lands Outside the Airport Reserve, are intended to encourage responsible growth and development to support a thriving business, residential, recreational and cultural community through responsible land policies and practices; and,

WHEREAS, combining code provisions for general fund lands, lands outside the airport reserve restricted by the Federal Aviation Administration, and certain tidelands recognizes these are all City-owned lands and should be similarly treated consistent with granting restrictions, if any; and,

WHEREAS, the changes provide for development incentives to encourage new development in the City and changes to the term table and ownership of improvements to encourage investment; and,

WHEREAS, other changes are focused on providing a City-wide approach to land management and lease and sales policy along with rental rate adjustments based on consumer price indexes protect lessees from unexpected increases and to reduce conflict between the City and current and future lessees; and,

WHEREAS, the amendments discourage land speculation on commercial City-owned lands by requiring development for lease or sale; and,

WHEREAS, the Planning and Zoning Commission, at its meeting of August 14, 2019, recommended the City Council _____ Ordinance No. 3072-2019; and,

WHEREAS, the Airport Commission, at its meeting of August 8, 2019, recommended the City Council _____ Ordinance No. 3072-2019, and,

WHEREAS, the Harbor Commission at its meeting of August 19, 2019, recommended the City Council _____ Ordinance No. 3072-2019.

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

Section 1. Renaming Title 21 of the Kenai Municipal Code: That Kenai Municipal Code, Title 21 – City Airport And Airport Lands is hereby renamed as follows:

CITY AIRPORT RESERVE [AND AIRPORT] LANDS

Section 2. Repealing Chapter 21.15 of the Kenai Municipal Code: That Kenai Municipal Code, Chapter 21.15 – Lease and Sale of Airport Land Outside of the Airport Reserve is hereby repealed as follows:

[CHAPTER 21.15

LEASE AND SALE OF AIRPORT LAND OUTSIDE OF THE AIRPORT RESERVE

21.15.010 AIRPORT LAND OUTSIDE OF THE AIRPORT RESERVE.

(A) THIS CHAPTER APPLIES TO AIRPORT LAND OUTSIDE OF THE AIRPORT RESERVE.

(B) THE CITY MAY SELL, CONVEY, EXCHANGE, TRANSFER, DONATE, DEDICATE, DIRECT, OR ASSIGN TO USE, OR OTHERWISE DISPOSE OF AIRPORT LAND OUTSIDE OF THE AIRPORT RESERVE, INCLUDING PROPERTY ACQUIRED, HELD FOR, OR DEVOTED TO A PUBLIC USE, IN ACCORDANCE WITH THIS CHAPTER. DISPOSAL OR SALE OF LANDS SHALL BE MADE ONLY WHEN, IN THE JUDGMENT OF THE CITY COUNCIL, SUCH LANDS ARE NOT REQUIRED BY THE CITY FOR A PUBLIC PURPOSE,

(C) THE CITY MAY LEASE, SELL OR DISPOSE OF REAL PROPERTY BY WARRANTY OR QUIT-CLAIM DEED, EASEMENT, GRANT, PERMIT, LICENSE, DEED OF TRUST, MORTGAGE, CONTRACT FOR SALE OF REAL PROPERTY, PLAT DEDICATION, LEASE, OR ANY OTHER LAWFUL METHOD OR MODE OF CONVEYANCE OR GRANT. ANY INSTRUMENT REQUIRING EXECUTION BY THE CITY SHALL BE SIGNED BY THE CITY MANAGER AND ATTESTED BY THE CITY CLERK. THE FORM OF ANY INSTRUMENT SHALL BE APPROVED BY THE CITY ATTORNEY.

(D) THE PROVISIONS OF THIS CHAPTER SHALL NOT ALTER OR AMEND THE TERMS OR RIGHTS GRANTED UNDER LEASES EXISTING PRIOR TO THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER.

(E) PENDING LEASE APPLICATIONS FOR AIRPORT LAND FILED PRIOR TO THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER SHALL BE PROCESSED AND ISSUED UNDER THE PROVISIONS OF KMC TITLES 21 AND 22 IN EXISTENCE IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER. OTHERWISE THE PROVISIONS OF THIS CHAPTER SHALL APPLY.

21.15.020 QUALIFICATIONS OF APPLICANTS OR BIDDERS.

AN APPLICANT OR BIDDER FOR A LEASE IS QUALIFIED IF THE APPLICANT OR BIDDER:

- (A) IS AN INDIVIDUAL AT LEAST EIGHTEEN (18) YEARS OF AGE OR OVER; OR
- (B) IS A GROUP, ASSOCIATION, OR CORPORATION WHICH IS AUTHORIZED TO CONDUCT BUSINESS UNDER THE LAWS OF ALASKA; OR
- (C) IS ACTING AS AN AGENT FOR ANOTHER AND HAS QUALIFIED BY FILING WITH THE CITY MANAGER A PROPER POWER OF ATTORNEY OR A LETTER OF AUTHORIZATION CREATING SUCH AGENCY. THE AGENT SHALL REPRESENT ONLY ONE (1) PRINCIPAL TO THE EXCLUSION OF HIM OR HERSELF. THE TERM "AGENT" INCLUDES REAL ESTATE BROKERS AND AGENTS.

21.15.030 APPLICATIONS.

(A) ALL APPLICATIONS FOR LEASE OF LANDS SHALL BE FILED WITH THE CITY MANAGER ON FORMS PROVIDED BY THE CITY AVAILABLE AT CITY HALL. APPLICATIONS SHALL BE DATED ON RECEIPT AND PAYMENT OF FILING FEE AND DEPOSIT. NO APPLICATION WILL BE ACCEPTED BY THE CITY MANAGER UNLESS IT APPEARS TO THE CITY MANAGER TO BE COMPLETE. FILING FEES ARE NOT REFUNDABLE.

(B) WITH EVERY APPLICATION, THE APPLICANT SHALL SUBMIT A DEVELOPMENT PLAN, SHOWING AND STATING:

- (1) THE PURPOSE OF THE PROPOSED LEASE;
- (2) THE USE, VALUE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED;
- (3) THE TYPE OF CONSTRUCTION;
- (4) THE DATES CONSTRUCTION IS ESTIMATED TO COMMENCE AND BE COMPLETED (ORDINARILY A MAXIMUM OF TWO (2) YEARS); AND
- (5) *WHETHER INTENDED USE COMPLIES WITH THE ZONING ORDINANCE AND COMPREHENSIVE PLAN OF THE CITY.* APPLICATIONS SHALL BECOME A PART OF THE LEASE.

21.15.040 FILING FEE AND DEPOSIT.

(A) WHEN SUBMITTING AN APPLICATION FOR LEASE OF LAND, THE APPLICANT SHALL PAY THE CITY THE FOLLOWING AS SET FORTH IN THE CITY'S SCHEDULE OF FEES ADOPTED BY THE CITY COUNCIL:

- (1) PAY A NON-REFUNDABLE FILING FEE; AND
- (2) A DEPOSIT TO SHOW GOOD FAITH AND SECURE THE CITY IN PAYMENT OF ANY COSTS, INCLUDING:
 - (A) AN APPRAISAL COST RECOVERY DEPOSIT; AND

(B) AN ENGINEERING, SURVEYING AND CONSULTING COST RECOVERY DEPOSIT.

(B) IF THE CITY DECIDES TO REJECT THE APPLICANT'S APPLICATION AND NOT ENTER INTO A LEASE WITH THE APPLICANT THROUGH NO FAULT OF THE APPLICANT OR FAILURE OF THE APPLICANT TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, ANY DEPOSIT MADE UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE RETURNED TO THE APPLICANT.

(C) IF THE CITY ENTERS INTO A LEASE WITH THE APPLICANT ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE APPLIED TO THE CITY'S ENGINEERING, APPRAISAL, AND CONSULTING COSTS RELATED TO THE PROCESSING OF THE APPLICANT'S APPLICATION AND ENTERING INTO THE LEASE. THE CITY WILL APPLY ANY UNUSED BALANCE OF A DEPOSIT TO THE RENT PAYABLE UNDER THE LEASE. IF THE CITY'S COSTS EXCEED THE AMOUNT OF ANY DEPOSIT, THE APPLICANT SHALL PAY THE SHORTAGE TO THE CITY AS A CONDITION OF THE LEASE.

(D) IF THE APPLICANT FAILS TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, CAUSES INORDINATE DELAY, AS DETERMINED BY THE CITY MANAGER, OR REFUSES TO SIGN A LEASE OFFERED TO THE APPLICANT, THE CITY MANAGER WILL REJECT THE APPLICANT'S APPLICATION AND APPLY ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A) OF THIS SECTION TO THE CITY'S APPRAISAL, ENGINEERING, AND CONSULTING COSTS INCURRED IN CONNECTION WITH THE APPLICANT'S APPLICATION. IF THE CITY'S COSTS FOR APPRAISAL, ENGINEERING AND CONSULTING COSTS EXCEED THE DEPOSITS, THE APPLICANT WILL BE RESPONSIBLE FOR THESE COSTS. THE CITY WILL RETURN ANY UNUSED DEPOSIT BALANCE TO THE APPLICANT.

21.15.050 RIGHTS PRIOR TO LEASING.

THE FILING OF AN APPLICATION FOR A LEASE SHALL GIVE THE APPLICANT NO RIGHT TO LEASE OR TO THE USE OF THE LAND FOR WHICH THE APPLICANT APPLIED. THE APPLICATION SHALL EXPIRE WITHIN TWELVE (12) MONTHS AFTER THE APPLICATION HAS BEEN MADE IF A LEASE HAS NOT BEEN ENTERED INTO BETWEEN THE CITY AND THE APPLICANT BY THAT TIME UNLESS THE CITY COUNCIL FOR GOOD CAUSE GRANTS AN EXTENSION. NO EXTENSION MAY BE GRANTED FOR A PERIOD LONGER THAN SIX (6) ADDITIONAL MONTHS. LEASE RATES ARE SUBJECT TO CHANGE ON THE BASIS OF AN APPRAISAL DONE EVERY TWELVE (12) MONTHS ON THE PROPERTY APPLIED FOR.

21.15.060 PROCESSING PROCEDURE.

(A) APPLICATIONS SHALL BE FORWARDED TO THE PLANNING AND ZONING COMMISSION UPON RECEIPT. THE PLANNING AND ZONING COMMISSION SHALL NORMALLY CONSIDER APPLICATIONS FOR SPECIFIC LANDS ON A FIRST-COME, FIRST-SERVED BASIS IF THE COMMISSION FINDS THAT THE APPLICATION IS COMPLETE AND CONFORMS TO THE COMPREHENSIVE PLAN AND THE KENAI ZONING CODE. WHERE THERE IS DIFFICULTY IN OBTAINING A PERFECTED APPLICATION, DETAILS AS TO DEVELOPMENT PLANS, ETC., OR WHERE THE APPLICANT FAILS TO COMPLY WITH DIRECTIONS OR REQUESTS OF THE PLANNING AND ZONING COMMISSION, ANY SUCH PRIORITY WILL BE LOST. IF AN APPLICATION FOR THE PURCHASE OF CITY-OWNED LANDS, PREVIOUSLY AUTHORIZED FOR SALE BY THE COUNCIL, IS RECEIVED BY THE CITY PRIOR TO THE KENAI PLANNING AND ZONING COMMISSION MAKING AN AFFIRMATIVE OR NEGATIVE RECOMMENDATION TO THE COUNCIL REGARDING THE LEASE APPLICATION FOR THE SAME PROPERTY, THE CITY MAY ELECT TO SELL SAID PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THE CODE.

(B) THE CITY COUNCIL SHALL NORMALLY CONSIDER A LEASE PROPOSAL ONLY AFTER APPROVAL OF THE PLANNING AND ZONING COMMISSION. HOWEVER, APPEALS OF PLANNING AND ZONING COMMISSION DISAPPROVAL MAY BE MADE TO THE CITY COUNCIL. COMPLETED LEASE APPLICATIONS MUST BE PRESENTED TO THE CITY COUNCIL WITHIN THIRTY (30) DAYS AFTER APPROVAL BY THE PLANNING AND ZONING COMMISSION.

(C) WHERE THERE ARE TWO (2) OR MORE APPLICATIONS FOR THE SAME AIRPORT LANDS FOR DIFFERENT USES, THEN IF THE PLANNING AND ZONING COMMISSION MAKES A FINDING THAT A SUBSEQUENT APPLICATION WOULD RESULT IN USE OF THE LANDS FOR A HIGHER AND BETTER PURPOSE WITH A GREATER BENEFIT TO THE CITY OF KENAI AND THE CITIZENS THEREOF, THEN THE LEASE WILL BE ISSUED TO SUCH APPLICANT NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) IN THIS SECTION WHICH PROVIDE FOR LEASING ON A FIRST-COME, FIRST-SERVED BASIS. ANY APPLICANT MAY APPEAL TO THE CITY COUNCIL FROM A FINDING OR A REFUSAL TO FIND BY THE PLANNING AND ZONING COMMISSION BY FILING AN APPEAL WITH THE CITY CLERK WITHIN SEVEN (7) DAYS AFTER THE FINDING IS MADE OR REFUSED BY THE PLANNING AND ZONING COMMISSION.

(D) THE DECISION WHETHER OR NOT TO LEASE LAND RESTS IN THE SOLE DISCRETION OF THE CITY COUNCIL.

21.15.070 REVIEW.

NO LEASED LAND MAY BE CHANGED IN USE, NOR MAY ANY RENEWAL LEASE BE ISSUED UNTIL THE PROPOSED USE OR RENEWAL HAS BEEN REVIEWED BY THE PLANNING COMMISSION AND APPROVED BY THE COUNCIL.

21.15.080 APPRAISAL.

NO LAND SHALL BE SOLD, LEASED, OR A RENEWAL OF LEASE ISSUED, UNLESS THE SAME HAS BEEN APPRAISED WITHIN A TWELVE (12) MONTH PERIOD PRIOR TO THE SALE OR DATE FIXED FOR BEGINNING OF THE TERM OF THE LEASE OR RENEWAL LEASE. NO LAND SHALL BE LEASED FOR LESS THAN THE APPROVED APPRAISED ANNUAL RENTAL. APPRAISALS SHALL REFLECT THE NUMBER AND VALUE OF CITY SERVICES RENDERED THE LAND IN QUESTION.

21.15.090 TERMS OF LEASE.

ALL LEASES SHALL BE APPROVED BY THE CITY COUNCIL BEFORE THE SAME SHALL BECOME EFFECTIVE. THE TERM OF ANY GIVEN LEASE SHALL DEPEND UPON THE DURABILITY OF THE PROPOSED USE, THE AMOUNT OF INVESTMENT IN IMPROVEMENT PROPOSED AND MADE, AND THE NATURE OF THE IMPROVEMENT PROPOSED WITH RESPECT TO DURABILITY AND TIME REQUIRED TO AMORTIZE THE PROPOSED INVESTMENT.

21.15.100 ANNUAL MINIMUM RENTAL.

(A) ANNUAL MINIMUM RENTALS SHALL BE COMPUTED FROM THE APPROVED APPRAISED MARKET VALUE UTILIZING THE METHOD AS DESCRIBED IN KMC 21.15.120 OF THIS CHAPTER.

(B) UPON EXECUTION OF THE LEASE, THE LANDS BECOME TAXABLE TO THE EXTENT OF ITS LEASEHOLD INTEREST AND LESSEE SHALL PAY ALL REAL PROPERTY TAXES LEVIED UPON SUCH LEASEHOLD INTEREST IN THESE LANDS, AND SHALL PAY ANY SPECIAL ASSESSMENTS AND TAXES AS IF LESSEE WERE THE OWNER OF SAID LAND.

(C) RENT SHALL BE PAID ANNUALLY IN ADVANCE. SAID PAYMENTS SHALL BE PRORATED TO CONFORM TO THE CITY OF PAYMENT EXCEEDS TWO HUNDRED DOLLARS (\$200.00), THEN THE LESSEE SHALL HAVE THE OPTION OF Kenai's fiscal year BEGINNING JULY 1 AND ENDING JUNE 30. IF THE EQUIVALENT MONTHLY MAKING PAYMENTS ON A MONTHLY BASIS.

(D) LESSEE SHALL BE RESPONSIBLE FOR ALL SALES TAXES APPLICABLE TO ITS OPERATIONS.

21.15.110 BIDDING PROCEDURE.

AS AN EXCEPTION TO GENERAL POLICY LISTED ABOVE, THE CITY COUNCIL MAY DESIGNATE A SPECIFIC LOT OR LOTS TO BE MADE AVAILABLE ONLY FOR BID. THIS PROVISION SHALL APPLY ONLY WHEN THERE IS NO OUTSTANDING APPLICATION PENDING ON THE LOT OR LOTS. AS DESIGNATED, SEALED BIDS SHALL BE RECEIVED OFFERING A ONE-TIME PREMIUM IN ADDITION TO THE ESTABLISHED LEASE RATE. HIGHEST BID, HOWEVER, SHALL BE SUBJECT TO ALL PROVISIONS OF REVIEW AND APPROVAL ESTABLISHED FOR ALL OTHER LEASE APPLICATIONS.

21.15.120 PRINCIPLES AND POLICY OF LEASE RATES.

(A) A FAIR RETURN TO THE AIRPORT SYSTEM IS MANDATED BY THE TERMS AND CONDITIONS OF THE QUITCLAIM DEED AND APPROPRIATE DEEDS OF RELEASE, GRANTING THESE LANDS TO THE AIRPORT SYSTEM BY THE FEDERAL GOVERNMENT. TO ENSURE A FAIR RETURN, ALL LEASES FOR A PERIOD IN EXCESS OF FIVE (5) YEARS SHALL INCLUDE A REDETERMINATION CLAUSE AS OF THE FIFTH ANNIVERSARY, AND ALL LANDS FOR LEASE SHALL BE APPRAISED PRIOR TO LEASE AND AGAIN PRIOR TO REDETERMINATION. LEASE RATES:

(1) SHALL BE BASED ON FAIR MARKET VALUE OF THE LAND, INCLUDING AN APPROPRIATE CONSIDERATION OF FACILITIES AND SERVICES AVAILABLE (PUBLIC WATER, PUBLIC SEWER, STORM SEWERS, AND OTHER PUBLIC UTILITIES) AS DETERMINED BY A QUALIFIED INDEPENDENT APPRAISER, CONSIDERING THE BEST USE OF THE SPECIFIED LAND; AND,

(2) SHALL BE EIGHT PERCENT (8%) OF FAIR MARKET VALUE.

(B) FOR LEASES IN EXISTENCE PRIOR TO THE EFFECTIVE DATE OF THIS CHAPTER, THE LEASE RATE REDETERMINATION SHALL BE AS PROVIDED IN THE LEASE.

(C) THE CITY MANAGER SHALL CHANGE THE RENT IN A LEASE BY GIVING THE LESSEE WRITTEN NOTICE AT LEAST THIRTY (30) DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE CHANGE.

(D) THE "FAIR MARKET VALUE" OF THE PREMISES SHALL BE EQUAL TO THE THEN-FAIR MARKET RATE FOR SIMILAR COMMERCIAL PROPERTY IN THE CITY OF KENAI, ALASKA (THE "RELEVANT AREA"). CITY SHALL GIVE NOTICE TO LESSEE OF CITY'S ESTIMATION OF THE FAIR MARKET VALUE NOT LATER THAN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF THE THEN-APPLICABLE FIVE (5) YEAR PERIOD, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF AN INDEPENDENT REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87, SELECTED AND PAID FOR BY THE CITY, FAMILIAR WITH THE RELEVANT AREA (THE "FIRST APPRAISER"). IF LESSEE DISAGREES WITH SUCH ESTIMATE, IT SHALL ADVISE THE CITY IN WRITING THEREOF WITHIN THIRTY (30) DAYS OF LESSEE'S RECEIPT OF

SUCH ESTIMATE, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF A REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR BY LESSEE) FAMILIAR WITH THE RELEVANT AREA (THE "SECOND APPRAISER"). THE PARTIES SHALL PROMPTLY MEET TO ATTEMPT TO RESOLVE THEIR DIFFERENCES BETWEEN THE FIRST APPRAISER AND THE SECOND APPRAISER CONCERNING THE FAIR MARKET VALUE OF THE PREMISES. IF CITY AND LESSEE CANNOT AGREE UPON SUCH VALUE THEN, WITH ALL DELIBERATE SPEED, THEY SHALL DIRECT THE FIRST APPRAISER AND THE SECOND APPRAISER TO EXPEDITIOUSLY AND MUTUALLY SELECT A THIRD REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR JOINTLY BY THE PARTIES) FAMILIAR WITH THE RELEVANT AREA (THE "THIRD APPRAISER"). WITHIN THIRTY (30) DAYS AFTER THE THIRD APPRAISER HAS BEEN APPOINTED, THE THIRD APPRAISER SHALL DECIDE WHICH OF THE TWO (2) RESPECTIVE APPRAISALS FROM THE FIRST APPRAISER AND THE SECOND APPRAISER MOST CLOSELY REFLECTS THE FAIR MARKET VALUE OF THE PREMISES. THE FAIR MARKET VALUE OF THE PREMISES SHALL IRREBUTTABLY BE PRESUMED TO BE THE VALUE CONTAINED IN SUCH APPRAISAL SELECTED BY THE THIRD APPRAISER, AND THE RENTAL SHALL BE REDETERMINED BASED ON SUCH VALUE. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, RENT SHALL CONTINUE TO BE PAID AT THE THEN-APPLICABLE RATE UNTIL ANY SUCH NEW RENTAL RATE IS ESTABLISHED, AND LESSEE AND CITY SHALL PROMPTLY PAY OR REFUND, AS THE CASE MAY BE, ANY VARIANCE IN THE RENT, WITHOUT INTEREST THEREON ACCRUING TO THE EXTENT TO BE PAID/REFUNDED IN A TIMELY FASHION.

21.15.130 REIMBURSEMENT FOR CITY-CONSTRUCTED IMPROVEMENTS.

(A) THE CITY MANAGER MAY INCLUDE IN A LEASE A REQUIREMENT FOR THE LESSEE TO REIMBURSE THE CITY FOR THE CITY'S COST OF:

(1) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE PREMISES, CONSTRUCTED BY THE CITY PRIOR TO THE EFFECTIVE DATE OF THE LEASE; OR

(2) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE PREMISES, WHICH THE CITY AGREES TO CONSTRUCT AS A CONDITION OF THE LEASE, SUBJECT TO CITY COUNCIL APPROVAL.

(B) THE LESSEE SHALL REIMBURSE THE CITY FOR THE CITY'S COST OF CONSTRUCTING THE IMPROVEMENTS IN TEN (10) EQUAL ANNUAL PAYMENTS,

PLUS INTEREST AT EIGHT PERCENT (8%) PER YEAR ON THE UNPAID BALANCE OR UNDER SUCH TERMS AND CONDITIONS AS THE COUNCIL MAY SET BY RESOLUTION. IF THE LEASE IS FOR LESS THAN TEN (10) YEARS, THE REPAYMENT SCHEDULE MAY NOT BE LONGER THAN THE TERM OF THE LEASE. THE LESSEE MAY PAY THE ENTIRE REMAINING BALANCE TO THE CITY AT ANY TIME DURING THE TERM OF THE LEASE.

21.15.140 LEASE EXECUTION.

THE LEASE APPLICANT SHALL EXECUTE AND RETURN THE APPROPRIATE LEASE AGREEMENT WITH THE CITY OF KENAI WITHIN THIRTY (30) DAYS OF MAILING THE AGREEMENT TO SAID APPLICANT. THE LEASE AGREEMENT SHALL BE PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS TITLE. FAILURE TO EXECUTE AND RETURN THE LEASE AGREEMENT WITHIN THE SPECIFIED PERIOD SHALL RESULT IN THE FORFEITURE OF ALL LEASING RIGHTS.

21.15.150 LEASE UTILIZATION.

LEASED LANDS SHALL BE UTILIZED FOR PURPOSES WITHIN THE TERMS OF THE LEASE AND IN CONFORMITY WITH THE ORDINANCES OF THE CITY, AND IN SUBSTANTIAL CONFORMITY WITH THE COMPREHENSIVE PLAN. UTILIZATION OR DEVELOPMENT FOR OTHER THAN THE ALLOWED USES SHALL CONSTITUTE A VIOLATION OF THE LEASE AND SUBJECT THE LEASE TO CANCELLATION AT ANY TIME. FAILURE TO SUBSTANTIALLY COMPLETE THE DEVELOPMENT PLAN FOR THE LAND, CONSISTENT WITH THE PROPOSED USE AND TERMS OF THE LEASE, SHALL CONSTITUTE GROUNDS FOR CANCELLATION.

21.15.160 FORM OF LEASE.

(A) WHEN LEASING LAND UNDER THIS CHAPTER, THE CITY MANAGER SHALL USE A STANDARD LEASE FORM THAT IS:

(1) DRAFTED TO:

(I) PROVIDE A REASONABLE BASIS FOR THE LESSEE'S USE OF THE PREMISES,

(II) FOSTER THE SAFE, EFFECTIVE, AND EFFICIENT OPERATION OF THE AIRPORT,

(III) CONFORM WITH THE APPLICABLE REQUIREMENTS OF THE KMC, INCLUDING THIS CHAPTER, ALASKA STATUTES, FEDERAL AVIATION ADMINISTRATION REGULATIONS, AND OTHER APPLICABLE FEDERAL LAW, AND

(IV) PROVIDE FOR THE BEST INTEREST OF THE CITY.

- (2) APPROVED AS TO FORM BY THE CITY ATTORNEY; AND
 - (3) ADOPTED BY RESOLUTION OF THE CITY COUNCIL.
- (B) THE CITY MANAGER MAY ENTER INTO A LAND LEASE THAT DEVIATES FROM THE STANDARD FORM ADOPTED UNDER SUBSECTION (A) OF THIS SECTION, IF:
- (1) THE MANAGER BELIEVES THE ACTION IS IN THE BEST INTEREST OF THE CITY; AND
 - (2) THE LEASE IS APPROVED AS TO FORM BY THE CITY ATTORNEY; AND
 - (3) THE LEASE IS APPROVED BY RESOLUTION OF THE CITY COUNCIL.

21.15.170 CONVEYANCE TO ENCOURAGE NEW ENTERPRISES.

(A) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CHAPTER, WHERE IT IS FOUND THAT ENCOURAGEMENT OF A NEW COMMERCIAL OR INDUSTRIAL ENTERPRISE WOULD BE BENEFICIAL TO THE CITY OF KENAI, THE CITY COUNCIL BY ORDINANCE SO FINDING MAY DIRECT CONVEYANCE OF ONE OR MORE PARCELS OF CITY LAND BY THE CITY MANAGER TO SUCH ENTERPRISE UPON SUCH TERMS AS TO PRICE, CONDITIONS OF CONVEYANCE, AND WITH SUCH CONTINGENCIES AS MAY BE SET FORTH IN SAID ORDINANCE.

(B) IN THE EVENT THE LAND DIRECTED TO BE CONVEYED UNDER SUBSECTION (A) OF THIS SECTION CONSISTS IN PART OR IN WHOLE OF AIRPORT LANDS, THEN THE ORDINANCE ORDERING ITS CONVEYANCE. WILL NOT BE EFFECTIVE UNTIL THE CITY COUNCIL BY ORDINANCE HAS APPROPRIATED FROM THE GENERAL FUND TO BE DEDICATED TO THE AIRPORT THE DIFFERENCE BETWEEN THE APPRAISED FAIR MARKET VALUE OF SAID AIRPORT LANDS AND THE PURCHASE PRICE, IF ANY, SET FORTH IN SAID ORDINANCE.

21.15.180 SALE.

(A) AIRPORT LAND OUTSIDE THE AIRPORT RESERVE TO WHICH THE CITY OF KENAI HOLDS TITLE WHICH ARE NOT RESTRICTED FROM SALE BY THE DEED OF CONVEYANCE TO THE CITY, OR WHICH HAVE BEEN RELEASED FROM SUCH RESTRICTIONS, WHICH THE CITY COUNCIL HAS DETERMINED ARE NOT REQUIRED FOR A PUBLIC PURPOSE, MAY BE LISTED FOR SALE BY THE CITY MANAGER, EXCEPT THAT LANDS WHICH HAVE BEEN LEASED SHALL NOT BE SOLD UNLESS THE LESSEE HAS MADE A WRITTEN REQUEST TO THE CITY TO PLACE THE LAND FOR SALE. THE DECISION WHETHER OR NOT TO SELL THE LAND RESTS IN THE SOLE DISCRETION OF THE CITY.

(B) SALES OF LAND PURSUANT TO SUBSECTION (A) OF THIS SECTION SHALL BE MADE AT NOT LESS THAN FAIR MARKET VALUE. THE PURCHASER SHALL EXECUTE

THE "AGREEMENT FOR SALE OF LAND" WITHIN ONE (1) YEAR OF THE DATE OF APPRAISAL. THE CITY MANAGER HAS THE OPTION TO DISPOSE OF SUCH PROPERTIES IN ACCORDANCE WITH THE SALE PROCEDURES SET OUT IN THIS TITLE:

- (1) BY NEGOTIATED SALE; OR
- (2) BY OUTCRY AUCTION TO THE HIGHEST RESPONSIBLE BIDDER; OR
- (3) BY COMPETITIVE SEALED BIDS TO THE HIGHEST RESPONSIBLE BIDDER.

IN THE EVENT THAT THE SALE IS NOT CLOSED WITHIN ONE (1) YEAR OF THE DATE OF APPRAISAL, THE BUYER WILL BE CHARGED, UPON CLOSING, INTEREST COMPUTED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE KENAI MUNICIPAL CODE, BASED UPON THE TOTAL SALES PRICE FOR THE NUMBER OF DAYS PAST THE EXPIRATION OF THE SIX (6) MONTH PERIOD.

21.15.190 SALE PROCEDURE.

(A) THE CITY MANAGER WILL OBTAIN SUCH AN APPRAISAL FOR A DETERMINATION OF THE MINIMUM PRICE ON SAID LAND.

(B) WHERE ANY PARTY, HEREINAFTER CALLED "APPLICANT," REQUESTS THAT A TRACT OR TRACTS OF LAND BE SOLD FOR WHICH AN APPRAISAL WILL BE REQUIRED, WHICH WILL REQUIRE SUBDIVIDING, PLATTING, OR SURVEYING AND STAKING, OR WHICH WILL REQUIRE ADVERTISING OR INCURRING ANY OTHER EXPENDITURES BY THE CITY PRIOR TO SALE,

(1) NO ACTIONS IN PREPARATION FOR SALE WILL BE TAKEN BY THE CITY UNTIL AN AGREEMENT TO PURCHASE SHALL BE PROPERLY EXECUTED AND FILED WITH THE CITY MANAGER FOR THE PURCHASE OF SUCH LAND WITH PAYMENT OF SUFFICIENT GOOD FAITH DEPOSIT, WHICH SHALL CONSIST OF CASH OR ITS EQUIVALENT DEPOSITED WITH THE FINANCE OFFICER OF THE CITY OF KENAI, AS MAY BE DETERMINED BY THE CITY MANAGER, TO COVER ALL EXPENSES OF THE CITY AND SUCH AGREEMENT TO PURCHASE SHALL FURTHER CONTAIN THE AGREEMENT BY APPLICANT TO PAY ANY ADDITIONAL COSTS IF SUCH GOOD FAITH DEPOSIT IS INSUFFICIENT TO PAY ALL COSTS INCURRED BY THE CITY.

(2) IF AT ANY TIME DURING THE PROCESS OF PREPARING FOR SALE, THE APPLICANT GIVES NOTICE TO THE CITY MANAGER OF WITHDRAWAL OF THE REQUEST FOR SALE, THE CITY MANAGER SHALL STOP ALL PROCEDURES, SHALL PAY EXPENSES INCURRED PRIOR TO TERMINATION OF SALE PROCEDURES, AND SHALL REIMBURSE APPLICANT FOR ANY GOOD FAITH DEPOSIT ADVANCED IN EXCESS OF ALL EXPENSES INCURRED. (HOWEVER, IF ANOTHER PARTY DESIRES THE SALE TO PROCEED, FILES AN APPLICATION

FOR SALE, EXECUTES AND FILES AN AGREEMENT TO PURCHASE, AND ADVANCES SUFFICIENT FUNDS THEREFOR, THEN THE PRIOR APPLICANT WILL BE REIMBURSED FOR EXPENSES CHARGES WHICH CAN BE ATTRIBUTED TO THE SUBSEQUENT APPLICANT.)

(3) IF ALL ACTIONS NECESSARY FOR PREPARATION FOR SALE HAVE BEEN ACCOMPLISHED, AND IF NEITHER THE APPLICANT NOR ANY OTHER PARTY PURCHASES SAID LAND WHEN FIRST OFFERED FOR SALE AFTER SUCH REQUEST, THEN ALL EXPENSES INCURRED IN PREPARATION FOR THE SALE WILL BE PAID FROM THE GOOD FAITH DEPOSIT, AND THE BALANCE, IF ANY, SHALL BE RETURNED TO THE APPLICANT. IF THE SUMS ADVANCED AS GOOD FAITH DEPOSIT ARE INSUFFICIENT TO PAY ALL OF THE COSTS, THE APPLICANT WILL BE BILLED FOR THE BALANCE DUE AND NORMAL COLLECTION PROCEDURES FOLLOWED.

(4) IF THE LAND APPLIED FOR IS SOLD ON PUBLIC SALE SET IN RESPONSE TO SUCH REQUEST TO ANYONE OTHER THAN APPLICANT, THEN ON CLOSING OF THE SALE, THE GOOD FAITH DEPOSIT WILL BE REFUNDED IN TOTAL TO THE APPLICANT. THE CITY'S EXPENSES WILL BE FIRST DEDUCTED FROM THE DEPOSIT OF THE SUCCESSFUL BIDDER.

(5) IF THE LAND IN QUESTION IS SOLD TO APPLICANT, THE GOOD FAITH DEPOSIT ADVANCED, AFTER DEDUCTING THE CITY'S EXPENSES, WILL BE APPLIED ON THE PAYMENT DUE AT CLOSING.

(6) IF THE LAND IN QUESTION IS TO BE SOLD BY SEALED BID AND THE APPLICANT HAS SUBMITTED A VALID BID, BUT THE APPLICANT IS NOT THE HIGH BIDDER, HE OR SHE MAY PURCHASE THE LAND BY TENDERING THE CITY A BID EQUAL TO THE HIGH BID WITHIN FIVE (5) DAYS OF THE BID OPENING. IF THE LAND SALE IS INITIATED IN ACCORDANCE WITH KMC 21.15.060(A), THE APPLICANT SHALL BE DEFINED AS THAT PARTY SUBMITTING THE INITIAL LEASE APPLICATION.

(C) IF THE TRACT OF LAND PROPOSED TO BE SOLD IS LEASED LAND, THE LESSEE MAY REQUEST THE SALE OF THE LAND AT NOT LESS THAN THE FAIR MARKET VALUE. THE CURRENT LESSEE MAY REQUEST TO NEGOTIATE A SALE ONLY AFTER, TO THE SATISFACTION OF THE CITY MANAGER, DEVELOPMENT HAS BEEN COMPLETED AS DETAILED IN THE DEVELOPMENT SCHEDULE WHICH HAS BEEN INCORPORATED INTO THE LEASE AGREEMENT. IF THERE IS NO DEVELOPMENT SCHEDULE, THE LESSEE MAY REQUEST TO PURCHASE THE PROPERTY IF THERE HAVE BEEN SUBSTANTIAL IMPROVEMENTS AS DETERMINED BY THE CITY MANAGER. THE DECISION WHETHER OR NOT TO SELL THE LAND TO THE LESSEE RESTS IN THE SOLE DISCRETION OF THE CITY.

(D) AN APPLICANT MAY REQUEST THE LEASE OF CITY LAND INCLUDE A RIGHT TO PURCHASE THE LEASED LAND WITHIN TWELVE (12) MONTHS OF THE COMPLETION OF THE DEVELOPMENT AS DETAILED IN THE DEVELOPMENT SCHEDULE. A SALE UNDER THIS SUBSECTION SHALL BE AT NOT LESS THAN FAIR MARKET VALUE AS DETERMINED BY AN APPRAISER QUALIFIED UNDER AS 8.87. THE CITY MAY CHARGE ADDITIONAL CONSIDERATION FOR GRANTING THE RIGHT TO PURCHASE THE PROPERTY. THE LAND MUST BE APPRAISED WITHIN TWELVE (12) MONTHS OF SALE AS REQUIRED UNDER KMC 21.15.070. AN APPLICANT'S REQUEST TO HAVE A CONTRACTUAL RIGHT TO PURCHASE THE LEASE PROPERTY MUST BE APPROVED BY AN ORDINANCE OF THE COUNCIL. THE COUNCIL MAY GRANT THE REQUEST IF IT DETERMINES IT IS IN THE BEST INTEREST OF THE CITY.

(E) IF THE TRACT OF LAND PROPOSED TO BE SOLD IS NOT LEASED LAND, OR IS LEASED LAND WITHOUT SUBSTANTIAL IMPROVEMENTS, THEN THE TRACT OF LAND MAY ONLY BE SOLD BY OUTCRY AUCTION OR BY COMPETITIVE SEALED BIDS. THE DECISION WHETHER OR NOT TO SELL THE LAND RESTS IN THE SOLE DISCRETION OF THE CITY. IF THE TRACT IS TO BE PUT UP FOR SUCH COMPETITIVE AUCTION OR SEALED BID SALE, NOTICE OF SALE AND THE MANNER IN WHICH THE LAND IS TO BE SOLD SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE CITY ONCE EACH WEEK FOR TWO (2) SUCCESSIVE WEEKS NOT LESS THAN THIRTY (30) DAYS PRIOR TO THE DATE OF SALE; SUCH NOTICE SHALL ALSO BE POSTED IN AT LEAST THREE PUBLIC PLACES WITHIN THE CITY AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF SALE, AND SUCH OTHER NOTICE MAY BE GIVEN BY SUCH OTHER MEANS AS MAY BE CONSIDERED ADVISABLE BY THE CITY MANAGER. SUCH NOTICE MUST CONTAIN:

- (1) THE LEGAL DESCRIPTION OF THE LAND;
- (2) A BRIEF PHYSICAL DESCRIPTION OF THE LAND;
- (3) THE AREA AND GENERAL LOCATION OF THE LAND;
- (4) THE MINIMUM ACCEPTABLE OFFER FOR THE LAND (WHICH SHALL BE ITS APPRAISED FAIR MARKET VALUE);
- (5) THE TERMS UNDER WHICH THE LAND WILL BE SOLD;
- (6) ANY LIMITATIONS ON THE SALE OF THE LAND;
- (7) THE TIME AND PLACE SET FOR THE AUCTION OR BID OPENING;
- (8) THE AMOUNT OF DEPOSIT TO BE SUBMITTED WITH EACH BID IN ORDER TO COVER THE CITY'S EXPENSES SUCH AS SURVEY, APPRAISAL, AND REVIEWS;
- (9) ANY OTHER MATTERS CONCERNING THE SALE OF WHICH THE CITY MANAGER BELIEVES THE PUBLIC SHOULD BE INFORMED.

(F) WHERE A REAL ESTATE AGENT FURNISHES A BUYER FOR CITY LAND, THE CLOSING AGENT SHALL BE AUTHORIZED TO PAY THE AGENT A REAL ESTATE

COMMISSION OF FIVE PERCENT (5%) OF THE PURCHASE PRICE FOR THE LAND OR FIVE PERCENT (5%) OF THE APPRAISED FAIR MARKET VALUE OF THE LAND, WHICHEVER IS LOWER, UNDER THE FOLLOWING TERMS AND CONDITIONS:

(1) THE CITY MANAGER SHALL PROVIDE A NON-EXCLUSIVE LISTING OF LANDS AVAILABLE FOR SALE.

(2) NO COMMISSION SHALL BE PAID TO AN AGENT WHERE SAID AGENT IS A PARTY, OR IN PRIVITY WITH A PARTY, TO THE SALE.

(G) CLOSING OF SALE OF CITY LANDS SHALL BE HANDLED BY A TITLE OR ESCROW COMPANY WITHIN THE CITY WHICH SPECIALIZES IN CLOSING OF REAL ESTATE SALES.

(H) CONVEYANCE OF CITY LANDS SHALL BE BY QUIT CLAIM OR WARRANTY DEED FURNISHED BY THE CITY, AND BUYERS ARE ADVISED THAT ALL SUCH CONVEYANCES ARE SUBJECT TO ALL LIENS, ENCUMBRANCES, RESTRICTIONS, AND COVENANTS OF RECORD AND ARE SPECIFICALLY, WITHOUT BEING LIMITED THERETO, SUBJECT TO ANY UNRELEASED RESTRICTIONS CONTAINED IN THE DEED OR DEEDS BY WHICH THE CITY RECEIVED TITLE TO THE LAND. THE DEED SHALL BE SIGNED BY THE CITY MANAGER AND ATTESTED BY THE CITY CLERK. THE FORM OF THE DEED SHALL BE APPROVED BY THE CITY ATTORNEY.

(I) IF A BUYER DESIRES TO OBTAIN A PRELIMINARY COMMITMENT FOR TITLE INSURANCE OR TITLE INSURANCE TO THE LAND, THEN IT SHALL BE THE RESPONSIBILITY OF THE BUYER TO OBTAIN SUCH COMMITMENT OR INSURANCE AND TO PAY FOR THE SAME.

(J) IF THE TRACT OR TRACTS OF LAND ARE SOLD UNDER TERMS BY WHICH THE CITY IS TO ACCEPT A NOTE AS A PORTION OF THE PURCHASE PRICE, THE NOTE AND ACCOMPANYING DEED OF TRUST MUST BE PREPARED BY AN ATTORNEY, BUT MUST BE APPROVED BY THE CITY ATTORNEY PRIOR TO CLOSING.

(K) THE NOTE SHALL BE PLACED FOR COLLECTION WITH A BANK SELECTED BY THE CITY MANAGER, WHICH MAY BE CHANGED FROM TIME TO TIME, AND WHICH SHALL BE THE BANK IN WHICH CITY FUNDS ARE DEPOSITED. THE SET-UP FEE TO INITIATE COLLECTION MAY BE NEGOTIATED, AND THE BUYER SHALL PAY THE ANNUAL COLLECTION FEES FOR SUCH BANK COLLECTION.

(L) TO ENABLE THE CITY TO COMPETE ON AN EQUAL BASIS WITH PRIVATE ENTERPRISE IN LANDS DISPOSAL, THE CITY MANAGER IS AUTHORIZED TO NEGOTIATE A DIVISION OF THE COSTS OF SALE LISTED IN KMC 21.15.190(F), (G), (H), (I) AND (J) TO A MAXIMUM OF FIFTY PERCENT (50%) OF THE REQUIRED COSTS BEING BORNE BY THE CITY.

21.15.200 TERMS FOR FINANCING SALE OF CITY LANDS.

(A) IN ORDER TO EXPEDITE AND FACILITATE THE SALE OF CITY LANDS, THE CITY MANAGER IS AUTHORIZED TO ACCEPT TERMS FOR SAID SALES AND MAY ACCEPT A NOTE SECURED BY A DEED OF TRUST FOR A PORTION OF THE PURCHASE PRICE THEREOF, SUBJECT TO THE FOLLOWING RESTRICTIONS:

(1) IF THE SALE IS TO A LESSEE WHO HAS PLACED A LIEN FOR FINANCING UPON THE LAND OR IMPROVEMENTS, THEN THE CITY MANAGER IS NOT AUTHORIZED TO SELL THE LAND EXCEPT FOR TOTAL CASH PAYMENT, PROVIDED; HOWEVER, THAT THE CITY MANAGER MAY ACCEPT A NOTE SECURED BY A DEED OF TRUST SUBORDINATE TO THE EXISTING SECURITY INTEREST IF THE AMOUNT OF THE NOTE THEREBY SECURED IS WITHIN THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE LAND WITH IMPROVEMENTS, AND THE SUM OF ALL PRIOR SECURITY INTERESTS. THE SALE DOCUMENTS SHALL BE SUBJECT TO THE SAME RESTRICTIONS CONTAINED IN THE LEASE AS THE LEASE PROVIDES AT THE TIME OF SALE.

(2) PRIOR TO MAKING A DETERMINATION TO ACCEPT A NOTE AND DEED OF TRUST FROM A PROSPECTIVE PURCHASER, THE CITY MANAGER SHALL SECURE A PRELIMINARY COMMITMENT FOR TITLE INSURANCE (AT PURCHASER'S EXPENSE) AND A REVIEW OF THE GRANTEE INDEX COVERING THE PARTY DESIRING TO PURCHASE THE LAND FROM THE TITLE COMPANY IN THE LOCAL RECORDING DISTRICT, AND NO CREDIT WILL BE ADVANCED ON SUCH SALE IF THERE ARE ANY DELINQUENT LIENS OR UNPAID JUDGMENTS FOUND IN THE TITLE COMPANY REPORT UNTIL ANY SUCH JUDGMENTS OR LIENS ARE PAID AND RELEASES THEREFORE HAVE BEEN FILED.

(3) IN THE EVENT OF A CREDIT SALE, THE DOWN PAYMENT REQUIRED SHALL BE DETERMINED BY THE CITY MANAGER, BUT SHALL NOT BE LESS THAN FIFTEEN PERCENT (15%) OF THE SALES PRICE.

(B) IF THE CITY MANAGER DETERMINES THAT IT IS IN THE CITY'S INTEREST TO SELL CITY LANDS, THE SALE SHALL BE EITHER A CASH TRANSACTION OR BY A NOTE SECURED BY A DEED OF TRUST, SUBJECT TO SUBSECTION (A) OF THIS SECTION, AND BY NO OTHER MEANS. THE NOTE AND DEED OF TRUST SHALL CARRY TERMS AS FOLLOWS:

(1) THE TERM OF SUCH NOTE MAY BE SET BY THE CITY MANAGER, BUT IT SHALL PROVIDE FOR MONTHLY PAYMENTS AND NOT EXCEED TWENTY (20) YEARS UNLESS A LONGER PERIOD FOR A SPECIFIC SALE OF LAND IS APPROVED BY RESOLUTION OF THE CITY COUNCIL.

(2) SUCH NOTE SHALL BEAR INTEREST AT A RATE TO BE DETERMINED BY THE CITY COUNCIL BY RESOLUTION.

21.15.210 DETERMINATION AS TO NEED FOR PUBLIC USE.

(A) WHETHER LAND SHALL BE ACQUIRED, RETAINED, DEVOTED, OR DEDICATED TO A PUBLIC USE SHALL BE DETERMINED BY ORDINANCE WHICH SHALL CONTAIN THE PUBLIC USE FOR WHICH SAID PROPERTY IS TO BE DEDICATED, THE LEGAL DESCRIPTION OF THE PROPERTY, AND THE ADDRESS OR A GENERAL DESCRIPTION OF THE PROPERTY SUFFICIENT TO PROVIDE THE PUBLIC WITH NOTICE OF ITS LOCATION.

(B) WHETHER LAND PREVIOUSLY DEDICATED TO A PUBLIC USE SHOULD BE DEDICATED TO A DIFFERENT PUBLIC USE OR SHOULD NO LONGER BE NEEDED BY THE CITY FOR PUBLIC USE SHALL BE DETERMINED BY THE CITY COUNCIL BY ORDINANCE WHICH SHALL CONTAIN THE NEW PUBLIC USE FOR WHICH SAID PROPERTY IS TO BE DEDICATED OR THE REASON THE LAND IS NO LONGER NEEDED FOR PUBLIC USE, THE LEGAL DESCRIPTION OF THE PROPERTY, AND THE ADDRESS OR A GENERAL DESCRIPTION OF THE PROPERTY SUFFICIENT TO PROVIDE THE PUBLIC WITH NOTICE OF ITS LOCATION.

21.15.220 PROPERTY EXCHANGES.

THE COUNCIL MAY APPROVE, BY RESOLUTION, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE CONVEYANCE AND EXCHANGE OF A PARCEL OF CITY PROPERTY FOR PROPERTY OWNED BY ANOTHER PERSON SUBJECT TO SUCH CONDITIONS AS COUNCIL MAY IMPOSE ON THE EXCHANGE, WHENEVER IN THE JUDGMENT OF THE CITY COUNCIL IT IS ADVANTAGEOUS TO THE CITY TO MAKE THE PROPERTY EXCHANGE AND THE CITY SHALL RECEIVE PROPERTY (INCLUDING A PORTION OF MONEY) AT LEAST EQUIVALENT TO THE VALUE OF THE PROPERTY EXCHANGED BY THE CITY.

21.15.230 PROPERTY SALE TO ADJACENT OWNERS.

THE COUNCIL MAY APPROVE, BY RESOLUTION, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE SALE AND CONVEYANCE OF A PARCEL OF CITY PROPERTY AT ITS APPRAISED VALUE TO THE OWNER OF ADJACENT LAND WHENEVER, IN THE JUDGMENT OF THE CITY COUNCIL, THE PARCEL OF LAND IS OF SUCH SMALL SIZE, SHAPE, OR LOCATION THAT IT COULD NOT BE PUT TO PRACTICAL USE BY ANY OTHER PARTY AND, IN ADDITION THERETO, WHERE THERE IS NO FORESEEABLE NEED OF THE LAND FOR ANY FUTURE USE BY THE CITY.

21.15.240 GRANT OR DEVOTION.

(A) THE COUNCIL, BY ORDINANCE, MAY LEASE, GRANT OR DEVOTE REAL PROPERTY NO LONGER NEEDED BY THE CITY FOR A PUBLIC PURPOSE TO THE UNITED STATES, THE STATE OF ALASKA, A LOCAL POLITICAL SUBDIVISION OF THE STATE OF ALASKA (INCLUDING THE CITY OF KENAI GENERAL FUND), OR ANY AGENCY OF ANY OF THESE GOVERNMENTS OR NON-PROFIT CORPORATION, FOR A CONSIDERATION AGREED UPON BETWEEN THE CITY AND GRANTEE WITHOUT A PUBLIC SALE IF THE GRANT OR DEVOTION IS ADVANTAGEOUS TO THE CITY.

(B) IN THE EVENT THE LAND DIRECTED TO BE CONVEYED UNDER SUBSECTION (A) OF THIS SECTION CONSISTS IN PART OR IN WHOLE OF AIRPORT LANDS, THEN THE ORDINANCE ORDERING ITS CONVEYANCE WILL NOT BE EFFECTIVE UNTIL THE CITY COUNCIL BY ORDINANCE HAS APPROPRIATED FROM THE GENERAL FUND TO BE DEDICATED TO THE AIRPORT THE DIFFERENCE BETWEEN THE APPRAISED FAIR MARKET VALUE OF SAID AIRPORT LANDS AND THE PURCHASE PRICE, IF ANY, SET FORTH IN SAID ORDINANCE.

21.15.250 USE PERMITS.

THE COUNCIL MAY AUTHORIZE THE CITY MANAGER TO GRANT PERMITS FOR THE TEMPORARY USE OF REAL PROPERTY OWNED BY THE CITY FOR A PERIOD NOT TO EXCEED ONE (1) YEAR, WITHOUT APPRAISAL OF THE VALUE OF THE PROPERTY OR PUBLIC AUCTION, FOR ANY PURPOSE COMPATIBLE WITH THE ZONING OF THE LAND, AND ON SUCH TERMS AND FOR SUCH RENTALS AS THE COUNCIL SHALL DETERMINE.

21.15.260 ACQUISITION OF REAL PROPERTY.

(A) THE CITY, BY AUTHORIZATION OF THE CITY COUNCIL, EXPRESSED IN A RESOLUTION FOR SUCH PURPOSE, MAY PURCHASE OR ACQUIRE AN INTEREST IN, OR LEASE REAL PROPERTY NEEDED FOR A PUBLIC USE WITHIN OR OUTSIDE THE AIRPORT RESERVE ON SUCH TERMS AND CONDITIONS AS THE COUNCIL SHALL DETERMINE, BUT NO PURCHASE SHALL BE MADE UNTIL A QUALIFIED APPRAISER HAS APPRAISED THE PROPERTY AND GIVEN THE COUNCIL AN INDEPENDENT OPINION AS TO THE FULL AND TRUE VALUE THEREOF;

(B) BECAUSE OF THE UNIQUE VALUE OF REAL PROPERTY, THE CITY NEED NOT ACQUIRE OR LEASE REAL PROPERTY BY COMPETITIVE BIDDING.

Section 3. Repealing, Renaming and Re-enacting Title 22 of the Kenai Municipal Code: That Kenai Municipal Code, Title 22 – General Fund Lands is hereby repealed, renamed, and re-enacted as follows:

**[TITLE 22
GENERAL FUND LANDS**

**CHAPTER 22.05
DISPOSITION OF CITY GENERAL FUND LANDS**

22.05.010 POWER TO DISPOSE OF REAL PROPERTY.

(A) THE PROVISIONS OF THIS CHAPTER APPLY TO GENERAL FUND REAL PROPERTY.

(B) THE CITY MAY SELL, CONVEY, EXCHANGE, TRANSFER, DONATE, DEDICATE, DIRECT, OR ASSIGN TO USE, OR OTHERWISE DISPOSE OF CITY-OWNED REAL PROPERTY, INCLUDING PROPERTY ACQUIRED, HELD FOR, OR DEVOTED TO A PUBLIC USE, ONLY IN ACCORDANCE WITH THIS CHAPTER, AND, WITH RESPECT TO PROPERTIES ACQUIRED THROUGH FORECLOSURE FOR TAXES, IN COMPLIANCE WITH THOSE TERMS AND PROVISIONS OF AS 29 Which Home-Rule Municipalities Are Required To Comply With. DISPOSAL OR SALE OF LANDS SHALL BE MADE ONLY WHEN, IN THE JUDGMENT OF THE CITY COUNCIL, SUCH LANDS ARE NOT REQUIRED FOR A PUBLIC PURPOSE.

22.05.015 SALE OR DISPOSAL.

THE CITY MAY SELL OR DISPOSE OF REAL PROPERTY BY WARRANTY OR QUIT-CLAIM DEED, EASEMENT, LEASE, GRANT, PERMIT, LICENSE, DEED OF TRUST, MORTGAGE CONTRACT OF SALE OF REAL PROPERTY, PLAT DEDICATION, TAX DEED, OR ANY OTHER LAWFUL METHOD OR MODE OF CONVEYANCE OR GRANT. ANY INSTRUMENT REQUIRING EXECUTION BY THE CITY SHALL BE SIGNED BY THE CITY MANAGER AND ATTESTED BY THE CITY CLERK. THE FORM OF ANY INSTRUMENT SHALL BE APPROVED BY THE CITY ATTORNEY.

22.05.020 QUALIFICATIONS OF APPLICANTS OR BIDDERS.

AN APPLICANT OR BIDDER FOR A LEASE IS QUALIFIED IF THE APPLICANT OR BIDDER:

- (A) IS AN INDIVIDUAL AT LEAST EIGHTEEN (18) YEARS OF AGE OR OVER; OR
- (B) IS A GROUP, ASSOCIATION, OR CORPORATION WHICH IS AUTHORIZED TO CONDUCT BUSINESS UNDER THE LAWS OF ALASKA; OR
- (C) IS ACTING AS AN AGENT FOR ANOTHER AND HAS QUALIFIED BY FILING WITH THE CITY MANAGER A PROPER POWER OF ATTORNEY OR A LETTER OF AUTHORIZATION CREATING SUCH AGENCY. THE AGENT SHALL REPRESENT ONLY ONE (1) PRINCIPAL TO THE EXCLUSION OF HIMSELF OR HERSELF. THE TERM "AGENT" INCLUDES REAL ESTATE BROKERS AND AGENTS.

22.05.025 APPLICATIONS.

(A) ALL APPLICATIONS FOR LEASE OF LANDS SHALL BE FILED WITH THE CITY MANAGER ON FORMS PROVIDED BY THE CITY AVAILABLE AT CITY HALL. APPLICATIONS SHALL BE DATED ON RECEIPT AND PAYMENT OF FILING FEE AND DEPOSIT. NO APPLICATION WILL BE ACCEPTED BY THE CITY MANAGER UNLESS IT APPEARS TO THE CITY MANAGER TO BE COMPLETE. FILING FEES ARE NOT REFUNDABLE.

(B) WITH EVERY APPLICATION, THE APPLICANT SHALL SUBMIT A DEVELOPMENT PLAN, SHOWING AND STATING:

- (1) THE PURPOSE OF THE PROPOSED LEASE;
- (2) THE USE, VALUE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED;
- (3) THE TYPE OF CONSTRUCTION;
- (4) THE DATES CONSTRUCTION IS ESTIMATED TO COMMENCE AND BE COMPLETED (ORDINARILY A MAXIMUM OF TWO (2) YEARS); AND
- (5) WHETHER INTENDED USE COMPLIES WITH THE ZONING ORDINANCE AND COMPREHENSIVE PLAN OF THE CITY. APPLICATIONS SHALL BECOME A PART OF THE LEASE.

22.05.030 FILING FEE AND DEPOSIT.

(A) WHEN SUBMITTING AN APPLICATION FOR LEASE OF LAND, THE APPLICANT SHALL PAY THE CITY THE FOLLOWING AS SET FORTH IN THE CITY'S SCHEDULE OF FEES ADOPTED BY THE CITY COUNCIL:

- (1) PAY A NON-REFUNDABLE FILING FEE IN THE AMOUNT; AND
- (2) A DEPOSIT TO SHOW GOOD FAITH AND SECURE THE CITY IN PAYMENT OF ANY COSTS, INCLUDING:
 - (A) AN APPRAISAL COST RECOVERY DEPOSIT; AND
 - (B) AN ENGINEERING, SURVEYING AND CONSULTING COST RECOVERY DEPOSIT.

(B) IF THE CITY DECIDES TO REJECT THE APPLICANT'S APPLICATION AND NOT ENTER INTO A LEASE WITH THE APPLICANT THROUGH NO FAULT OF THE APPLICANT OR FAILURE OF THE APPLICANT TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, ANY DEPOSIT MADE UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE RETURNED TO THE APPLICANT.

(C) IF THE CITY ENTERS INTO A LEASE WITH THE APPLICANT ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE APPLIED TO THE CITY'S ENGINEERING, APPRAISAL, AND CONSULTING COSTS RELATED TO THE PROCESSING OF THE APPLICANT'S APPLICATION AND ENTERING INTO THE

LEASE. THE CITY WILL APPLY ANY UNUSED BALANCE OF A DEPOSIT TO THE RENT PAYABLE UNDER THE LEASE. IF THE CITY'S COSTS EXCEED THE AMOUNT OF ANY DEPOSIT, THE APPLICANT SHALL PAY THE SHORTAGE TO THE CITY AS A CONDITION OF THE LEASE.

(D) IF THE APPLICANT FAILS TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, CAUSES INORDINATE DELAY, AS DETERMINED BY THE CITY MANAGER, OR REFUSES TO SIGN A LEASE OFFERED TO THE APPLICANT, THE CITY MANAGER WILL REJECT THE APPLICANT'S APPLICATION AND APPLY ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A) OF THIS SECTION TO THE CITY'S APPRAISAL, ENGINEERING, AND CONSULTING COSTS INCURRED IN CONNECTION WITH THE APPLICANT'S APPLICATION. IF THE CITY'S COSTS FOR APPRAISAL, ENGINEERING AND CONSULTING COSTS EXCEED THE DEPOSITS, THE APPLICANT WILL BE RESPONSIBLE FOR THESE COSTS. THE CITY WILL RETURN ANY UNUSED DEPOSIT BALANCE TO THE APPLICANT.

22.05.035 RIGHTS PRIOR TO LEASING.

THE FILING OF AN APPLICATION FOR A LEASE SHALL GIVE THE APPLICANT NO RIGHT TO LEASE OR TO THE USE OF THE LAND FOR WHICH THEY HAVE APPLIED. THE APPLICATION SHALL EXPIRE WITHIN TWELVE (12) MONTHS AFTER THE APPLICATION HAS BEEN MADE IF A LEASE HAS NOT BEEN ENTERED INTO BETWEEN THE CITY AND THE APPLICANT BY THAT TIME UNLESS THE CITY COUNCIL FOR GOOD CAUSE GRANTS AN EXTENSION. NO EXTENSION MAY BE GRANTED FOR A PERIOD LONGER THAN SIX (6) ADDITIONAL MONTHS. LEASE RATES ARE SUBJECT TO CHANGE ON THE BASIS OF AN APPRAISAL DONE EVERY TWELVE (12) MONTHS ON THE PROPERTY APPLIED FOR.

22.05.040 PROCESSING PROCEDURE.

(A) APPLICATIONS SHALL BE FORWARDED TO THE PLANNING AND ZONING COMMISSION UPON RECEIPT. THE PLANNING AND ZONING COMMISSION SHALL NORMALLY CONSIDER APPLICATIONS FOR SPECIFIC LANDS ON A FIRST-COME, FIRST-SERVED BASIS IF THE COMMISSION FINDS THAT THE APPLICATION IS COMPLETE AND CONFORMS TO THE COMPREHENSIVE PLAN AND THE KENAI ZONING CODE. WHERE THERE IS DIFFICULTY IN OBTAINING A PERFECTED APPLICATION, DETAILS AS TO DEVELOPMENT PLANS, ETC., OR WHERE THE APPLICANT FAILS TO COMPLY WITH DIRECTIONS OR REQUESTS OF THE PLANNING AND ZONING COMMISSION, ANY SUCH PRIORITY WILL BE LOST. IF AN APPLICATION FOR THE PURCHASE OF CITY-OWNED LANDS, PREVIOUSLY AUTHORIZED FOR SALE BY THE COUNCIL, IS RECEIVED BY THE CITY PRIOR TO THE KENAI PLANNING AND ZONING COMMISSION MAKING AN AFFIRMATIVE OR NEGATIVE RECOMMENDATION

TO THE COUNCIL REGARDING THE LEASE APPLICATION FOR THE SAME PROPERTY, THE CITY MAY ELECT TO SELL THE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THE CODE.

(B) THE CITY COUNCIL SHALL NORMALLY CONSIDER A LEASE PROPOSAL ONLY AFTER APPROVAL OF THE PLANNING AND ZONING COMMISSION. HOWEVER, APPEALS OF PLANNING AND ZONING COMMISSION DISAPPROVAL MAY BE MADE TO THE CITY COUNCIL. COMPLETED LEASE APPLICATIONS MUST BE PRESENTED TO THE CITY COUNCIL WITHIN THIRTY (30) DAYS AFTER APPROVAL BY THE PLANNING AND ZONING COMMISSION.

(C) WHERE THERE ARE TWO (2) OR MORE APPLICATIONS FOR THE SAME LANDS FOR DIFFERENT USES, THEN IF THE PLANNING AND ZONING COMMISSION MAKES A FINDING THAT A SUBSEQUENT APPLICATION WOULD RESULT IN USE OF THE LANDS FOR A HIGHER AND BETTER PURPOSE WITH A GREATER BENEFIT TO THE CITY OF KENAI AND THE CITIZENS THEREOF, THEN THE LEASE MAY BE ISSUED TO SUCH APPLICANT NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) IN THIS SECTION WHICH PROVIDE FOR LEASING ON A FIRST-COME, FIRST-SERVED BASIS. ANY APPLICANT MAY APPEAL TO THE CITY COUNCIL FROM A FINDING OR A REFUSAL TO FIND BY THE PLANNING AND ZONING COMMISSION BY FILING AN APPEAL WITH THE CITY CLERK WITHIN SEVEN (7) DAYS AFTER THE FINDING IS MADE OR REFUSED BY THE PLANNING AND ZONING COMMISSION.

(D) THE DECISION WHETHER OR NOT TO LEASE LAND RESTS IN THE SOLE DISCRETION OF THE CITY COUNCIL.

22.05.045 REVIEW.

NO LEASED LAND MAY BE CHANGED IN USE, NOR MAY ANY RENEWAL LEASE BE ISSUED UNTIL THE PROPOSED USE OR RENEWAL HAS BEEN REVIEWED BY THE PLANNING COMMISSION AND APPROVED BY THE COUNCIL.

22.05.050 APPRAISAL.

NO LAND SHALL BE SOLD, LEASED, OR A RENEWAL OF LEASE ISSUED, UNLESS THE SAME HAS BEEN APPRAISED WITHIN A TWELVE (12) MONTH PERIOD PRIOR TO THE SALE OR DATE FIXED FOR BEGINNING OF THE TERM OF THE LEASE OR RENEWAL LEASE. NO LAND SHALL BE LEASED FOR LESS THAN THE APPROVED APPRAISED ANNUAL RENTAL. APPRAISALS SHALL REFLECT THE NUMBER AND VALUE OF CITY SERVICES RENDERED THE LAND IN QUESTION.

22.05.055 TERMS OF LEASE.

ALL LEASES SHALL BE APPROVED BY THE CITY COUNCIL BEFORE THE SAME SHALL BECOME EFFECTIVE. THE TERM OF ANY GIVEN LEASE SHALL DEPEND UPON THE DURABILITY OF THE PROPOSED USE, THE AMOUNT OF INVESTMENT IN IMPROVEMENT PROPOSED AND MADE, AND THE NATURE OF THE IMPROVEMENT PROPOSED WITH RESPECT TO DURABILITY AND TIME REQUIRED TO AMORTIZE THE PROPOSED INVESTMENT. (ORD. 2200-2006)

22.05.060 ANNUAL MINIMUM RENTAL.

(A) ANNUAL MINIMUM RENTALS SHALL BE COMPUTED FROM THE APPROVED APPRAISED MARKET VALUE UTILIZING THE METHOD AS DESCRIBED IN KMC 22.05.070 OF THIS CHAPTER.

(B) UPON EXECUTION OF THE LEASE, THE LANDS BECOME TAXABLE TO THE EXTENT OF ITS LEASEHOLD INTEREST AND LESSEE SHALL PAY ALL REAL PROPERTY TAXES LEVIED UPON SUCH LEASEHOLD INTEREST IN THESE LANDS, AND SHALL PAY ANY SPECIAL ASSESSMENTS AND TAXES AS IF HE OR SHE WERE THE OWNER OF THE LAND.

(C) RENT SHALL BE PAID ANNUALLY IN ADVANCE. PAYMENTS SHALL BE PRORATED TO CONFORM TO THE CITY OF KENAI'S FISCAL YEAR BEGINNING JULY 1ST AND ENDING JUNE 30TH. IF THE EQUIVALENT MONTHLY PAYMENT EXCEEDS TWO HUNDRED DOLLARS (\$200.00), THEN THE LESSEE SHALL HAVE THE OPTION OF MAKING PAYMENTS ON A MONTHLY BASIS.

(D) LESSEE SHALL BE RESPONSIBLE FOR ALL SALES TAXES APPLICABLE TO ITS OPERATIONS.

22.05.065 BIDDING PROCEDURE.

AS AN EXCEPTION TO GENERAL POLICY LISTED ABOVE, THE CITY COUNCIL MAY DESIGNATE A SPECIFIC LOT OR LOTS TO BE MADE AVAILABLE ONLY FOR BID. THIS PROVISION SHALL APPLY ONLY WHEN THERE IS NO OUTSTANDING APPLICATION PENDING ON THE LOT OR LOTS. AS DESIGNATED, SEALED BIDS SHALL BE RECEIVED OFFERING A ONE (1) TIME PREMIUM IN ADDITION TO THE ESTABLISHED LEASE RATE. HIGHEST BID, HOWEVER, SHALL BE SUBJECT TO ALL PROVISIONS OF REVIEW AND APPROVAL ESTABLISHED FOR ALL OTHER LEASE APPLICATIONS.

22.05.070 PRINCIPLES AND POLICY OF LEASE RATES.

(A) A FAIR RETURN TO THE GENERAL FUND IS THE POLICY OF THE CITY, UNLESS DEVIATION FROM THAT POLICY IS IN THE BEST INTEREST OF THE CITY AS DETERMINED BY THE CITY COUNCIL. TO ENSURE A FAIR RETURN, ALL LEASES FOR

A PERIOD IN EXCESS OF FIVE (5) YEARS SHALL INCLUDE A REDETERMINATION CLAUSE AS OF THE FIFTH ANNIVERSARY OF THE LEASE AND EVERY FIVE (5) YEARS THEREAFTER, AND ALL LANDS FOR LEASE SHALL BE APPRAISED PRIOR TO LEASE AND AGAIN PRIOR TO REDETERMINATION. LEASE RATES:

(1) SHALL BE BASED ON FAIR MARKET VALUE OF THE LAND, INCLUDING AN APPROPRIATE CONSIDERATION OF FACILITIES AND SERVICES AVAILABLE (PUBLIC WATER, PUBLIC SEWER, STORM SEWERS, AND OTHER PUBLIC UTILITIES) AS DETERMINED BY A QUALIFIED INDEPENDENT APPRAISER, CONSIDERING THE BEST USE OF THE SPECIFIED LAND; AND

(2) SHALL BE EIGHT PERCENT (8%) OF FAIR MARKET VALUE.

(B) FOR LEASES IN EXISTENCE PRIOR TO THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER, THE LEASE RATE REDETERMINATION SHALL BE AS PROVIDED IN THE LEASE.

(C) THE CITY MANAGER SHALL CHANGE THE RENT IN A LEASE BY GIVING THE LESSEE WRITTEN NOTICE AT LEAST THIRTY (30) DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE CHANGE.

(D) THE "FAIR MARKET VALUE" OF THE PREMISES SHALL BE EQUAL TO THE THEN FAIR MARKET RATE FOR SIMILAR COMMERCIAL PROPERTY IN THE CITY OF KENAI, ALASKA (THE "RELEVANT AREA"). CITY SHALL GIVE NOTICE TO LESSEE OF CITY'S ESTIMATION OF THE FAIR MARKET VALUE NOT LATER THAN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF THE THEN-APPLICABLE FIVE (5) YEAR PERIOD, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF AN INDEPENDENT REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87, SELECTED AND PAID FOR BY THE CITY, FAMILIAR WITH THE RELEVANT AREA (THE "FIRST APPRAISER"). IF LESSEE DISAGREES WITH SUCH ESTIMATE, IT SHALL ADVISE THE CITY IN WRITING THEREOF WITHIN THIRTY (30) DAYS OF LESSEE'S RECEIPT OF SUCH ESTIMATE, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF A REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR BY LESSEE) FAMILIAR WITH THE RELEVANT AREA (THE "SECOND APPRAISER"). THE PARTIES SHALL PROMPTLY MEET TO ATTEMPT TO RESOLVE THEIR DIFFERENCES BETWEEN THE FIRST APPRAISER AND THE SECOND APPRAISER CONCERNING THE FAIR MARKET VALUE OF THE PREMISES. IF CITY AND LESSEE CANNOT AGREE UPON SUCH VALUE THEN, WITH ALL DELIBERATE SPEED, THEY SHALL DIRECT THE FIRST APPRAISER AND THE SECOND APPRAISER TO EXPEDITIOUSLY AND MUTUALLY SELECT A THIRD REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR JOINTLY BY THE PARTIES) FAMILIAR WITH THE RELEVANT AREA (THE "THIRD APPRAISER"). WITHIN THIRTY (30) DAYS AFTER THE THIRD APPRAISER HAS BEEN APPOINTED,

THE THIRD APPRAISER SHALL DECIDE WHICH OF THE TWO (2) RESPECTIVE APPRAISALS FROM THE FIRST APPRAISER AND THE SECOND APPRAISER MOST CLOSELY REFLECTS THE FAIR MARKET VALUE OF THE PREMISES. THE FAIR MARKET VALUE OF THE PREMISES SHALL IRREBUTTABLY BE PRESUMED TO BE THE VALUE CONTAINED IN SUCH APPRAISAL SELECTED BY THE THIRD APPRAISER, AND THE RENTAL SHALL BE REDETERMINED BASED ON SUCH VALUE. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, RENTAL SHALL CONTINUE TO BE PAID AT THE THEN-APPLICABLE RATE UNTIL ANY SUCH NEW RENTAL RATE IS ESTABLISHED, AND LESSEE AND CITY SHALL PROMPTLY PAY OR REFUND, AS THE CASE MAY BE, ANY VARIANCE IN THE RENTAL, WITHOUT INTEREST THEREON ACCRUING TO THE EXTENT TO PAID/REFUNDED IN A TIMELY FASHION.

22.05.075 REIMBURSEMENT FOR CITY-CONSTRUCTED IMPROVEMENTS.

(A) THE CITY MANAGER MAY INCLUDE IN A LEASE A REQUIREMENT FOR THE LESSEE TO REIMBURSE THE CITY FOR THE CITY'S COST OF:

(1) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE PREMISES, CONSTRUCTED BY THE CITY PRIOR TO THE EFFECTIVE DATE OF THE LEASE; OR

(2) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE PREMISES, WHICH THE CITY AGREES TO CONSTRUCT AS A CONDITION OF THE LEASE, SUBJECT TO CITY COUNCIL APPROVAL.

(B) THE LESSEE SHALL REIMBURSE THE CITY FOR THE CITY'S COST OF CONSTRUCTING THE IMPROVEMENTS IN TEN (10) EQUAL ANNUAL PAYMENTS, PLUS INTEREST AT EIGHT PERCENT (8%) PER YEAR ON THE UNPAID BALANCE. IF THE LEASE IS FOR LESS THAN TEN (10) YEARS, THE REPAYMENT SCHEDULE MAY NOT BE LONGER THAN THE TERM OF THE LEASE. THE LESSEE MAY PAY THE ENTIRE REMAINING BALANCE TO THE CITY AT ANY TIME DURING THE TERM OF THE LEASE.

22.05.080 LEASE EXECUTION.

THE LEASE APPLICANT SHALL EXECUTE AND RETURN THE APPROPRIATE LEASE AGREEMENT WITH THE CITY OF KENAI WITHIN THIRTY (30) DAYS OF MAILING THE AGREEMENT TO THE APPLICANT. THE LEASE AGREEMENT SHALL BE PREPARED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS TITLE. FAILURE TO EXECUTE AND

RETURN THE LEASE AGREEMENT WITHIN THE SPECIFIED PERIOD SHALL RESULT IN THE FORFEITURE OF ALL LEASING RIGHTS.

22.05.085 LEASE UTILIZATION.

LEASED LANDS SHALL BE UTILIZED FOR PURPOSES WITHIN THE SCOPE OF THE APPLICATION, THE TERMS OF THE LEASE AND IN CONFORMITY WITH THE ORDINANCES OF THE CITY, AND IN SUBSTANTIAL CONFORMITY WITH THE COMPREHENSIVE PLAN. UTILIZATION OR DEVELOPMENT FOR OTHER THAN THE ALLOWED USES SHALL CONSTITUTE A VIOLATION OF THE LEASE AND SUBJECT THE LEASE TO CANCELLATION AT ANY TIME. FAILURE TO SUBSTANTIALLY COMPLETE THE DEVELOPMENT PLAN FOR THE LAND SHALL CONSTITUTE GROUNDS FOR CANCELLATION.

22.05.090 CONVEYANCE TO ENCOURAGE NEW ENTERPRISES.

NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CHAPTER, WHERE IT IS FOUND THAT ENCOURAGEMENT OF A NEW COMMERCIAL OR INDUSTRIAL ENTERPRISE WOULD BE BENEFICIAL TO THE CITY OF KENAI, THE CITY COUNCIL BY ORDINANCE SO FINDING MAY DIRECT CONVEYANCE OF ONE OR MORE PARCELS OF CITY LAND BY THE CITY MANAGER TO SUCH ENTERPRISE UPON SUCH TERMS AS TO PRICE, CONDITIONS OF CONVEYANCE, AND WITH SUCH CONTINGENCIES AS MAY BE SET FORTH IN THE ORDINANCE.

22.05.095 SALE.

(A) LANDS, TO WHICH THE CITY OF KENAI HOLDS TITLE WHICH ARE NOT RESTRICTED FROM SALE BY THE DEED OF CONVEYANCE TO THE CITY, OR WHICH HAVE BEEN RELEASED FROM SUCH RESTRICTIONS, WHICH THE CITY COUNCIL HAS DETERMINED ARE NOT REQUIRED FOR A PUBLIC PURPOSE, MAY BE LISTED FOR SALE BY THE CITY MANAGER, EXCEPT THAT LANDS WHICH HAVE BEEN LEASED SHALL NOT BE SOLD UNLESS THE LESSEE HAS MADE A WRITTEN REQUEST TO THE CITY TO PLACE THE LAND FOR SALE.

(B) SALES OF LAND PURSUANT TO SUBSECTION (A) OF THIS SECTION SHALL BE MADE AT NOT LESS THAN FAIR MARKET VALUE. THE PURCHASER SHALL EXECUTE THE "AGREEMENT FOR SALE OF LAND" WITHIN ONE (1) YEAR OF THE DATE OF APPRAISAL. THE CITY MANAGER HAS THE OPTION TO DISPOSE OF SUCH PROPERTIES IN ACCORDANCE WITH THE SALE PROCEDURES SET OUT IN THIS TITLE:

- (1) BY NEGOTIATED SALE; OR
- (2) BY OUTCRY AUCTION TO THE HIGHEST RESPONSIBLE BIDDER; OR
- (3) BY COMPETITIVE SEALED BIDS TO THE HIGHEST RESPONSIBLE BIDDER.

IN THE EVENT THAT THE SALE IS NOT CLOSED WITHIN SIX (6) MONTHS OF THE DATE OF APPRAISAL, THE BUYER WILL BE CHARGED, UPON CLOSING, INTEREST COMPUTED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE KENAI MUNICIPAL CODE, BASED UPON THE TOTAL SALES PRICE FOR THE NUMBER OF DAYS PAST THE EXPIRATION OF THE SIX (6) MONTH PERIOD.

22.05.100 SALE PROCEDURE.

(A) THE CITY MANAGER WILL OBTAIN SUCH AN APPRAISAL FOR A DETERMINATION OF THE MINIMUM PRICE ON THE LAND.

(B) WHERE ANY PARTY, HEREINAFTER CALLED "APPLICANT," REQUESTS THAT A TRACT OR TRACTS OF LAND BE SOLD FOR WHICH AN APPRAISAL WILL BE REQUIRED, WHICH WILL REQUIRE SUBDIVIDING, PLATTING, OR SURVEYING AND STAKING, OR WHICH WILL REQUIRE ADVERTISING OR INCURRING ANY OTHER EXPENDITURES BY THE CITY PRIOR TO SALE.

(1) NO ACTIONS IN PREPARATION FOR SALE WILL BE TAKEN BY THE CITY UNTIL AN AGREEMENT TO PURCHASE SHALL BE PROPERLY EXECUTED AND FILED WITH THE CITY MANAGER FOR THE PURCHASE OF SUCH LAND WITH PAYMENT OF SUFFICIENT GOOD FAITH DEPOSIT, WHICH SHALL CONSIST OF CASH OR ITS EQUIVALENT DEPOSITED WITH THE FINANCE OFFICER OF THE CITY OF KENAI, AS MAY BE DETERMINED BY THE CITY MANAGER, TO COVER ALL EXPENSES OF THE CITY AND SUCH AGREEMENT TO PURCHASE SHALL FURTHER CONTAIN THE AGREEMENT BY APPLICANT TO PAY ANY ADDITIONAL COSTS IF SAID GOOD FAITH DEPOSIT IS INSUFFICIENT TO PAY ALL COSTS INCURRED BY THE CITY.

(2) IF AT ANY TIME DURING THE PROCESS OF PREPARING FOR SALE, THE APPLICANT GIVES NOTICE TO THE CITY MANAGER OF WITHDRAWAL OF THE REQUEST FOR SALE, THE CITY MANAGER SHALL STOP ALL PROCEDURES, SHALL PAY EXPENSES INCURRED PRIOR TO TERMINATION OF SALE PROCEDURES, AND SHALL REIMBURSE APPLICANT FOR ANY GOOD FAITH DEPOSIT ADVANCED IN EXCESS OF ALL EXPENSES INCURRED. (HOWEVER, IF ANOTHER PARTY DESIRES THE SALE TO PROCEED, FILES AN APPLICATION FOR SALE, EXECUTES AND FILES AN AGREEMENT TO PURCHASE, AND ADVANCES SUFFICIENT FUNDS THEREFOR, THEN THE PRIOR APPLICANT WILL BE REIMBURSED FOR EXPENSES CHARGES WHICH CAN BE ATTRIBUTED TO THE SUBSEQUENT APPLICANT.)

(3) IF ALL ACTIONS NECESSARY FOR PREPARATION FOR SALE HAVE BEEN ACCOMPLISHED, AND IF NEITHER THE APPLICANT NOR ANY OTHER PARTY PURCHASES SAID LAND WHEN FIRST OFFERED FOR SALE AFTER SUCH

REQUEST, THEN ALL EXPENSES INCURRED IN PREPARATION FOR THE SALE WILL BE PAID FROM THE GOOD FAITH DEPOSIT, AND THE BALANCE, IF ANY, SHALL BE RETURNED TO THE APPLICANT. IF THE SUMS ADVANCED AS GOOD FAITH DEPOSIT ARE INSUFFICIENT TO PAY ALL OF THE COSTS, THE APPLICANT WILL BE BILLED FOR THE BALANCE DUE AND NORMAL COLLECTION PROCEDURES FOLLOWED.

(4) IF THE LAND APPLIED FOR IS SOLD ON PUBLIC SALE SET IN RESPONSE TO SUCH REQUEST TO ANYONE OTHER THAN APPLICANT, THEN ON CLOSING OF THE SALE, THE GOOD FAITH DEPOSIT WILL BE REFUNDED IN TOTAL TO THE APPLICANT. THE CITY'S EXPENSES WILL BE FIRST DEDUCTED FROM THE DEPOSIT OF THE SUCCESSFUL BIDDER.

(5) IF THE LAND IN QUESTION IS SOLD TO APPLICANT, THE GOOD FAITH DEPOSIT ADVANCED, AFTER DEDUCTING THE CITY'S EXPENSES, WILL BE APPLIED ON THE PAYMENT DUE AT CLOSING.

(6) IF THE LAND IN QUESTION IS TO BE SOLD BY SEALED BID AND THE APPLICANT HAS SUBMITTED A VALID BID, BUT THE APPLICANT IS NOT THE HIGH BIDDER, HE OR SHE MAY PURCHASE THE LAND BY TENDERING THE CITY A BID EQUAL TO THE HIGH BID WITHIN FIVE (5) DAYS OF THE BID OPENING. IF THE LAND SALE IS INITIATED IN ACCORDANCE WITH KMC 22.05.040(A), THE APPLICANT SHALL BE DEFINED AS THAT PARTY SUBMITTING THE INITIAL LEASE APPLICATION.

(C) IF THE TRACT OF LAND PROPOSED TO BE SOLD IS LEASED LAND, THE LESSEE MAY REQUEST THE SALE OF THE LAND AT NOT LESS THAN THE FAIR MARKET VALUE. THE CURRENT LESSEE OBTAINS THIS RIGHT TO REQUEST A SALE ONLY AFTER, TO THE SATISFACTION OF THE CITY MANAGER, DEVELOPMENT HAS BEEN COMPLETED AS DETAILED IN THE DEVELOPMENT SCHEDULE WHICH HAS BEEN INCORPORATED INTO THE LEASE AGREEMENT. IF THERE IS NO DEVELOPMENT SCHEDULE, THE LESSEE MAY PURCHASE THE PROPERTY IF THERE HAVE BEEN SUBSTANTIAL IMPROVEMENTS AS DETERMINED BY THE CITY MANAGER. THE DECISION WHETHER OR NOT TO SELL THE LAND TO THE LESSEE RESTS WITH THE SOLD DISCRETION OF THE CITY.

(D) IF THE TRACT OF LAND PROPOSED TO BE SOLD IS NOT LEASED LAND, OR IS LEASED LAND WITHOUT SUBSTANTIAL IMPROVEMENTS, THEN THE TRACT OF LAND MAY ONLY BE SOLD BY OUTCRY AUCTION OR BY COMPETITIVE SEALED BIDS. IF THE TRACT IS TO BE PUT UP FOR SUCH COMPETITIVE AUCTION OR SEALED BID SALE, NOTICE OF SALE AND THE MANNER IN WHICH THE LAND IS TO BE SOLD SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE CITY ONCE EACH WEEK FOR TWO (2) SUCCESSIVE WEEKS NOT LESS THAN THIRTY

(30) DAYS PRIOR TO THE DATE OF SALE; SUCH NOTICE SHALL ALSO BE POSTED IN AT LEAST THREE (3) PUBLIC PLACES WITHIN THE CITY AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF SALE, AND SUCH OTHER NOTICE MAY BE GIVEN BY SUCH OTHER MEANS AS MAY BE CONSIDERED ADVISABLE BY THE CITY MANAGER. SUCH NOTICE MUST CONTAIN:

- (1) THE LEGAL DESCRIPTION OF THE LAND;
- (2) A BRIEF PHYSICAL DESCRIPTION OF THE LAND;
- (3) THE AREA AND GENERAL LOCATION OF THE LAND;
- (4) THE MINIMUM ACCEPTABLE OFFER FOR THE LAND (WHICH SHALL BE ITS APPRAISED FAIR MARKET VALUE);
- (5) THE TERMS UNDER WHICH THE LAND WILL BE SOLD;
- (6) ANY LIMITATIONS ON THE SALE OF THE LAND;
- (7) THE TIME AND PLACE SET FOR THE AUCTION OR BID OPENING;
- (8) THE AMOUNT OF DEPOSIT TO BE SUBMITTED WITH EACH BID IN ORDER TO COVER THE CITY'S EXPENSES SUCH AS SURVEY, APPRAISAL, AND REVIEWS;
- (9) ANY OTHER MATTERS CONCERNING THE SALE OF WHICH THE CITY MANAGER BELIEVES THE PUBLIC SHOULD BE INFORMED.

(E) IF NO OFFERS ARE SUBMITTED MEETING THE MINIMUM ACCEPTABLE OFFER (OR APPRAISED VALUATION), THE CITY MANAGER MAY NEGOTIATE FOR SALE OF THE TRACT OR TRACTS OF LAND WITH A MODIFICATION OF PROPOSED TERMS OR FOR LESS THAN THE APPRAISED VALUATION PROVIDED THAT NO SUCH NEGOTIATED SALE FOR LESS THAN APPRAISED VALUE SHALL BE BINDING UPON THE CITY UNLESS THE TERMS AND PRICE THEREIN ARE APPROVED BY RESOLUTION OF THE CITY COUNCIL.

(F) WHERE A REAL ESTATE AGENT FURNISHES A BUYER FOR CITY LAND, THE CLOSING AGENT SHALL BE AUTHORIZED TO PAY THE AGENT A REAL ESTATE COMMISSION OF FIVE PERCENT (5%) OF THE PURCHASE PRICE FOR THE LAND OR FIVE PERCENT (5%) OF THE APPRAISED FAIR MARKET VALUE OF THE LAND, WHICHEVER IS LOWER, UNDER THE FOLLOWING TERMS AND CONDITIONS:

- (1) THE CITY MANAGER SHALL PROVIDE A NON-EXCLUSIVE LISTING OF LANDS AVAILABLE FOR SALE.
- (2) NO COMMISSION SHALL BE PAID TO AN AGENT WHERE THE AGENT IS A PARTY, OR IN PRIVITY WITH A PARTY, TO THE SALE.

(G) CLOSING OF SALE OF CITY LANDS SHALL BE HANDLED BY A TITLE OR ESCROW COMPANY.

(H) CONVEYANCE OF CITY LANDS SHALL BE BY QUIT CLAIM OR WARRANTY DEED FURNISHED BY THE CITY, AND BUYERS ARE ADVISED THAT ALL SUCH CONVEYANCES ARE SUBJECT TO ALL LIENS, ENCUMBRANCES, RESTRICTIONS,

AND COVENANTS OF RECORD AND ARE SPECIFICALLY, WITHOUT BEING LIMITED THERETO, SUBJECT TO ANY UNRELEASED RESTRICTIONS CONTAINED IN THE DEED OR DEEDS BY WHICH THE CITY RECEIVED TITLE TO THE LAND.

(I) IF A BUYER DESIRES TO OBTAIN A PRELIMINARY COMMITMENT FOR TITLE INSURANCE OR TITLE INSURANCE TO THE LAND, THEN IT SHALL BE THE RESPONSIBILITY OF THE BUYER TO OBTAIN SUCH COMMITMENT OR INSURANCE AND TO PAY FOR THE SAME.

(J) IF THE TRACT OR TRACTS OF LAND ARE SOLD UNDER TERMS BY WHICH THE CITY IS TO ACCEPT A NOTE AS A PORTION OF THE PURCHASE PRICE, THE NOTE AND ACCOMPANYING DEED OF TRUST MUST BE PREPARED BY AN ATTORNEY, BUT MUST BE APPROVED BY THE CITY ATTORNEY PRIOR TO CLOSING.

(K) THE NOTE SHALL BE PLACED FOR COLLECTION WITH A BANK SELECTED BY THE CITY MANAGER, WHICH MAY BE CHANGED FROM TIME TO TIME, AND WHICH SHALL BE THE BANK IN WHICH CITY FUNDS ARE DEPOSITED. THE SET-UP FEE TO INITIATE COLLECTION MAY BE NEGOTIATED AS SPECIFIED IN KMC 22.05.100(L), AND THE BUYER SHALL PAY THE ANNUAL COLLECTION FEES FOR SUCH BANK COLLECTION.

(L) THE CITY MANAGER IS AUTHORIZED TO NEGOTIATE A DIVISION OF THE COSTS OF SALE LISTED IN KMC 22.05.100(G) (H), (I), (J) AND (K) TO A MAXIMUM OF FIFTY PERCENT (50%) OF THE REQUIRED COSTS BEING BORNE BY THE CITY, PROVIDED HOWEVER THAT NO COSTS OF SALE WILL BE PAID BY THE CITY WHERE A SALE IS NEGOTIATED AT A PRICE BELOW APPRAISED FAIR MARKET VALUE.

22.05.105 TERMS FOR FINANCING SALE OF CITY LANDS.

(A) IN ORDER TO EXPEDITE AND FACILITATE THE SALE OF CITY LANDS, THE CITY MANAGER IS AUTHORIZED TO ACCEPT TERMS FOR SALES AND MAY ACCEPT A NOTE SECURED BY A DEED OF TRUST FOR A PORTION OF THE PURCHASE PRICE THEREOF, SUBJECT TO THE FOLLOWING RESTRICTIONS:

(1) IF THE SALE IS TO A LESSEE WHO HAS PLACED A LIEN FOR FINANCING UPON THE LAND OR IMPROVEMENTS, THEN THE CITY MANAGER IS NOT AUTHORIZED TO SELL THE LAND EXCEPT FOR TOTAL CASH PAYMENT, PROVIDED, HOWEVER, THAT THE CITY MANAGER MAY ACCEPT A NOTE SECURED BY A DEED OF TRUST SUBORDINATE TO THE EXISTING SECURITY INTEREST IF THE AMOUNT OF THE NOTE THEREBY SECURED IS WITHIN THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE LAND WITH IMPROVEMENTS, AND THE SUM OF ALL PRIOR SECURITY INTERESTS. THE SALE DOCUMENTS SHALL BE SUBJECT TO THE SAME RESTRICTIONS CONTAINED IN THE LEASE AS THE LEASE PROVIDES AT THE TIME OF SALE.

(2) EXCEPT FOR PROPERTY SOLD BY THE CITY SUBSEQUENT TO FORECLOSURE FOR DELINQUENT TAXES OR ASSESSMENTS, PRIOR TO MAKING A DETERMINATION TO ACCEPT A NOTE AND DEED OF TRUST FROM A PROSPECTIVE PURCHASER, THE CITY MANAGER SHALL SECURE A PRELIMINARY COMMITMENT FOR TITLE INSURANCE AND A REVIEW OF THE GRANTEE INDEX COVERING THE PARTY DESIRING TO PURCHASE THE LAND FROM THE TITLE COMPANY IN THE LOCAL RECORDING DISTRICT, AND NO CREDIT WILL BE ADVANCED ON SUCH SALE IF THERE ARE ANY DELINQUENT LIENS OR UNPAID JUDGMENTS FOUND IN THE TITLE COMPANY REPORT UNTIL ANY SUCH JUDGMENTS OR LIENS ARE PAID AND RELEASES THEREFOR HAVE BEEN FILED.

(3) IN THE EVENT OF A CREDIT SALE, THE DOWN PAYMENT REQUIRED SHALL BE DETERMINED BY THE CITY MANAGER, BUT SHALL NOT BE LESS THAN FIFTEEN PERCENT (15%) OF THE SALES PRICE.

(4) THE CITY MANAGER IS NOT AUTHORIZED TO ACCEPT TERMS FOR THE SALE OF TAX-FORECLOSED LANDS UNLESS THE DOWN PAYMENT TO BE RECEIVED THEREUNDER, OR OTHER SUMS APPROPRIATED FOR THE PURPOSE, ARE SUFFICIENT TO MAKE IMMEDIATE PAYMENT TO THE KENAI PENINSULA BOROUGH AND THE FORMER RECORD OWNER OF THE SUMS WHICH ARE, OR MAY BECOME, DUE TO THEM PURSUANT TO THE PROVISIONS OF AS 29.

(B) IF THE CITY MANAGER DETERMINES THAT IT IS IN THE CITY'S INTEREST TO SELL CITY LANDS, THE SALE SHALL BE EITHER A CASH TRANSACTION OR BY A NOTE SECURED BY A DEED OF TRUST, SUBJECT TO SUBSECTION (A) OF THIS SECTION, AND BY NO OTHER MEANS. THE NOTE AND DEED OF TRUST SHALL CARRY TERMS AS FOLLOWS:

(1) THE TERM OF SUCH NOTE MAY BE SET BY THE CITY MANAGER, BUT IT SHALL PROVIDE FOR MONTHLY PAYMENTS AND NOT EXCEED TWENTY (20) YEARS UNLESS A LONGER PERIOD FOR A SPECIFIC SALE OF LAND IS APPROVED BY RESOLUTION OF THE CITY COUNCIL.

(2) SUCH NOTE SHALL BEAR INTEREST AT A RATE TO BE DETERMINED BY THE CITY COUNCIL BY RESOLUTION.

22.05.110 DETERMINATION AS TO NEED FOR PUBLIC USE.

(A) WHETHER LAND SHALL BE ACQUIRED, RETAINED, DEVOTED, OR DEDICATED TO A PUBLIC USE SHALL BE DETERMINED BY ORDINANCE WHICH SHALL CONTAIN THE PUBLIC USE FOR WHICH THE PROPERTY IS TO BE DEDICATED, THE LEGAL DESCRIPTION OF THE PROPERTY, AND THE ADDRESS OR A GENERAL

DESCRIPTION OF THE PROPERTY SUFFICIENT TO PROVIDE THE PUBLIC WITH NOTICE OF ITS LOCATION. THIS REQUIREMENT DOES NOT APPLY TO RIGHTS-OF-WAY OR EASEMENTS DEDICATED THROUGH THE CITY AND BOROUGH PLATTING PROCESS.

(B) WHETHER LAND PREVIOUSLY DEDICATED TO A PUBLIC USE SHOULD BE DEDICATED TO A DIFFERENT PUBLIC USE OR SHOULD NO LONGER BE NEEDED FOR PUBLIC USE SHALL BE DETERMINED BY THE CITY COUNCIL BY ORDINANCE, EXCEPT IN CASES OF VACATION OF RIGHTS-OF-WAY OR EASEMENTS WHICH MAY BE DETERMINED BY RESOLUTION, EITHER OF WHICH SHALL CONTAIN THE NEW PUBLIC USE FOR WHICH THE PROPERTY IS TO BE DEDICATED OR THE REASON THE LAND IS NO LONGER NEEDED FOR PUBLIC USE, THE LEGAL DESCRIPTION OF THE PROPERTY, AND THE ADDRESS OR A GENERAL DESCRIPTION OF THE PROPERTY SUFFICIENT TO PROVIDE THE PUBLIC WITH NOTICE OF ITS LOCATION.

22.05.115 PROPERTY EXCHANGES.

THE COUNCIL MAY APPROVE, BY ORDINANCE, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE CONVEYANCE AND EXCHANGE OF A PARCEL OF CITY PROPERTY FOR PROPERTY OWNED BY ANOTHER PERSON SUBJECT TO SUCH CONDITIONS AS COUNCIL MAY IMPOSE ON THE EXCHANGE, WHENEVER IN THE JUDGMENT OF THE CITY COUNCIL IT IS ADVANTAGEOUS TO THE CITY TO MAKE THE PROPERTY EXCHANGE.

22.05.120 PROPERTY SALE TO ADJACENT OWNERS.

THE COUNCIL MAY APPROVE, BY ORDINANCE, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE SALE AND CONVEYANCE OF A PARCEL OF CITY PROPERTY AT ITS APPRAISED VALUE TO THE OWNER OF ADJACENT LAND WHENEVER, IN THE JUDGMENT OF THE CITY COUNCIL, THE PARCEL OF LAND IS OF SUCH SMALL SIZE, SHAPE, OR LOCATION THAT IT COULD NOT BE PUT TO PRACTICAL USE BY ANY OTHER PARTY AND, IN ADDITION THERETO, WHERE THERE IS NO FORESEEABLE NEED OF THE LAND FOR ANY FUTURE USE BY THE CITY.

22.05.125 GRANT OR DEVOTION.

THE COUNCIL, BY ORDINANCE, MAY WAIVE THE PROVISIONS OF THIS CHAPTER AND LEASE, GRANT OR DEVOTE REAL PROPERTY NO LONGER NEEDED BY THE CITY FOR PUBLIC PURPOSE TO THE UNITED STATES, THE STATE OF ALASKA, A LOCAL POLITICAL SUBDIVISION OF THE STATE OF ALASKA, OR ANY AGENCY OF ANY OF THESE GOVERNMENTS OR A NON-PROFIT CORPORATION, FOR A CONSIDERATION AGREED

UPON BETWEEN THE CITY AND GRANTEE WITHOUT A PUBLIC SALE IF THE GRANT, DEVOTION OR LEASE IS ADVANTAGEOUS TO THE CITY.

22.05.130 USE PERMITS.

THE COUNCIL MAY AUTHORIZE THE CITY MANAGER TO GRANT PERMITS FOR THE TEMPORARY USE OF REAL PROPERTY OWNED BY THE CITY FOR A PERIOD NOT TO EXCEED FIVE (5) YEARS, WITHOUT APPRAISAL OF THE VALUE OF THE PROPERTY OR PUBLIC AUCTION, FOR ANY PURPOSE COMPATIBLE WITH THE ZONING OF THE LAND, AND ON SUCH TERMS AND FOR SUCH RENTALS AS THE COUNCIL SHALL DETERMINE.

22.05.135 ACQUISITION OF REAL PROPERTY.

(A) THE CITY, BY AUTHORIZATION OF THE CITY COUNCIL, EXPRESSED IN A RESOLUTION FOR SUCH PURPOSE, MAY LEASE, PURCHASE OR ACQUIRE AN INTEREST IN REAL PROPERTY NEEDED FOR A PUBLIC USE ON SUCH TERMS AND CONDITIONS AS THE COUNCIL SHALL DETERMINE. NO PURCHASE SHALL BE MADE UNTIL A QUALIFIED APPRAISER HAS APPRAISED THE PROPERTY AND GIVEN THE COUNCIL AN INDEPENDENT OPINION AS TO THE FULL AND TRUE VALUE THEREOF UNLESS THE COUNCIL, UPON RESOLUTION SO FINDING, DETERMINES THAT THE PUBLIC INTEREST WILL NOT BE SERVED BY AN APPRAISAL.

(B) BECAUSE OF THE UNIQUE VALUE OF REAL PROPERTY, THE CITY NEED NOT ACQUIRE OR LEASE REAL PROPERTY BY COMPETITIVE BIDDING.

(C) RIGHTS-OF-WAY AND EASEMENTS MAY BE ACCEPTED OR ISSUED BY THE CITY MANAGER AFTER APPROVAL BY THE CITY COUNCIL FOR UTILITY LINES AND SERVICES OF ALL TYPES AND FOR NECESSARY RIGHTS-OF-WAY EASEMENTS.]

Title 22
CITY-OWNED LANDS

Chapter 22.05
DISPOSITION OF CITY LANDS

22.05.05 Definitions.

When used in this chapter, the following terms shall have the meaning given below:

“Amendment” means a formal change to a lease of lands other than a lease extension or renewal.

“Annual rent” means an amount paid to the City annually according to the terms of the lease and Kenai Municipal Code.

“Assignment” means the transfer of all interest in a lease from one person or entity to another.

“City” means the City of Kenai, its elected officials, officers, employees or agents.

“Consumer Price Index (CPI)” means the annual CPI for all urban consumers (CPI-U) for Anchorage, Alaska.

“Existing lease” means a lease with at least one (1) year of term remaining.

“Expiring lease” means a lease with less than one (1) year of term remaining.

“Fair market value” means the most probable price which a property should bring in a competitive and open market as determined by a qualified independent appraiser, or the value as determined by the latest appraisal adjusted by the change in Consumer Price Index from the date of the latest appraisal.

“Lease extension” means extending the term of an existing lease.

“Lease rate percent” means a percentage that when applied to the fair market value of land establishes a rate of rent commensurate with rental rates prevalent in the local area as determined by a qualified real estate appraiser.

“Lease renewal” means a new lease of property currently under an existing or expiring lease to an existing lessee or a purchaser.

“Market analysis” means an analysis of data collected from other land leases to determine whether a market adjustment in either fair market value or lease rate percentage reflects the market.

“Permanent improvement” means a fixed addition or change to land that is not temporary or portable, including a building, building addition, retaining wall, storage tank, earthwork, fill material, gravel, and pavement, and remediation of contamination for which the applicant is not responsible and excluding items of ordinary maintenance, such as glass replacement, painting, roof repairs, door repairs, plumbing repairs, floor covering replacement, or pavement patching.

“Professional estimate of the remaining useful life of the principal improvement” means an estimate of the number of remaining years that the principal improvement will be able to function in accordance with its intended purpose prepared by a qualified real estate appraiser, engineer, or architect licensed in Alaska.

“Qualified independent appraiser” means a general real estate appraiser certified by the State of Alaska under AS 08.87.

“Site development materials” means materials used for preparing a lease site for building construction or to provide a firm surface on which to operate a vehicle or aircraft, including geotextile, fill, gravel, paving, utilities and pavement reinforcement materials.

“Site preparation work” means work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, a crushed aggregate base course and utility extensions.

22.05.010 Authority and Intent.

(a) The provisions of this chapter apply to City-owned real property other than lands within the Airport Reserve as described in KMC 21.10 and the leasing of tidelands for shore fisheries.

(b) The City may sell, convey, exchange, transfer, donate, dedicate, direct, assign to use, or otherwise dispose of City-owned real property, including property acquired, held for, or previously devoted to a public use, only in accordance with this chapter, and, with respect to properties acquired through foreclosure for taxes, in compliance with those terms and provisions of AS 29 which apply to home-rule municipalities. Disposal or sale of lands shall be made only when, in the judgment of the City Council, such lands are not or are no longer required for a public purpose.

(c) It is the intent of this chapter to provide land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational and cultural community.

(d) It is not the intent of this chapter to allow for speculation on City-owned lands. All leases, sales, and other disposals of City-owned land must meet the intent of this chapter.

(e) The provisions of this chapter shall not alter or amend the terms or rights granted under leases existing prior to the effective date of the ordinances codified in this chapter.

22.05.015 Lands Available for Lease, Sale or Disposal.

(a) The City may lease, sell or dispose of real property not restricted from lease or sale which the City Council has determined is not required for a public purpose by any lawful method or mode of conveyance or grant. Any instrument requiring execution by the City shall be signed by the City Manager and attested by the City Clerk. The form of any instrument shall be approved by the City Attorney.

22.05.020 Qualifications of Lease Applicants or Bidders.

An applicant or bidder for a lease is qualified if the applicant or bidder:

- (a) Is an individual at least eighteen (18) years of age; or
- (b) Is a legal entity which is authorized to conduct business under the laws of Alaska; or
- (c) Is acting as an agent for another meeting the requirements of subsection (a) or (b) of this section and has qualified by filing with the City a proper power of attorney or a letter of authorization creating such agency.

22.05.025 Initial Lease Application.

(a) All applications for lease of lands must be submitted to the City 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) years except in special circumstances, that require a longer period of time and which must be approved by the City Council; and
- (4) A comprehensive description of the proposed business or activity intended;
- (5) Whether the applicant requests a lease with an option to purchase; and
- (6) 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.

22.05.035 No Right of Occupancy – Lease Application Expiration.

(a) Submitting an application for a lease does not give the applicant a right to lease or use City-owned land.

(b) The application shall expire upon execution of a lease or rejection of a lease application by the City Council or within twelve (12) months after the date the application has been submitted.

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, 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.

(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 is consistent with the intent of this chapter. 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 .

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 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.

(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; 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 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 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.

22.05.050 Competing Lease Applications.

If another application for a new lease, extension or a renewal is received for the same property within thirty (30) days from the notice of application publication date by a different applicant, City staff shall process the application and forward the application, the City Manager's recommendation and applicable commission recommendations to the City Council for approval of the application anticipated to best serve the interests of the City. The City Council may approve one (1) of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid. An applicant for a renewal or extension may withdraw an application for a renewal or extension at any time prior to a decision by the City Council whether or not to approve such a renewal or extension.

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

<u>APPLICANT'S INVESTMENT/VALUE</u>	<u>MAXIMUM TERM OF YEARS</u>
<u>\$7,500</u>	<u>5</u>
<u>15,000</u>	<u>6</u>
<u>22,500</u>	<u>7</u>
<u>30,000</u>	<u>8</u>
<u>37,500</u>	<u>9</u>
<u>45,000</u>	<u>10</u>
<u>52,500</u>	<u>11</u>
<u>60,000</u>	<u>12</u>
<u>67,500</u>	<u>13</u>
<u>75,000</u>	<u>14</u>
<u>82,500</u>	<u>15</u>
<u>90,000</u>	<u>16</u>
<u>97,500</u>	<u>17</u>
<u>105,000</u>	<u>18</u>
<u>112,500</u>	<u>19</u>
<u>120,000</u>	<u>20</u>
<u>127,500</u>	<u>21</u>
<u>135,000</u>	<u>22</u>
<u>142,500</u>	<u>23</u>
<u>150,000</u>	<u>24</u>
<u>157,500</u>	<u>25</u>
<u>165,000</u>	<u>26</u>
<u>172,500</u>	<u>27</u>
<u>180,000</u>	<u>28</u>
<u>187,500</u>	<u>29</u>
<u>195,000</u>	<u>30</u>
<u>202,500</u>	<u>31</u>
<u>210,000</u>	<u>32</u>

<u>217,500</u>	<u>33</u>
<u>225,000</u>	<u>34</u>
<u>232,500</u>	<u>35</u>
<u>240,000</u>	<u>36</u>
<u>247,500</u>	<u>37</u>
<u>255,000</u>	<u>38</u>
<u>262,500</u>	<u>39</u>
<u>270,000</u>	<u>40</u>
<u>277,500</u>	<u>41</u>
<u>285,000</u>	<u>42</u>
<u>292,500</u>	<u>43</u>
<u>300,000</u>	<u>44</u>
<u>307,500</u>	<u>45</u>

(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, 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, 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) years except in special circumstances, that require a longer period of time and which must be approved by the City Council.

(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 shows good cause 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 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.

(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 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.

22.05.060 Principles and Policy of Lease Rates.

(a) Annual rent shall be computed by multiplying the fair market value of the land by a lease rate percentage of eight percent (8%) for each parcel; and

(b) The City will determine the fair market value of the land requested to be leased based on an appraisal conducted for the City by an independent real estate appraiser certified under Alaska State statutes and ordered by the City for the purpose of determining annual rent. The appraisal shall be paid for by the applicant, and the cost of the appraisal shall be credited or refunded to the lessee once development is completed as required by the lease. The fair market value of the land will be adjusted annually based on the rate of inflation determined by the consumer price index (CPI) to determine annual rent; and

(c) The City will conduct a land market analysis of City-owned land under lease once every ten (10) years to determine whether a market adjustment in either fair market value of land or lease rate percentage is justified; and

(d) If the City determines from the market analysis that a market adjustment to the lease rate percentage is in the best interests of the City, the new lease percentage must be approved by an ordinance and utilized to compute annual rents for the next fiscal year; and

(e) If the market analysis or extraordinary circumstances determine a fair market value adjustment is in the best interests of the City, the City shall retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value of all leased land and shall use these values to compute annual rents for the next fiscal year; and

(f) The City shall adjust the annual rent of a lease by giving the lessee written notice at least thirty (30) days prior to application of a new annual rent determination; and

(g) If a lessee disagrees with the proposed change in the fair market value of land or lease rate percent (excluding CPI determinations, which cannot be appealed) and cannot informally resolve the issue with the City, the lessee must:

(1) Provide notice of appeal in writing within ninety (90) days of notification supported by the written appraisal of a qualified real estate appraiser, selected and paid for by lessee (the "second appraiser"); and

(2) The City and the lessee will meet to attempt to resolve the differences between the first appraiser and the second appraiser concerning the fair market value of the land or lease rate percent; and

(3) If the City and lessee cannot agree upon the fair market value or lease rate percent then they shall direct the first appraiser and the second appraiser to mutually select a third qualified real estate appraiser, paid for jointly by the parties (the "third appraiser"); and

(4) Within thirty (30) days after the third appraiser has been appointed, the third appraiser shall decide which of the two (2) respective appraisals from the first appraiser and the second appraiser most closely reflects the fair market value of the land or lease rate percent; and

(5) The fair market value of the land or lease rate percent shall irrefutably be presumed to be the value(s) contained in such appraisal selected by the third appraiser, and the rent shall be redetermined based on such value(s); and

(6) Rent shall continue to be paid at the then-applicable rate until any such new rental rate is established, and lessee and the City shall promptly pay or refund, as the case may be, any variance in the rent, without interest accruing to the extent to be paid/refunded.

22.05.065 Lease Bidding Procedure.

With the approval of the City Council, the City Manager may designate a specific lot or lots to be leased through competitive sealed bid. The City Manager shall award the lease to the qualified bidder utilizing a procurement procedure which may consider qualitative factors in addition to the amount of any one (1) time premium payment to be paid by the successful bidder; provided, however, that the high bidder and the bidder's lease proposal shall be subject to all provisions of lease application review and approval under this chapter.

22.05.070 Development Incentives.

(a) The City Council may include a lease rent incentive to encourage commercial investment as follows:

(1) A credit may be applied toward rent for a maximum of five (5) years. The credit may only include the value of site preparation work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, crushed aggregate base course, and utility extensions.

(2) An estimate of the value of the work, including a scope of work, prepared by a qualified engineer licensed to work in Alaska must be provided to the City and accepted prior to work being performed.

(3) Any changes to the estimate of the value of the work or scope of work must be provided to the City and accepted prior to work being performed to be eligible for the credit.

(4) For the credit to be applied, the approved scope of work must be completed.

(5) A certification from a qualified engineer that the accepted scope of work has been completed must be provided to the City and accepted at the completion of the site preparation work.

(6) Credit will be limited to original qualified engineer's estimate unless another amount is accepted by the City in advance of work being completed.

(7) Once the work is completed as proposed and the qualified engineer's certification of completion has been received, a credit shall be applied to the lease payments, prorated as necessary for a maximum of five (5) years.

(8) Rent shall be paid at the then-applicable rate until any such credit toward rent has been approved by the City Manager or designee, and the City shall apply a credit to lease payments prorated as necessary or promptly pay or refund, as the case may be, any variance between the credit applied and the rent paid, without interest accruing to the extent to be paid/refunded.

22.05.075 Ownership of Improvements.

(a) Permanent improvements on the premises, excluding site development materials, constructed, placed, or purchased by the lessee remain the lessee's property as long as a lease for the premises remains in effect with the lessee, including renewals, any period of extension approved by the City pursuant to the provisions of this chapter, or any period of holdover.

(b) Unless otherwise provided in a land lease, at the expiration, cancellation, or termination of a lease that is extended or followed by a successive lease, the departing lessee may do one (1) or more of the following:

(1) Remove lessee-owned permanent improvements from the premises, remediate any contamination for which the lessee is responsible, and restore the premises to a clean and neat physical condition acceptable to the City within ninety (90) days after the expiration, cancellation, or termination date of the lease; or

(2) Sell lessee-owned permanent improvements to the succeeding lessee, remove all personal property, remediate any contamination for which the lessee is responsible, and leave the premises in a clean and neat physical condition acceptable to the City within sixty (60) days after notice from the City that the City has approved an application for a lease of the premises by another person or such longer period specified in the notice, but in no event more than one hundred eighty (180) days after the expiration, termination, or cancellation date of the lease; or

(3) Purchase the property in which the lease contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee.

(c) If the lessee does not timely remove or sell the lessee-owned permanent improvements on a premises in accordance with the requirements of this section, any remaining permanent improvements and any remaining personal property of the departing lessee will be considered permanently abandoned. The City may sell, lease, demolish, dispose of, remove, or retain the abandoned property for use as the City determines is in the best interest of the City. The lessee shall, within thirty (30) days after being billed by the City, reimburse the City for any

costs reasonably incurred by the City, including legal and administrative costs, to demolish, remove, dispose, clear title to, or sell the abandoned property and to remediate any contamination and restore the premises.

(d) Site development materials that a lessee places on a premises become part of the City-owned real property and property of the City upon placement. The lessee:

- (1) Must maintain the site development work and site development materials throughout the term of the lease or successive lease, including any extensions and periods of holdover; and
- (2) May not remove the site development materials unless the City approves in writing.

22.05.080 Lease Execution.

The lease applicant shall execute and return the appropriate lease agreement with the City of Kenai within thirty (30) days of mailing the agreement to the applicant. The lease agreement shall be prepared in accordance with the requirements of this title. Failure to execute and return the lease agreement within the specified period shall result in the forfeiture of all leasing rights.

22.05.085 Lease Utilization.

Leased lands shall be utilized for purposes within the scope of the application, the terms of the lease and in conformity with the ordinances of the City, and in substantial conformity with the Comprehensive Plan. Utilization or development for other than the allowed uses shall constitute a material breach of the lease and subject the lease to cancellation at any time. Failure to substantially complete the development plan for the land shall constitute grounds for cancellation.

22.05.086 Form of Lease.

(a) When leasing land under this chapter, the City Manager shall use a standard lease form that:

- (1) Provides a reasonable basis for the lessee's use of the premises,
- (2) Complies with the intent of this chapter, and
- (3) Provides for the best interest of the City,
- (4) Approved as to form by the City Attorney; and
- (5) Adopted by resolution of the City Council.

(b) The City Manager may enter into a land lease that deviates from the standard form adopted under subsection (a) of this section, if:

- (1) The City Manager believes the action is in the best interest of the City;
- (2) The lease is approved as to form by the City Attorney; and
- (3) The lease is approved by resolution of the City Council.

22.05.087 Lease Payments.

(a) Upon execution of the lease, the land becomes taxable to the extent of the lessee's leasehold interest and lessee shall pay all real property taxes levied upon such leasehold interest in these lands, and shall pay any special assessments and taxes.

(b) Rent shall be paid annually in advance unless the lessee submits a written request to the City to pay on a quarterly or monthly basis. The payments shall be prorated to conform to the City of Kenai's fiscal year beginning July 1st and ending June 30th.

(c) Lessee shall be responsible for all sales taxes due on payments under the lease.

22.05.095 Methods of Sale or Disposal.

(a) Lands to which the City of Kenai holds title which are not restricted from sale by the deed of conveyance to the City or which have been released from such restrictions and that the City Council has determined are not required for a public purpose, may be listed for sale by the City Manager. The decision whether or not to sell the land rests in the sole discretion of the City Council.

(b) The City Council may by ordinance authorize the City Manager to dispose of such properties in accordance with the intent of this chapter as follows:

(1) Non-competitive process:

(i) Conveyance to encourage new enterprises where it is found that encouragement of a new commercial or industrial enterprise would be beneficial to the City of Kenai, one or more parcels of City land may be sold upon such terms as to price, conditions of conveyance, and with such contingencies as may be set forth in the ordinance.

(ii) Property sale to adjacent owners for the conveyance of a parcel of City property at fair market value to the owner of adjacent land whenever, in the judgment of the City Council, the parcel of land is of such small size, shape, or location that it could not be put to practical use by any other party.

(iii) Grant or devotion of real property to the United States, the State of Alaska, a local political subdivision of the State of Alaska, or any agency of any of these governments or a non-profit corporation, for a consideration agreed upon between the City and grantee without a public sale if the grant, devotion or lease is advantageous to the City.

(iv) Conveyance of land to resolve a land use conflict.

(2) Competitive process:

(i) Public outcry auction to the highest responsible bidder.

(ii) Sealed bid to the highest responsible bidder.

(iii) Over-the-Counter sale after a public outcry auction or sealed bid process on a first-come basis, provided minimum development requirements are met within two (2) years of sale and the land is sold for fair market value. An appraisal to determine fair market value must be completed within a one (1) year period prior to the date of sale.

(iv) Leased land in which the lease was subject to competition through the lease application review process and which contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee. An appraisal to determine fair market value must be completed within a one (1) year period prior to the sale.

(3) Property exchange: Property exchanges for the conveyance and exchange of a parcel of City-owned property for property owned by another individual or legal entity subject to such conditions as Council may impose on the exchange, whenever the City Council makes findings it is advantageous to the City to make the property exchange.

(c) Any sale of land owned by the City of Kenai and held by it for the use or benefit of the Kenai Municipal Airport must include in any instrument conveying title to the property restrictions accepted by the City under the terms of the 1963 Quitclaim Deed from the United States of America recorded at Book 27, Page 303 at the Kenai Recording District, Kenai Alaska or any other land owned by the City and acquired with Airport funds which may include similar restrictions. Additionally, any sale or disposal of the aforementioned lands for less than fair market value shall require a deposit in the amount of the difference between fair market value and the sale price to the Airport Land Sale Permanent Fund for the benefit of the Kenai Municipal Airport.

22.05.100 Sale Procedure.

(a) All requests to purchase City land must be submitted to the City on approved forms provided by the City. Applications will be dated on receipt and payment of the nonrefundable application fee and must include applicable deposit as set forth in the City's schedule of fees adopted by the City Council.

(b) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to engineering services, surveying and consulting costs, unless in the sole discretion of the City Council it is determined 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 sale with the applicant, any unused balance of the deposit made to cover costs associated with subdivision will be credited toward the purchaser at closing.

(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 sale.

(5) If the application is rejected or if the applicant withdraws the application or fails to enter into a sale offered to the applicant, the City will return any unused deposit balance to the applicant.

(c) The City will retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value for a determination of the minimum price on the land to be paid for from the deposit made by the applicant unless such an appraisal has been obtained within one (1) year prior to the date of sale. The cost of the appraisal will be credited toward the purchaser at closing.

(d) If at any time during the process of preparing for sale, the applicant withdraws the application for sale, the City shall stop all procedures, pay expenses incurred prior to withdrawal of the application for sale, and reimburse applicant for any deposit advanced in excess of expenses incurred. However, if another party desires the sale to proceed, files an application for sale, executes and files an agreement to purchase, and deposits sufficient funds, then the prior applicant will be reimbursed for expenses which can be attributed to the subsequent applicant.

(e) If all actions necessary for preparation for sale have been accomplished, and if neither the applicant nor any other party purchases said land when first offered for sale after such request, then all expenses incurred in preparation for the sale will be paid from the applicant's deposit, and the balance, if any, shall be returned to the applicant. If the amount of the deposit is insufficient to pay all of the costs, the applicant will be billed for the balance due.

(f) If the land is sold in a competitive public sale set in response to such request to anyone other than the applicant, the applicant's deposit will be refunded in total to the applicant. The City's expenses will be first deducted from the deposit of the successful bidder.

(g) If the land is sold to the applicant, any deposit advanced, after deducting the City's expenses, will be credited to the purchaser at closing.

(h) If the land is leased land in which the lease contains an option to purchase once the minimum development requirements have been met, the lessee may request the sale of the land at not less than the fair market value.

(i) If the land is to be sold through a competitive process, notice of sale and the manner in which the land is to be sold must be posted to the extent possible to be visible from each improved street adjacent to the property and published in a newspaper of general circulation within the City. The published notice must contain:

(1) The legal description of the land;

(2) A brief physical description of the land;

(3) The area and general location of the land;

(4) The minimum acceptable offer for the land (which shall be the fair market value);

(5) The terms under which the land will be sold;

(6) Any limitations on the sale of the land;

(7) The time and place set for the auction or bid opening;

(8) The amount of deposit to be submitted with each bid in order to cover the City's expenses such as survey, appraisal, and reviews;

(9) Any other matters concerning the sale of which the City Manager believes the public should be informed.

(j) If a buyer desires to obtain a preliminary commitment for title insurance or title insurance to the land, it shall be the responsibility of the buyer to obtain and pay for such commitment or insurance.

(k) The City Manager is authorized to negotiate a division of the costs of sale to a maximum of fifty percent (50%) of the required costs being borne by the City, provided however that no costs of sale will be paid by the City where a sale is negotiated at a price below the fair market value of the land.

22.05.101 No Right of Occupancy – Land Purchase Application Expiration.

(a) Submitting an application to purchase land does not give the applicant a right to purchase or use City-owned land.

(b) The application shall expire upon closing of the sale or rejection of a land purchase application by the City Council or within twelve (12) months after the date the application has been submitted.

22.05.105 Terms for Financing Sale of City-Owned Lands.

(a) In order to expedite and facilitate the sale of City lands, the City Manager is authorized to accept terms for sales and may accept a note secured by a deed of trust for a portion of the purchase price thereof, subject to the following restrictions:

(1) Except for property sold by the City subsequent to foreclosure for delinquent taxes or assessments, prior to making a determination to accept a note and deed of trust from a prospective purchaser, the City shall order a preliminary commitment for title insurance and a review of the grantee index covering the party desiring to purchase the land at the cost of the party requesting to purchase the land, and no credit will be advanced on such sale if there are any delinquent liens or unpaid judgments found in the title company report until any such judgments or liens are paid and releases therefor have been filed.

(2) In the event of a credit sale, terms shall be approved by the City Council in the Ordinance approving the sale, as follows:

(i) The down payment required, which shall not be less than fifteen percent (15%) of the sales price; and

- (ii) The length of the note; and
- (iii) A fixed or variable interest rate.

22.05.110 Determination as to Need for Public Use.

(a) Whether land shall be acquired, retained, devoted, or dedicated to a public use shall be determined by ordinance which shall contain the public use for which the property is to be dedicated, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.

(b) Whether land previously dedicated to a public use should be dedicated to a different public use or should no longer be needed for public use shall be determined by the City Council by ordinance, except in cases of vacation of rights-of-way or easements which may be determined by resolution, either of which shall contain the new public use for which the property is to be dedicated or the reason the land is no longer needed for public use, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location.

22.05.130 Special Use Permits.

The City Council may authorize the City Manager to grant special use permits for the temporary use of real property owned by the City for a period not to exceed one (1) year, without appraisal of the value of the property or public auction, for any purpose compatible with the zoning of the land, and on such terms and for such rentals as the Council shall determine.

22.05.135 Acquisition of Real Property.

(a) The City, by authorization of the City Council, expressed in a resolution for such purpose, may lease, purchase or acquire an interest in real property needed for a public purpose on such terms and conditions as the Council shall determine. No purchase shall be made until a qualified independent appraiser has appraised the property and given the Council an opinion as to the fair market value of the land unless the Council, upon resolution so finding, determines that the public interest will not be served by an appraisal.

(b) Rights-of-way and easements may be accepted or issued by the City Manager after approval by the City Council for utility lines and services of all types and for necessary rights-of-way easements. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.

Section 4. Leaseholders of existing leases may convert their current lease to a new lease form approved by the City Council and governed by the Kenai Municipal Code Enacted by this Ordinance, except that the existing lease terms will not be entered only by virtue of the lease conversion.

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 30 days after enactment.

ENACTED 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

Introduced: August 7, 2019
Enacted: August 21, 2019
Effective: September 21, 2019



"Village with a Past, City with a Future"

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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
FROM: Scott Bloom City Attorney
DATE: July 31, 2019
SUBJECT: **Ordinance No. 3072-2019 – City Owned Lands**

Introduction:

Building off recent code changes to airport reserve lands, Ordinance No. 3072-2019 amends the City's lands code with the intent of providing land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational, and cultural community. These changes will affect City general fund lands, lands outside the airport reserve restricted by FAA, and certain harbor lands. The changes provide consistent guidance for the competitive lease and sale of lands, require development of commercial properties and discourage land speculation. Amendments to ownership of improvements on leases, the term table, and the provision of development incentives are designed to encourage interest in development in the City.

The Ordinance repeals and re-enacts Chapter 22.05, changes the title of Title 22, repeals Chapter 21.15 (airport lands outside the airport reserve), and renames Title 21.

This memo contains procedural guidance and a sectional analysis of the changes below. Additionally, a copy of the amendments in legislative format (not repeal and replace as in the Ordinance) and a clean copy is provided.

Procedure:

Administration has presented the material in this Ordinance to Council, the Planning and Zoning Commission, and Airport Commission, and will present to the Harbor Commission the third week in August. Administration recommends this Ordinance be referred to the three commissions for recommendations prior to a public hearing. The Airport Commission meets August 8, the Harbor Commission, August 19, and the Planning and Zoning Commission, August 14.



Trailing this Ordinance is the City Administration's Land Management Plan, which will identify parcels for sale and lease, among other information, and revisions to the Harbor Code addressing land leases and sales.

Sectional Analysis:

1. **Renaming Title 21:** Title 21 is renamed to reflect that it only applies to lands within the airport reserve as lands restricted by the FAA outside the airport reserve are incorporated within Title 22 in the Ordinance and will be treated the same as other City lands outside the airport reserve, in compliance with any FAA restrictions per new KMC 22.05.095 which also provides for proceeds from sales to go to the airport.
2. **Repealing 21.15:** Chapter 21.15, which addresses FAA restricted lands outside the airport reserve, is repealed consistent with the new title for Title 21 addressed above, as all FAA restricted lands outside the airport reserve lands are incorporated into Chapter 22.05. This is reflected on pages 2 through 17 of the Ordinance.
3. **Repealing and Re-enacting Title 22:** Due to the number and significance of the proposed amendments to Title 22, which only contains one chapter, Chapter 22.05, the entire title is replaced as opposed to making changes one section at a time. This repeal is reflected on pages 17 through 32 of the Ordinance.
4. **Renaming Title 22:** On page 32, the title of Title 22 is changed from General Funds Lands to City-Owned Lands to reflect the inclusion of FAA restricted lands and certain harbor lands.
5. **Renaming Chapter 22.05:** Similarly on page 32, the title of Chapter 22.05 within Title 22 is amended to read "disposition of City Lands," instead of "Disposition of City General Fund Lands."
6. **KMC 22.05.005:** This is a new definitions section which did not previously exist, providing key terms for the Chapter.
7. **KMC 22.05.010:** This section, "Authority and Intent", was formerly titled "Power to Dispose of Real Property." This section now clarifies that it applies to all City owned lands except lands within the airport reserve and the leasing of tidelands for shore fisheries. It also makes an affirmative statement of the intent of the chapter: "to provide land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational and cultural community" and requires that all land sales and leases meet this intent.
8. **KMC 22.05.015:** "Lands Available for Lease, Sale or Disposal," formerly titled, "Sale or Disposal," clarifies that the City can lease, sell, or dispose of real property, not restricted from the same, after Council has determined it is not needed for a public purpose by any lawful method.
9. **KMC 22.05.020:** "Qualifications of Lease Applicants or Bidders" makes only housekeeping changes to the former section, describing who can lease or purchase property from the City.
10. **KMC 22.05.025:** "Initial Lease Application," formerly titled "Applications," describes the information required and process for submitting lease applications. Changes include provisions for applications requiring a subdivision, whether the applicant wants an option to purchase, and whether the lease meets the intent of the Chapter. For properties without a recent appraisal, this section now requires the applicant to pay for an appraisal, and the appraisal cost to be credited or refunded once development is complete. The changes are generally intended to more clearly define what information the City needs to evaluate a lease and communicate the process going forward and potential costs for lessees.

- 11. Former KMC 22.05.030:** This section formerly titled "Filing Fee and Deposit" is repealed in its entirety, as fees and deposits are now addressed in KMC 22.05.025 and other sections of code.
- 12. KMC 22.05.035:** "No Right of Occupancy-Lease Application Expiration," formerly titled "Rights Prior to Leasing," clarifies that submission of a lease application does not give an applicant the right to lease or occupy the land. It also provides that a lease application expires within 12 months of the date of submission, upon execution of a lease, or rejection of the application by the Council.
- 13. KMC 22.05.040:** "Lease Application Review" formerly titled "Processing Procedure" provides the following review process:
 - (i) Administration reviews for completeness and conformance with City ordinances,
 - (ii) If complete, Manager forwards to appropriate commissions for review and comment together with a Manager's recommendation for approval or rejection,
 - (iii) Notice of complete applications are published and posted on the property, with a date in which any competing applications must be received,
 - (iv) The recommendations of the City Manager and any applicable commissions are provided to Council, which decides whether the application meets the intent of the code and whether the application should be approved.
- 14. KMC 22.05.045:** "Application for Lease Amendment, Assignment, Extension or Renewal," formally "Review," provides the process for lease amendments, assignments, extensions, or renewals. Similar to the airport reserve properties, the term of a lease can be based on other factors than new development, such as the purchase price or estimated remaining useful life of improvements. These transactions are generally reviewed by the City in the same way as a new lease application, although lease assignments are not required to be reviewed by planning and zoning.
- 15. KMC 22.05.050:** "Competing Lease Applications," replaces former "Appraisal," to provide a process for evaluating competing lease applications. Information regarding appraisal requirements has been incorporated into other code sections. When more than one application is submitted for a property, the Council can choose which applicant to lease to based on which application is found to be in the best interest of the City, after review and recommendation by the City Manager and applicable commissions. A safe harbor is provided for existing lessees seeking an extension or renewal, by allowing them to withdraw their application and stop the competitive process at any time prior to Council making a decision.
- 16. KMC 22.05.055:** "Length of Lease Term" describes how the term of a new lease, extension, or renewal is determined. The term table matches that of the term table for properties within the airport reserve. Development of \$307,500 or greater receives the maximum term of 45 years. The term of a lease can also be determined by the purchase price of improvements, an appraisal value of improvements, or the remaining useful life of improvements depending on the transaction.
- 17. KMC 22.05.060:** "Principals and Policy of Lease Rates" was formerly 22.05.070. This provides that annual rent is based on 8% of the fair market value of the land. Annual rental adjustments are based on the Consumer Price Index (CPI). Every ten years, or pursuant to extraordinary circumstances, the City will conduct a market analysis to determine whether its rates and adjustments are in line with the market or whether changes need to be made. A process for a lessee to appeal is provided in this section as well, however, CPI adjustments are not appealable.
- 18. KMC 22.05.65:** "Lease Bidding Procedure" provides a process for the City to designate lots to be leased through a competitive bid process to the highest bidder.

19. **KMC 22.05.070:** "Development Incentives" is a new section similar to what is offered within the airport reserve. Certain improvements to the property paid for by the lessee can be used to offset up to five years of rental payments.
20. **KMC 22.05.075:** "Ownership of Improvements" is a new section that provides that the lessee owns the improvements on the leased property. These improvements can be sold by the lessee. A process for sale and/ or removal is also provided.
21. **KMC 22.05.080 and 22.05.085:** "Lease Execution" and "Lease Utilization" remain largely unchanged and describe the process for executing a lease and how the leased property can be used by the lessee.
22. **KMC 22.05.086:** "Form of Lease." This section provides some of the basic terms for the lease form that is developed by the City Attorney and approved by the Council. A resolution to approve the standard lease form will be brought to Council at the same meeting as the public hearing on this ordinance.
23. **KMC 22.05.087:** "Lease Payments." this section provides that the lessee is responsible for all taxes and special assessments on the property. Rent is paid annually or quarterly to the City.
24. **KMC 22.05.095:** "Methods of Sale" incorporates former KMC 22.05.090 "Conveyance to Encourage New Enterprise," KMC 22.05.115, 22.05.120 and 22.05.125: "Property Exchanges", "Property Sale to Adjacent Owners," and "Grant or Devotion," and provides the methods of sale or disposal for City owned lands. Non-competitive sales are allowed only to encourage new enterprise, for sale to adjacent property owners when the land is not practicably usable by others, to other government agencies, or to resolve a land use conflict. All other sales require a competitive process.
25. **KMC 22.05.100:** "Sale Procedure" provides the process for selling City property, public notice of sales, and describes which party is responsible for various costs associated with a sale.
26. **KMC 22.05.101:** "No Right of Occupancy-Land Purchase Application Expiration." This section explains that an application to purchase land does not convey any rights to the property and that an application expires after 12 months, a decision by Council not to sell the property, or upon closing of the sale.
27. **KMC 22.05.105:** "Terms for Financing Sale of City Owned Lands" this section provides the process for the City to finance a sale. It provides that the length of the note and rate, whether fixed or variable, is determined by the Council in the ordinance approving a sale.
28. **KMC 22.05.110:** "Determination as to Need for Public Use." This section is unchanged and requires that before any property can be sold, Council must first determine that it is not needed for a public use.
29. **KMC 22.05.115, 22.05.120 and 22.05.125:** "Property Exchanges," "Property Sale to Adjacent Owners," and "Grant or Devotion," are all repealed as their terms and provisions are incorporated into 22.05.095.
30. **KMC 22.05.130:** "Special Use Permits" allows for a more informal use of City lands for a period of up to one year.
31. **KMC 22.05.135:** "Acquisition of Real Property" describes the process for the City to purchase or otherwise acquire new property and remains largely unchanged from the existing code.

Title 22

[GENERAL FUND]CITY-OWNED LANDS

Chapter 22.05

DISPOSITION OF CITY [GENERAL FUND]LANDS

22.05.05 Definitions.

When used in this chapter, the following terms shall have the meaning given below:

“Amendment” means a formal change to a lease of lands other than a lease extension or renewal.

“Annual rent” means an amount paid to the City annually according to the terms of the lease and Kenai Municipal Code.

“Assignment” means the transfer of all interest in a lease from one person or entity to another.

“City” means the City of Kenai, its elected officials, officers, employees or agents.

“Consumer Price Index (CPI)” means the annual CPI for all urban consumers (CPI-U) for Anchorage, Alaska.

“Existing lease” means a lease with at least one (1) year of term remaining.

“Expiring lease” means a lease with less than one (1) year of term remaining.

“Fair market value” means the most probable price which a property should bring in a competitive and open market as determined by a qualified independent appraiser, or the value as determined by the latest appraisal adjusted by the change in Consumer Price Index from the date of the latest appraisal.

“Lease extension” means extending the term of an existing lease.

“Lease rate percent” means a percentage that when applied to the fair market value of land establishes a rate of rent commensurate with rental rates prevalent in the local area as determined by a qualified real estate appraiser.

“Lease renewal” means a new lease of property currently under an existing or expiring lease to an existing lessee or a purchaser.

“Market analysis” means an analysis of data collected from other land leases to determine whether a market adjustment in either fair market value or lease rate percentage reflects the market.

“Permanent improvement” means a fixed addition or change to land that is not temporary or portable, including a building, building addition, retaining wall, storage tank, earthwork, fill material, gravel, and pavement, and remediation of contamination for which the applicant is not responsible and excluding items of ordinary maintenance, such as glass replacement, painting, roof repairs, door repairs, plumbing repairs, floor covering replacement, or pavement patching.

“Professional estimate of the remaining useful life of the principal improvement” means an estimate of the number of remaining years that the principal improvement will be able to function in accordance with its intended purpose prepared by a qualified real estate appraiser, engineer, or architect licensed in Alaska.

“Qualified independent appraiser” means a general real estate appraiser certified by the State of Alaska under AS [08.87](#).

“Site development materials” means materials used for preparing a lease site for building construction or to provide a firm surface on which to operate a vehicle or aircraft, including geotextile, fill, gravel, paving, utilities and pavement reinforcement materials.

“Site preparation work” means work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, a crushed aggregate base course and utility extensions.

22.05.010 [POWER] Authority and Intent [TO DISPOSE OF REAL PROPERTY].

(a) The provisions of this chapter apply to [GENERAL FUND] City-owned real property other than lands within the Airport Reserve as described in KMC 21.10 and the leasing of tidelands for shore fisheries.

(b) The City may sell, convey, exchange, transfer, donate, dedicate, direct, [OR]assign to use, or otherwise dispose of City-owned real property, including property acquired, held for, or previously devoted to a public use, only in accordance with this chapter, and, with respect to properties acquired through foreclosure for taxes, in compliance with those terms and provisions of AS [29](#) which apply to home-rule municipalities [ARE REQUIRED TO COMPLY WITH]. Disposal or sale of lands shall be made only when, in the judgment of the City Council, such lands are not or are no longer required for a public purpose.

(c) It is the intent of this chapter to provide land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational and cultural community.

(d) It is not the intent of this chapter to allow for speculation on City-owned lands. All leases, sales, and other disposals of City-owned land must meet the intent of this chapter.

(e) The provisions of this chapter shall not alter or amend the terms or rights granted under leases existing prior to the effective date of the ordinances codified in this chapter.

22.05.015 Lands Available for Lease, Sale or [D]Disposal.

(a) The City may lease, sell or dispose of real property not restricted from lease or sale which the City Council has determined is not required for a public purpose [BY WARRANTY OR QUIT-CLAIM DEED, EASEMENT, LEASE, GRANT, PERMIT, LICENSE, DEED OF TRUST, MORTGAGE CONTRACT OF SALE OF REAL PROPERTY, PLAT DEDICATION, TAX DEED, OR] by any [OTHER]lawful method or mode of conveyance or grant. Any instrument requiring execution by the City shall be signed by the City Manager and attested by the City Clerk. The form of any instrument shall be approved by the City Attorney.

22.05.020 Qualifications of Lease [A]Applicants or [B]Bidders.

An applicant or bidder for a lease is qualified if the applicant or bidder:

- (a) Is an individual at least eighteen (18) years of age [OR OVER]; or
- (b) Is a [GROUP, ASSOCIATION, OR CORPORATION WHICH IS] legal entity which is authorized to conduct business under the laws of Alaska; or
- (c) Is acting as an agent for another meeting the requirements of subsection (a) or (b) of this section and has qualified by filing with the City [MANAGER] a proper power of attorney or a letter of authorization creating such agency. [THE AGENT SHALL REPRESENT ONLY ONE (1) PRINCIPAL TO THE EXCLUSION OF HIMSELF OR HERSELF. THE TERM “AGENT” INCLUDES REAL ESTATE BROKERS AND AGENTS.]

22.05.025 Initial Lease Application[S].

(a) All applications for lease of lands [SHALL] must be [FILED WITH] submitted to the City [MANAGER] on an application form[S] provided by the City[AVAILABLE AT CITY HALL]. Applications [SHALL] will be dated on receipt and must include payment of [FILING] the nonrefundable application fee [AND DEPOSIT. NO APPLICATION WILL BE ACCEPTED BY THE CITY MANAGER UNLESS IT APPEARS TO THE CITY MANAGER TO BE COMPLETE. FILING FEES ARE NOT REFUNDABLE] as set forth in the City’s schedule of fees approved by the City Council.

(b) [WITH EVERY]The application[, THE APPLICANT SHALL SUBMIT A DEVELOPMENT PLAN, SHOWING AND STATING] form must include the following information:

- (1) The purpose of the proposed lease;
- (2) The use, [VALUE AND]nature, type, and estimated cost of improvements to be constructed;
- (3) [THE TYPE OF CONSTRUCTION;

(4) The dates construction is estimated to commence and be completed. [(ORDINARILY A MAXIMUM OF TWO (2) YEARS)] Construction must be completed within two (2) years except in special circumstances, that require a longer period of time and which must be approved by the City Council; and

([5]4) [WHETHER INTENDED USE COMPLIES WITH THE ZONING ORDINANCE AND COMPREHENSIVE PLAN OF THE CITY. APPLICATIONS SHALL BECOME A PART OF THE LEASE]A comprehensive description of the proposed business or activity intended;

(5) Whether the applicant requests a lease with an option to purchase; and

(6) 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.

[22.05.030 FILING FEE AND DEPOSIT.

(A) WHEN SUBMITTING AN APPLICATION FOR LEASE OF LAND, THE APPLICANT SHALL PAY THE CITY THE FOLLOWING AS SET FORTH IN THE CITY’S SCHEDULE OF FEES ADOPTED BY THE CITY COUNCIL:

(1) PAY A NON-REFUNDABLE FILING FEE IN THE AMOUNT; AND

(2) A DEPOSIT TO SHOW GOOD FAITH AND SECURE THE CITY IN PAYMENT OF ANY COSTS, INCLUDING:

(A) AN APPRAISAL COST RECOVERY DEPOSIT; AND

(B) AN ENGINEERING, SURVEYING AND CONSULTING COST RECOVERY DEPOSIT.

(B) IF THE CITY DECIDES TO REJECT THE APPLICANT’S APPLICATION AND NOT ENTER INTO A LEASE WITH THE APPLICANT THROUGH NO FAULT OF THE APPLICANT OR FAILURE OF THE APPLICANT TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, ANY DEPOSIT MADE UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE RETURNED TO THE APPLICANT.

(C) IF THE CITY ENTERS INTO A LEASE WITH THE APPLICANT ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A)(2) OF THIS SECTION WILL BE APPLIED TO THE CITY’S ENGINEERING, APPRAISAL, AND CONSULTING COSTS RELATED TO THE PROCESSING OF THE APPLICANT’S APPLICATION AND ENTERING INTO THE LEASE. THE CITY WILL APPLY ANY UNUSED BALANCE OF A DEPOSIT TO THE RENT PAYABLE UNDER THE LEASE. IF THE CITY’S COSTS EXCEED THE AMOUNT OF ANY DEPOSIT, THE APPLICANT SHALL PAY THE SHORTAGE TO THE CITY AS A CONDITION OF THE LEASE.

(D) IF THE APPLICANT FAILS TO COMPLY WITH ANY REQUIREMENT OF THIS CHAPTER, CAUSES INORDINATE DELAY, AS DETERMINED BY THE CITY MANAGER, OR REFUSES TO SIGN A LEASE OFFERED TO THE APPLICANT, THE CITY MANAGER WILL REJECT THE APPLICANT’S APPLICATION AND APPLY ANY DEPOSIT MADE BY THE APPLICANT UNDER SUBSECTION (A) OF THIS SECTION TO THE CITY’S APPRAISAL, ENGINEERING, AND CONSULTING COSTS INCURRED IN CONNECTION WITH THE APPLICANT’S APPLICATION. IF THE CITY’S COSTS FOR APPRAISAL, ENGINEERING AND CONSULTING COSTS EXCEED THE DEPOSITS, THE APPLICANT WILL BE RESPONSIBLE FOR THESE COSTS. THE CITY WILL RETURN ANY UNUSED DEPOSIT BALANCE TO THE APPLICANT.]

22.05.035 [RIGHTS PRIOR TO LEASING.]No Right of Occupancy – Lease Application Expiration.

(a) Submitting [THE FILING OF] an application for a lease [SHALL] does not give the applicant [NO] a right to lease or [TO THE] use [OF THE] City-owned land [FOR WHICH THEY HAVE APPLIED].

(b) The application shall expire upon execution of a lease or rejection of a lease application by the City Council or within twelve (12) months after the date the application has been [MADE] submitted [IF A LEASE HAS NOT BEEN ENTERED INTO BETWEEN THE CITY AND THE APPLICANT BY THAT TIME UNLESS THE CITY COUNCIL FOR GOOD CAUSE GRANTS AN EXTENSION. NO EXTENSION MAY BE GRANTED FOR A PERIOD LONGER THAN SIX (6) MONTHS. LEASE RATES ARE SUBJECT TO CHANGE ON THE BASIS OF AN APPRAISAL DONE EVERY TWELVE (12) MONTHS ON THE PROPERTY APPLIED FOR].

22.05.040 [PROCESSING PROCEDURE] Lease Application Review.

(a) Applications shall be [FORWARDED] 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, the application shall be referred to the Planning and Zoning Commission and any other applicable commissions [UPON RECEIPT] for review and comment, together with the City Manager's recommendation for approval or rejection. [THE PLANNING AND ZONING COMMISSION SHALL NORMALLY CONSIDER APPLICATIONS FOR SPECIFIC LANDS ON A FIRST-COME, FIRST-SERVED BASIS IF THE COMMISSION FINDS THAT THE APPLICATION IS COMPLETE AND CONFORMS TO THE COMPREHENSIVE PLAN AND THE KENAI ZONING CODE. WHERE THERE IS DIFFICULTY IN OBTAINING A PERFECTED APPLICATION, DETAILS AS TO DEVELOPMENT PLANS, ETC., OR WHERE THE APPLICANT FAILS TO COMPLY WITH DIRECTIONS OR REQUESTS OF THE PLANNING AND ZONING COMMISSION, ANY SUCH PRIORITY WILL BE LOST. IF AN APPLICATION FOR THE PURCHASE OF CITY-OWNED LANDS, PREVIOUSLY AUTHORIZED FOR SALE BY THE COUNCIL, IS RECEIVED BY THE CITY PRIOR TO THE KENAI PLANNING AND ZONING COMMISSION MAKING AN AFFIRMATIVE OR NEGATIVE RECOMMENDATION TO THE COUNCIL REGARDING THE LEASE APPLICATION FOR THE SAME PROPERTY, THE CITY MAY ELECT TO SELL THE PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF THE CODE.

(B) THE CITY COUNCIL SHALL NORMALLY CONSIDER A LEASE PROPOSAL ONLY AFTER APPROVAL OF THE PLANNING AND ZONING COMMISSION. HOWEVER, APPEALS OF PLANNING AND ZONING COMMISSION DISAPPROVAL MAY BE MADE TO THE CITY COUNCIL. COMPLETED LEASE APPLICATIONS MUST BE PRESENTED TO THE CITY COUNCIL WITHIN THIRTY (30) DAYS AFTER APPROVAL BY THE PLANNING AND ZONING COMMISSION.]

(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).

[(C) WHERE THERE ARE TWO (2) OR MORE APPLICATIONS FOR THE SAME LANDS FOR DIFFERENT USES, THEN IF THE PLANNING AND ZONING COMMISSION MAKES A FINDING THAT A SUBSEQUENT APPLICATION WOULD RESULT IN USE OF THE LANDS FOR A HIGHER AND BETTER PURPOSE WITH A GREATER BENEFIT TO THE CITY OF KENAI AND THE CITIZENS THEREOF, THEN THE LEASE MAY BE ISSUED TO SUCH APPLICANT NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) IN THIS SECTION WHICH PROVIDE FOR LEASING ON A FIRST-COME, FIRST-SERVED BASIS. ANY APPLICANT MAY APPEAL TO THE CITY COUNCIL FROM A FINDING OR A REFUSAL TO FIND BY THE PLANNING AND ZONING COMMISSION BY FILING AN APPEAL WITH THE CITY CLERK WITHIN SEVEN (7) DAYS AFTER THE FINDING IS MADE OR REFUSED BY THE PLANNING AND ZONING COMMISSION.

(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 is consistent with the intent of this chapter. 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 .

22.05.045 [REVIEW]Application for Lease Amendment, Assignment, Extension or Renewal.

[NO LEASED LAND MAY BE CHANGED IN USE, NOR MAY ANY RENEWAL LEASE BE ISSUED UNTIL THE PROPOSED USE OR RENEWAL HAS BEEN REVIEWED BY THE PLANNING COMMISSION AND APPROVED BY THE COUNCIL.]

(a) A request from an existing lessee for a lease amendment, assignment, 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 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.

(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; 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 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 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.

[22.05.050 APPRAISAL.

NO LAND SHALL BE SOLD, LEASED, OR A RENEWAL OF LEASE ISSUED, UNLESS THE SAME HAS BEEN APPRAISED WITHIN A TWELVE (12) MONTH PERIOD PRIOR TO THE SALE OR DATE FIXED FOR BEGINNING OF THE TERM OF THE LEASE OR RENEWAL LEASE. NO LAND SHALL BE LEASED FOR LESS THAN THE APPROVED APPRAISED ANNUAL RENTAL. APPRAISALS SHALL REFLECT THE NUMBER AND VALUE OF CITY SERVICES RENDERED THE LAND IN QUESTION.]

22.05.050 Competing Lease Applications.

If another application for a new lease, extension or a renewal is received for the same property within thirty (30) days from the notice of application publication date by a different applicant, City staff shall process the application and forward the application, the City Manager’s recommendation and applicable commission recommendations to the City Council for approval of the application anticipated to best serve the interests of the City. The City Council may approve one (1) of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid. An applicant for a renewal or extension may withdraw an application for a renewal or extension at any time prior to a decision by the City Council whether or not to approve such a renewal or extension.

22.05.055 [TERMS]Length of [L]Lease [T]Term.

[ALL LEASES SHALL BE APPROVED BY THE CITY COUNCIL BEFORE THE SAME SHALL BECOME EFFECTIVE. THE TERM OF ANY GIVEN LEASE SHALL DEPEND UPON THE DURABILITY OF THE PROPOSED USE, THE AMOUNT OF INVESTMENT IN IMPROVEMENT PROPOSED AND MADE, AND THE NATURE OF THE IMPROVEMENT PROPOSED WITH RESPECT TO DURABILITY AND TIME REQUIRED TO AMORTIZE THE PROPOSED INVESTMENT].

(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

<u>Applicant's Investment/Value</u>	<u>Maximum Term Of Years</u>
<u>\$7,500</u>	<u>5</u>
<u>15,000</u>	<u>6</u>
<u>22,500</u>	<u>7</u>
<u>30,000</u>	<u>8</u>
<u>37,500</u>	<u>9</u>
<u>45,000</u>	<u>10</u>
<u>52,500</u>	<u>11</u>
<u>60,000</u>	<u>12</u>
<u>67,500</u>	<u>13</u>
<u>75,000</u>	<u>14</u>
<u>82,500</u>	<u>15</u>
<u>90,000</u>	<u>16</u>
<u>97,500</u>	<u>17</u>
<u>105,000</u>	<u>18</u>
<u>112,500</u>	<u>19</u>
<u>120,000</u>	<u>20</u>
<u>127,500</u>	<u>21</u>
<u>135,000</u>	<u>22</u>
<u>142,500</u>	<u>23</u>
<u>150,000</u>	<u>24</u>
<u>157,500</u>	<u>25</u>
<u>165,000</u>	<u>26</u>
<u>172,500</u>	<u>27</u>
<u>180,000</u>	<u>28</u>
<u>187,500</u>	<u>29</u>
<u>195,000</u>	<u>30</u>
<u>202,500</u>	<u>31</u>
<u>210,000</u>	<u>32</u>
<u>217,500</u>	<u>33</u>
<u>225,000</u>	<u>34</u>
<u>232,500</u>	<u>35</u>
<u>240,000</u>	<u>36</u>
<u>247,500</u>	<u>37</u>
<u>255,000</u>	<u>38</u>
<u>262,500</u>	<u>39</u>
<u>270,000</u>	<u>40</u>
<u>277,500</u>	<u>41</u>
<u>285,000</u>	<u>42</u>
<u>292,500</u>	<u>43</u>
<u>300,000</u>	<u>44</u>
<u>307,500</u>	<u>45</u>

(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 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, 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, 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) years except in special circumstances, that require a longer period of time and which must be approved by the City Council.

(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 shows good cause 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 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.

(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 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.

22.05.060 [ANNUAL MINIMUM RENTAL] Principles and Policy of Lease Rates.

(a) Annual [MINIMUM] rent[ALS] shall be computed [FROM THE APPROVED APPRAISED] by multiplying the fair market value of the land by a lease rate percentage of eight percent (8%) for each parcel [UTILIZING THE METHOD AS DESCRIBED IN KMC 22.05.070 OF THIS CHAPTER.]; and

(b) The City will determine the fair market value of the land requested to be leased based on an appraisal conducted for the City by an independent real estate appraiser certified under Alaska State statutes and ordered by the City for the purpose of determining annual rent. The appraisal shall be paid for by the applicant, and the cost of the appraisal shall be credited or refunded to the lessee once development is completed as required by the lease. The fair market value of the land will be adjusted annually based on the rate of inflation determined by the consumer price index (CPI) to determine annual rent[.]; and

[(B) UPON EXECUTION OF THE LEASE, THE LANDS BECOME TAXABLE TO THE EXTENT OF ITS LEASEHOLD INTEREST AND LESSEE SHALL PAY ALL REAL PROPERTY TAXES LEVIED UPON SUCH LEASEHOLD INTEREST IN THESE LANDS, AND SHALL PAY ANY SPECIAL ASSESSMENTS AND TAXES AS IF HE OR SHE WERE THE OWNER OF THE LAND.

(C) RENT SHALL BE PAID ANNUALLY IN ADVANCE. PAYMENTS SHALL BE PRORATED TO CONFORM TO THE CITY OF KENAI'S FISCAL YEAR BEGINNING JULY 1ST AND ENDING JUNE 30TH. IF THE EQUIVALENT MONTHLY PAYMENT EXCEEDS TWO HUNDRED DOLLARS (\$200.00), THEN THE LESSEE SHALL HAVE THE OPTION OF MAKING PAYMENTS ON A MONTHLY BASIS.

(D) LESSEE SHALL BE RESPONSIBLE FOR ALL SALES TAXES APPLICABLE TO ITS OPERATIONS.]

(c) The City will conduct a land market analysis of City-owned land under lease once every ten (10) years to determine whether a market adjustment in either fair market value of land or lease rate percentage is justified; and

(d) If the City determines from the market analysis that a market adjustment to the lease rate percentage is in the best interests of the City, the new lease percentage must be approved by an ordinance and utilized to compute annual rents for the next fiscal year; and

(e) If the market analysis or extraordinary circumstances determine a fair market value adjustment is in the best interests of the City, the City shall retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value of all leased land and shall use these values to compute annual rents for the next fiscal year; and

(f) The City shall adjust the annual rent of a lease by giving the lessee written notice at least thirty (30) days prior to application of a new annual rent determination; and

(g) If a lessee disagrees with the proposed change in the fair market value of land or lease rate percent (excluding CPI determinations, which cannot be appealed) and cannot informally resolve the issue with the City, the lessee must:

(1) Provide notice of appeal in writing within ninety (90) days of notification supported by the written appraisal of a qualified real estate appraiser, selected and paid for by lessee (the "second appraiser"); and

(2) The City and the lessee will meet to attempt to resolve the differences between the first appraiser and the second appraiser concerning the fair market value of the land or lease rate percent; and

(3) If the City and lessee cannot agree upon the fair market value or lease rate percent then they shall direct the first appraiser and the second appraiser to mutually select a third qualified real estate appraiser, paid for jointly by the parties (the "third appraiser"); and

(4) Within thirty (30) days after the third appraiser has been appointed, the third appraiser shall decide which of the two (2) respective appraisals from the first appraiser and the second appraiser most closely reflects the fair market value of the land or lease rate percent; and

(5) The fair market value of the land or lease rate percent shall irrefutably be presumed to be the value(s) contained in such appraisal selected by the third appraiser, and the rent shall be redetermined based on such value(s); and

(6) Rent shall continue to be paid at the then-applicable rate until any such new rental rate is established, and lessee and the City shall promptly pay or refund, as the case may be, any variance in the rent, without interest accruing to the extent to be paid/refunded.

22.05.065 [B]Lease Bidding [P]Procedure.

[AS AN EXCEPTION TO GENERAL POLICY LISTED ABOVE]With the approval of the City Council, the [CITY COUNCIL]City Manager may designate a specific lot or lots to be [MADE AVAILABLE ONLY FOR]leased through competitive sealed bid. The City Manager shall award the lease to the qualified bidder utilizing a procurement procedure which may consider qualitative factors in addition to the amount of any [AS DESIGNATED, SEALED BIDS SHALL BE RECEIVED OFFERING A]one (1) time premium payment to be paid by the successful bidder; provided, however, that the high bidder and the bidder’s lease proposal [IN ADDITION TO THE ESTABLISHED LEASE RATE. HIGHEST BID, HOWEVER,]shall be subject to all provisions of lease application review and approval [ESTABLISHED FOR ALL OTHER LEASE APPLICATIONS]under this chapter.

[22.05.070 PRINCIPLES AND POLICY OF LEASE RATES.

(A) A FAIR RETURN TO THE GENERAL FUND IS THE POLICY OF THE CITY, UNLESS DEVIATION FROM THAT POLICY IS IN THE BEST INTEREST OF THE CITY AS DETERMINED BY THE CITY COUNCIL. TO ENSURE A FAIR RETURN, ALL LEASES FOR A PERIOD IN EXCESS OF FIVE (5) YEARS SHALL INCLUDE A REDETERMINATION CLAUSE AS OF THE FIFTH ANNIVERSARY OF THE LEASE AND EVERY FIVE (5) YEARS THEREAFTER, AND ALL LANDS FOR LEASE SHALL BE APPRAISED PRIOR TO LEASE AND AGAIN PRIOR TO REDETERMINATION. LEASE RATES:

(1) SHALL BE BASED ON FAIR MARKET VALUE OF THE LAND, INCLUDING AN APPROPRIATE CONSIDERATION OF FACILITIES AND SERVICES AVAILABLE (PUBLIC WATER, PUBLIC SEWER, STORM SEWERS, AND OTHER PUBLIC UTILITIES) AS DETERMINED BY A QUALIFIED INDEPENDENT APPRAISER, CONSIDERING THE BEST USE OF THE SPECIFIED LAND; AND

(2) SHALL BE EIGHT PERCENT (8%) OF FAIR MARKET VALUE.

(B) FOR LEASES IN EXISTENCE PRIOR TO THE EFFECTIVE DATE OF THE ORDINANCE CODIFIED IN THIS CHAPTER, THE LEASE RATE REDETERMINATION SHALL BE AS PROVIDED IN THE LEASE.

(C) THE CITY MANAGER SHALL CHANGE THE RENT IN A LEASE BY GIVING THE LESSEE WRITTEN NOTICE AT LEAST THIRTY (30) DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE CHANGE.

(D) THE “FAIR MARKET VALUE” OF THE PREMISES SHALL BE EQUAL TO THE THEN FAIR MARKET RATE FOR SIMILAR COMMERCIAL PROPERTY IN THE CITY OF KENAI, ALASKA (THE “RELEVANT AREA”). CITY SHALL GIVE NOTICE TO LESSEE OF CITY’S ESTIMATION OF THE FAIR MARKET VALUE NOT LATER THAN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF THE THEN-APPLICABLE FIVE (5) YEAR PERIOD, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF AN INDEPENDENT REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87, SELECTED AND PAID FOR BY THE CITY, FAMILIAR WITH THE RELEVANT AREA (THE “FIRST APPRAISER”). IF LESSEE DISAGREES WITH SUCH ESTIMATE, IT SHALL ADVISE THE CITY IN WRITING THEREOF WITHIN THIRTY (30) DAYS OF LESSEE’S RECEIPT OF SUCH ESTIMATE, AS EVIDENCED AND SUPPORTED BY THE WRITTEN OPINION OF A REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR BY LESSEE) FAMILIAR WITH THE RELEVANT AREA (THE “SECOND APPRAISER”). THE PARTIES SHALL PROMPTLY MEET TO ATTEMPT TO RESOLVE THEIR DIFFERENCES BETWEEN THE FIRST APPRAISER AND THE SECOND APPRAISER CONCERNING THE FAIR MARKET VALUE OF THE PREMISES. IF CITY AND LESSEE CANNOT AGREE UPON SUCH VALUE THEN, WITH ALL DELIBERATE SPEED, THEY SHALL DIRECT THE FIRST APPRAISER AND THE SECOND APPRAISER TO EXPEDITIOUSLY AND MUTUALLY SELECT A THIRD REAL ESTATE APPRAISER CERTIFIED UNDER ALASKA STATUTE 8.87 (SELECTED AND PAID FOR JOINTLY BY THE PARTIES) FAMILIAR WITH THE RELEVANT AREA (THE “THIRD APPRAISER”). WITHIN THIRTY (30) DAYS AFTER THE THIRD APPRAISER HAS BEEN APPOINTED, THE THIRD APPRAISER SHALL DECIDE WHICH OF THE TWO (2) RESPECTIVE APPRAISALS FROM THE FIRST APPRAISER AND THE SECOND APPRAISER MOST CLOSELY REFLECTS THE FAIR MARKET VALUE OF THE PREMISES. THE FAIR MARKET VALUE OF THE PREMISES SHALL IRREBUTTABLY BE PRESUMED TO BE THE VALUE CONTAINED IN SUCH APPRAISAL SELECTED BY THE THIRD APPRAISER, AND THE RENTAL SHALL BE REDETERMINED BASED ON SUCH VALUE. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, RENTAL SHALL CONTINUE TO BE PAID AT THE THEN-APPLICABLE RATE UNTIL ANY SUCH NEW RENTAL RATE IS ESTABLISHED, AND LESSEE AND CITY SHALL PROMPTLY PAY OR REFUND, AS THE CASE MAY BE, ANY VARIANCE IN THE RENTAL, WITHOUT INTEREST THEREON ACCRUING TO THE EXTENT TO PAID/REFUNDED IN A TIMELY FASHION.

22.05.075 REIMBURSEMENT FOR CITY-CONSTRUCTED IMPROVEMENTS.

(A) THE CITY MANAGER MAY INCLUDE IN A LEASE A REQUIREMENT FOR THE LESSEE TO REIMBURSE THE CITY FOR THE CITY’S COST OF:

(1) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE

PREMISES, CONSTRUCTED BY THE CITY PRIOR TO THE EFFECTIVE DATE OF THE LEASE; OR

(2) LAND CLEARING, GRAVEL FILL, UTILITY EXTENSIONS AND OTHER IMPROVEMENTS OR AMENITIES ON OR IN DIRECT CONNECTION WITH THE PREMISES, WHICH THE CITY AGREES TO CONSTRUCT AS A CONDITION OF THE LEASE, SUBJECT TO CITY COUNCIL APPROVAL.

(B) THE LESSEE SHALL REIMBURSE THE CITY FOR THE CITY’S COST OF CONSTRUCTING THE IMPROVEMENTS IN TEN (10) EQUAL ANNUAL PAYMENTS, PLUS INTEREST AT EIGHT PERCENT (8%) PER YEAR ON THE UNPAID BALANCE. IF THE LEASE IS FOR LESS THAN TEN (10) YEARS, THE REPAYMENT SCHEDULE MAY NOT BE LONGER THAN THE TERM OF THE LEASE. THE LESSEE MAY PAY THE ENTIRE REMAINING BALANCE TO THE CITY AT ANY TIME DURING THE TERM OF THE LEASE.]

22.05.070 Development Incentives.

(a) The City Council may include a lease rent incentive to encourage commercial investment as follows:

(1) A credit may be applied toward rent for a maximum of five (5) years. The credit may only include the value of site preparation work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, crushed aggregate base course, and utility extensions.

(2) An estimate of the value of the work, including a scope of work, prepared by a qualified engineer licensed to work in Alaska must be provided to the City and accepted prior to work being performed.

(3) Any changes to the estimate of the value of the work or scope of work must be provided to the City and accepted prior to work being performed to be eligible for the credit.

(4) For the credit to be applied, the approved scope of work must be completed.

(5) A certification from a qualified engineer that the accepted scope of work has been completed must be provided to the City and accepted at the completion of the site preparation work.

(6) Credit will be limited to original qualified engineer’s estimate unless another amount is accepted by the City in advance of work being completed.

(7) Once the work is completed as proposed and the qualified engineer’s certification of completion has been received, a credit shall be applied to the lease payments, prorated as necessary for a maximum of five (5) years.

(8) Rent shall be paid at the then-applicable rate until any such credit toward rent has been approved by the City Manager or designee, and the City shall apply a credit to lease payments

prorated as necessary or promptly pay or refund, as the case may be, any variance between the credit applied and the rent paid, without interest accruing to the extent to be paid/refunded.

22.05.075 Ownership of Improvements.

(a) Permanent improvements on the premises, excluding site development materials, constructed, placed, or purchased by the lessee remain the lessee's property as long as a lease for the premises remains in effect with the lessee, including renewals, any period of extension approved by the City pursuant to the provisions of this chapter, or any period of holdover.

(b) Unless otherwise provided in a land lease, at the expiration, cancellation, or termination of a lease that is extended or followed by a successive lease, the departing lessee may do one (1) or more of the following:

(1) Remove lessee-owned permanent improvements from the premises, remediate any contamination for which the lessee is responsible, and restore the premises to a clean and neat physical condition acceptable to the City within ninety (90) days after the expiration, cancellation, or termination date of the lease; or

(2) Sell lessee-owned permanent improvements to the succeeding lessee, remove all personal property, remediate any contamination for which the lessee is responsible, and leave the premises in a clean and neat physical condition acceptable to the City within sixty (60) days after notice from the City that the City has approved an application for a lease of the premises by another person or such longer period specified in the notice, but in no event more than one hundred eighty (180) days after the expiration, termination, or cancellation date of the lease; or

(3) Purchase the property in which the lease contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee.

(c) If the lessee does not timely remove or sell the lessee-owned permanent improvements on a premises in accordance with the requirements of this section, any remaining permanent improvements and any remaining personal property of the departing lessee will be considered permanently abandoned. The City may sell, lease, demolish, dispose of, remove, or retain the abandoned property for use as the City determines is in the best interest of the City. The lessee shall, within thirty (30) days after being billed by the City, reimburse the City for any costs reasonably incurred by the City, including legal and administrative costs, to demolish, remove, dispose, clear title to, or sell the abandoned property and to remediate any contamination and restore the premises.

(d) Site development materials that a lessee places on a premises become part of the City-owned real property and property of the City upon placement. The lessee:

(1) Must maintain the site development work and site development materials throughout the term of the lease or successive lease, including any extensions and periods of holdover; and

(2) May not remove the site development materials unless the City approves in writing.

22.05.080 Lease [E]Execution.

The lease applicant shall execute and return the appropriate lease agreement with the City of Kenai within thirty (30) days of mailing the agreement to the applicant. The lease agreement shall be prepared in accordance with the requirements of this title. Failure to execute and return the lease agreement within the specified period shall result in the forfeiture of all leasing rights.

22.05.085 Lease [U]Utilization.

Leased lands shall be utilized for purposes within the scope of the application, the terms of the lease and in conformity with the ordinances of the City, and in substantial conformity with the Comprehensive Plan. Utilization or development for other than the allowed uses shall constitute a [VIOLATION]material breach of the lease and subject the lease to cancellation at any time. Failure to substantially complete the development plan for the land shall constitute grounds for cancellation.

22.05.086 Form of Lease.

(a) When leasing land under this chapter, the City Manager shall use a standard lease form that:

- (1) Provides a reasonable basis for the lessee’s use of the premises,
- (2) Complies with the intent of this chapter, and
- (3) Provides for the best interest of the City.
- (4) Approved as to form by the City Attorney; and
- (5) Adopted by resolution of the City Council.

(b) The City Manager may enter into a land lease that deviates from the standard form adopted under subsection (a) of this section, if:

- (1) The City Manager believes the action is in the best interest of the City;
- (2) The lease is approved as to form by the City Attorney; and
- (3) The lease is approved by resolution of the City Council.

22.05.087 Lease Payments.

(a) Upon execution of the lease, the land becomes taxable to the extent of the lessee’s leasehold interest and lessee shall pay all real property taxes levied upon such leasehold interest in these lands, and shall pay any special assessments and taxes.

(b) Rent shall be paid annually in advance unless the lessee submits a written request to the City to pay on a quarterly or monthly basis. The payments shall be prorated to conform to the City of Kenai’s fiscal year beginning July 1st and ending June 30th.

(c) Lessee shall be responsible for all sales taxes due on payments under the lease.

[22.05.090 CONVEYANCE TO ENCOURAGE NEW ENTERPRISES.

NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS CHAPTER, WHERE IT IS FOUND THAT ENCOURAGEMENT OF A NEW COMMERCIAL OR INDUSTRIAL ENTERPRISE WOULD BE BENEFICIAL TO THE CITY OF KENAI, THE CITY COUNCIL BY ORDINANCE SO FINDING MAY DIRECT CONVEYANCE OF ONE OR MORE PARCELS OF CITY LAND BY THE CITY MANAGER TO SUCH ENTERPRISE UPON SUCH TERMS AS TO PRICE, CONDITIONS OF CONVEYANCE, AND WITH SUCH CONTINGENCIES AS MAY BE SET FORTH IN THE ORDINANCE.]

22.05.095 [S]Methods of Sale or Disposal.

(a) Lands[,] to which the City of Kenai holds title which are not restricted from sale by the deed of conveyance to the City[,] or which have been released from such restrictions[, WHICH] and that the City Council has determined are not required for a public purpose, may be listed for sale by the City Manager[, EXCEPT THAT LANDS WHICH HAVE BEEN LEASED SHALL NOT BE SOLD UNLESS THE LESSEE HAS MADE A WRITTEN REQUEST TO THE CITY TO PLACE THE LAND FOR SALE]. The decision whether or not to sell the land rests in the sole discretion of the City Council.

(b) [SALES OF LAND PURSUANT TO SUBSECTION (A) OF THIS SECTION SHALL BE MADE AT NOT LESS THAN FAIR MARKET VALUE. THE PURCHASER SHALL EXECUTE THE “AGREEMENT FOR SALE OF LAND” WITHIN ONE (1) YEAR OF THE DATE OF APPRAISAL.]The City Council may by ordinance authorize the City Manager [HAS THE OPTION]to dispose of such properties in accordance with [THE SALE PROCEDURES SET OUT IN THIS TITLE]the intent of this chapter as follows:

(1) [BY NEGOTIATED SALE; OR]Non-competitive process:

(i) Conveyance to encourage new enterprises where it is found that encouragement of a new commercial or industrial enterprise would be beneficial to the City of Kenai, one or more parcels of City land may be sold upon such terms as to price, conditions of conveyance, and with such contingencies as may be set forth in the ordinance.

(ii) Property sale to adjacent owners for the conveyance of a parcel of City property at fair market value to the owner of adjacent land whenever, in the judgment of the City Council, the parcel of land is of such small size, shape, or location that it could not be put to practical use by any other party.

(iii) Grant or devotion of real property to the United States, the State of Alaska, a local political subdivision of the State of Alaska, or any agency of any of these governments or a non-profit

corporation, for a consideration agreed upon between the City and grantee without a public sale if the grant, devotion or lease is advantageous to the City.

(iv) Conveyance of land to resolve a land use conflict.

(2) [BY]Competitive process:

(i) Public outcry auction to the highest responsible bidder[; OR].

[(3) BY COMPETITIVE S] (ii) Sealed bid[s] to the highest responsible bidder.

(iii) Over-the-Counter sale after a public outcry auction or sealed bid process on a first-come basis, provided minimum development requirements are met within two (2) years of sale and the land is sold for fair market value. An appraisal to determine fair market value must be completed within a one (1) year period prior to the date of sale.

(iv) Leased land in which the lease was subject to competition through the lease application review process and which contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee. An appraisal to determine fair market value must be completed within a one (1) year period prior to the sale.

(3) Property exchange: Property exchanges for the conveyance and exchange of a parcel of City-owned property for property owned by another individual or legal entity subject to such conditions as Council may impose on the exchange, whenever the City Council makes findings it is advantageous to the City to make the property exchange.

[IN THE EVENT THAT THE SALE IS NOT CLOSED WITHIN SIX (6) MONTHS OF THE DATE OF APPRAISAL, THE BUYER WILL BE CHARGED, UPON CLOSING, INTEREST COMPUTED IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE KENAI MUNICIPAL CODE, BASED UPON THE TOTAL SALES PRICE FOR THE NUMBER OF DAYS PAST THE EXPIRATION OF THE SIX (6) MONTH PERIOD.]

(c) Any sale of land owned by the City of Kenai and held by it for the use or benefit of the Kenai Municipal Airport must include in any instrument conveying title to the property restrictions accepted by the City under the terms of the 1963 Quitclaim Deed from the United States of America recorded at Book 27, Page 303 at the Kenai Recording District, Kenai Alaska or any other land owned by the City and acquired with Airport funds which may include similar restrictions. Additionally, any sale or disposal of the aforementioned lands for less than fair market value shall require a deposit in the amount of the difference between fair market value and the sale price to the Airport Land Sale Permanent Fund for the benefit of the Kenai Municipal Airport.

22.05.100 Sale [P]Procedure.

(a) All requests to purchase City land must be submitted to the City on approved forms provided by the City. Applications will be dated on receipt and payment of the nonrefundable application

fee and must include applicable deposit as set forth in the City's schedule of fees adopted by the City Council.

(b) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to engineering services, surveying and consulting costs, unless in the sole discretion of the City Council it is determined 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 sale with the applicant, any unused balance of the deposit made to cover costs associated with subdivision will be credited toward the purchaser at closing.

(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 sale.

(5) If the application is rejected or if the applicant withdraws the application or fails to enter into a sale offered to the applicant, the City will return any unused deposit balance to the applicant.

(c) The City [MANAGER WILL OBTAIN SUCH AN APPRAISAL] will retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value for a determination of the minimum price on the land to be paid for from the deposit made by the applicant unless such an appraisal has been obtained within one (1) year prior to the date of sale. The cost of the appraisal will be credited toward the purchaser at closing.

[B) WHERE ANY PARTY, HEREINAFTER CALLED "APPLICANT," REQUESTS THAT A TRACT OR TRACTS OF LAND BE SOLD FOR WHICH AN APPRAISAL WILL BE REQUIRED, WHICH WILL REQUIRE SUBDIVIDING, PLATTING, OR SURVEYING AND STAKING, OR WHICH WILL REQUIRE ADVERTISING OR INCURRING ANY OTHER EXPENDITURES BY THE CITY PRIOR TO SALE.

(1) NO ACTIONS IN PREPARATION FOR SALE WILL BE TAKEN BY THE CITY UNTIL AN AGREEMENT TO PURCHASE SHALL BE PROPERLY EXECUTED AND FILED WITH THE CITY MANAGER FOR THE PURCHASE OF SUCH LAND WITH PAYMENT OF SUFFICIENT GOOD FAITH DEPOSIT, WHICH SHALL CONSIST OF CASH OR ITS EQUIVALENT DEPOSITED WITH THE FINANCE OFFICER OF THE CITY OF KENAI, AS MAY BE DETERMINED BY THE CITY MANAGER, TO COVER ALL EXPENSES OF THE CITY AND SUCH AGREEMENT TO PURCHASE SHALL FURTHER CONTAIN THE AGREEMENT BY APPLICANT TO PAY ANY ADDITIONAL COSTS IF SAID GOOD FAITH DEPOSIT IS INSUFFICIENT TO PAY ALL COSTS INCURRED BY THE CITY.]

(2)(d) If at any time during the process of preparing for sale, the applicant [GIVES NOTICE TO THE CITY MANAGER OF WITHDRAWAL OF]withdraws the [REQUEST]application for sale, the City [MANAGER]shall stop all procedures, [SHALL]pay expenses incurred prior to [TERMINATION OF SALE PROCEDURES]withdrawal of the application for sale, and [SHALL]reimburse applicant for any [GOOD FAITH]deposit advanced in excess of [ALL]expenses incurred. [()]However, if another party desires the sale to proceed, files an application [FOR SALE]for sale, executes and files an agreement to purchase, and [ADVANCES]deposits sufficient funds[THEREFOR], then the prior applicant will be reimbursed for expenses [CHARGES]which can be attributed to the subsequent applicant.()

(3)(e) If all actions necessary for preparation for sale have been accomplished, and if neither the applicant nor any other party purchases said land when first offered for sale after such request, then all expenses incurred in preparation for the sale will be paid from the [GOOD FAITH]applicant's deposit, and the balance, if any, shall be returned to the applicant. If the [SUMS]amount of the deposit is [ADVANCED AS GOOD FAITH DEPOSIT ARE]insufficient to pay all of the costs, the applicant will be billed for the balance due[AND NORMAL COLLECTION PROCEDURES FOLLOWED].

[(4)](f) If the land [APPLIED FOR]is sold [ON]in a competitive public sale set in response to such request to anyone other than the applicant, [THEN ON CLOSING OF THE SALE,]the [GOOD FAITH] applicant's deposit will be refunded in total to the applicant. The City's expenses will be first deducted from the deposit of the successful bidder.

[(5)](g) If the land [IN QUESTION]is sold to the applicant, [THE]any [GOOD FAITH]deposit advanced, after deducting the City's expenses, will be [APPLIED ON THE PAYMENT DUE] credited to the purchaser at closing.

[(6) IF THE LAND IN QUESTION IS TO BE SOLD BY SEALED BID AND THE APPLICANT HAS SUBMITTED A VALID BID, BUT THE APPLICANT IS NOT THE HIGH BIDDER, HE OR SHE MAY PURCHASE THE LAND BY TENDERING THE CITY A BID EQUAL TO THE HIGH BID WITHIN FIVE (5) DAYS OF THE BID OPENING. IF THE LAND SALE IS INITIATED IN ACCORDANCE WITH KMC 22.05.040[(A)], THE APPLICANT SHALL BE DEFINED AS THAT PARTY SUBMITTING THE INITIAL LEASE APPLICATION.]

[(C)](h) If the [TRACT OF]land [PROPOSED TO BE SOLD]is leased land in which the lease contains an option to purchase once the minimum development requirements have been met, the lessee may request the sale of the land at not less than the fair market value. [THE CURRENT LESSEE OBTAINS THIS RIGHT TO REQUEST A SALE ONLY AFTER, TO THE SATISFACTION OF THE CITY MANAGER, DEVELOPMENT HAS BEEN COMPLETED AS DETAILED IN THE DEVELOPMENT SCHEDULE WHICH HAS BEEN INCORPORATED INTO THE LEASE AGREEMENT. IF THERE IS NO DEVELOPMENT SCHEDULE, THE LESSEE MAY PURCHASE THE PROPERTY IF THERE HAVE BEEN SUBSTANTIAL IMPROVEMENTS AS DETERMINED BY THE CITY MANAGER. THE DECISION WHETHER OR NOT TO SELL THE LAND TO THE LESSEE RESTS WITH THE SOLD DISCRETION OF THE CITY.]

([D]i) [IF THE TRACT OF LAND PROPOSED TO BE SOLD IS NOT LEASED LAND, OR IS LEASED LAND WITHOUT SUBSTANTIAL IMPROVEMENTS, THEN THE TRACT OF LAND MAY ONLY BE SOLD BY OUTCRY AUCTION OR BY COMPETITIVE SEALED BIDS.] If the [TRACT] land is to be [PUT UP FOR SUCH]sold through a competitive [AUCTION OR SEALED BID SALE]process, notice of sale and the manner in which the land is to be sold [SHALL BE]must be posted to the extent possible to be visible from each improved street adjacent to the property and published in a newspaper of general circulation within the City [ONCE EACH WEEK FOR TWO (2) SUCCESSIVE WEEKS NOT LESS THAN THIRTY (30) DAYS PRIOR TO THE DATE OF SALE; SUCH NOTICE SHALL ALSO BE POSTED IN AT LEAST THREE (3) PUBLIC PLACES WITHIN THE CITY AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF SALE, AND SUCH OTHER NOTICE MAY BE GIVEN BY SUCH OTHER MEANS AS MAY BE CONSIDERED ADVISABLE BY THE CITY MANAGER. SUCH]. The published notice must contain:

- (1) The legal description of the land;
- (2) A brief physical description of the land;
- (3) The area and general location of the land;
- (4) The minimum acceptable offer for the land (which shall be [ITS APPRAISED]the fair market value);
- (5) The terms under which the land will be sold;
- (6) Any limitations on the sale of the land;
- (7) The time and place set for the auction or bid opening;
- (8) The amount of deposit to be submitted with each bid in order to cover the City's expenses such as survey, appraisal, and reviews;
- (9) Any other matters concerning the sale of which the City Manager believes the public should be informed.

[(E) IF NO OFFERS ARE SUBMITTED MEETING THE MINIMUM ACCEPTABLE OFFER (OR APPRAISED VALUATION), THE CITY MANAGER MAY NEGOTIATE FOR SALE OF THE TRACT OR TRACTS OF LAND WITH A MODIFICATION OF PROPOSED TERMS OR FOR LESS THAN THE APPRAISED VALUATION PROVIDED THAT NO SUCH NEGOTIATED SALE FOR LESS THAN APPRAISED VALUE SHALL BE BINDING UPON THE CITY UNLESS THE TERMS AND PRICE THEREIN ARE APPROVED BY RESOLUTION OF THE CITY COUNCIL.

(F) WHERE A REAL ESTATE AGENT FURNISHES A BUYER FOR CITY LAND, THE CLOSING AGENT SHALL BE AUTHORIZED TO PAY THE AGENT A REAL ESTATE COMMISSION OF FIVE PERCENT (5%) OF THE PURCHASE PRICE FOR THE LAND OR FIVE PERCENT (5%) OF THE APPRAISED FAIR MARKET VALUE OF THE LAND, WHICHEVER IS LOWER, UNDER THE FOLLOWING TERMS AND CONDITIONS:

(1) THE CITY MANAGER SHALL PROVIDE A NON-EXCLUSIVE LISTING OF LANDS AVAILABLE FOR SALE.

(2) NO COMMISSION SHALL BE PAID TO AN AGENT WHERE THE AGENT IS A PARTY, OR IN PRIVITY WITH A PARTY, TO THE SALE.

(G) CLOSING OF SALE OF CITY LANDS SHALL BE HANDLED BY A TITLE OR ESCROW COMPANY.

(H) CONVEYANCE OF CITY LANDS SHALL BE BY QUIT CLAIM OR WARRANTY DEED FURNISHED BY THE CITY, AND BUYERS ARE ADVISED THAT ALL SUCH CONVEYANCES ARE SUBJECT TO ALL LIENS, ENCUMBRANCES, RESTRICTIONS, AND COVENANTS OF RECORD AND ARE SPECIFICALLY, WITHOUT BEING LIMITED THERETO, SUBJECT TO ANY UNRELEASED RESTRICTIONS CONTAINED IN THE DEED OR DEEDS BY WHICH THE CITY RECEIVED TITLE TO THE LAND.]

[(I)]i If a buyer desires to obtain a preliminary commitment for title insurance or title insurance to the land, [THEN]it shall be the responsibility of the buyer to obtain and pay for such commitment or insurance[AND TO PAY FOR THE SAME].

[(J) IF THE TRACT OR TRACTS OF LAND ARE SOLD UNDER TERMS BY WHICH THE CITY IS TO ACCEPT A NOTE AS A PORTION OF THE PURCHASE PRICE, THE NOTE AND ACCOMPANYING DEED OF TRUST MUST BE PREPARED BY AN ATTORNEY, BUT MUST BE APPROVED BY THE CITY ATTORNEY PRIOR TO CLOSING.

(K) THE NOTE SHALL BE PLACED FOR COLLECTION WITH A BANK SELECTED BY THE CITY MANAGER, WHICH MAY BE CHANGED FROM TIME TO TIME, AND WHICH SHALL BE THE BANK IN WHICH CITY FUNDS ARE DEPOSITED. THE SET-UP FEE TO INITIATE COLLECTION MAY BE NEGOTIATED AS SPECIFIED IN KMC 22.05.100(L), AND THE BUYER SHALL PAY THE ANNUAL COLLECTION FEES FOR SUCH BANK COLLECTION.]

[(L)]k The City Manager is authorized to negotiate a division of the costs of sale [LISTED IN KMC 22.05.100(G) ~~(H)~~, ~~(I)~~, ~~(J)~~ AND ~~(K)~~] to a maximum of fifty percent (50%) of the required costs being borne by the City, provided however that no costs of sale will be paid by the City where a sale is negotiated at a price below [APPRAISED]the fair market value of the land.

22.05.101 No Right of Occupancy – Land Purchase Application Expiration.

(a) Submitting an application to purchase land does not give the applicant a right to purchase or use City-owned land.

(b) The application shall expire upon closing of the sale or rejection of a land purchase application by the City Council or within twelve (12) months after the date the application has been submitted.

22.05.105 Terms for ~~(F)~~Financing ~~(S)~~Sale of City-Owned ~~(L)~~Lands.

(a) In order to expedite and facilitate the sale of City lands, the City Manager is authorized to accept terms for sales and may accept a note secured by a deed of trust for a portion of the purchase price thereof, subject to the following restrictions:

(1) [IF THE SALE IS TO A LESSEE WHO HAS PLACED A LIEN FOR FINANCING UPON THE LAND OR IMPROVEMENTS, THEN THE CITY MANAGER IS NOT AUTHORIZED TO SELL THE LAND EXCEPT FOR TOTAL CASH PAYMENT, PROVIDED, HOWEVER, THAT THE CITY MANAGER MAY ACCEPT A NOTE SECURED BY A DEED OF TRUST SUBORDINATE TO THE EXISTING SECURITY INTEREST IF THE AMOUNT OF THE NOTE THEREBY SECURED IS WITHIN THE DIFFERENCE BETWEEN THE FAIR MARKET VALUE OF THE LAND WITH IMPROVEMENTS, AND THE SUM OF ALL PRIOR SECURITY INTERESTS. THE SALE DOCUMENTS SHALL BE SUBJECT TO THE SAME RESTRICTIONS CONTAINED IN THE LEASE AS THE LEASE PROVIDES AT THE TIME OF SALE.

(2)] Except for property sold by the City subsequent to foreclosure for delinquent taxes or assessments, prior to making a determination to accept a note and deed of trust from a prospective purchaser, the City [MANAGER] shall [SECURE] order a preliminary commitment for title insurance and a review of the grantee index covering the party desiring to purchase the land [FROM THE TITLE COMPANY IN THE LOCAL RECORDING DISTRICT]at the cost of the party requesting to purchase the land, and no credit will be advanced on such sale if there are any delinquent liens or unpaid judgments found in the title company report until any such judgments or liens are paid and releases therefor have been filed.

[(3)2] In the event of a credit sale, terms shall be approved by the City Council in the Ordinance approving the sale, as follows:

(i) [T]The down payment required, which shall [BE DETERMINED BY THE CITY MANAGER, BUT SHALL]not be less than fifteen percent (15%) of the sales price[.]; and

(ii) The length of the note; and

(iii) A fixed or variable interest rate.

[(4) THE CITY MANAGER IS NOT AUTHORIZED TO ACCEPT TERMS FOR THE SALE OF TAX-FORECLOSED LANDS UNLESS THE DOWN PAYMENT TO BE RECEIVED THEREUNDER, OR OTHER SUMS APPROPRIATED FOR THE PURPOSE, ARE SUFFICIENT TO MAKE IMMEDIATE PAYMENT TO THE KENAI PENINSULA BOROUGH AND THE FORMER RECORD OWNER OF THE SUMS WHICH ARE, OR MAY BECOME, DUE TO THEM PURSUANT TO THE PROVISIONS OF AS 29.]

[(B) IF THE CITY MANAGER DETERMINES THAT IT IS IN THE CITY'S INTEREST TO SELL CITY LANDS, THE SALE SHALL BE EITHER A CASH TRANSACTION OR BY A NOTE SECURED BY A DEED OF TRUST, SUBJECT TO SUBSECTION (A) OF THIS SECTION, AND BY NO OTHER MEANS. THE NOTE AND DEED OF TRUST SHALL CARRY TERMS AS FOLLOWS:

(1) THE TERM OF SUCH NOTE MAY BE SET BY THE CITY MANAGER, BUT IT SHALL PROVIDE FOR MONTHLY PAYMENTS AND NOT EXCEED TWENTY (20) YEARS UNLESS A LONGER PERIOD FOR A SPECIFIC SALE OF LAND IS APPROVED BY RESOLUTION OF THE CITY COUNCIL.

(2) SUCH NOTE SHALL BEAR INTEREST AT A RATE TO BE DETERMINED BY THE CITY COUNCIL BY RESOLUTION.]

22.05.110 Determination as to [N]Need for [P]Public [U]Use.

(a) Whether land shall be acquired, retained, devoted, or dedicated to a public use shall be determined by ordinance which shall contain the public use for which the property is to be dedicated, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.

(b) Whether land previously dedicated to a public use should be dedicated to a different public use or should no longer be needed for public use shall be determined by the City Council by ordinance, except in cases of vacation of rights-of-way or easements which may be determined by resolution, either of which shall contain the new public use for which the property is to be dedicated or the reason the land is no longer needed for public use, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location.

[22.05.115 PROPERTY EXCHANGES.

THE COUNCIL MAY APPROVE, BY ORDINANCE, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE CONVEYANCE AND EXCHANGE OF A PARCEL OF CITY PROPERTY FOR PROPERTY OWNED BY ANOTHER PERSON SUBJECT TO SUCH CONDITIONS AS COUNCIL MAY IMPOSE ON THE EXCHANGE, WHENEVER IN THE JUDGMENT OF THE CITY COUNCIL IT IS ADVANTAGEOUS TO THE CITY TO MAKE THE PROPERTY EXCHANGE.

22.05.120 PROPERTY SALE TO ADJACENT OWNERS.

THE COUNCIL MAY APPROVE, BY ORDINANCE, AFTER PUBLIC NOTICE AND AN OPPORTUNITY FOR PUBLIC HEARING, THE SALE AND CONVEYANCE OF A PARCEL OF CITY PROPERTY AT ITS APPRAISED VALUE TO THE OWNER OF ADJACENT LAND WHENEVER, IN THE JUDGMENT OF THE CITY COUNCIL, THE PARCEL OF LAND IS OF SUCH SMALL SIZE, SHAPE, OR LOCATION THAT IT COULD NOT BE PUT TO PRACTICAL USE BY ANY OTHER PARTY AND, IN ADDITION THERETO, WHERE THERE IS NO FORESEEABLE NEED OF THE LAND FOR ANY FUTURE USE BY THE CITY.

22.05.125 GRANT OR DEVOTION.

THE COUNCIL, BY ORDINANCE, MAY WAIVE THE PROVISIONS OF THIS CHAPTER AND LEASE, GRANT OR DEVOTE REAL PROPERTY NO LONGER NEEDED BY THE

CITY FOR PUBLIC PURPOSE TO THE UNITED STATES, THE STATE OF ALASKA, A LOCAL POLITICAL SUBDIVISION OF THE STATE OF ALASKA, OR ANY AGENCY OF ANY OF THESE GOVERNMENTS OR A NON-PROFIT CORPORATION, FOR A CONSIDERATION AGREED UPON BETWEEN THE CITY AND GRANTEE WITHOUT A PUBLIC SALE IF THE GRANT, DEVOTION OR LEASE IS ADVANTAGEOUS TO THE CITY.]

22.05.130 Special Use [P]Permits.

The City Council may authorize the City Manager to grant special use permits for the temporary use of real property owned by the City for a period not to exceed [FIVE (5)] one (1) year[S], without appraisal of the value of the property or public auction, for any purpose compatible with the zoning of the land, and on such terms and for such rentals as the [C]Council shall determine.

22.05.135 Acquisition of [R]Real [P]Property.

(a) The City, by authorization of the City Council, expressed in a resolution for such purpose, may lease, purchase or acquire an interest in real property needed for a public [USE] purpose on such terms and conditions as the Council shall determine. No purchase shall be made until a qualified independent appraiser has appraised the property and given the Council an [INDEPENDENT]opinion as to the [FULL AND TRUE]fair market value [THEREOF]of the land unless the Council, upon resolution so finding, determines that the public interest will not be served by an appraisal.

[(B) BECAUSE OF THE UNIQUE VALUE OF REAL PROPERTY, THE CITY NEED NOT ACQUIRE OR LEASE REAL PROPERTY BY COMPETITIVE BIDDING.]

(c) Rights-of-way and easements may be accepted or issued by the City Manager after approval by the City Council for utility lines and services of all types and for necessary rights-of-way easements. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.

**Title 22
CITY-OWNED LANDS**

**Chapter 22.05
DISPOSITION OF CITY LANDS**

22.05.05 Definitions.

When used in this chapter, the following terms shall have the meaning given below:

“Amendment” means a formal change to a lease of lands other than a lease extension or renewal.

“Annual rent” means an amount paid to the City annually according to the terms of the lease and Kenai Municipal Code.

“Assignment” means the transfer of all interest in a lease from one person or entity to another.

“City” means the City of Kenai, its elected officials, officers, employees or agents.

“Consumer Price Index (CPI)” means the annual CPI for all urban consumers (CPI-U) for Anchorage, Alaska.

“Existing lease” means a lease with at least one (1) year of term remaining.

“Expiring lease” means a lease with less than one (1) year of term remaining.

“Fair market value” means the most probable price which a property should bring in a competitive and open market as determined by a qualified independent appraiser, or the value as determined by the latest appraisal adjusted by the change in Consumer Price Index from the date of the latest appraisal.

“Lease extension” means extending the term of an existing lease.

“Lease rate percent” means a percentage that when applied to the fair market value of land establishes a rate of rent commensurate with rental rates prevalent in the local area as determined by a qualified real estate appraiser.

“Lease renewal” means a new lease of property currently under an existing or expiring lease to an existing lessee or a purchaser.

“Market analysis” means an analysis of data collected from other land leases to determine whether a market adjustment in either fair market value or lease rate percentage reflects the market.

“Permanent improvement” means a fixed addition or change to land that is not temporary or portable, including a building, building addition, retaining wall, storage tank, earthwork, fill material, gravel, and pavement, and remediation of contamination for which the applicant is not responsible and excluding items of ordinary maintenance, such as glass replacement, painting, roof repairs, door repairs, plumbing repairs, floor covering replacement, or pavement patching.

“Professional estimate of the remaining useful life of the principal improvement” means an estimate of the number of remaining years that the principal improvement will be able to function in accordance with its intended purpose prepared by a qualified real estate appraiser, engineer, or architect licensed in Alaska.

“Qualified independent appraiser” means a general real estate appraiser certified by the State of Alaska under AS 08.87.

“Site development materials” means materials used for preparing a lease site for building construction or to provide a firm surface on which to operate a vehicle or aircraft, including geotextile, fill, gravel, paving, utilities and pavement reinforcement materials.

“Site preparation work” means work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, a crushed aggregate base course and utility extensions.

22.05.010 Authority and Intent.

- (a) The provisions of this chapter apply to City-owned real property other than lands within the Airport Reserve as described in KMC 21.10 and the leasing of tidelands for shore fisheries.
- (b) The City may sell, convey, exchange, transfer, donate, dedicate, direct, assign to use, or otherwise dispose of City-owned real property, including property acquired, held for, or previously devoted to a public use, only in accordance with this chapter, and, with respect to properties acquired through foreclosure for taxes, in compliance with those terms and provisions of AS 29 which apply to home-rule municipalities. Disposal or sale of lands shall be made only when, in the judgment of the City Council, such lands are not or are no longer required for a public purpose.
- (c) It is the intent of this chapter to provide land policies and practices that encourage responsible growth and development to support a thriving business, residential, recreational and cultural community.
- (d) It is not the intent of this chapter to allow for speculation on City-owned lands. All leases, sales, and other disposals of City-owned land must meet the intent of this chapter.
- (e) The provisions of this chapter shall not alter or amend the terms or rights granted under leases existing prior to the effective date of the ordinances codified in this chapter.

22.05.015 Lands Available for Lease, Sale or Disposal.

- (a) The City may lease, sell or dispose of real property not restricted from lease or sale which the City Council has determined is not required for a public purpose by any lawful method or mode of conveyance or grant. Any instrument requiring execution by the City shall be signed by the City Manager and attested by the City Clerk. The form of any instrument shall be approved by the City Attorney.

22.05.020 Qualifications of Lease Applicants or Bidders.

An applicant or bidder for a lease is qualified if the applicant or bidder:

- (a) Is an individual at least eighteen (18) years of age; or
- (b) Is a legal entity which is authorized to conduct business under the laws of Alaska; or
- (c) Is acting as an agent for another meeting the requirements of subsection (a) or (b) of this section and has qualified by filing with the City a proper power of attorney or a letter of authorization creating such agency.

22.05.025 Initial Lease Application.

- (a) All applications for lease of lands must be submitted to the City 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) years except in special circumstances, that require a longer period of time and which must be approved by the City Council; and
 - (4) A comprehensive description of the proposed business or activity intended;
 - (5) Whether the applicant requests a lease with an option to purchase; and
 - (6) 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.

22.05.035 No Right of Occupancy – Lease Application Expiration.

(a) Submitting an application for a lease does not give the applicant a right to lease or use City-owned land.

(b) The application shall expire upon execution of a lease or rejection of a lease application by the City Council or within twelve (12) months after the date the application has been submitted

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, 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.

(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 is consistent with the intent of this chapter. 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 .

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 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.

(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; 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 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 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.

22.05.050 Competing Lease Applications.

If another application for a new lease, extension or a renewal is received for the same property within thirty (30) days from the notice of application publication date by a different applicant, City staff shall process the application and forward the application, the City Manager's recommendation and applicable commission recommendations to the City Council for approval of the application anticipated to best serve the interests of the City. The City Council may approve one (1) of the applications, reject all the applications or direct the City Manager to award a lease of the property by sealed bid. An applicant for a renewal or extension may withdraw an application for a renewal or extension at any time prior to a decision by the City Council whether or not to approve such a renewal or extension.

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
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, 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, 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) years except in special circumstances, that require a longer period of time and which must be approved by the City Council.

(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 shows good cause 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 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.

(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 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.

22.05.060 Principles and Policy of Lease Rates.

- (a) Annual rent shall be computed by multiplying the fair market value of the land by a lease rate percentage of eight percent (8%) for each parcel; and
- (b) The City will determine the fair market value of the land requested to be leased based on an appraisal conducted for the City by an independent real estate appraiser certified under Alaska State statutes and ordered by the City for the purpose of determining annual rent. The appraisal shall be paid for by the applicant, and the cost of the appraisal shall be credited or refunded to the lessee once development is completed as required by the lease. The fair market value of the land will be adjusted annually based on the rate of inflation determined by the consumer price index (CPI) to determine annual rent; and
- (c) The City will conduct a land market analysis of City-owned land under lease once every ten (10) years to determine whether a market adjustment in either fair market value of land or lease rate percentage is justified; and
- (d) If the City determines from the market analysis that a market adjustment to the lease rate percentage is in the best interests of the City, the new lease percentage must be approved by an ordinance and utilized to compute annual rents for the next fiscal year; and
- (e) If the market analysis or extraordinary circumstances determine a fair market value adjustment is in the best interests of the City, the City shall retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value of all leased land and shall use these values to compute annual rents for the next fiscal year; and
- (f) The City shall adjust the annual rent of a lease by giving the lessee written notice at least thirty (30) days prior to application of a new annual rent determination; and
- (g) If a lessee disagrees with the proposed change in the fair market value of land or lease rate percent (excluding CPI determinations, which cannot be appealed) and cannot informally resolve the issue with the City, the lessee must:
 - (1) Provide notice of appeal in writing within ninety (90) days of notification supported by the written appraisal of a qualified real estate appraiser, selected and paid for by lessee (the "second appraiser"); and
 - (2) The City and the lessee will meet to attempt to resolve the differences between the first appraiser and the second appraiser concerning the fair market value of the land or lease rate percent; and
 - (3) If the City and lessee cannot agree upon the fair market value or lease rate percent then they shall direct the first appraiser and the second appraiser to mutually select a third qualified real estate appraiser, paid for jointly by the parties (the "third appraiser"); and
 - (4) Within thirty (30) days after the third appraiser has been appointed, the third appraiser shall decide which of the two (2) respective appraisals from the first appraiser and the second appraiser most closely reflects the fair market value of the land or lease rate percent; and
 - (5) The fair market value of the land or lease rate percent shall irrefutably be presumed to be the value(s) contained in such appraisal selected by the third appraiser, and the rent shall be redetermined based on such value(s); and
 - (6) Rent shall continue to be paid at the then-applicable rate until any such new rental rate is established, and lessee and the City shall promptly pay or refund, as the case may be, any variance in the rent, without interest accruing to the extent to be paid/refunded.

22.05.065 Lease Bidding Procedure.

With the approval of the City Council, the City Manager may designate a specific lot or lots to be leased through competitive sealed bid. The City Manager shall award the lease to the qualified

bidder utilizing a procurement procedure which may consider qualitative factors in addition to the amount of any one (1) time premium payment to be paid by the successful bidder; provided, however, that the high bidder and the bidder's lease proposal shall be subject to all provisions of lease application review and approval under this chapter.

22.05.070 Development Incentives.

(a) The City Council may include a lease rent incentive to encourage commercial investment as follows:

(1) A credit may be applied toward rent for a maximum of five (5) years. The credit may only include the value of site preparation work on the leased premises to include clearing and grubbing, unclassified excavation, classified fill and back fill, crushed aggregate base course, and utility extensions.

(2) An estimate of the value of the work, including a scope of work, prepared by a qualified engineer licensed to work in Alaska must be provided to the City and accepted prior to work being performed.

(3) Any changes to the estimate of the value of the work or scope of work must be provided to the City and accepted prior to work being performed to be eligible for the credit.

(4) For the credit to be applied, the approved scope of work must be completed.

(5) A certification from a qualified engineer that the accepted scope of work has been completed must be provided to the City and accepted at the completion of the site preparation work.

(6) Credit will be limited to original qualified engineer's estimate unless another amount is accepted by the City in advance of work being completed.

(7) Once the work is completed as proposed and the qualified engineer's certification of completion has been received, a credit shall be applied to the lease payments, prorated as necessary for a maximum of five (5) years.

(8) Rent shall be paid at the then-applicable rate until any such credit toward rent has been approved by the City Manager or designee, and the City shall apply a credit to lease payments prorated as necessary or promptly pay or refund, as the case may be, any variance between the credit applied and the rent paid, without interest accruing to the extent to be paid/refunded.

22.05.075 Ownership of Improvements.

(a) Permanent improvements on the premises, excluding site development materials, constructed, placed, or purchased by the lessee remain the lessee's property as long as a lease for the premises remains in effect with the lessee, including renewals, any period of extension approved by the City pursuant to the provisions of this chapter, or any period of holdover.

(b) Unless otherwise provided in a land lease, at the expiration, cancellation, or termination of a lease that is extended or followed by a successive lease, the departing lessee may do one (1) or more of the following:

(1) Remove lessee-owned permanent improvements from the premises, remediate any contamination for which the lessee is responsible, and restore the premises to a clean and neat physical condition acceptable to the City within ninety (90) days after the expiration, cancellation, or termination date of the lease; or

(2) Sell lessee-owned permanent improvements to the succeeding lessee, remove all personal property, remediate any contamination for which the lessee is responsible, and leave the premises in a clean and neat physical condition acceptable to the City within sixty (60) days after notice from the City that the City has approved an application for a

lease of the premises by another person or such longer period specified in the notice, but in no event more than one hundred eighty (180) days after the expiration, termination, or cancellation date of the lease; or

(3) Purchase the property in which the lease contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee.

(c) If the lessee does not timely remove or sell the lessee-owned permanent improvements on a premises in accordance with the requirements of this section, any remaining permanent improvements and any remaining personal property of the departing lessee will be considered permanently abandoned. The City may sell, lease, demolish, dispose of, remove, or retain the abandoned property for use as the City determines is in the best interest of the City. The lessee shall, within thirty (30) days after being billed by the City, reimburse the City for any costs reasonably incurred by the City, including legal and administrative costs, to demolish, remove, dispose, clear title to, or sell the abandoned property and to remediate any contamination and restore the premises.

(d) Site development materials that a lessee places on a premises become part of the City-owned real property and property of the City upon placement. The lessee:

(1) Must maintain the site development work and site development materials throughout the term of the lease or successive lease, including any extensions and periods of holdover; and

(2) May not remove the site development materials unless the City approves in writing.

22.05.080 Lease Execution.

The lease applicant shall execute and return the appropriate lease agreement with the City of Kenai within thirty (30) days of mailing the agreement to the applicant. The lease agreement shall be prepared in accordance with the requirements of this title. Failure to execute and return the lease agreement within the specified period shall result in the forfeiture of all leasing rights.

22.05.085 Lease Utilization.

Leased lands shall be utilized for purposes within the scope of the application, the terms of the lease and in conformity with the ordinances of the City, and in substantial conformity with the Comprehensive Plan. Utilization or development for other than the allowed uses shall constitute a material breach of the lease and subject the lease to cancellation at any time. Failure to substantially complete the development plan for the land shall constitute grounds for cancellation.

22.05.086 Form of Lease.

(a) When leasing land under this chapter, the City Manager shall use a standard lease form that:

(1) Provides a reasonable basis for the lessee's use of the premises,

(2) Complies with the intent of this chapter, and

(3) Provides for the best interest of the City.

(4) Approved as to form by the City Attorney; and

(5) Adopted by resolution of the City Council.

(b) The City Manager may enter into a land lease that deviates from the standard form adopted under subsection (a) of this section, if:

(1) The City Manager believes the action is in the best interest of the City;

(2) The lease is approved as to form by the City Attorney; and

(3) The lease is approved by resolution of the City Council.

22.05.087 Lease Payments.

- (a) Upon execution of the lease, the land becomes taxable to the extent of the lessee's leasehold interest and lessee shall pay all real property taxes levied upon such leasehold interest in these lands, and shall pay any special assessments and taxes.
- (b) Rent shall be paid annually in advance unless the lessee submits a written request to the City to pay on a quarterly or monthly basis. The payments shall be prorated to conform to the City of Kenai's fiscal year beginning July 1st and ending June 30th.
- (c) Lessee shall be responsible for all sales taxes due on payments under the lease.

22.05.095 Methods of Sale or Disposal.

- (a) Lands to which the City of Kenai holds title which are not restricted from sale by the deed of conveyance to the City or which have been released from such restrictions and that the City Council has determined are not required for a public purpose, may be listed for sale by the City Manager. The decision whether or not to sell the land rests in the sole discretion of the City Council.
- (b) The City Council may by ordinance authorize the City Manager to dispose of such properties in accordance with the intent of this chapter as follows:
 - (1) Non-competitive process:
 - (i) Conveyance to encourage new enterprises where it is found that encouragement of a new commercial or industrial enterprise would be beneficial to the City of Kenai, one or more parcels of City land may be sold upon such terms as to price, conditions of conveyance, and with such contingencies as may be set forth in the ordinance.
 - (ii) Property sale to adjacent owners for the conveyance of a parcel of City property at fair market value to the owner of adjacent land whenever, in the judgment of the City Council, the parcel of land is of such small size, shape, or location that it could not be put to practical use by any other party.
 - (iii) Grant or devotion of real property to the United States, the State of Alaska, a local political subdivision of the State of Alaska, or any agency of any of these governments or a non-profit corporation, for a consideration agreed upon between the City and grantee without a public sale if the grant, devotion or lease is advantageous to the City.
 - (iv) Conveyance of land to resolve a land use conflict.
 - (2) Competitive process:
 - (i) Public outcry auction to the highest responsible bidder.
 - (ii) Sealed bid to the highest responsible bidder.
 - (iii) Over-the-Counter sale after a public outcry auction or sealed bid process on a first-come basis, provided minimum development requirements are met within two (2) years of sale and the land is sold for fair market value. An appraisal to determine fair market value must be completed within a one (1) year period prior to the date of sale.
 - (iv) Leased land in which the lease was subject to competition through the lease application review process and which contains an option to purchase once the minimum development requirements have been met for the fair market value of the land excluding permanent improvements made by the lessee. An appraisal to determine fair market value must be completed within a one (1) year period prior to the sale.
 - (3) Property exchange: Property exchanges for the conveyance and exchange of a parcel of City-owned property for property owned by another individual or legal entity subject to

such conditions as Council may impose on the exchange, whenever the City Council makes findings it is advantageous to the City to make the property exchange.

(c) Any sale of land owned by the City of Kenai and held by it for the use or benefit of the Kenai Municipal Airport must include in any instrument conveying title to the property restrictions accepted by the City under the terms of the 1963 Quitclaim Deed from the United States of America recorded at Book 27, Page 303 at the Kenai Recording District, Kenai Alaska or any other land owned by the City and acquired with Airport funds which may include similar restrictions. Additionally, any sale or disposal of the aforementioned lands for less than fair market value shall require a deposit in the amount of the difference between fair market value and the sale price to the Airport Land Sale Permanent Fund for the benefit of the Kenai Municipal Airport.

22.05.100 Sale Procedure.

(a) All requests to purchase City land must be submitted to the City on approved forms provided by the City. Applications will be dated on receipt and payment of the nonrefundable application fee and must include applicable deposit as set forth in the City's schedule of fees adopted by the City Council.

(b) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to engineering services, surveying and consulting costs, unless in the sole discretion of the City Council it is determined 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 sale with the applicant, any unused balance of the deposit made to cover costs associated with subdivision will be credited toward the purchaser at closing.

(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 sale.

(5) If the application is rejected or if the applicant withdraws the application or fails to enter into a sale offered to the applicant, the City will return any unused deposit balance to the applicant.

(c) The City will retain the services of an independent, real estate appraiser certified under Alaska State statutes to determine the fair market value for a determination of the minimum price on the land to be paid for from the deposit made by the applicant unless such an appraisal has been obtained within one (1) year prior to the date of sale. The cost of the appraisal will be credited toward the purchaser at closing.

(d) If at any time during the process of preparing for sale, the applicant withdraws the application for sale, the City shall stop all procedures, pay expenses incurred prior to withdrawal of the application for sale, and reimburse applicant for any deposit advanced in excess of expenses incurred. However, if another party desires the sale to proceed, files an application for sale, executes and files an agreement to purchase, and deposits sufficient funds, then the prior applicant will be reimbursed for expenses which can be attributed to the subsequent applicant.

(e) If all actions necessary for preparation for sale have been accomplished, and if neither the applicant nor any other party purchases said land when first offered for sale after such

request, then all expenses incurred in preparation for the sale will be paid from the applicant's deposit, and the balance, if any, shall be returned to the applicant. If the amount of the deposit is insufficient to pay all of the costs, the applicant will be billed for the balance due.

(f) If the land is sold in a competitive public sale set in response to such request to anyone other than the applicant, the applicant's deposit will be refunded in total to the applicant. The City's expenses will be first deducted from the deposit of the successful bidder.

(g) If the land is sold to the applicant, any deposit advanced, after deducting the City's expenses, will be credited to the purchaser at closing.

(h) If the land is leased land in which the lease contains an option to purchase once the minimum development requirements have been met, the lessee may request the sale of the land at not less than the fair market value.

(i) If the land is to be sold through a competitive process, notice of sale and the manner in which the land is to be sold must be posted to the extent possible to be visible from each improved street adjacent to the property and published in a newspaper of general circulation within the City. The published notice must contain:

- (1) The legal description of the land;
- (2) A brief physical description of the land;
- (3) The area and general location of the land;
- (4) The minimum acceptable offer for the land (which shall be the fair market value);
- (5) The terms under which the land will be sold;
- (6) Any limitations on the sale of the land;
- (7) The time and place set for the auction or bid opening;
- (8) The amount of deposit to be submitted with each bid in order to cover the City's expenses such as survey, appraisal, and reviews;
- (9) Any other matters concerning the sale of which the City Manager believes the public should be informed.

(j) If a buyer desires to obtain a preliminary commitment for title insurance or title insurance to the land, it shall be the responsibility of the buyer to obtain and pay for such commitment or insurance.

(k) The City Manager is authorized to negotiate a division of the costs of sale to a maximum of fifty percent (50%) of the required costs being borne by the City, provided however that no costs of sale will be paid by the City where a sale is negotiated at a price below the fair market value of the land.

22.05.101 No Right of Occupancy – Land Purchase Application Expiration.

(a) Submitting an application to purchase land does not give the applicant a right to purchase or use City-owned land.

(b) The application shall expire upon closing of the sale or rejection of a land purchase application by the City Council or within twelve (12) months after the date the application has been submitted.

22.05.105 Terms for Financing Sale of City-Owned Lands.

(a) In order to expedite and facilitate the sale of City lands, the City Manager is authorized to accept terms for sales and may accept a note secured by a deed of trust for a portion of the purchase price thereof, subject to the following restrictions:

- (1) Except for property sold by the City subsequent to foreclosure for delinquent taxes or assessments, prior to making a determination to accept a note and deed of trust from a prospective purchaser, the City shall order a preliminary commitment for title insurance and a review of the grantee index covering the party desiring to purchase the land at the

cost of the party requesting to purchase the land, and no credit will be advanced on such sale if there are any delinquent liens or unpaid judgments found in the title company report until any such judgments or liens are paid and releases therefor have been filed.

(2) In the event of a credit sale, terms shall be approved by the City Council in the Ordinance approving the sale, as follows:

- (i) The down payment required, which shall not be less than fifteen percent (15%) of the sales price; and
- (ii) The length of the note; and
- (iii) A fixed or variable interest rate.

22.05.110 Determination as to Need for Public Use.

(a) Whether land shall be acquired, retained, devoted, or dedicated to a public use shall be determined by ordinance which shall contain the public use for which the property is to be dedicated, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.

(b) Whether land previously dedicated to a public use should be dedicated to a different public use or should no longer be needed for public use shall be determined by the City Council by ordinance, except in cases of vacation of rights-of-way or easements which may be determined by resolution, either of which shall contain the new public use for which the property is to be dedicated or the reason the land is no longer needed for public use, the legal description of the property, and the address or a general description of the property sufficient to provide the public with notice of its location.

22.05.130 Special Use Permits.

The City Council may authorize the City Manager to grant special use permits for the temporary use of real property owned by the City for a period not to exceed one (1) year, without appraisal of the value of the property or public auction, for any purpose compatible with the zoning of the land, and on such terms and for such rentals as the Council shall determine.

22.05.135 Acquisition of Real Property.

(a) The City, by authorization of the City Council, expressed in a resolution for such purpose, may lease, purchase or acquire an interest in real property needed for a public purpose on such terms and conditions as the Council shall determine. No purchase shall be made until a qualified independent appraiser has appraised the property and given the Council an opinion as to the fair market value of the land unless the Council, upon resolution so finding, determines that the public interest will not be served by an appraisal.

(b) Rights-of-way and easements may be accepted or issued by the City Manager after approval by the City Council for utility lines and services of all types and for necessary rights-of-way easements. This requirement does not apply to rights-of-way or easements dedicated through the City and Borough platting process.



Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3073-2019

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING A GRANT FROM THE STATE OF ALASKA FOR THE PURCHASE OF LIBRARY BOOKS.

WHEREAS, the City of Kenai received a grant from the State of Alaska, Department of Education and Early Development for the purchase of library books; and,

WHEREAS, it is in the best interest of the City of Kenai to appropriate these grant funds for the purpose intended.

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 a grant from the State of Alaska, Department of Education and Early Development in the amount of \$7,000 for the purchase of library books and to execute grant agreements and to expend the grant 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 – Library – State Grants	<u>\$7,000</u>
Increase Appropriations – Library - Books	<u>\$7,000</u>

Section 3. That the City Manager is authorized to accept a grant and expend the funds to fulfill the purpose of this Ordinance.

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 21st day of August, 2019.

BRIAN GABRIEL SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

Approved by Finance: 

Introduced: August 7, 2019
Enacted: August 21, 2019
Effective: August 21, 2019



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Mary Jo Joiner, Library Director
DATE: July 19, 2019
SUBJECT: **Ordinance 3073-2019**

The library has been awarded the annual public library assistance grant by the Alaska State Library. As per the grant award, the amount of \$7,000 is to be used for the purchase of books and should be deposited in account 001-440-4666.

The library director completes an application each year in order to receive these funds. Certain minimum standards must be met in order to receive this grant. These include reporting requirements on expenditures and collection statistics, number of hours that the library is open to the public, minimum educational requirements for the Library Director and continuing education requirements.

Your consideration is appreciated.





THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Education
& Early Development

DIVISION OF LIBRARY, ARCHIVES & MUSEUMS

P.O. Box 110571
Juneau, Alaska 99811-0571
Main: 907.465.4837
Fax: 907.465.2151

The **Public Library Assistance (PLA)** grant for FY2020 for **Kenai Community Library** will be **\$7,000**. We are delighted that your library is eligible to receive this annual operating grant so that you can provide the best possible service to your library patrons.

In order to receive your grant money, please return the attached grant agreement as soon as you can. Two different people (the librarian and the appropriate legal authority) must sign the grant agreement, since it is a legal document committing your library to certain obligations in return for receiving the public library assistance grant. Once we have your agreement, we will electronically deposit your grant award (or mail a paper check in specific instances).

The FY2020 Public Library Assistance grant year starts July 1, 2019. Librarians and officials should carefully note and follow the regulations governing the administration of this grant. To remain eligible for the grant, the library **MUST**:

- Submit the online Alaska Public Library Report by September 1, 2020.
- Spend **at least \$3,500** on library materials and online services.
- Be open the appropriate number of hours for your population.
- Be open **at least 48 weeks**.
- Schedule five hours during evenings and/or weekends each week.
- Have **trained** paid or volunteer staff on duty in the library during **all** open hours.
- Combined school/public libraries must take special care to **not** use grant money or local funds used as matching money for *school library or curriculum support purposes*. This includes purchasing school-type library materials (books, magazines, etc.). These funds must be used for the purchase of public library-type materials.

Each library director is required to attend **at least 6 hours of continuing education** (CE) during the current two year cycle, which includes FY2020 and FY2021 (July 2019 through June 2021). If you attended continuing education during FY2019, do be sure to record that training on your FY2019 Alaska Public Library Report.

The State Library audits the records of selected libraries at the end of the grant year and reclaims any grant funds not properly accounted for. Also, any portion of this grant money not spent or encumbered by June 30, 2020 should be returned to the State Library. You may request an extension to spend unused FY2020 public library grant funds.

You may contact me at: tracy.swaim@alaska.gov or 907-465-1018 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracy Swaim".

Tracy Swaim
Alaska State Library, Grants & Data Coordinator



Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3074-2019

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS BY \$1,504.82 IN THE FY2019 GENERAL FUND – POLICE DEPARTMENT FOR STATE TRAFFIC GRANT OVERTIME EXPENDITURES.

WHEREAS, the Kenai Police Department joins with other law enforcement agencies statewide to support Alaska Highway Safety Office (AHSO) traffic safety programs to reduce fatalities and injuries on roadways; and,

WHEREAS, AHSO traffic-related overtime funds require no local match and allow the department to provide specific traffic safety patrols; and,

WHEREAS, actual AHSO overtime expenditures for traffic safety patrols totaled \$1,504.82 from May 13, 2019 to June 3, 2019; and,

WHEREAS, overtime for these additional traffic safety patrols was not budgeted and the department is requesting appropriation into the FY19 overtime budget equal to the amount of AHSO grant funding received.

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 grant funds from the State of Alaska in the amount of \$1,504.82 and to expend grant funds to fulfill the purpose and intent of this ordinance.

Section 2. That the Fiscal Year 2019 estimated revenues and appropriations be increased as follows:

General Fund:

Increase Estimated Revenues –	
State Grants - Police–	<u>\$1,504.82</u>
Increase Appropriations –	
Police - Overtime	<u>\$1,504.82</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. The appropriation and transfer shall be made effective June 30, 2019 and shall be considered an action of Fiscal year 2019.

ENACTED 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

Approved by Finance: 

Introduced: August 7, 2019
Enacted: August 21, 2019
Effective: August 21, 2019



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: David Ross, Police Chief
DATE: 7-22-2019
SUBJECT: **Ordinance No. 3074-2019 - Ordinance accepting and appropriating Alaska Highway Safety Office grant funds for Police Overtime**

The Kenai Police Department continues to participate in traffic enforcement overtime patrols, reimbursed to the City of Kenai through a grant by the Alaska Highway Safety Office (AHSO). These overtime patrols were not budgeted in the FY19 budget.

Actual overtime costs for traffic enforcement around the Memorial Day holiday, that qualifies for AHSO reimbursement, was \$1,504.82.

AHSO – overtime reimbursements are deposited into the general fund. I would respectfully request appropriation to the police overtime account for FY19.





Sponsored by: Administration

CITY OF KENAI

ORDINANCE NO. 3077-2019

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE WATER & SEWER SPECIAL REVENUE AND WATER & SEWER IMPROVEMENTS CAPITAL PROJECT FUNDS FOR ENGINEERING AND DESIGN SERVICES TO RELOCATE WELL HOUSE #1 WHICH WAS DAMAGED BY THE NOVEMBER 30, 2018 MAGNITUDE 7.0 SOUTHCENTRAL ALASKA EARTHQUAKE.

WHEREAS, a magnitude 7.0 earthquake struck Southcentral Alaska on November 30, 2018 causing damage to the City's Well House #1; and,

WHEREAS, the administration has determined that Well House #1 should be relocated and the production well abandoned rather than being reconstructed; and,

WHEREAS, arsenic in the water produced from Well #1 exceeds current regulatory levels and the production of Well #1 has declined to insignificant levels; and,

WHEREAS, Well #1 is currently and has been off line for years allowing for its decommissioning; and,

WHEREAS, the City insured Well House #1 for replacement cost which also provides for reconstruction on an alternate site; and,

WHEREAS, the City's insurer, Alaska Public Entity Insurance, has retained Nelson Engineering to provide design documents for the disassembly and reconstruction of the well house; and,

WHEREAS, the City will be responsible for some costs associated with reconstruction of the building on an alternate site and the requested funds will allow Nelson Engineering to prepare site specific design sheets for reconstruction at the Well #2, near Beaver Loop off Shotgun Drive, site; and,

WHEREAS, once designed, Nelson Engineering will provide engineer estimates for the project including the City's share for which an Ordinance will be prepared requesting funding for the remainder of the project.

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:

Water & Sewer Special Revenue Fund:	
Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$10,000</u>
Increase Appropriations –	
Transfer to Other Funds	<u>\$10,000</u>
Water & Sewer Improvements Capital Project Fund:	
Increase Estimated Revenues –	
Transfer from Other Funds	<u>\$10,000</u>
Increase Appropriations –	
Construction	<u>\$10,000</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 21st day of August, 2019.

BRIAN GABRIEL SR., MAYOR

ATTEST:

Jamie Heinz, CMC, City Clerk

Approved by Finance: 

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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Terry Eubank, Finance Director
DATE: July 30, 2019
SUBJECT: **Ordinance No. 3077-2019**

The purpose of this memo is to recommend adoption of Ordinance 3077-2019 that will provide funding for site specific design for the relocation of Well House #1 which was damaged by the magnitude 7.0 earthquake which struck Southcentral Alaska on November 30, 2018.

The City insurance on the damaged facility will provide for total replacement cost at the existing site or reconstruction on an alternate site of the City's choosing. The City will be responsible for the incremental costs of moving to an alternate site vs reconstruction on the existing site. The administration has determined that Well #1 should be decommissioned and the building relocated to the Well #2, at Beaver Loop and Shotgun Drive, site.

The City's insurer, Alaska Public Entity Insurance, has contracted with Nelson Engineering to provide design and bid ready documents for the building disassembly and reconstruction. Nelson Engineering performed the original damage assessment at the site. The City will provide funding for design of site specific sheets for reconstruction at the Well #2 site with the requested \$10,000.

Once design is complete, cost estimates will be prepared and subsequent legislation will be prepared authorizing completion of the project and providing supplemental funding for the City's deductible and the incremental costs associated with reconstruction on an alternate site. Your support for Ordinance 3077-2019 is respectfully requested.





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council

THROUGH: Paul Ostrander, City Manager

FROM: Elizabeth Appleby, City Planner

DATE: July 29, 2019

SUBJECT: **Action/Approval – Special Use Permit for Kenai Chamber of Commerce and Visitor Center for the Moosemeat John Cabin**

The Kenai Chamber of Commerce and Visitor Center has requested a Special Use Permit to use and operate the Moosemeat John Cabin located on approximately 10,000 square feet (100 feet x 100 feet) of Lot 1, Gustly Subdivision No. 8, a City-owned parcel upon which the Kenai Visitor and Cultural Center is also located. Since 2013, the Kenai Chamber of Commerce and Visitor Center has allowed the use of the Moosemeat John Cabin during the summer months by the Kenai Historical Society in conjunction with its operations in Old Town Kenai. The Kenai Chamber of Commerce operated on the premises from 1977 until 2012. In 2012, the Kenai Chamber of Commerce merged with the Kenai Convention and Visitor's Bureau to form the new entity, "Kenai Chamber of Commerce and Visitor Center".

A Special Use Permit that was granted for the use of the Moosemeat John Cabin between August 2018 and July 2019 has expired. The Kenai Chamber of Commerce and Visitor Center would like a Special Use Permit for the same use of the Moosemeat John Cabin for August 2019 to July 2020. The Kenai Chamber of Commerce and Visitor Center complied with the terms of the Special Use Permit for the Moosemeat John Cabin for August 2018 to July 2019.

If the City Council approves the attached Special Use Permit with Kenai Chamber of Commerce and Visitor Center for the Moosemeat John Cabin, the City Manager may sign the Special Use Permit granting the continued use of the cabin by the Kenai Chamber on behalf of the City.

Attachment

cc: Kenai Chamber of Commerce and Visitor Center



SPECIAL USE PERMIT

The CITY OF KENAI (City), for the consideration, and pursuant to the conditions set out below, hereby grants the Kenai Chamber of Commerce and Visitor Center (PERMITTEE) the right to use the Premises, identified on the attached Exhibit A to this Permit, and described as:

The southeast 100 foot x 100 foot portion of Lot 1, Gusty Subdivision, Addition No. 8, Kenai Recording District, according to Plat No. 91-9,

to use and operate the "Moosemeat John" Cabin.

1. **Use/Term.** Permittee shall have use of the Premises on the 8th day of August 2019 through the 30th day of July 2020.
2. **Fee.** The Permittee shall not be charged a fee for the use or privilege specified herein.
3. **No Exclusivity.** The use by the Permittee of the Premises is limited to the purposes specified herein and is not intended to grant any exclusive use to the described Premises except as otherwise provided herein. This use is also subject to City, Borough, and State laws and regulations and the reasonable administrative actions of the City for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities.
4. **Improvements.** Permittee shall not make any permanent improvements to the Premises.
5. **Preparation of Premises.** It is Permittee's responsibility to prepare the Premises and to assure itself to its own satisfaction that the Premises are safe for its purposes. The City does not make any warranty or guaranty of the suitability of the Premises for Permittee's intended purposes.
6. **Trash and Debris.** The Premises must be returned to its original condition at the end of each use. Clean up and/or repair charges beyond normal wear and tear will be billed to Permittee based upon cost of repair. Debris and trash shall be collected and removed from the Premises by Permittee. Permittee shall alert City (Parks and Recreation Department) of unsightly, unsanitary, dirty or other conditions on the Premises which exist prior to Permittee's use.
7. **No Alcohol or Illegal Substances.** No possession or consumption of alcoholic beverages, marijuana or illegal substances is permitted on the Premises.
8. **No Joint Venture.** The 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.
9. **Personalty.** Any or all personal property placed or used upon lands or in facilities may be removed and/or impounded by the City, 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 its invitees to the Premises.

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 Premises. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on the Premises and its exercise of the privileges granted in this Permit.
11. **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.
12. **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 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. 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 prior to any use.

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.

- 13. **No Discrimination.** Permittee will not discriminate on the grounds of race, color, religion, national origin, ancestry, age, or sex against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or State law. Permittee recognizes the right of the City to take any action necessary to enforce this requirement.
- 14. **Contact Information.** The Contact information for the Permittee, and the person in responsible charge for Permittee during the term of the Permit, for purposes of notice and all communications from City to Permittee is:

Johna Beech
 President/Chief Operating Officer
 Kenai Chamber of Commerce & Visitor Center
 11471 Kenai Spur Hwy.
 Kenai, AK 99611

- 15. **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. This shall be a continuing obligation and shall remain in effect after termination of this Permit.
- 16. **Authority.** By signing this Permit, Permittee represents that it has read this agreement and it agrees to be bound by the terms and conditions herein and that the person signing this Permit is duly authorized by the organization to bind the organization hereunder.

CITY OF KENAI

KENAI CHAMBER OF COMMERCE & VISITOR CENTER

By: _____

By: _____

Paul Ostrander
City Manager

Date

_____(Title)

Date

ACKNOWLEDGMENTS

STATE OF ALASKA)

) ss

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2019, the foregoing instrument was acknowledged before me by Paul Ostrander, City Manager of the City of Kenai, Alaska, an Alaska home rule municipality, 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 _____, 2019, the foregoing instrument was acknowledged before me by _____ (Title) on behalf of _____.

Notary Public for Alaska

My Commission Expires: _____

ATTEST:

Jamie Heinz, CMC, City Clerk

SEAL:

APPROVED AS TO FORM:

Scott M. Bloom, City Attorney



**Moosemeat John Cabin
Special Use Permit**

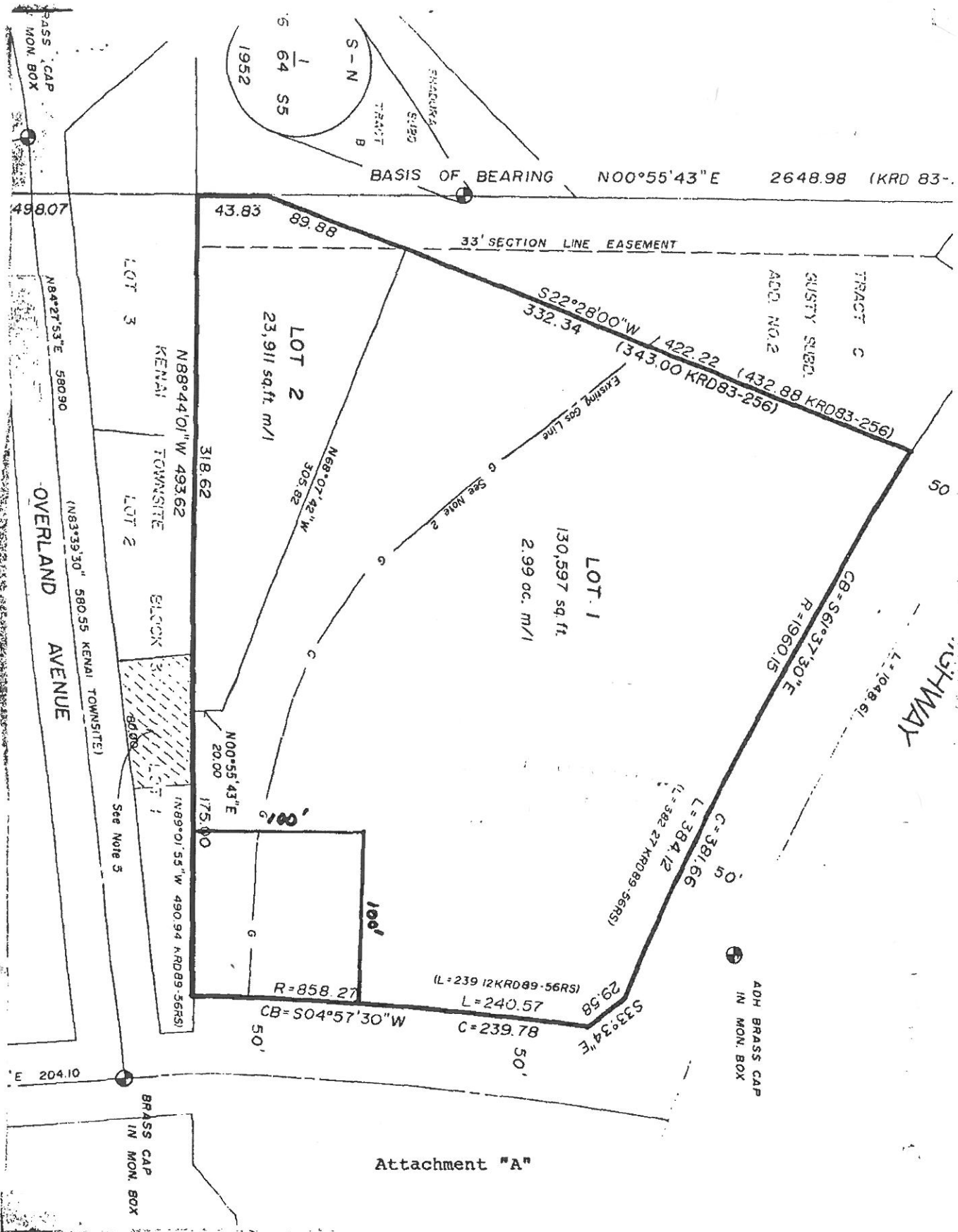
**Southeast 100 ft x 100 ft
portion of
Lot 1, Gusty Subd,
Addition No. 8**

Exhibit A



The information depicted here on is for graphic representation only of the best available sources. The City of Kenai assumes no responsibility for errors on this map.

Date: 7/28/2019



**KENAI AIRPORT COMMISSION
REGULAR MEETING
JUNE 13, 2019 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
CHAIR GLENDA FEEKEN, PRESIDING**

MEETING SUMMARY

1. CALL TO ORDER

Chair Feeken called the meeting to order at 6:02 p.m.

a. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

b. Roll was confirmed as follows:

Commissioners Present: G. Feeken, P. Minelga, K. Dodge, D. Pitts

Commissioners Absent: J. Bielefeld, J. Zirul

Staff/Council Liaison Present: Airport Manager M. Bondurant, Airport Assistant E. Brincefield, Council Member J. Glendening

A quorum was present.

c. Agenda Approval

MOTION:

Commissioner Minelga **MOVED** to approve the agenda with the addition of item 6.f. – Consideration of a Special Use Permit to Weaver Brothers for storage; Commissioner Dodge **SECONDED** the motion. There were no objections; **SO ORDERED**.

2. SCHEDULED PUBLIC COMMENT – None.

3. UNSCHEDULED PUBLIC COMMENT – None.

4. APPROVAL OF MEETING SUMMARY

a. March 14, 2019

MOTION:

Commissioner Dodge **MOVED** to approve the meeting summary of March 14, 2019 and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED**.

b. April 11, 2019

MOTION:

Commissioner Dodge **MOVED** to approve the meeting summary of April 11, 2019 and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED.**

5. UNFINISHED BUSINESSa. **Discussion** – FY2020 Budget

The Airport Manager reported the FY2020 budget had been passed noting areas where the budget had been cut to comply with the reduction requirement.

It was noted the airport should focus on economic development. There was discussion regarding the condition of Willow Street and clarification was provided that the matter had been submitted to the Public Works Department.

6. NEW BUSINESSa. **Discussion/Recommendation** – Special Use Permit to Alaska Air Fuel, Inc.**MOTION:**

Commissioner Pitts **MOVED** to approve the Special Use Permit to Alaska Air Fuel, Inc. and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED.**

b. **Discussion/Recommendation** – Special Use Permit to Crowley Fuels, LLC**MOTION:**

Commissioner Dodge **MOVED** to approve the Special Use Permit to Crowley Fuels, LLC and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED.**

c. **Discussion/Recommendation** – Special Use Permit to Empire Airlines, Inc.**MOTION:**

Commissioner Minelga **MOVED** to approve the Special Use Permit to Empire Airlines, Inc. and Commissioner Dodge **SECONDED** the motion. There were no objections; **SO ORDERED.**

d. **Discussion/Recommendation** – Special Use Permit to Everts Air Fuel, Inc.**MOTION:**

Commissioner Minelga **MOVED** to approve the Special Use Permit to Everts Air Fuel, Inc. and Commissioner Dodge **SECONDED** the motion. There were no objections; **SO ORDERED.**

e. **Discussion/Recommendation** – Special Use Permit to United Parcel Service Co.**MOTION:**

Commissioner Pitts **MOVED** to approve the Special Use Permit to United Parcel Service Co. and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED.**

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

f. **Discussion/Recommendation** – Special Use Permit to Weaver Brothers

MOTION:

Commissioner Pitts **MOVED** to approve the Special Use Permit to Weaver Brothers and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED.**

7. REPORTS

a. Airport Manager

Airport Manager Bondurant reported on the recent TSA inspection, the upcoming certification inspection, and the recent Air Fair.

b. City Council Liaison

Council Member Glendening reported on past Council Meeting actions.

8. NEXT MEETING ATTENDANCE NOTIFICATION – July 11, 2019

9. COMMISSIONER COMMENTS AND QUESTIONS

Commissioner Pitts noted the Terminal Rehabilitation Project was likely trying for tenants.

Commissioner Feecken asked if any leases were remaining that were not aviation related.

Commissioner Minelga noted The Upper Deck tenants would like to be able to turn the volume for the speaker down.

10. ADDITIONAL PUBLIC COMMENT – None.

11. INFORMATION ITEMS

- a. April 2019 Mid-Month Report
- b. May 2019 Mid-Month Report
- c. FAA Alaskan Region Airport Division Airport Improvement Program FY1982-FY2018
- d. April 2019 Kenai Historical Society Newsletter
- e. May 7, 2019 FAA Letter on Unmanned Aircraft Systems
- f. April 2019 Enplanements
- g. 2019 Float Plane Basin Activity

12. ADJOURNMENT

MOTION:

Commissioner Minelga **MOVED** to adjourn and Commissioner Dodge **SECONDED** the motion. There were no objections; **SO ORDERED**.

Meeting summary prepared and submitted by:

Jamie Heinz
City Clerk

DRAFT

**KENAI AIRPORT COMMISSION
REGULAR MEETING
JULY 11, 2019 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
CHAIR GLENDA FEEKEN, PRESIDING**

MEETING SUMMARY

1. CALL TO ORDER

Chair Feeken called the meeting to order at 6:01 p.m.

a. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

b. Roll was confirmed as follows:

Commissioners Present: G. Feeken, P. Minelga, K. Dodge, D. Pitts

Commissioners Absent: J. Bielefeld, J. Zirul

Staff/Council Liaison Present: Airport Manager M. Bondurant, Airport Assistant E. Brincefield, City Manager P. Ostrander, Assistant to the City Manager C. Cunningham

A quorum was present.

c. Agenda Approval

MOTION:

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

2. SCHEDULED PUBLIC COMMENT – None.

3. UNSCHEDULED PUBLIC COMMENT – None.

4. APPROVAL OF MEETING SUMMARY

a. June 13, 2019

MOTION:

Commissioner Minelga **MOVED** to approve the meeting summary of June 13, 2019 and Commissioner Dodge **SECONDED** the motion. There were no objections; **SO ORDERED.**

5. UNFINISHED BUSINESS – None.

6. NEW BUSINESS

a. Discussion/Recommendation – Land Sale Leasing Program Presentation.

City Manager Ostrander and Assistant to City Manager Cunningham presented on proposed changes to the Land Sale Leasing Policy noting the administration was striving for uniform policies for both leasing and sale.

7. REPORTS

a. Airport Manager

Airport Manager Bondurant reported on the following:

- The Terminal Rehabilitation Project was moving along;
- The Airfield Marking Project would begin in the coming weeks;
- The FAA Certification Inspection went well; reported on corrective items;
- The Field of Flowers sign was completed;
- The Wildlife Refuge / State Parks display in the terminal was to be updated.

b. City Council Liaison

None.

8. NEXT MEETING ATTENDANCE NOTIFICATION – August 8, 2019

9. COMMISSIONER COMMENTS AND QUESTIONS

Commissioner Minelga thanked the City Manager and Assistant to the City Manager for their presentation.

Commissioner Dodge echoed appreciation for the presentation; looking forward to a streamlined process.

Commissioner Pitts noted he was glad SOAR was moving forward with another lease application.

10. ADDITIONAL PUBLIC COMMENT – None.

11. INFORMATION ITEMS

- a. June 2019 Mid-Month Report
- b. July 2019 Mid-Month Report
- c. May 2019 Enplanements
- d. 2019 Float Plane Basin Activity
- e. Airport Bulletin 10-2019 Security Awareness

12. ADJOURNMENT

MOTION:

Commissioner Minelga **MOVED** to adjourn and Commissioner Dodge **SECONDED** the motion.

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

Meeting summary prepared and submitted by:

Jamie Heinz
City Clerk

DRAFT

**KENAI HARBOR COMMISSION
JUNE 10, 2019 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
CHAIR MIKE DUNN, PRESIDING**

MEETING SUMMARY

1. CALL TO ORDER

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

a. Pledge of Allegiance

Chair Dunn led those assembled in the Pledge of Allegiance.

b. Roll Call

Roll was confirmed as follows:

Commissioners present: Chair M. Dunn, Vice-Chair C. Crandall, B. Peters, G. Greenberg, J. Desimone

Commissioners absent: N. Berga, C. Hutchison

Staff/Council Liaison present: Public Works Director S. Curtin, Administrative Assistant K. Feltman, Council Member J. Glendinging

A quorum was present.

c. Agenda Approval

MOTION:

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

2. SCHEDULED PUBLIC COMMENTS – (10 minutes) None scheduled.

3. UNSCHEDULED PUBLIC COMMENT – None.

4. APPROVAL OF MEETING SUMMARY

a. May 13, 2019

MOTION:

Commissioner Peters **MOVED** to approve the meeting summary of May 13, 2019; and Commissioner Crandall **SECONDED** the motion. There were no objections; **SO ORDERED**.

5. UNFINISHED BUSINESS – None.

6. NEW BUSINESS

a. **Discussion/Recommendation** – FY21, FY22 Capital Improvement Project List

The Public Works Director provided an overview of what qualified as a Capital Improvement Project and each project submitted; also noted the earthquake damage to the dock was to be repaired in FY20.

There was discussion regarding the priority of each project.

MOTION:

Commissioner Desimone **MOVED** to recommend priority #1 be float replacement, priority #2 be operational dock cranes, priority #3 be dock dredging, priority #4 be safety, and priority #5 be concrete boat ramps; Commissioner Crandall **SECONDED** the motion. There were no objections; **SO ORDERED.**

7. REPORTS

- a. **Public Works Director** – S. Curtin reported on the following:
 - Special Use Permit being developed for dock crane use;
 - South Spruce Street, Dock Road, and the dock area had been maintained in preparation for the dipnet fishery;
 - Recruiting temporary hires for the dipnet fishery;
 - Noted the upcoming Kite Festival.
- b. **Commission Chair** – No report.
- c. **City Council Liaison** – J. Glendening encouraged everyone complete the Dock & Harbor Use Survey, suggested a Bluff Erosion Project update be provided at the next meeting, noted the Title 11 rewrite was with the City Attorney and 90% completed, and provided an overview of the June 5th City Council meeting.

8. NEXT MEETING ATTENDANCE NOTIFICATION – August 12, 2019

9. COMMISSIONER COMMENTS AND QUESTIONS

Commissioner Peters thanked those that attended the meeting, noted he was looking forward to the Kite Festival, and was looking forward to an update on the Bluff Erosion Project.

Commissioner Crandall noted he attended the City Council meeting which the U.S. Coast Guard representative provided a report regarding their presence together with Fish & Game's presence during the dipnet fishery; added the U.S. Coast Guard would provide a report at the end of the fishery to offer recommendations for improvement.

Commission Chair Dunn thanked all for participating.

10. ADDITIONAL PUBLIC COMMENT – None.

11. INFORMATION ITEMS – None.

12. ADJOURNMENT

MOTION:

Commissioner Peters **MOVED** to adjourn and Commissioner Crandall **SECONDED** the motion. There were no objections; **SO ORDERED**.

There being no further business before the Commission, the meeting was adjourned at 7:30 p.m.

Meeting summary prepared and submitted by:

Jamie Heinz
City Clerk

DRAFT



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Mary Bondurant, Airport Manager
DATE: July 8, 2019
SUBJECT: **July Mid-month Report**

2018 Terminal Rehabilitation Project – Construction: This project is well underway and all areas of the terminal are experiencing some form of construction.

2019 Airfield Marking, Crack Sealing, & Pavement Repair – This project was bid and awarded at the June 5, 2019 City Council meeting. The project will start as soon as the FAA grant is received. Project consists of crack sealing, seal coating, and airfield marking.

2019 Alaska Fire Training Facility Rehabilitation – This project will be bid late July, early August with construction to start in late fall 2019.

2019 Acquire Aircraft Rescue & Firefighting Trucks (ARFF) – Airport Administration is working with FAA to secure funding to replace the 1998 ARFF vehicles used at the Alaska Fire Training Facility.

In-house Activities –

Airport Operations continues summer maintenance, wildlife hazing, fence maintenance, brush cutting, etc.

Compliance with Security Directive 1542-18-01A – Airport Administration was required by TSA to write a Law Enforcement Officer (LEO) training program on airport security program responsibilities for the Kenai Police Department. A training program was written, approved by TSA, and all KPD officers completed the training.



Runway Safety Action Team – Meeting is scheduled for Tuesday, July 30 in the Kenai City Council Chambers at 2:30pm. These meetings are held at Towered airports annually to improve surface safety. This gives airfield users that are actively involved in air traffic operations and movement of aircraft, operating vehicles and equipment on the airport operations area a chance to discuss ways to enhance surface safety at the Kenai Airport.

Tri-annual Mass Casualty – A requirement of CFR 139.325 for a holder of a Class 1 Airport Operating Certificate is a full-scale airport emergency plan exercise at least once every 36 consecutive calendar months. This drill is scheduled for October 2, 2019.



FLOAT PLANE BASIN ACTIVITY 2015-2019

OPERATIONS

Month	2019	2018	2017	2016	2015
MAY	64	39	23	44	57
JUNE	117	139	106	85	124
JULY		261	144	151	164
AUGUST		164	103	191	148
SEPTEMBER		156	107	115	71
OCTOBER		47	6	CLSD	17
NOVEMBER		CLSD	CLSD	CLSD	CLSD
Total	181	806	489	586	581

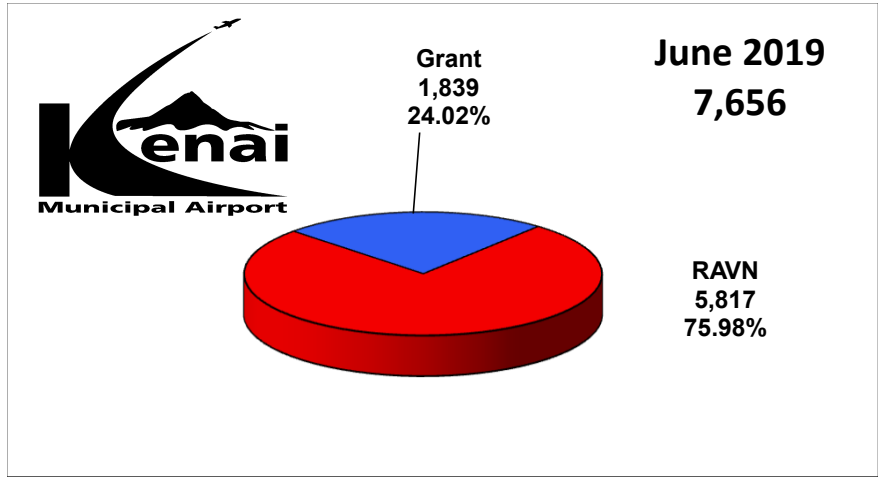
0 not reported

FUEL SALES

Month	2019	2018	2017	2016	2015
MAY	\$1,685	\$134	\$784	\$1,175	\$8
JUNE	\$5,870	\$3,203	\$3,423	\$1,656	\$0
JULY		\$3,635	\$3,420	\$3,036	\$1,873
AUGUST		\$5,890	\$4,325	\$3,647	\$1,710
SEPTEMBER		\$5,590	\$4,901	\$3,830	\$1,380
OCTOBER		\$1,060	\$583	CLSD	\$553
Total	\$7,555.00	\$19,512	\$17,436	\$13,344	\$5,524

Slips Rented

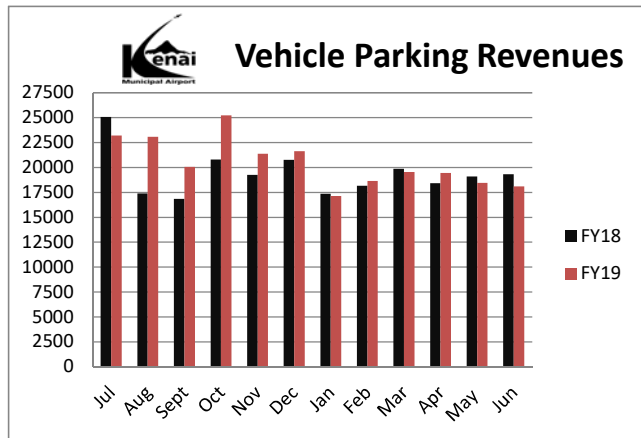
Private	4
Commerical	0



Month	RAVN ALASKA	GRANT AVIATION	Total 2019	2018	Change from 2018
January	5,248	1,537	6,785	6,148	637
February	4,573	1,384	5,957	5,651	306
March	4,941	1,867	6,808	6,999	-191
April	4,702	1,739	6,441	6,383	58
May	5,330	1,868	7,198	7,501	-303
June	5,817	1,839	7,656	8,048	-392
July				10,568	
August				11,485	
September				7,990	
October				7,433	
November				6,905	
December				7,016	
Totals	30,611	10,234	40,845	92,127	115

Terminal - Vehicle Parking Revenues

June			
FY18	\$19,113	FY18 Total	\$232,372
FY19	\$18,112	FY19 YTD	\$245,918





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
THROUGH: Dave Ross, Police Chief
FROM: Jessica "JJ" Hendrickson, Animal Control Chief
DATE: July 8, 2019
SUBJECT: **June 2019 Monthly Report**

This month the Kenai Animal Shelter took in **77** animals. Animal intake and disposition:

DOGS:				
	INTAKE	22	DISPOSITION	19
	Waiver	4	Adopted	6
	Stray	10	Euthanized	0
	Impound	1	Claimed	13
	Protective Custody	3	Field Release	0
	Quarantine	2	Transferred to Rescue	0
	Other Intakes	2	Other Dispositions	0
CATS:				
	INTAKE	47	DISPOSITION	44
	Waiver	37	Adopted	16
	Stray	9	Euthanized	2
	Impound	0	Claimed	2
	Protective Custody	0	Field Release	0
	Quarantine	0	Transferred to Rescue	24
	Other Intakes	1	Other Dispositions	0
OTHER ANIMALS:				
	INTAKE	8	DISPOSITION	6
	Bird	2	Bird	2
	Tortoise	1	Tortoise	1
	Guinea Pig	4	Guinea Pig	2



	Rabbit	1	Rabbit	1
DOA:		2	OTHER STATISTICS:	
	Dog	2	Licenses (City of Kenai Dog Licenses)	21
	Cat	2	Microchips (Dog and Cat)	2

- 0** Citations
- 6** Animal dropped with After Hours (days we are closed but cleaning and with KPD)
- 73.33** Volunteer Hours Logged
- 30** Animals are *known* borough animals
- 25** Field Investigations & patrols

Statistical Data:

- 403** 2017 YTD Intakes
- 366** 2018 YTD Intakes
- 438** 2019 YTD Intakes





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Terry Eubank, Finance Director
DATE: August 1, 2019
SUBJECT: Finance Department, July 2019 Mid-month Report

In preparation for the 2019 Personal Use Fishery, the department assured all shacks were online and ready to process transactions, software enhancements were complete, the Dipnet App was updated and City Hall was prepared for daily reconciling activities. The department successfully recruited for shack operators independent of Parks & Recreation for the first time. The success of this recruitment may lead to future changes in staffing and recruitment of fishery workers.

With the completion of the budget the department's focus has switched to closing of FY19 and completion of the City's Comprehensive Annual Financial Report. This process includes closing of the FY19 financial records, fiscal year end grant reporting and finally financial statement preparation. The annual audit is scheduled for the week of October 7th.

The Department's IT Intern has been a huge help in deployment and operations of Personal Use Fishery shacks as well as assisting other IT projects. Wiring of the Public Safety Building for deployment of cameras is nearly complete.

The Department is preparing to provide telephone and internet service to the Kenai Visitor Center with project completion date of August 15th.





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Terry Eubank, Finance Director
DATE: July 15, 2019
SUBJECT: Quarterly Financial Report for the quarter ended June 30, 2019.

Attached is a quarterly financial report for the General Fund, Personal Use Fishery Fund, Airport Fund, Water/Sewer Fund, and Senior Fund as of June 30, 2019. This report is essentially on a cash basis, so there are accounts that may not look reasonable.

In the General Fund for example, sales and property tax revenue only includes payments made to the City by the Borough through May. The second calendar quarter 2018 sales tax filings and tax payments are not represented in the balances. FY2019 revenue amounts will not be accurate for a few months because of the delay in receipt of the payments.

State and Federal is below budget in all funds because of PERS aid. The State doesn't actually give us any money. Instead they make an 'on-behalf' payment to the pension system. Similarly we have not booked expenditures for the PERS the State is covering, so the Non-Departmental department is way under budget. At year-end we will record revenue and expenditures for these items.

The actual financial performance of each fund will be presented when the City's Comprehensive Annual Financial Report is completed. This report will be on the modified accrual basis for Governmental Funds and will show a more accurate picture of each funds financial performance for FY2019. The report is expected in November after completion of the annual audit the second week of October and will be presented to Council in early December.



**Quarterly General Fund
Expenditure Report
For Quarter Ended June 30, 2019**

	FY2018 <u>Actual</u>	Original * FY2019 <u>Budget</u>	Amended <u>Budget</u>	YTD <u>Actual</u>	Variance	%
REVENUES						
Appropriation of Fund Balance	\$ -	\$ 1,024,939	\$ 1,037,439	\$ 668,232	\$ (369,207)	64.41%
Taxes	10,722,698	10,980,713	10,980,713	9,718,945	(1,261,768)	88.51%
Licenses/Permits and Ambulance	580,156	528,000	528,000	537,773	9,773	101.85%
State/Federal	740,441	885,464	1,070,877	491,910	(578,967)	45.94%
Dock/Multipurpose/Miscellaneous	152,902	119,500	119,500	138,074	18,574	115.54%
Fines and Forfeitures	67,347	93,000	121,759	92,076	(29,683)	75.62%
Interest and Miscellaneous	316,871	531,741	637,791	1,015,279	377,488	159.19%
Transfers/Central Admin Fees	<u>2,103,951</u>	<u>2,020,420</u>	<u>2,020,420</u>	<u>1,618,593</u>	<u>(401,827)</u>	<u>80.11%</u>
Total Revenues	<u>14,684,366</u>	<u>16,183,777</u>	<u>16,516,499</u>	<u>14,280,882</u>	<u>(2,235,617)</u>	<u>86.46%</u>
EXPENDITURES & TRANSFERS						
General Government						
01 City Clerk	\$ 247,305	\$ 311,005	\$ 312,555	\$ 297,654	\$ 14,901	4.77%
11 Legislative	158,693	174,150	174,150	162,742	11,408	6.55%
12 Legal	297,294	359,998	359,998	324,945	35,053	9.74%
13 City Manager	327,461	352,446	352,446	333,877	18,569	5.27%
14 Human Resources	-	169,809	169,809	113,141	56,668	33.37%
15 Finance	635,325	709,531	709,531	665,614	43,917	6.19%
16 Land Administration	1,333	24,337	29,337	12,831	16,506	56.26%
18 Non-Departmental	478,599	903,077	910,577	456,163	454,414	49.90%
19 Planning and Zoning	198,156	226,876	226,876	207,110	19,766	8.71%
20 Safety	<u>3,760</u>	<u>19,150</u>	<u>20,040</u>	<u>890</u>	<u>19,150</u>	<u>95.56%</u>
Total General Government	<u>2,347,926</u>	<u>3,250,379</u>	<u>3,265,319</u>	<u>2,574,967</u>	<u>690,352</u>	<u>21.14%</u>
Public Safety						
21 Police	2,852,647	3,107,201	3,244,300	2,969,270	275,030	8.48%
22 Fire	3,052,652	3,171,122	3,178,590	2,887,100	291,490	9.17%
23 Communications	788,262	858,551	858,551	784,724	73,827	8.60%
29 Animal Control	<u>381,856</u>	<u>422,192</u>	<u>423,692</u>	<u>398,265</u>	<u>25,427</u>	<u>6.00%</u>
Total Public Safety	<u>7,075,417</u>	<u>7,559,066</u>	<u>7,705,133</u>	<u>7,039,359</u>	<u>665,774</u>	<u>8.64%</u>
Public Works						
31 Public Works Administration	196,415	185,811	185,811	137,879	47,932	25.80%
32 Shop	617,384	669,652	669,652	593,519	76,133	11.37%
33 Streets	961,944	1,077,437	1,077,437	805,655	271,782	25.22%
34 Buildings	320,542	386,950	399,060	332,621	66,439	16.65%
35 Street Lighting	173,925	172,819	176,396	157,297	19,099	10.83%
60 Dock	<u>52,665</u>	<u>74,783</u>	<u>71,206</u>	<u>34,245</u>	<u>36,961</u>	<u>51.91%</u>
Total Public Works	<u>2,322,875</u>	<u>2,567,452</u>	<u>2,579,562</u>	<u>2,061,216</u>	<u>518,346</u>	<u>20.09%</u>
Parks and Recreation & Culture						
03 Visitor Center	179,048	180,251	180,251	172,829	7,422	4.12%
40 Library	893,001	892,033	887,283	813,915	73,368	8.27%
# Parks, Recreation & Beautification	<u>1,009,708</u>	<u>1,112,167</u>	<u>1,276,522</u>	<u>1,050,183</u>	<u>226,339</u>	<u>17.73%</u>
Total Parks and Recreation & Culture	<u>2,081,757</u>	<u>2,184,451</u>	<u>2,344,056</u>	<u>2,036,927</u>	<u>307,129</u>	<u>13.10%</u>
Total Operating Expenditures	<u>13,827,975</u>	<u>15,561,348</u>	<u>15,894,070</u>	<u>13,712,469</u>	<u>2,181,601</u>	<u>13.73%</u>
Transfer to other funds						
Street Improvement Capital Project Fund	75,172	200,000	200,000	200,000	-	0.00%
Senior Center Impr. Capital Projects	-	45,670	45,670	34,500	11,170	24.46%
Kenai Recreation Center Capital Project Fund	-	27,500	27,500	27,500	-	0.00%
New City Shop Capital Project Fund	35,000	-	-	-	-	-
Public Safety Building Capital Proj. Fund	120,000	35,000	35,000	35,000	-	-
Kenai Animal Shelter Capital Proj. Fund	35,000	-	-	-	-	-
Cemetery Improvements Capital Proj. Fund	250,000	-	-	-	-	-
Senior Citizen Special Revenue Fund	176,739	170,857	170,857	128,142	42,715	25.00%
Debt Service	<u>142,002</u>	<u>143,402</u>	<u>143,402</u>	<u>143,271</u>	<u>131</u>	<u>0.09%</u>
Total Transfer to other funds	<u>833,913</u>	<u>622,429</u>	<u>622,429</u>	<u>568,413</u>	<u>54,016</u>	<u>8.68%</u>
Total Expenditures & Transfers	<u>14,661,888</u>	<u>16,183,777</u>	<u>16,516,499</u>	<u>14,280,882</u>	<u>2,235,617</u>	<u>13.54%</u>
Net Revenues over(under) Expenditures	<u>\$ 22,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Note: The original budget includes outstanding encumbrances at 6/30/2018.

**Quarterly Personal Use Fishery Fund
Expenditure Report
For Quarter Ended June 30, 2019**

	<u>FY2018 Actual</u>	<u>Original * FY2019 Budget</u>	<u>Amended Budget</u>	<u>YTD Actual</u>	<u>Variance</u>	<u>%</u>
<u>REVENUES</u>						
Appropriation of Fund Balance	\$ -	\$ 17,182	\$ 17,182	\$ 98,950	\$ 81,768	475.89%
Beach Parking	174,614	175,000	175,000	118,307	(56,693)	-32.40%
Beach Camping	210,269	225,000	225,000	129,939	(95,061)	-42.25%
Dock Launch & Park	111,528	115,000	115,000	91,358	(23,642)	-20.56%
Dock Parking Only	12,009	15,000	15,000	9,547	(5,453)	-36.35%
Participant Drop-off Fee	7,481	8,000	8,000	5,943	(2,057)	-25.71%
Interest Earnings	1,522	750	750	-	(750)	-100.00%
PERS Grant	1,546	4,169	4,169	-	(4,169)	-100.00%
Credit Card Fees	674	(1,500)	(1,500)	(3,250)	(1,750)	116.67%
Total Revenue	<u>519,643</u>	<u>558,601</u>	<u>558,601</u>	<u>450,794</u>	<u>(107,807)</u>	<u>-19.30%</u>
<u>EXPENDITURES</u>						
Public Safety	\$ 114,542	\$ 96,686	\$ 96,686	\$ 92,165	\$ 4,521	4.68%
Streets	32,938	61,066	60,484	41,924	18,560	30.69%
Boating Facility	56,380	72,137	72,137	44,164	27,973	38.78%
Parks, Recreation & Beautification	225,445	328,712	329,294	272,541	56,753	17.23%
Total Expenditures	<u>429,305</u>	<u>558,601</u>	<u>558,601</u>	<u>450,794</u>	<u>107,807</u>	<u>19.30%</u>
Net Revenues over Expenditures	<u>\$ 90,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2018.

**Quarterly Airport Fund
Expenditure Report
For Quarter Ended June 30, 2019**

	FY2018 Actual	Original * FY2019 Budget	Amended Budget	YTD Actual	Variance	%
<u>REVENUES</u>						
Appropriation of Fund Balance	\$ -	\$ -	\$ 1,836,787	\$ 1,437,004	\$ (399,783)	0.00%
State/Federal	21,891	36,385	36,385	-	(36,385)	0.00%
Interest , Leases & Fees	797,425	716,745	716,745	733,445	16,700	102.33%
Terminal Revenues	701,429	748,025	748,025	690,483	(57,542)	92.31%
Landing Fees	401,556	432,500	432,500	383,580	(48,920)	88.69%
Transfers In	<u>1,210,348</u>	<u>1,230,025</u>	<u>1,230,025</u>	<u>1,203,690</u>	<u>(26,335)</u>	<u>97.86%</u>
Total Revenues	<u>3,132,649</u>	<u>3,163,680</u>	<u>5,000,467</u>	<u>4,448,202</u>	<u>(552,265)</u>	<u>88.96%</u>
<u>EXPENDITURES & TRANSFERS</u>						
Terminal Area	\$ 578,328	\$ 630,109	\$ 627,241	\$ 521,685	\$ 105,556	16.83%
Airfield	1,631,810	1,731,779	1,801,476	1,663,968	137,508	7.63%
Administration	287,537	596,199	334,406	287,704	46,702	13.97%
Other Buildings & Areas	199,008	(68,278)	173,948	147,115	26,833	15.43%
Training Facility	<u>36,125</u>	<u>38,474</u>	<u>259,409</u>	<u>257,009</u>	<u>2,400</u>	<u>0.93%</u>
Total Expenditures	<u>2,732,808</u>	<u>2,928,283</u>	<u>3,196,480</u>	<u>2,877,481</u>	<u>318,999</u>	<u>9.98%</u>
Transfer to other funds						
Airport Improvement Capital Projects	<u>397,157</u>	<u>233,221</u>	<u>1,803,987</u>	<u>1,570,721</u>	<u>233,266</u>	<u>0.00%</u>
Total Transfer to other funds	<u>397,157</u>	<u>233,221</u>	<u>1,803,987</u>	<u>1,570,721</u>	<u>233,266</u>	<u>12.93%</u>
Total Expenditures & Transfers	<u>3,129,965</u>	<u>3,161,504</u>	<u>5,000,467</u>	<u>4,448,202</u>	<u>552,265</u>	<u>11.04%</u>
Net Revenues over Expenditures	<u>\$ 2,684</u>	<u>\$ 2,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2018.

**Quarterly Water Sewer Fund
Expenditure Report
For Quarter Ended June 30, 2019**

	FY2018 Actual	Original * FY2019 Budget	Amended Budget	YTD Actual	Variance	%
<u>REVENUES</u>						
Appropriation of Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
State/Federal	17,347	33,668	33,668	-	(33,668)	0.00%
Water/Sewer Fees	2,796,242	2,863,453	2,863,453	2,814,357	(49,096)	98.29%
Penalty and Interest	36,959	43,250	43,250	43,414	164	100.38%
Interest and Miscellaneous	<u>36,550</u>	<u>19,000</u>	<u>19,000</u>	<u>5,882</u>	<u>(13,118)</u>	<u>30.96%</u>
Total Revenues	<u>2,887,098</u>	<u>2,959,371</u>	<u>2,959,371</u>	<u>2,863,653</u>	<u>(95,718)</u>	<u>96.77%</u>
<u>EXPENDITURES & TRANSFERS</u>						
Water	\$ 841,231	\$ 967,771	\$ 980,271	\$ 849,050	\$ 131,221	13.39%
Sewer	310,002	499,384	499,384	372,926	126,458	25.32%
Wastewater Treatment Plant	<u>1,116,312</u>	<u>1,208,057</u>	<u>1,208,057</u>	<u>1,061,277</u>	<u>146,780</u>	<u>12.15%</u>
Total Expenditures	<u>2,267,545</u>	<u>2,675,212</u>	<u>2,687,712</u>	<u>2,283,253</u>	<u>404,459</u>	<u>15.05%</u>
Transfer to other funds -						
Water & Sewer Capital Projects	<u>146,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfer to other funds	<u>146,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers	<u>2,413,738</u>	<u>2,675,212</u>	<u>2,687,712</u>	<u>2,283,253</u>	<u>404,459</u>	<u>15.05%</u>
Net Revenues over Expenditures	<u>\$ 473,360</u>	<u>\$ 284,159</u>	<u>\$ 271,659</u>	<u>\$ 580,400</u>	<u>\$ 308,741</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2018.

**Quarterly Senior Fund
Expenditure Report
For Quarter Ended June 30, 2019**

	FY2018 <u>Actual</u>	Original * FY2019 <u>Budget</u>	Amended <u>Budget</u>	YTD <u>Actual</u>	<u>Variance</u>	<u>%</u>
<u>REVENUES</u>						
Appropriation of Fund Balance	\$ -	\$ 24,354	\$ 24,354	\$ 61,750	\$ 37,396	253.55%
State Grants	198,577	203,626	203,626	181,305	(22,321)	89.04%
USDA Grant	18,958	15,000	15,000	14,464	(536)	96.43%
Choice Waiver	195,012	200,000	200,000	150,831	(49,169)	75.42%
KPB Grant	126,207	126,207	126,207	126,207	-	100.00%
United Way	9,598	15,000	15,000	3,631	(11,369)	24.21%
Rents & Leases	8,324	13,000	13,000	8,174	(4,826)	62.88%
Miscellaneous Donations	40,797	25,000	28,500	4,279	(24,221)	15.01%
Donations - Senior Connection	50,000	50,000	50,000	100,000	50,000	200.00%
Meal Donations	82,836	82,500	82,500	67,998	(14,502)	82.42%
Ride Donations	6,870	7,000	7,000	4,215	(2,785)	60.21%
Transfer from General Fund - Operations	176,739	170,857	170,857	128,143	(42,714)	75.00%
Transfer from General Fund - Capital	-	45,670	11,170	-	(11,170)	0.00%
Other	(40)	300	300	35	(265)	11.67%
Total Revenues	<u>913,878</u>	<u>978,514</u>	<u>947,514</u>	<u>851,032</u>	<u>(96,482)</u>	<u>89.82%</u>
<u>EXPENDITURES & TRANSFERS</u>						
Senior Citizen Access	\$ 157,065	\$ 157,364	\$ 157,364	\$ 133,262	\$ 24,102	15.32%
Congregate Meals	220,661	285,370	253,495	219,263	34,232	13.50%
Home Meals	205,563	209,875	210,750	191,445	19,305	9.16%
Senior Transportation	80,086	81,234	81,234	78,080	3,154	3.88%
Choice Waiver	250,503	244,671	244,671	228,982	15,689	6.41%
Total Expenditures	<u>913,878</u>	<u>978,514</u>	<u>947,514</u>	<u>851,032</u>	<u>96,482</u>	<u>10.18%</u>
Transfer to other funds -	-	-	-	-	-	-
Total Transfer to other funds	-	-	-	-	-	-
Total Expenditures & Transfers	<u>913,878</u>	<u>978,514</u>	<u>947,514</u>	<u>851,032</u>	<u>96,482</u>	<u>10.18%</u>
Net Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

* Note: The original budget includes outstanding encumbrances at 6/30/2017.



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Terry Eubank, Finance Director
DATE: July 15, 2019
SUBJECT: June 2019 Quarterly Investment Report

City of Kenai Investment Portfolio

On June 30, 2019 the City had investments with a market value of \$21,345,244 that is down from \$22,280,896 on March 31, 2019. The City's portfolio is yielding 2.19% that is down from 2.24% on March 31, 2019.

City's Investment Portfolio

US Agency Securities	\$ 2,522,705
AML Investment Pool	470,479
Wells Fargo Money Market	1,165,162
FDIC Insured Certificates of Deposit	16,077,640
Bank Balance	<u>1,109,258</u>
Total	\$ <u>21,345,244</u>

Permanent Fund Investments

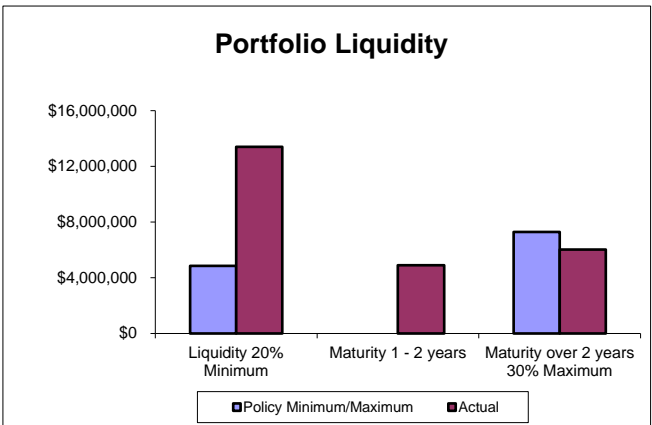
The second quarter 2019 saw a continued rally in the equity markets and no change in the Federal Funds Rate. Analysts predict a Federal Funds Rate decrease in July. Equities propelled the portfolio to a return of 10.82% for calendar year 2019. Since inception the portfolio has returned 8.08%. As of June 30, 2019 the portfolio value was \$28,132,512, comprised of \$24,731,367 (87.91%) Airport Land Sale Permanent Fund, \$3,248,893 (11.55%) General Land Sale Permanent Fund monies, and \$152,252 (0.54%) Kenai Community Foundation holdings.



CITY OF KENAI
INVESTMENT PORTFOLIO SUMMARY
June 30, 2019

	June 30, 2019 Fair Market Value	Current Yield
Cash & Cash Equivalents		
Wells Fargo Checking	\$ 1,109,258	0.40%
Wells Fargo Secured Money Market	1,165,162	2.24%
FDIC Insured Certificates of Deposit	16,077,640	2.39%
Alaska Municipal League Investment Pool	470,479	2.34%
Total Cash & Cash Equivalents	18,822,539	2.26%
Government Securities		
Maturities Less than 1 Year	-	0.00%
Maturities 1 to 2 Years	2,522,705	1.64%
Maturities Greater than 2 Years	-	0.00%
Total Government Securities	2,522,705	1.64%
Total Portfolio	\$ 21,345,244	2.19%

Investment Portfolio - Purchase Price	\$ 20,394,240
Investment Portfolio - Fair Value 06/30/18	20,134,606
Fair Value Adjustment - 06/30/18	(259,634)
Fair Value Adjustment thru - 6/30/19	269,386
Cummulative Change in Fair Value	\$ 9,752

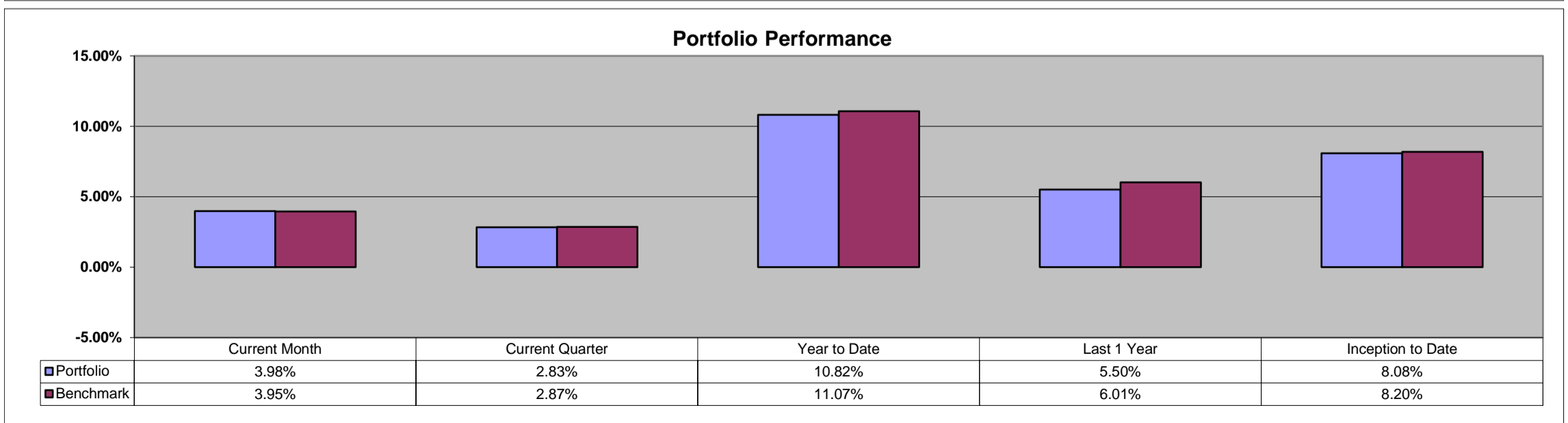
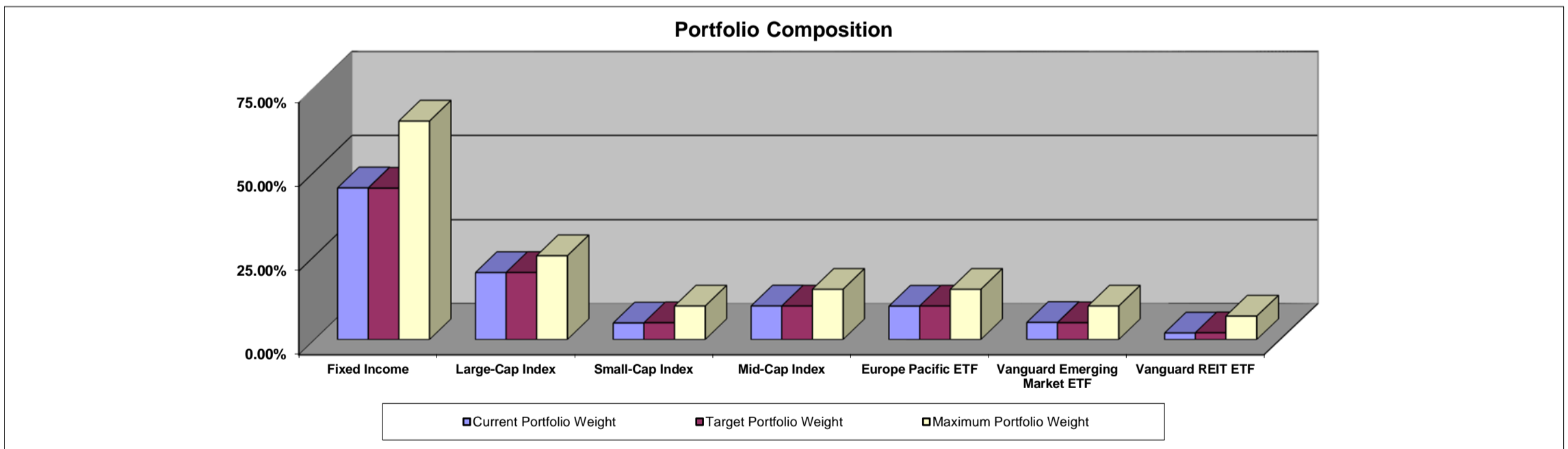


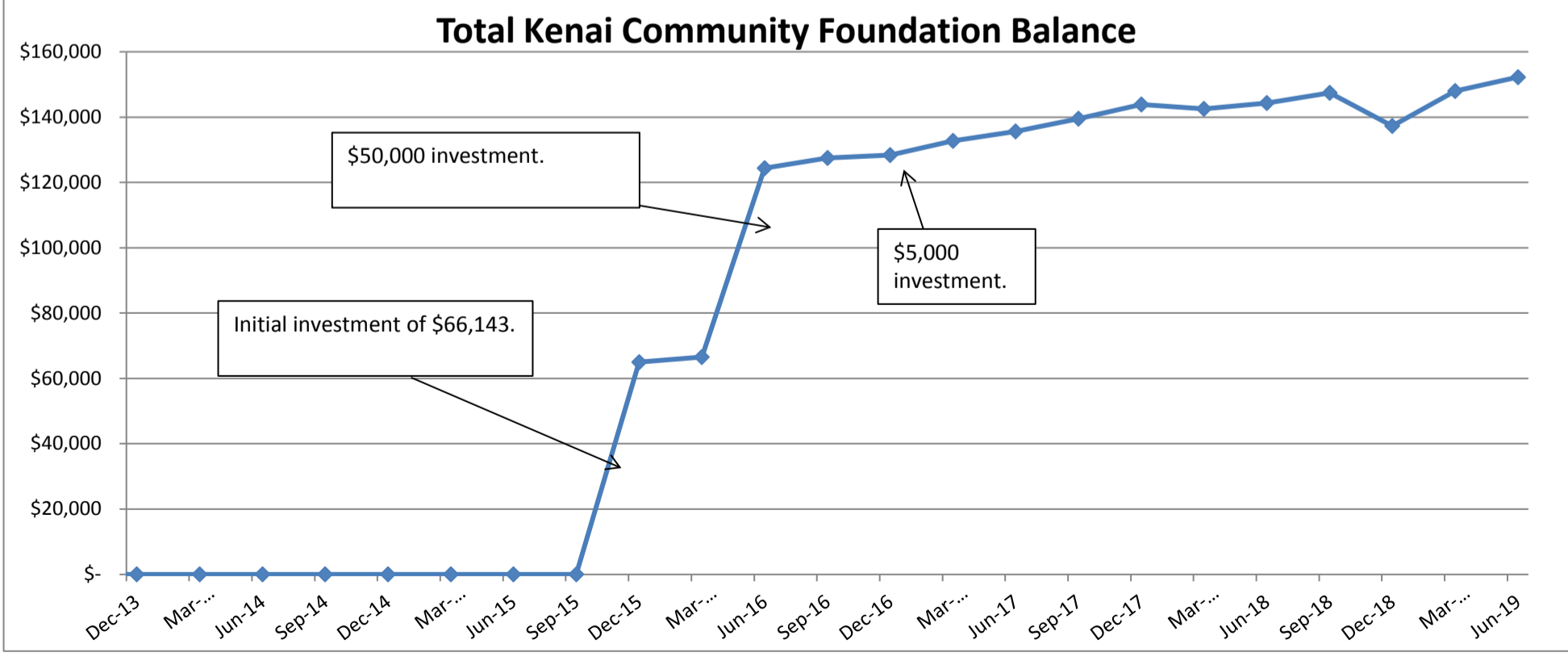
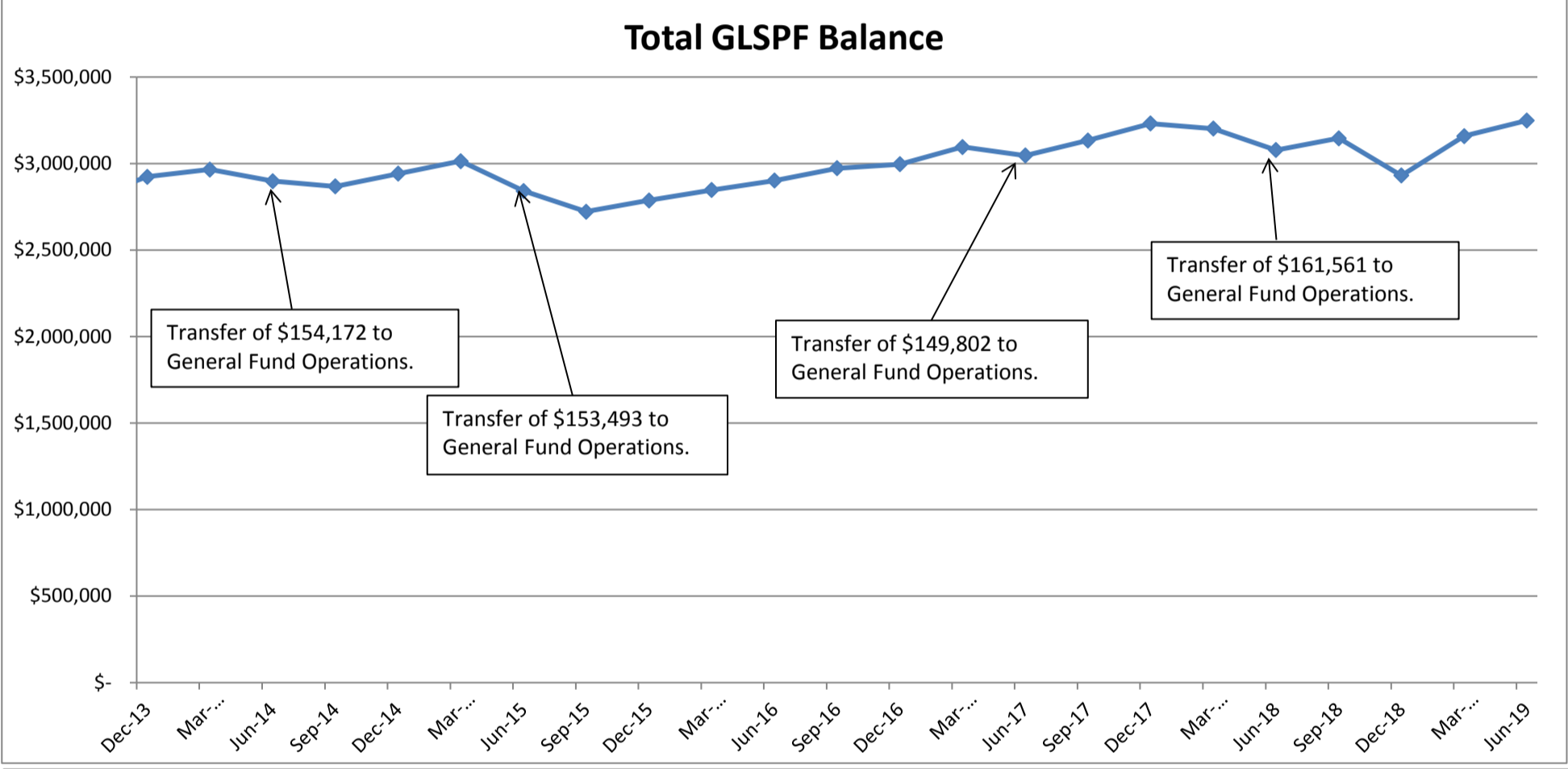
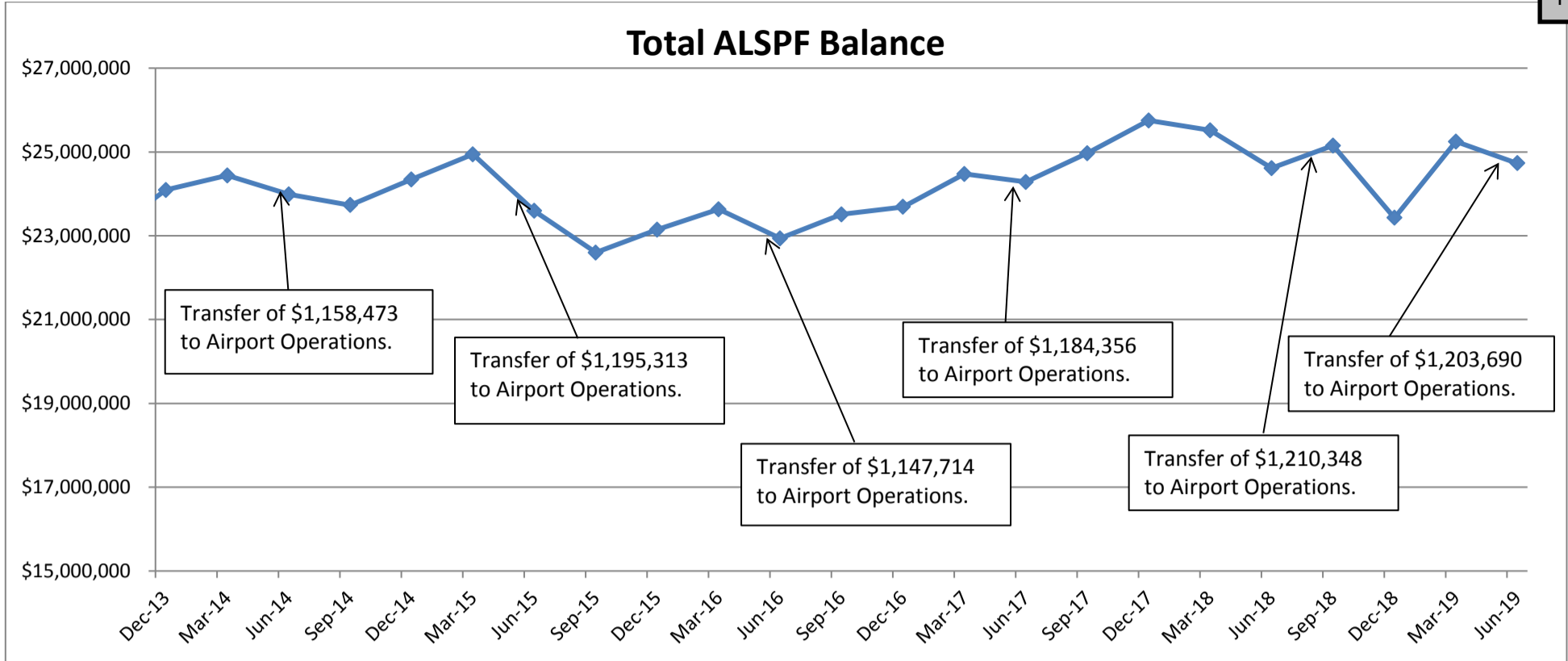
CITY OF KENAI
INVESTMENTS
6/30/2019

SECURITY	Expected Call or Maturity	CUSIP	original cost	Current year cost or 06/30/18 Market Value	06/30/19 Market Value	Unrealized Gain or Loss	Accrued Interest	EFFECT. RATE
FHLMC 1.70 8/24/20	1 TIME 5/24/18 w/ 5 days	3134GBMD1	1,000,000	978,760.00	997,600.00	18,840.00	5,997.22	1.700
FNMA 1.375 3/30/21	9/30/2016 Quarterly w/10 days. Step 3/17 1.50, 3/18 1.75, 3/19 2.0, 3/20 3.25	3136G3DV4	500,000	485,080.00	498,500.00	13,420.00	1,737.85	2.000
FNMA 1.50 5/25/21	11/25/2016 Quarterly w/10 days.	3136G3MW2	502,479	481,300.00	494,930.00	13,630.00	750.00	1.500
TVA 3.875 2/15/21	Bullet	880591EL2	555,678	514,815.00	515,870.00	1,055.00	7,319.44	1.370
TOTAL			2,558,156.88	2,459,955.00	2,506,900.00	46,945.00	15,804.51	1.643
FDIC Insured CD's	CD - 12/31/10							
2.45 GMATBK 5/3/21		57803	245,082	245,082.23	246,109.85	1,027.62	986.71	2.450
3.55 AXP 12/4/23		27471	249,998	249,998.13	254,721.60	4,723.47	643.38	3.160
2.45 BWW 5/10/22		35141	245,000	245,000.00	246,325.45	1,325.45	855.15	2.450
2.50 BOBIN 7/31/19		33681	245,000	245,000.00	245,044.10	44.10	4,077.74	2.500
3.10 BANK MIDWEST CD 9/15/23		5170	245,000	245,000.00	250,130.30	5,130.30	2,205.67	3.100
2.60 OZK 11/4/19		110	245,000	245,000.00	245,369.95	369.95	471.21	2.600
2.45 SONHBT 5/23/22		24540	245,000	245,000.00	246,332.80	1,332.80	131.56	2.450
1.60 BPRN 10/28/19		58513	245,000	242,040.40	244,532.05	2,491.65	42.96	1.600
2.30 BACR 10/18/22		57203	245,000	236,385.80	244,605.55	8,219.75	1,142.44	2.300
2.85 BAY ST. SVGS BK 4/6/20		90311	245,000	245,000.00	246,271.55	1,271.55	478.25	2.850
1.65 BHLB 10/28/19		23621	245,000	242,199.65	244,563.90	2,364.25	730.97	1.650
2.4 COF 4/19/22		33954	247,000	240,825.00	247,995.41	7,170.41	1,185.60	2.400
2.4 COF 8/30/22		4297	245,000	237,809.25	245,656.60	7,847.35	1,949.26	2.400
1.65 CATY 10/28/19		18503	245,000	242,199.65	244,573.70	2,374.05	44.30	1.650
2.60 CENBKK 6/18/20		35450	245,000	245,000.00	245,999.60	999.60	226.88	2.600
3.15 CFBANK 9/18/23		28263	245,000	245,000.00	250,632.55	5,632.55	274.87	3.150
3.30 C 9/7/23		7213	245,000	245,000.00	252,053.55	7,053.55	2,569.48	3.300
1.70 ADS 8/28/19		57570	245,000	242,885.65	244,757.45	1,871.80	34.23	1.700
1.65 CWBKNA 12/30/19		57176	247,000	243,549.41	246,424.49	2,875.08	357.30	1.650
2.75 DISCOVER BANK 9/21/20		5649	245,000	245,000.00	246,685.60	1,685.60	1,919.73	2.750
2.55 CMS 1/18/22		57293	245,000	240,724.75	246,908.55	6,183.80	256.75	2.550
2.55 FRMRBT 3/19/20		1291	245,000	245,000.00	245,656.60	656.60	205.40	2.550
2.60 FRSTFD 1/10/20		58647	245,000	245,000.00	245,595.35	595.35	2,984.30	2.600
2.85 FIBIND 6/30/20		34607	245,000	245,000.00	246,643.95	1,643.95	593.03	2.850
1.60 FRME 12/30/19		4365	247,000	243,369.10	246,362.74	2,993.64	346.48	1.600
2.30 FINN 02/21/20		5452	245,000	243,576.55	245,225.40	1,648.85	154.38	2.300
2.70 FRC 7/7/20		59017	245,000	245,000.00	246,308.30	1,308.30	2,102.30	2.700
3.10 SRCE 10/21/22		9087	245,000	245,000.00	250,808.95	5,808.95	2,122.44	3.100
2.65 First St Bk Bigfork		10991	245,000	245,000.00	245,622.30	622.30	195.66	2.650
2.80 FIRST WESTN TR BK		57607	245,000	245,000.00	246,225.00	1,225.00	187.95	2.800
2.35 GS 8/30/22		33124	245,000	237,333.95	245,281.75	7,947.80	1,908.65	2.350
2.30 HSBC 7/14/22		57890	245,000	237,341.30	244,982.85	7,641.55	2,593.64	2.300
2.55 HAFC 10/21/19		24170	245,000	245,000.00	245,281.75	281.75	171.16	2.550
2.60 IBKC 3/23/20		28100	245,000	245,000.00	245,747.25	747.25	1,780.11	2.600
1.65 ILBKIL 10/31/19		33708	245,000	242,177.60	244,568.80	2,391.20	343.34	1.650
2.30 KENNEB 08/24/20		17897	245,000	242,243.75	245,333.20	3,089.45	1,991.55	2.300
1.65 KEY 10/25/19		17534	245,000	242,226.60	244,568.80	2,342.20	742.05	1.650
2.60 LSAVBK 1/3/20		253	245,000	245,000.00	245,580.65	580.65	3,123.92	2.600
2.25 MBFI 2/14/20		3628	245,030	243,432.00	245,151.90	1,719.90	256.75	2.250
1.70 MSBKGR 10/24/19		5766	245,000	242,395.65	244,622.70	2,227.05	79.88	1.700
2.40 MERBKB 7/30/19		57777	245,000	245,000.00	245,022.05	22.05	3,930.74	2.400
1.70 MERICK 8/30/19		34519	245,000	242,868.50	244,752.55	1,884.05	365.15	1.700
2.65 Metabank Sioux Falls SD		30776	245,000	245,000.00	245,433.65	433.65	4,037.80	2.650
2.60 MS 2/15/22		32992	245,000	240,996.70	247,236.85	6,240.15	2,373.48	2.600
1.75 MS 9/30/19		34221	245,000	242,981.20	244,757.45	1,776.25	1,444.83	1.700
2.05 NTLNYC 8/30/22		18734	245,000	234,438.05	243,040.00	8,601.95	440.33	2.050
3.40 NCBSVG 12/21/23		32612	247,234	247,233.86	253,219.75	5,985.89	228.22	3.220
2.75 NEWBUF 1/17/20		31257	245,000	245,000.00	245,835.45	835.45	258.42	2.750
2.15 NRTHFL 10/25/22		28710	245,000	234,842.30	243,390.35	8,548.05	966.91	2.150
2.80 ORIENTAL BANK 9/14/20		31469	245,000	245,000.00	246,805.65	1,805.65	2,086.19	2.800
2.80 SALLMA 4/17/24		58177	245,000	247,737.69	246,771.35	(966.34)	1,409.59	2.590
2.10 SMARTB 11/27/19		58463	245,000	243,436.90	244,958.35	1,521.45	42.29	2.100
1.75 SOWNAT 5/8/20		4801	245,000	240,563.05	244,105.75	3,542.70	270.17	1.750
2.75 SBIIN 02/16/23		33682	245,000	239,877.05	247,572.50	7,695.45	2,491.95	2.750
2.35 SYF 10/20/22		27314	245,000	236,856.20	244,980.40	8,124.20	1,135.73	2.350
2.15 EVER 10/28/22		34775	245,000	234,785.95	243,360.95	8,575.00	894.75	2.150
2.05 THFDLS 10/27/21		30012	245,000	237,356.00	244,039.60	6,683.60	894.42	2.050
1.60 TWNBK 10/28/19		18487	245,000	242,040.40	244,532.05	2,491.65	42.96	1.600
3.00 TOWN 9/27/21		35095	245,000	245,000.00	249,184.60	4,184.60	1,953.29	3.000
2.80 UBS 9/14/20		57565	245,000	245,000.00	246,810.55	1,810.55	319.51	2.800
2.45 UMPQ 7/31/19		17266	245,000	245,000.00	245,034.30	34.30	3,996.18	2.450
3.25 VYSTAR CREDIT UNION 12/11/20		68490	245,000	245,000.00	248,719.10	3,719.10	676.27	3.250
1.70 WEX 10/18/19		34697	245,000	242,449.55	244,625.15	2,175.60	844.41	1.700
2.00 WFC 10/27/22		3511	245,000	240,016.70	244,843.20	4,826.50	872.60	2.000
2.50 ZION 8/14/19		2270	245,000	245,000.00	245,058.80	58.80	3,842.81	2.500
TOTAL FDIC Insured CD's			15,938,344.43	15,791,276.52	15,999,353.24	208,076.72	78,286.43	2.390
WELLS MONEY MKT			1,160,659.20	1,160,659.20	1,160,659.20	-	4,502.94	2.240
AML POOL - City ACCT	Agreed to Amlip		470,019.46	470,019.46	470,019.46	-	459.51	2.340
	Agreed to GL		20,127,179.97	19,881,910.18	20,136,931.90	255,021.72	99,053.39	
WF Cash	Agreed to WF		1,109,258.00	1,109,258.00	1,109,258.00	-	-	0.400
TOTAL			21,236,437.97	20,991,168.18	21,246,189.90	255,021.72	99,053.39	
		MONTHS			9,751.93			
TOTAL CURRENT YIELD								2.1929%
	Max/Min	Return	Actual	Difference				
Maturity over 2 years 30% Maximum	6,373,856.97	2.5849%	5,934,075	439,781.51	OK			
Liquidity 20% Minimum	4,249,237.98	2.0039%	10,831,798	(6,582,560.26)	OK			
Maturity 1 - 2 years		2.1307%	4,480,316					
		2.1929%	21,246,190					

**CITY OF KENAI
PERMANENT FUND
INVESTMENT PORTFOLIO SUMMARY
June 30, 2019**

	Fair Market Value					Current or Average Yield	Current Portfolio Weight	Target Weight	Portfolio Maximum
	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19				
Fixed Income									
Cash & Cash Equivalents	1,403,998	90,388	1,661,032	1,545,212	1,431,086	2.24%	5.09%		
Total Cash & Cash Equivalents	1,403,998	90,388	1,661,032	1,545,212	1,431,086				
Government & Corporate Securities									
Government Securities	5,372,788	7,514,414	5,874,888	6,821,504	9,265,968	2.26%	32.94%		
Corporate Securities	5,577,526	5,166,325	5,153,955	4,570,777	1,984,868	2.93%	7.06%		
Total Government & Corporate Securities	10,950,314	12,680,739	11,028,843	11,392,281	11,250,836	2.54%	40.00%		
Total Fixed Income	12,354,312	12,771,127	12,689,875	12,937,493	12,681,922	2.53%	45.09%	45.00%	65.00%
Equities									
Domestic Equities									
Large-Cap Index	5,579,731	5,702,415	5,007,131	5,751,108	5,619,537		19.98%	20.00%	25.00%
Small-Cap Index	1,412,562	1,402,625	1,170,059	1,323,301	1,385,556		4.93%	5.00%	10.00%
Mid-Cap Index	2,802,375	2,819,740	2,416,173	2,807,855	2,818,713		10.02%	10.00%	15.00%
Total Domestic Equities	9,794,668	9,924,780	8,593,363	9,882,264	9,823,806		34.93%	35.00%	50.00%
International Equities									
Europe Pacific ETF	2,957,795	2,893,212	2,577,221	2,845,695	2,800,691		9.96%	10.00%	15.00%
Vanguard Emerging Market ETF	1,588,428	1,451,135	1,321,379	1,449,173	1,432,090		5.09%	5.00%	10.00%
Total International Equities	4,546,223	4,344,347	3,898,600	4,294,868	4,232,781		15.05%	15.00%	25.00%
Real Estate									
Vanguard REIT ETF	1,140,300	1,410,465	1,315,599	1,443,620	546,130		1.94%	2.00%	7.00%
Total Real Estate	1,140,300	1,410,465	1,315,599	1,443,620	546,130		1.94%	2.00%	7.00%
Infrastructure									
Flexshares Stoxx Global Broad Infrastructure	-	-	-	-	847,875		3.01%	3.00%	8.00%
Total Infrastructure	-	-	-	-	847,875		3.01%	3.00%	8.00%
Total Equities	15,481,191	15,679,592	13,807,562	15,620,752	15,450,592				
Total Portfolio	27,835,503	28,450,719	26,497,437	28,558,245	28,132,514	10.82%	100.02%	100.00%	155.00%
Total ALSPF Balance	24,612,777	25,156,764	23,429,629	25,251,842	24,731,368				
Total GLSPF Balance	3,078,461	3,146,501	2,930,478	3,158,393	3,248,893				
Total Kenai Community Foundation	144,265	147,454	137,330	148,011	152,252				





CITY OF KENAI PERMANENT FUNDS

Account Statement - Period Ending June 30, 2019

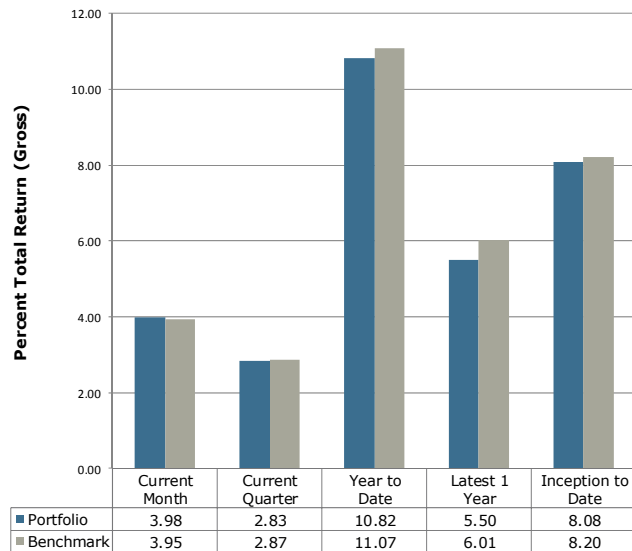
ACCOUNT ACTIVITY

Portfolio Value on 05-31-19	27,053,909
Contributions	0
Withdrawals	-900
Change in Market Value	923,396
Interest	29,440
Dividends	125,137

Portfolio Value on 06-30-19 28,130,983

INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend

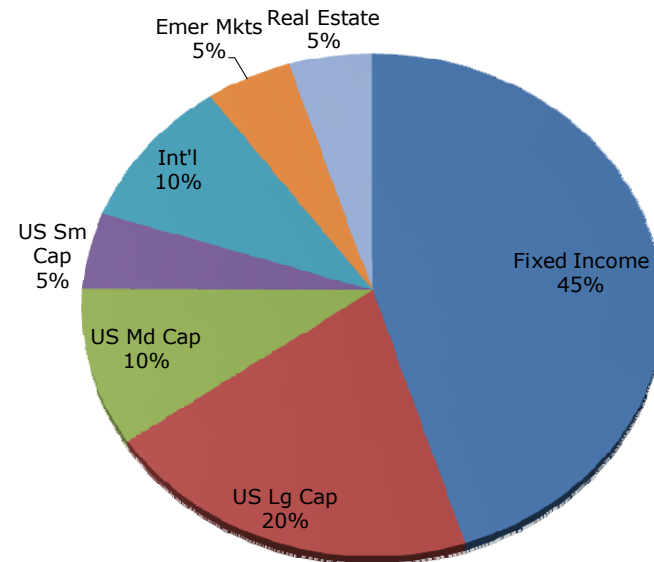


Performance is Annualized for Periods Greater than One Year

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA®
Contact Phone Number:	907/272 -7575

PORTFOLIO COMPOSITION



Clients are encouraged to compare this report with the official statement from their custodian.

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (45%)			
US Fixed Income (40.0%)	11,237,988	39.9	35% to 65%
Cash (5.0%)	1,462,947	5.2	0% to 10%
Subtotal:	12,700,936	45.1	
EQUITY (50%)			
US Large Cap (20.0%)	5,598,992	19.9	15% to 25%
US Mid Cap (10.0%)	2,818,713	10.0	5% to 15%
US Small Cap (5.0%)	1,385,556	4.9	0% to 10%
Developed International Equity (10.0%)	2,800,691	10.0	5% to 15%
Emerging Markets (5.0%)	1,432,090	5.1	0% to 10%
Subtotal:	14,036,042	49.9	
ALTERNATIVE INVESTMENTS (5%)			
Real Estate (2.0%)	546,130	1.9	0% to 5%
Infrastructure (3.0%)	847,875	3.0	0% to 6%
Subtotal:	1,394,005	5.0	
TOTAL PORTFOLIO	28,130,983	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
19,493	FHLMC POOL G14203 4.000% Due 04-01-26	104.56	20,383	104.09	20,290	0.07	780	65	2.16
148,675	FG POOL C91270 4.500% Due 10-01-29	105.67	157,108	106.52	158,369	0.56	6,690	558	2.44
145,803	FG POOL J30401 3.000% Due 01-01-30	101.30	147,694	102.55	149,526	0.53	4,374	365	2.22
147,246	FG POOL G16255 2.500% Due 07-01-32	99.70	146,809	100.81	148,433	0.53	3,681	307	2.28
145,284	FNCL POOL 995373 4.500% Due 02-01-39	106.72	155,046	107.28	155,868	0.55	6,538	545	2.81
405,657	FN POOL AJ1405 4.000% Due 09-01-41	104.48	423,848	105.46	427,826	1.52	16,226	1,352	2.76
179,249	FN POOL AL3180 3.000% Due 01-01-43	100.20	179,613	102.03	182,891	0.65	5,377	448	2.65
250,175	FG POOL V80057 3.000% Due 05-01-43	100.23	250,762	102.28	255,874	0.91	7,505	625	2.63
183,330	FN POOL AT2324 3.000% Due 05-01-43	100.20	183,702	102.03	187,055	0.66	5,500	458	2.64
334,036	FG POOL G08722 3.500% Due 09-01-46	102.09	341,004	103.23	344,832	1.23	11,691	974	2.76
112,774	FN POOL BD2453 3.000% Due 01-01-47	99.89	112,650	101.97	114,997	0.41	3,383	282	2.76
623,275	FN POOL AS8810 3.500% Due 02-01-47	102.04	635,984	102.95	641,674	2.28	21,815	1,818	2.82
239,039	FN POOL MA2930 4.000% Due 03-01-47	103.56	247,554	104.46	249,709	0.89	9,562	797	2.66
98,775	FN POOL MA3638 4.000% Due 04-01-49	103.09	101,831	103.42	102,152	0.36	3,951	329	2.66
	Accrued Interest				8,923	0.03			
			3,103,989		3,148,420	11.19		8,923	
CORPORATE BONDS									
100,000	ABBVIE INC 2.900% Due 11-06-22	101.31	101,307	100.67	100,667	0.36	2,900	443	2.69
100,000	GOLDMAN SACHS GROUP INC 3.625% Due 01-22-23	101.98	101,985	103.74	103,745	0.37	3,625	1,601	2.52
100,000	AVALONBAY COMMUNITIES 2.850% Due 03-15-23	100.82	100,816	101.42	101,419	0.36	2,850	839	2.45
100,000	AFLAC INC 3.625% Due 06-15-23	104.97	104,975	104.98	104,982	0.37	3,625	161	2.30
200,000	BANK OF NEW YORK MELLON 2.200% Due 08-16-23	97.83	195,666	99.48	198,958	0.71	4,400	1,650	2.33
200,000	JPMORGAN CHASE & CO 3.875% Due 02-01-24	105.18	210,362	106.19	212,388	0.75	7,750	3,229	2.44

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
100,000	MORGAN STANLEY IND FINANCIAL SRV 3.875% Due 04-29-24	103.71	103,711	105.99	105,986	0.38	3,875	667	2.55
100,000	WELLS FARGO & COMPANY 3.300% Due 09-09-24	99.88	99,882	103.48	103,476	0.37	3,300	1,027	2.58
150,000	KIMCO REALTY CORP 3.300% Due 02-01-25	94.92	142,377	101.83	152,745	0.54	4,950	2,062	2.94
150,000	REYNOLDS AMERICAN INC 4.450% Due 06-12-25	108.47	162,700	106.04	159,060	0.57	6,675	352	3.32
150,000	CITIGROUP INC 3.700% Due 01-12-26	101.65	152,470	105.27	157,905	0.56	5,550	2,605	2.81
100,000	ENBRIDGE INC 3.700% Due 07-15-27	101.13	101,135	103.28	103,282	0.37	3,700	1,706	3.23
100,000	AT&T INC 6.375% Due 03-01-41	119.32	119,320	124.27	124,271	0.44	6,375	2,125	4.59
100,000	HOME DEPOT INC 4.875% Due 02-15-44	115.63	115,627	121.23	121,231	0.43	4,875	1,842	3.57
100,000	BANK OF AMERICA CORP 4.443% Due 01-20-48 Accrued Interest	106.31	106,308	113.57	113,575	0.40	4,443	1,987	3.67
			1,918,642		1,985,988	7.06		22,298	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
18,975	FLEXSHARES QUAL DIV ETF	40.79	773,897	44.86	851,218	3.03	NA		
8,800	ISHARES MSCI USA MIN VOLATILITY ETF	61.68	542,784	61.73	543,224	1.93	NA		
14,350	SPDR S&P 500 ETF	142.48	2,044,588	293.00	4,204,550	14.95	NA		
			3,361,269		5,598,992	19.90			
DOMESTIC MID CAP EQUITY FUNDS/ETF									
14,510	ISHARES CORE S&P MIDCAP 400 ETF	72.98	1,058,938	194.26	2,818,713	10.02	NA		
DOMESTIC SMALL CAP EQUITY FUNDS/ETF									
17,700	ISHARES S&P SMALLCAP 600 INDEX ETF	35.36	625,801	78.28	1,385,556	4.93	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
22,785	ISHARES ETF CORE MSCI EAFE	51.54	1,174,450	61.40	1,398,999	4.97	NA		
21,325	ISHARES MSCI EAFE INDEX FUND	61.68	1,315,324	65.73	1,401,692	4.98	NA		
			2,489,774		2,800,691	9.96			
EMERGING MARKET FUNDS/ETF									
27,840	ISHARES ETF CORE MSCI EMERGING MKTS	42.08	1,171,464	51.44	1,432,090	5.09	NA		
REAL ESTATE & INFRASTRUCTURE									
16,625	FLEXSHAR STX GLOBAL BROAD INF ETF	49.49	822,771	51.00	847,875	3.01	NA		
6,500	JPMORGAN BETABUILDERS MSCI US REIT ETF	76.55	497,605	84.02	546,130	1.94	NA		
			1,320,376		1,394,005	4.96			

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
300,000	US TREASURY NOTES 2.125% Due 06-30-21	99.34	298,008	100.72	302,157	1.07	6,375	17	1.76
525,000	US TREASURY NOTES 2.000% Due 12-31-21	101.31	531,879	100.67	528,528	1.88	10,500	29	1.72
325,000	US TREASURY NOTES 2.125% Due 06-30-22	97.12	315,644	101.18	328,835	1.17	6,906	19	1.72
350,000	US TREASURY NOTES 2.625% Due 02-28-23	99.72	349,016	103.16	361,060	1.28	9,187	3,071	1.73
250,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	250,566	102.93	257,325	0.91	5,937	2,231	1.77
150,000	US TREASURY NOTES 2.750% Due 06-30-25	99.71	149,561	105.24	157,857	0.56	4,125	11	1.82
400,000	US TREASURY NOTES 2.500% Due 02-28-26	99.75	399,014	104.01	416,048	1.48	10,000	3,342	1.86
330,000	US TREASURY NOTES 1.625% Due 05-15-26	95.63	315,595	98.42	324,793	1.15	5,362	685	1.87
250,000	US TREASURY NOTES 2.000% Due 11-15-26	95.26	238,145	100.76	251,905	0.90	5,000	639	1.89
190,000	US TREASURY NOTES 2.250% Due 11-15-27	95.29	181,049	102.37	194,512	0.69	4,275	546	1.94
220,000	US TREASURY NOTES 2.750% Due 02-15-28	98.74	217,225	106.33	233,922	0.83	6,050	2,273	1.95
300,000	US TREASURY NOTES 3.125% Due 11-15-28	102.38	307,141	109.68	329,052	1.17	9,375	1,197	1.99
495,000	US TREASURY NOTES 2.625% Due 02-15-29	100.69	498,419	105.45	521,992	1.86	12,994	4,882	2.00
170,000	US TREASURY NOTES 4.375% Due 11-15-39	128.88	219,090	132.96	226,034	0.80	7,437	950	2.33
600,000	US TREASURY NOTES 2.875% Due 05-15-49	102.98	617,889	107.28	643,686	2.29	17,250	2,203	2.53
	Accrued Interest				22,094	0.08			
			4,888,239		5,099,800	18.13		22,094	
AGENCIES									
250,000	FHLMC 1.700% Due 09-29-20	99.73	249,325	99.61	249,022	0.89	4,250	1,086	2.02
250,000	FEDERAL HOME LOAN BANK - STEP UP 2.000% Due 11-14-22	99.85	249,625	99.75	249,372	0.89	5,000	639	2.08
300,000	FEDERAL FARM CREDIT BANK 2.850% Due 04-24-25	100.00	300,000	100.00	300,006	1.07	8,550	1,591	2.85
200,000	FHLB 3.625% Due 03-19-27	99.79	199,580	100.00	200,010	0.71	7,250	2,054	3.62
	Accrued Interest				5,370	0.02			
			998,530		1,003,781	3.57		5,370	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

<u>Quantity</u>	<u>Security</u>	<u>Average Cost</u>	<u>Total Average Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Accrued Interest</u>	<u>Yield to Maturity</u>
CASH AND EQUIVALENTS									
	CASH RECEIVABLE		13,953		13,953	0.05	NA		
	DIVIDEND ACCRUAL		20,544		20,544	0.07			
	WF ADV GOVT MM FD-INSTL #1751		1,428,450		1,428,450	5.08			
			1,462,947		1,462,947	5.20			
TOTAL PORTFOLIO			22,399,969		28,130,983	100	321,792	58,685	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
CORPORATE BONDS				
06-21-19	06-25-19	ABBVIE INC 2.900% Due 11-06-22	100,000	101,307.00
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-18-19	06-20-19	ISHARES MSCI USA MIN VOLATILITY ETF	8,800.0000	542,784.00
U.S. TREASURY				
06-20-19	06-21-19	US TREASURY NOTES 1.625% Due 05-15-26	125,000	123,037.11
				767,128.11
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
06-30-19	06-30-19	MANAGEMENT FEES		4,010.92
				4,010.92
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-21-19	07-31-19	SPDR S&P 500 ETF		20,544.03
06-27-19	06-27-19	FLEXSHARES QUAL DIV ETF		7,438.47
				27,982.50
DOMESTIC MID CAP EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES CORE S&P MIDCAP 400 ETF		12,722.48
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES S&P SMALLCAP 600 INDEX ETF		4,437.46

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
EMERGING MARKET FUNDS/ETF				
06-21-19	06-21-19	ISHARES ETF CORE MSCI EMERGING MKTS		13,680.52
INTERNATIONAL EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES MSCI EAFE INDEX FUND		29,345.82
06-21-19	06-21-19	ISHARES ETF CORE MSCI EAFE		27,265.37
				56,611.19
REAL ESTATE & INFRASTRUCTURE				
06-27-19	06-27-19	FLEXSHAR STX GLOBAL BROAD INF ETF		6,677.90
06-28-19	06-28-19	JPMORGAN BETABUILDERS MSCI US REIT ETF		3,025.30
				9,703.20
				125,137.35
INTEREST				
CASH AND EQUIVALENTS				
06-03-19	06-03-19	WF ADV GOVT MM FD-INSTL #1751		3,982.59
CORPORATE BONDS				
06-12-19	06-12-19	REYNOLDS AMERICAN INC 4.450% Due 06-12-25		3,337.50
06-17-19	06-17-19	AFLAC INC 3.625% Due 06-15-23		1,812.50
				5,150.00

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
06-17-19	06-17-19	FHLMC POOL G14203 4.000% Due 04-01-26		66.34
06-17-19	06-17-19	FG POOL G16255 2.500% Due 07-01-32		311.17
06-17-19	06-17-19	FG POOL G08722 3.500% Due 09-01-46		988.98
06-17-19	06-17-19	FG POOL C91270 4.500% Due 10-01-29		565.33
06-17-19	06-17-19	FG POOL J30401 3.000% Due 01-01-30		373.79
06-17-19	06-17-19	FG POOL V80057 3.000% Due 05-01-43		633.45
06-25-19	06-25-19	FN POOL AJ1405 4.000% Due 09-01-41		1,362.29
06-25-19	06-25-19	FN POOL BD2453 3.000% Due 01-01-47		284.64
06-25-19	06-25-19	FNCL POOL 995373 4.500% Due 02-01-39		555.26
06-25-19	06-25-19	FN POOL MA2930 4.000% Due 03-01-47		811.91
06-25-19	06-25-19	FN POOL MA3638 4.000% Due 04-01-49		333.06
06-26-19	06-26-19	FN POOL AS8810 3.500% Due 02-01-47		1,845.06
				8,131.28
U.S. TREASURY				
06-30-19	07-01-19	US TREASURY NOTES 2.000% Due 12-31-21		5,250.00
06-30-19	07-01-19	US TREASURY NOTES 2.125% Due 06-30-21		3,187.50
06-30-19	07-01-19	US TREASURY NOTES 2.125% Due 06-30-22		3,453.13

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
06-30-19	07-01-19	US TREASURY NOTES 2.750% Due 06-30-25		2,062.50
				13,953.13
				31,217.00

PRINCIPAL PAYDOWNS

FNMA & FHLMC

06-15-19	06-17-19	FHLMC POOL G14203 4.000% Due 04-01-26	407.63	407.63
06-15-19	06-17-19	FG POOL G16255 2.500% Due 07-01-32	2,115.60	2,115.60
06-15-19	06-17-19	FG POOL G08722 3.500% Due 09-01-46	5,043.98	5,043.98
06-15-19	06-17-19	FG POOL C91270 4.500% Due 10-01-29	2,080.54	2,080.54
06-15-19	06-17-19	FG POOL J30401 3.000% Due 01-01-30	3,714.48	3,714.48
06-15-19	06-17-19	FG POOL V80057 3.000% Due 05-01-43	3,203.80	3,203.80
06-25-19	06-25-19	FN POOL AJ1405 4.000% Due 09-01-41	3,030.39	3,030.39
06-25-19	06-25-19	FN POOL BD2453 3.000% Due 01-01-47	1,082.46	1,082.46
06-25-19	06-25-19	FNCL POOL 995373 4.500% Due 02-01-39	2,786.12	2,786.12
06-25-19	06-25-19	FN POOL MA2930 4.000% Due 03-01-47	4,534.07	4,534.07
06-25-19	06-25-19	FN POOL MA3638 4.000% Due 04-01-49	1,143.55	1,143.55
06-25-19	06-26-19	FN POOL AS8810 3.500% Due 02-01-47	9,315.45	9,315.45
				38,458.07
				38,458.07

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASED ACCRUED INTEREST				
CORPORATE BONDS				
06-21-19	06-25-19	ABBVIE INC 2.900% Due 11-06-22		394.72
U.S. TREASURY				
06-20-19	06-21-19	US TREASURY NOTES 1.625% Due 05-15-26		204.23
				598.95
SALES, MATURITIES, AND CALLS				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-18-19	06-20-19	SPDR S&P 500 ETF	2,125.0000	621,243.00
				621,243.00
WITHDRAW				
CASH AND EQUIVALENTS				
06-21-19	06-21-19	WF ADV GOVT MM FD-INSTL #1751		899.78
				899.78

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 Through 06-30-19

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
06-15-19	407.63	FHLMC POOL G14203 4.000% Due 04-01-26	426.23	407.63	-18.60
06-15-19	2,115.60	FG POOL G16255 2.500% Due 07-01-32	2,109.32	2,115.60	6.28
06-15-19	5,043.98	FG POOL G08722 3.500% Due 09-01-46	5,149.19	5,043.98	-105.21
06-15-19	2,080.54	FG POOL C91270 4.500% Due 10-01-29	2,198.55	2,080.54	-118.01
06-15-19	3,714.48	FG POOL J30401 3.000% Due 01-01-30	3,762.65	3,714.48	-48.17
06-15-19	3,203.80	FG POOL V80057 3.000% Due 05-01-43	3,211.31	3,203.80	-7.51
06-18-19	2,125.0000	SPDR S&P 500 ETF	302,769.98	621,243.00	318,473.02
06-25-19	3,030.39	FN POOL AJ1405 4.000% Due 09-01-41	3,166.28	3,030.39	-135.89
06-25-19	1,082.46	FN POOL BD2453 3.000% Due 01-01-47	1,081.28	1,082.46	1.18
06-25-19	2,786.12	FNCL POOL 995373 4.500% Due 02-01-39	2,973.31	2,786.12	-187.19
06-25-19	4,534.07	FN POOL MA2930 4.000% Due 03-01-47	4,695.60	4,534.07	-161.53
06-25-19	1,143.55	FN POOL MA3638 4.000% Due 04-01-49	1,178.93	1,143.55	-35.38
06-25-19	9,315.45	FN POOL AS8810 3.500% Due 02-01-47	9,505.40	9,315.45	-189.95
TOTAL GAINS					318,480.49
TOTAL LOSSES					-1,007.44
			342,228.02	659,701.07	317,473.05

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH RECEIVABLE					
06-01-19			Beginning Balance		0.00
06-30-19	07-01-19	dp	Interest	US TREASURY NOTES 2.000% Due 12-31-21	5,250.00
06-30-19	07-01-19	dp	Interest	US TREASURY NOTES 2.125% Due 06-30-21	3,187.50
06-30-19	07-01-19	dp	Interest	US TREASURY NOTES 2.125% Due 06-30-22	3,453.13
06-30-19	07-01-19	dp	Interest	US TREASURY NOTES 2.750% Due 06-30-25	2,062.50
06-30-19			Ending Balance		13,953.13
WF ADV GOVT MM FD-INSTL #1751					
06-01-19			Beginning Balance		1,415,518.62
06-03-19	06-03-19	dp	Interest	WF ADV GOVT MM FD-INSTL #1751	3,982.59
06-12-19	06-12-19	dp	Interest	REYNOLDS AMERICAN INC 4.450% Due 06-12-25	3,337.50
06-15-19	06-17-19	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	407.63
06-15-19	06-17-19	dp	Paydown	FG POOL G16255 2.500% Due 07-01-32	2,115.60
06-15-19	06-17-19	dp	Paydown	FG POOL G08722 3.500% Due 09-01-46	5,043.98
06-15-19	06-17-19	dp	Paydown	FG POOL C91270 4.500% Due 10-01-29	2,080.54
06-15-19	06-17-19	dp	Paydown	FG POOL J30401 3.000% Due 01-01-30	3,714.48
06-15-19	06-17-19	dp	Paydown	FG POOL V80057 3.000% Due 05-01-43	3,203.80

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-17-19	06-17-19	dp	Interest	AFLAC INC 3.625% Due 06-15-23	1,812.50
06-17-19	06-17-19	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	66.34
06-17-19	06-17-19	dp	Interest	FG POOL G16255 2.500% Due 07-01-32	311.17
06-17-19	06-17-19	dp	Interest	FG POOL G08722 3.500% Due 09-01-46	988.98
06-17-19	06-17-19	dp	Interest	FG POOL C91270 4.500% Due 10-01-29	565.33
06-17-19	06-17-19	dp	Interest	FG POOL J30401 3.000% Due 01-01-30	373.79
06-17-19	06-17-19	dp	Interest	FG POOL V80057 3.000% Due 05-01-43	633.45
06-18-19	06-20-19	wd	Purchase	ISHARES MSCI USA MIN VOLATILITY ETF	-542,784.00
06-18-19	06-20-19	dp	Sale	SPDR S&P 500 ETF	621,243.00
06-20-19	06-21-19	wd	Purchase	US TREASURY NOTES 1.625% Due 05-15-26	-123,037.11
06-20-19	06-21-19	wd	Accrued Interest	US TREASURY NOTES 1.625% Due 05-15-26	-204.23
06-21-19	06-25-19	wd	Purchase	ABBVIE INC 2.900% Due 11-06-22	-101,307.00
06-21-19	06-25-19	wd	Accrued Interest	ABBVIE INC 2.900% Due 11-06-22	-394.72
06-21-19	06-21-19	dp	Dividend	ISHARES ETF CORE MSCI EMERGING MKTS	13,680.52
06-21-19	06-21-19	dp	Dividend	ISHARES MSCI EAFE INDEX FUND	29,345.82
06-21-19	06-21-19	dp	Dividend	ISHARES ETF CORE MSCI EAFE	27,265.37

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-21-19	06-21-19	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	12,722.48
06-21-19	06-21-19	dp	Dividend	ISHARES S&P SMALLCAP 600 INDEX ETF	4,437.46
06-21-19	06-21-19	wd	Withdrawal	from Portfolio	-899.78
06-25-19	06-25-19	dp	Interest	FN POOL AJ1405 4.000% Due 09-01-41	1,362.29
06-25-19	06-25-19	dp	Paydown	FN POOL AJ1405 4.000% Due 09-01-41	3,030.39
06-25-19	06-25-19	dp	Paydown	FN POOL BD2453 3.000% Due 01-01-47	1,082.46
06-25-19	06-25-19	dp	Interest	FN POOL BD2453 3.000% Due 01-01-47	284.64
06-25-19	06-25-19	dp	Interest	FNCL POOL 995373 4.500% Due 02-01-39	555.26
06-25-19	06-25-19	dp	Paydown	FNCL POOL 995373 4.500% Due 02-01-39	2,786.12
06-25-19	06-25-19	dp	Paydown	FN POOL MA2930 4.000% Due 03-01-47	4,534.07
06-25-19	06-25-19	dp	Interest	FN POOL MA2930 4.000% Due 03-01-47	811.91
06-25-19	06-25-19	dp	Interest	FN POOL MA3638 4.000% Due 04-01-49	333.06
06-25-19	06-25-19	dp	Paydown	FN POOL MA3638 4.000% Due 04-01-49	1,143.55
06-25-19	06-26-19	dp	Paydown	FN POOL AS8810 3.500% Due 02-01-47	9,315.45
06-26-19	06-26-19	dp	Interest	FN POOL AS8810 3.500% Due 02-01-47	1,845.06

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF KENAI PERMANENT FUNDS
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-27-19	06-27-19	dp	Dividend	FLEXSHAR STX GLOBAL BROAD INF ETF	6,677.90
06-27-19	06-27-19	dp	Dividend	FLEXSHARES QUAL DIV ETF	7,438.47
06-28-19	06-28-19	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	3,025.30
06-30-19			Ending Balance		1,428,450.04
DIVIDEND ACCRUAL					
06-01-19			Beginning Balance		0.00
06-21-19	07-31-19	dp	Dividend	SPDR S&P 500 ETF	20,544.03
06-30-19			Ending Balance		20,544.03

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL sort by CUSIP
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Cusip9	Original Face	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Annual Income
FNMA & FHLMC									
3128MC3L7	256,397.0000	19,493.2700	FHLMC POOL G14203	104.562501	20,382.65	104.08700	20,289.96	64.98	779.73
3128MFE46	190,000.0000	147,245.8900	FG POOL G16255	99.703123	146,808.75	100.80600	148,432.69	306.76	3,681.15
3128MJYU8	477,000.0000	334,036.1700	FG POOL G08722	102.085937	341,003.96	103.23200	344,832.22	974.27	11,691.27
3128P7MT7	2,000,000.0000	148,675.3800	FG POOL C91270	105.671877	157,108.06	106.52000	158,369.01	557.53	6,690.39
31307LNS3	301,000.0000	145,803.3900	FG POOL J30401	101.296875	147,694.28	102.55300	149,525.75	364.51	4,374.10
3132L5B28	450,000.0000	250,175.3500	FG POOL V80057	100.234376	250,761.70	102.27800	255,874.34	625.44	7,505.26
3138ASR38	1,500,000.0000	405,657.1400	FN POOL AJ1405	104.484375	423,848.33	105.46500	427,826.30	1,352.19	16,226.29
3138EKRA5	374,582.0000	183,329.9200	FN POOL AT2324	100.203126	183,702.31	102.03200	187,055.18	458.32	5,499.90
3138WJYG7	783,285.0000	623,274.8900	FN POOL AS8810	102.039062	635,983.85	102.95200	641,673.96	1,817.89	21,814.62
3138WPSN5	335,507.0000	179,249.1000	FN POOL AL3180	100.203125	179,613.20	102.03200	182,891.44	448.12	5,377.47
3140F9WP6	139,000.0000	112,773.7300	FN POOL BD2453	99.890625	112,650.38	101.97100	114,996.50	281.93	3,383.21
31416BXA1	4,000,000.0000	145,284.4800	FNCL POOL 995373	106.718781	155,045.83	107.28500	155,868.45	544.82	6,537.80
31418CHG2	148,000.0000	239,038.7100	FN POOL MA2930	103.562500	247,554.46	104.46400	249,709.40	796.80	9,561.55
31418DBG6	101,000.0000	98,775.4600	FN POOL MA3638	103.093756	101,831.33	103.41800	102,151.61	329.25	3,951.02
Accrued I							8,922.81		
					3,103,989.09		3,148,419.64	8,922.81	107,073.76
CORPORATE BONDS									
001055AL6	100,000.0000	100,000.0000	AFLAC INC	104.975000	104,975.00	104.98200	104,982.00	161.11	3,625.00
00206RDG4	100,000.0000	100,000.0000	AT&T INC	119.320000	119,320.00	124.27100	124,271.00	2,125.00	6,375.00
00287YAL3	100,000.0000	100,000.0000	ABBVIE INC	101.307000	101,307.00	100.66700	100,667.00	443.06	2,900.00
05348EAR0	100,000.0000	100,000.0000	AVALONBAY COMMUNITIES	100.816000	100,816.00	101.41900	101,419.00	839.17	2,850.00
06051GGG8	100,000.0000	100,000.0000	BANK OF AMERICA CORP	106.308000	106,308.00	113.57500	113,575.00	1,987.01	4,443.00
06406FAD5	200,000.0000	200,000.0000	BANK OF NEW YORK MELLON	97.833000	195,666.00	99.47900	198,958.00	1,650.00	4,400.00
172967KG5	150,000.0000	150,000.0000	CITIGROUP INC	101.647000	152,470.50	105.27000	157,905.00	2,605.42	5,550.00
29250NAR6	100,000.0000	100,000.0000	ENBRIDGE INC	101.135000	101,135.00	103.28200	103,282.00	1,706.11	3,700.00
38141GRD8	100,000.0000	100,000.0000	GOLDMAN SACHS GROUP INC	101.985000	101,985.00	103.74500	103,745.00	1,601.04	3,625.00
437076BD3	100,000.0000	100,000.0000	HOME DEPOT INC	115.627000	115,627.00	121.23100	121,231.00	1,841.67	4,875.00
46625HJT8	200,000.0000	200,000.0000	JPMORGAN CHASE & CO	105.181000	210,362.00	106.19400	212,388.00	3,229.17	7,750.00
49446RAU3	150,000.0000	150,000.0000	KIMCO REALTY CORP	94.918000	142,377.00	101.83000	152,745.00	2,062.50	4,950.00
61746BDQ6	100,000.0000	100,000.0000	MORGAN STANLEY IND FINANCIAL	105.711000	103,711.00	105.98600	105,986.00	667.36	3,875.00
761713BG0	150,000.0000	150,000.0000	REYNOLDS AMERICAN INC	108.467000	162,700.50	106.04000	159,060.00	352.29	6,675.00
94974BGA2	100,000.0000	100,000.0000	WELLS FARGO & COMPANY	99.882000	99,882.00	103.47600	103,476.00	1,026.67	3,300.00
Accrued I							22,297.56		
					1,918,642.00		1,985,987.56	22,297.56	68,893.00
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
33939L860	18,975.0000	18,975.0000	FLEXSHARES QUAL DIV ETF	40.785097	773,897.21	44.86000	851,218.50		0.00
46429B697	8,800.0000	8,800.0000	ISHARES MSCI USA MIN VOLATILE	67.680000	542,784.00	61.73000	543,224.00		0.00
78462F103	14,350.0000	14,350.0000	SPDR S&P 500 ETF	142.479989	2,044,587.84	293.00000	4,204,550.00		0.00
					3,361,269.05		5,598,992.50		0.00
DOMESTIC MID CAP EQUITY FUNDS/ETF									
464287507	14,510.0000	14,510.0000	ISHARES CORE S&P MIDCAP 400 E	72.979855	1,058,937.69	194.26000	2,818,712.60		0.00

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL sort by CUSIP
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

Cusip9	Original Face	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Annual Income
DOMESTIC SMALL CAP EQUITY FUNDS/ETF									
464287804	17,700.0000	17,700.0000	ISHARES S&P SMALLCAP 600 INDEX	355984	625,800.91	78.28000	1,385,556.00		0.00
INTERNATIONAL EQUITY FUNDS/ETF									
464287465	21,325.0000	21,325.0000	ISHARES MSCI EAFE INDEX FUND	61.679900	1,315,323.87	65.73000	1,401,692.25		0.00
46432F842	22,785.0000	22,785.0000	ISHARES ETF CORE MSCI EAFE	51.544877	1,174,450.01	61.40000	1,398,999.00		0.00
					2,489,773.88		2,800,691.25		0.00
EMERGING MARKET FUNDS/ETF									
46434G103	27,840.0000	27,840.0000	ISHARES ETF CORE MSCI EMERGING	100.078450	1,171,464.05	51.44000	1,432,089.60		0.00
REAL ESTATE & INFRASTRUCTURE									
33939L795	16,625.0000	16,625.0000	FLEXSHAR STX GLOBAL BROAD	191.490000	822,771.25	51.00000	847,875.00		0.00
46641Q738	6,500.0000	6,500.0000	JPMORGAN BETABUILDERS MSCI	76.554600	497,604.90	84.02000	546,130.00		0.00
					1,320,376.15		1,394,005.00		0.00
U.S. TREASURY									
912810QD3	170,000.0000	170,000.0000	US TREASURY NOTES	128.876376	219,089.84	132.96100	226,033.70	949.90	7,437.50
912810SH2	600,000.0000	600,000.0000	US TREASURY NOTES	102.981445	617,888.67	107.28100	643,686.00	2,203.12	17,250.00
9128283F5	190,000.0000	190,000.0000	US TREASURY NOTES	95.289063	181,049.22	102.37500	194,512.50	545.99	4,275.00
9128283W8	220,000.0000	220,000.0000	US TREASURY NOTES	98.738636	217,225.00	106.32800	233,921.60	2,272.93	6,050.00
9128284A5	350,000.0000	350,000.0000	US TREASURY NOTES	99.718751	349,015.63	103.16000	361,060.00	3,070.82	9,187.50
9128285M8	300,000.0000	300,000.0000	US TREASURY NOTES	102.380210	307,140.63	109.68400	329,052.00	1,197.35	9,375.00
9128286B1	495,000.0000	495,000.0000	US TREASURY NOTES	100.690737	498,419.15	105.45300	521,992.35	4,881.63	12,993.75
9128286F2	400,000.0000	400,000.0000	US TREASURY NOTES	99.753551	399,014.20	104.01200	416,048.00	3,342.39	10,000.00
912828D56	250,000.0000	250,000.0000	US TREASURY NOTES	100.226562	250,566.40	102.93000	257,325.00	2,230.66	5,937.50
912828R36	330,000.0000	330,000.0000	US TREASURY NOTES	95.634709	315,594.54	98.42200	324,792.60	684.88	5,362.50
912828U24	250,000.0000	250,000.0000	US TREASURY NOTES	95.257812	238,144.53	100.76200	251,905.00	638.59	5,000.00
912828U81	525,000.0000	525,000.0000	US TREASURY NOTES	101.310269	531,878.91	100.67200	528,528.00	28.53	10,500.00
912828WR7	300,000.0000	300,000.0000	US TREASURY NOTES	99.335939	298,007.82	100.71900	302,157.00	17.32	6,375.00
912828XG0	325,000.0000	325,000.0000	US TREASURY NOTES	97.121094	315,643.56	101.18000	328,835.00	18.77	6,906.25
912828XZ8	150,000.0000	150,000.0000	US TREASURY NOTES	99.707033	149,560.55	105.23800	157,857.00	11.21	4,125.00
Accrued I							22,094.10		
					4,888,238.65		5,099,799.85	22,094.10	120,775.00
AGENCIES									
3130ACNX8	250,000.0000	250,000.0000	FEDERAL HOME LOAN BANK - ST	99.850000	249,625.00	99.74900	249,372.50	638.89	5,000.00
3130ADUE0	200,000.0000	200,000.0000	FHLB	99.790000	199,580.00	100.00500	200,010.00	2,054.17	7,250.00
3133EHGK3	300,000.0000	300,000.0000	FEDERAL FARM CREDIT BANK	100.000000	300,000.00	100.00200	300,006.00	1,591.25	8,550.00
3134GBH21	250,000.0000	250,000.0000	FHLMC	99.730000	249,325.00	99.60900	249,022.50	1,086.11	4,250.00
Accrued I							5,370.42		
					998,530.00		1,003,781.42	5,370.42	25,050.00
CASH AND EQUIVALENTS									
			CASH RECEIVABLE		13,953.13		13,953.13		0.00
			DIVIDEND ACCRUAL		20,544.03		20,544.03		0.00

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL sort by CUSIP
CITY OF KENAI PERMANENT FUNDS
June 30, 2019

<u>Cusip9</u>	<u>Original Face</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Annual Income</u>
VP4560000			WF ADV GOVT MM FD-INSTL #1751		1,428,450.04		1,428,450.04		0.00
					1,462,947.20		1,462,947.20		0.00
TOTAL PORTFOLIO					22,399,968.69		28,130,982.63	58,684.90	321,791.76

KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND

Account Statement - Period Ending June 30, 2019

ACCOUNT ACTIVITY

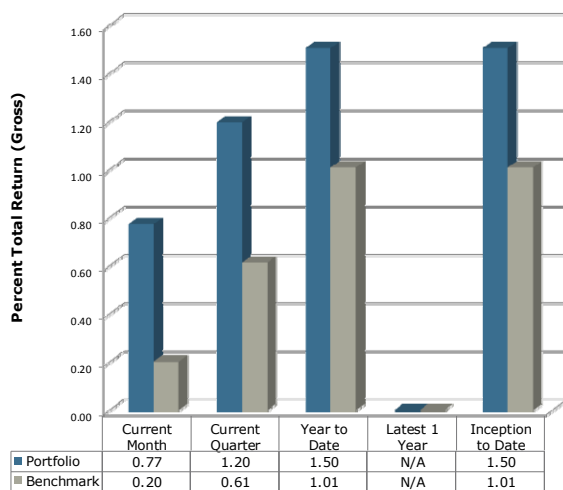
Portfolio Value on 05-31-19	5,371,708
Contributions	0
Withdrawals	0
Change in Market Value	21,810
Interest	8,831
Dividends	10,855
Portfolio Value on 06-30-19	5,413,204

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Brandy Niclai, CFA®
Contact Phone Number:	907/272-7575

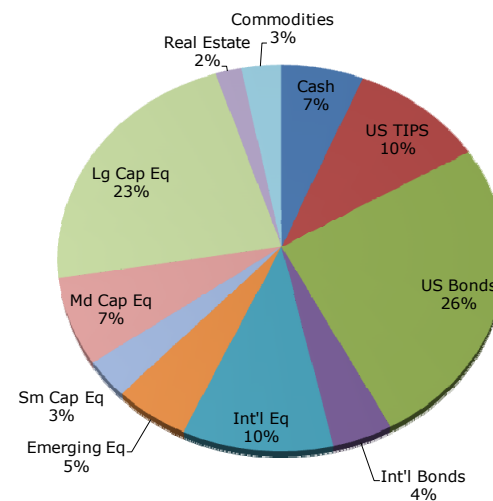
INVESTMENT PERFORMANCE

Current Account Benchmark:
FTSE 90 day t-bill



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.69% Average Maturity: 0.07 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
June 30, 2019

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
DOMESTIC FIXED INCOME FUNDS/ETF									
299,790	GOLDMAN SACHS PRIME OBLIGATIONS FUND	1.00	300,000	1.00	300,000	5.54	NA		
10,950	VANGUARD SHORT-TERM TIPS ETF	49.27	539,554	49.32	540,054	9.98	NA		
16,275	VANGUARD TOTAL BOND MARKET ETF	82.71	1,346,109	83.07	1,351,964	24.98	NA		
			2,185,663		2,192,018	40.49			
INTERNATIONAL FIXED INCOME FUNDS/ETF									
3,775	VANGUARD TOTAL INTL BOND ETF	57.08	215,468	57.30	216,307	4.00	NA		
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
3,300	FLEXSHARES QUAL DIV ETF	44.97	148,400	44.86	148,038	2.73	NA		
2,400	ISHARES MSCI USA MIN VOLATILITY ETF	62.12	149,100	61.73	148,152	2.74	NA		
3,025	SPDR S&P 500 ETF	290.80	879,664	293.00	886,325	16.37	NA		
			1,177,164		1,182,515	21.85			
DOMESTIC MID CAP EQUITY FUNDS/ETF									
1,980	ISHARES CORE S&P MIDCAP 400 ETF	190.92	378,023	194.26	384,635	7.11	NA		
DOMESTIC SMALL CAP EQUITY FUNDS/ETF									
2,125	ISHARES S&P SMALLCAP 600 INDEX ETF	76.25	162,037	78.28	166,345	3.07	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
4,405	ISHARES ETF CORE MSCI EAFE	61.21	269,644	61.40	270,467	5.00	NA		
4,115	ISHARES MSCI EAFE INDEX FUND	65.47	269,414	65.73	270,479	5.00	NA		
			539,058		540,946	9.99			
EMERGING MARKET FUNDS/ETF									
5,260	ISHARES ETF CORE MSCI EMERGING MKTS	50.73	266,853	51.44	270,574	5.00	NA		
REAL ESTATE & INFRASTRUCTURE									
3,155	FLEXSHAR STX GLOBAL BROAD INF ETF	51.15	161,365	51.00	160,905	2.97	NA		
1,250	JPMORGAN BETABUILDERS MSCI US REIT ETF	86.22	107,769	84.02	105,025	1.94	NA		
			269,134		265,930	4.91			
COMMODITIES									
5,575	ETRACS BLOOMBERG CMCI ETN	14.36	80,045	14.46	80,614	1.49	NA		
4,925	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	16.09	79,259	16.37	80,622	1.49	NA		
			159,305		161,237	2.98			
CASH AND EQUIVALENTS									
	DIVIDEND ACCRUAL		2,899		2,899	0.05			
	WFB PUBLIC INST BANK DEPOSIT ACCOUNT		29,798		29,798	0.55			
			32,697		32,697	0.60			
TOTAL PORTFOLIO			5,385,401		5,413,204	100	0	0	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
COMMODITIES				
06-12-19	06-14-19	ETRACS BLOOMBERG CMCI ETN	1,925.0000	27,277.25
06-12-19	06-14-19	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	1,700.0000	26,860.00
06-19-19	06-21-19	ETRACS BLOOMBERG CMCI ETN	1,850.0000	26,416.15
06-19-19	06-21-19	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	1,625.0000	25,967.50
06-25-19	06-27-19	ETRACS BLOOMBERG CMCI ETN	1,800.0000	26,352.00
06-25-19	06-27-19	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	1,600.0000	26,432.00
				159,304.90
DOMESTIC FIXED INCOME FUNDS/ETF				
06-12-19	06-14-19	VANGUARD SHORT-TERM TIPS ETF	3,625.0000	178,640.00
06-12-19	06-14-19	VANGUARD TOTAL BOND MARKET ETF	5,450.0000	448,180.75
06-19-19	06-21-19	VANGUARD TOTAL BOND MARKET ETF	5,400.0000	447,498.00
06-19-19	06-21-19	VANGUARD SHORT-TERM TIPS ETF	3,675.0000	180,920.25
06-25-19	06-27-19	GOLDMAN SACHS PRIME OBLIGATIONS FUND	299,790.1469	300,000.00
06-25-19	06-27-19	VANGUARD SHORT-TERM TIPS ETF	3,650.0000	179,993.55
06-25-19	06-27-19	VANGUARD TOTAL BOND MARKET ETF	5,425.0000	450,430.16
				2,185,662.71

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-12-19	06-14-19	SPDR S&P 500 ETF	1,360.0000	392,156.00
06-19-19	06-21-19	ISHARES MSCI USA MIN VOLATILITY ETF	1,600.0000	99,264.00
06-19-19	06-21-19	FLEXSHARES QUAL DIV ETF	2,200.0000	99,198.00
06-19-19	06-21-19	SPDR S&P 500 ETF	665.0000	194,978.00
06-25-19	06-27-19	FLEXSHARES QUAL DIV ETF	1,100.0000	49,202.45
06-25-19	06-27-19	ISHARES MSCI USA MIN VOLATILITY ETF	800.0000	49,836.00
06-25-19	06-27-19	SPDR S&P 500 ETF	1,000.0000	292,530.00
				1,177,164.45
DOMESTIC MID CAP EQUITY FUNDS/ETF				
06-12-19	06-14-19	ISHARES CORE S&P MIDCAP 400 ETF	655.0000	124,375.92
06-19-19	06-21-19	ISHARES CORE S&P MIDCAP 400 ETF	650.0000	124,954.51
06-25-19	06-27-19	ISHARES CORE S&P MIDCAP 400 ETF	675.0000	128,692.53
				378,022.96
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
06-12-19	06-14-19	ISHARES S&P SMALLCAP 600 INDEX ETF	700.0000	52,983.00
06-19-19	06-21-19	ISHARES S&P SMALLCAP 600 INDEX ETF	700.0000	53,900.00
06-25-19	06-27-19	ISHARES S&P SMALLCAP 600 INDEX ETF	725.0000	55,154.01
				162,037.01

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
EMERGING MARKET FUNDS/ETF				
06-12-19	06-14-19	ISHARES ETF CORE MSCI EMERGING MKTS	1,785.0000	89,784.07
06-19-19	06-21-19	ISHARES ETF CORE MSCI EMERGING MKTS	1,775.0000	90,198.58
06-25-19	06-27-19	ISHARES ETF CORE MSCI EMERGING MKTS	1,700.0000	86,870.00
				266,852.65
INTERNATIONAL EQUITY FUNDS/ETF				
06-12-19	06-14-19	ISHARES ETF CORE MSCI EAFE	1,455.0000	89,569.80
06-12-19	06-14-19	ISHARES MSCI EAFE INDEX FUND	1,365.0000	89,851.13
06-19-19	06-21-19	ISHARES ETF CORE MSCI EAFE	1,500.0000	91,334.55
06-19-19	06-21-19	ISHARES MSCI EAFE INDEX FUND	1,400.0000	91,164.78
06-25-19	06-27-19	ISHARES ETF CORE MSCI EAFE	1,450.0000	88,740.00
06-25-19	06-27-19	ISHARES MSCI EAFE INDEX FUND	1,350.0000	88,398.00
				539,058.26
INTERNATIONAL FIXED INCOME FUNDS/ETF				
06-12-19	06-14-19	VANGUARD TOTAL INTL BOND ETF	1,575.0000	89,442.68
06-19-19	06-21-19	VANGUARD TOTAL INTL BOND ETF	925.0000	52,910.00
06-25-19	06-27-19	VANGUARD TOTAL INTL BOND ETF	1,275.0000	73,114.88
				215,467.56

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
REAL ESTATE & INFRASTRUCTURE				
06-12-19	06-14-19	FLEXSHAR STX GLOBAL BROAD INF ETF	1,055.0000	53,666.06
06-12-19	06-14-19	JPMORGAN BETABUILDERS MSCI US REIT ETF	420.0000	35,923.61
06-19-19	06-21-19	FLEXSHAR STX GLOBAL BROAD INF ETF	1,050.0000	54,022.50
06-19-19	06-21-19	JPMORGAN BETABUILDERS MSCI US REIT ETF	405.0000	35,380.80
06-25-19	06-27-19	FLEXSHAR STX GLOBAL BROAD INF ETF	1,050.0000	53,676.00
06-25-19	06-27-19	JPMORGAN BETABUILDERS MSCI US REIT ETF	425.0000	36,465.00
				269,133.97
				5,352,704.47
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
06-30-19	06-30-19	MANAGEMENT FEES		676.65
				676.65
DIVIDEND				
DOMESTIC FIXED INCOME FUNDS/ETF				
06-20-19	06-20-19	VANGUARD SHORT-TERM TIPS ETF		617.70
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-21-19	07-31-19	SPDR S&P 500 ETF		2,899.07
06-27-19	06-27-19	FLEXSHARES QUAL DIV ETF		862.43
				3,761.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
DOMESTIC MID CAP EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES CORE S&P MIDCAP 400 ETF		574.31
DOMESTIC SMALL CAP EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES S&P SMALLCAP 600 INDEX ETF		175.49
EMERGING MARKET FUNDS/ETF				
06-21-19	06-21-19	ISHARES ETF CORE MSCI EMERGING MKTS		877.15
INTERNATIONAL EQUITY FUNDS/ETF				
06-21-19	06-21-19	ISHARES MSCI EAFE INDEX FUND		1,878.41
06-21-19	06-21-19	ISHARES ETF CORE MSCI EAFE		1,741.11
				3,619.52
REAL ESTATE & INFRASTRUCTURE				
06-27-19	06-27-19	FLEXSHAR STX GLOBAL BROAD INF ETF		845.53
06-28-19	06-28-19	JPMORGAN BETABUILDERS MSCI US REIT ETF		383.98
				1,229.51
				10,855.18
INTEREST				
CASH AND EQUIVALENTS				
06-03-19	06-03-19	WFB PUBLIC INST BANK DEPOSIT ACCOUNT		205.10

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Security	Quantity	Trade Amount
TREASURY BILLS				
06-20-19	06-20-19	US TREASURY BILLS 0.000% Due 06-20-19		8,033.23
				8,238.33
SALES, MATURITIES, AND CALLS				
TREASURY BILLS				
06-06-19	06-07-19	US TREASURY BILLS 0.000% Due 08-22-19	1,200,000	1,194,307.60
06-20-19	06-20-19	US TREASURY BILLS 0.000% Due 06-20-19	1,050,000	1,041,966.77
				<u>2,236,274.37</u>
U.S. TREASURY				
06-06-19	06-07-19	US TREASURY NOTES 1.250% Due 06-30-19	2,150,000	2,148,320.31
06-06-19	06-07-19	US TREASURY NOTES 1.000% Due 08-31-19	900,000	897,082.03
				<u>3,045,402.34</u>
				5,281,676.71
SOLD ACCRUED INTEREST				
U.S. TREASURY				
06-06-19	06-07-19	US TREASURY NOTES 1.250% Due 06-30-19		11,729.97
06-06-19	06-07-19	US TREASURY NOTES 1.000% Due 08-31-19		2,421.20
				<u>14,151.17</u>
				14,151.17
WITHDRAW				
CASH AND EQUIVALENTS				
06-14-19	06-14-19	WFB PUBLIC INST BANK DEPOSIT ACCOUNT		1,698,710.27
				1,698,710.27

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 Through 06-30-19

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
06-06-19	2,150,000	US TREASURY NOTES 1.250% Due 06-30-19	2,144,085.95	2,148,320.31	4,234.36
06-06-19	900,000	US TREASURY NOTES 1.000% Due 08-31-19	895,078.13	897,082.03	2,003.90
06-06-19	1,200,000	US TREASURY BILLS 0.000% Due 08-22-19	1,185,493.00	1,194,307.60	8,814.60
06-20-19	1,050,000	US TREASURY BILLS 0.000% Due 06-20-19	1,041,966.77	1,041,966.77	0.00
TOTAL GAINS					15,052.86
TOTAL LOSSES					0.00
			5,266,623.85	5,281,676.71	15,052.86

Alaska Permanent Capital Management Co.
CASH LEDGER
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
WFB PUBLIC INST BANK DEPOSIT ACCOUNT					
06-01-19			Beginning Balance		70,479.89
06-03-19	06-03-19	dp	Interest	WFB PUBLIC INST BANK DEPOSIT ACCOUNT	205.10
06-06-19	06-07-19	dp	Sale	US TREASURY NOTES 1.250% Due 06-30-19	2,148,320.31
06-06-19	06-07-19	dp	Accrued Interest	US TREASURY NOTES 1.250% Due 06-30-19	11,729.97
06-06-19	06-07-19	dp	Sale	US TREASURY NOTES 1.000% Due 08-31-19	897,082.03
06-06-19	06-07-19	dp	Accrued Interest	US TREASURY NOTES 1.000% Due 08-31-19	2,421.20
06-06-19	06-07-19	dp	Sale	US TREASURY BILLS 0.000% Due 08-22-19	1,194,307.60
06-12-19	06-14-19	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-124,375.92
06-12-19	06-14-19	wd	Purchase	SPDR S&P 500 ETF	-392,156.00
06-12-19	06-14-19	wd	Purchase	VANGUARD SHORT-TERM TIPS ETF	-178,640.00
06-12-19	06-14-19	wd	Purchase	VANGUARD TOTAL BOND MARKET ETF	-448,180.75
06-12-19	06-14-19	wd	Purchase	VANGUARD TOTAL INTL BOND ETF	-89,442.68
06-12-19	06-14-19	wd	Purchase	ISHARES ETF CORE MSCI EMERGING MKTS	-89,784.07
06-12-19	06-14-19	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-89,569.80
06-12-19	06-14-19	wd	Purchase	ISHARES MSCI EAFE INDEX FUND	-89,851.13
06-12-19	06-14-19	wd	Purchase	ETRACS BLOOMBERG CMCI ETN	-27,277.25

Alaska Permanent Capital Management Co.
CASH LEDGER
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-12-19	06-14-19	wd	Purchase	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	-26,860.00
06-12-19	06-14-19	wd	Purchase	FLEXSHAR STX GLOBAL BROAD INF ETF	-53,666.06
06-12-19	06-14-19	wd	Purchase	JPMORGAN BETABUILDERS MSCI US REIT ETF	-35,923.61
06-12-19	06-14-19	wd	Purchase	ISHARES S&P SMALLCAP 600 INDEX ETF	-52,983.00
06-14-19	06-14-19	wd	Transfer to	WFB PUBLIC INST BANK DEPOSIT ACCOUNT	-1,698,710.27
06-14-19	06-14-19	dp	Transfer from	WFB PUBLIC INST BANK DEPOSIT ACCOUNT	1,698,710.27
06-19-19	06-21-19	wd	Purchase	VANGUARD TOTAL BOND MARKET ETF	-447,498.00
06-19-19	06-21-19	wd	Purchase	ISHARES MSCI USA MIN VOLATILITY ETF	-99,264.00
06-19-19	06-21-19	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-91,334.55
06-19-19	06-21-19	wd	Purchase	ISHARES MSCI EAFE INDEX FUND	-91,164.78
06-19-19	06-21-19	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-124,954.51
06-19-19	06-21-19	wd	Purchase	FLEXSHARES QUAL DIV ETF	-99,198.00
06-19-19	06-21-19	wd	Purchase	SPDR S&P 500 ETF	-194,978.00
06-19-19	06-21-19	wd	Purchase	VANGUARD SHORT-TERM TIPS ETF	-180,920.25
06-19-19	06-21-19	wd	Purchase	VANGUARD TOTAL INTL BOND ETF	-52,910.00
06-19-19	06-21-19	wd	Purchase	ISHARES ETF CORE MSCI EMERGING MKTS	-90,198.58

Alaska Permanent Capital Management Co.
CASH LEDGER
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-19-19	06-21-19	wd	Purchase	ETRACS BLOOMBERG CMCI ETN	-26,416.15
06-19-19	06-21-19	wd	Purchase	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	-25,967.50
06-19-19	06-21-19	wd	Purchase	FLEXSHAR STX GLOBAL BROAD INF ETF	-54,022.50
06-19-19	06-21-19	wd	Purchase	JPMORGAN BETABUILDERS MSCI US REIT ETF	-35,380.80
06-19-19	06-21-19	wd	Purchase	ISHARES S&P SMALLCAP 600 INDEX ETF	-53,900.00
06-20-19	06-20-19	dp	Dividend	VANGUARD SHORT-TERM TIPS ETF	617.70
06-20-19	06-20-19	dp	Interest	US TREASURY BILLS 0.000% Due 06-20-19	8,033.23
06-20-19	06-20-19	dp	Sale	US TREASURY BILLS 0.000% Due 06-20-19	1,041,966.77
06-21-19	06-21-19	dp	Dividend	ISHARES ETF CORE MSCI EMERGING MKTS	877.15
06-21-19	06-21-19	dp	Dividend	ISHARES MSCI EAFE INDEX FUND	1,878.41
06-21-19	06-21-19	dp	Dividend	ISHARES ETF CORE MSCI EAFE	1,741.11
06-21-19	06-21-19	dp	Dividend	ISHARES CORE S&P MIDCAP 400 ETF	574.31
06-21-19	06-21-19	dp	Dividend	ISHARES S&P SMALLCAP 600 INDEX ETF	175.49
06-25-19	06-27-19	wd	Purchase	GOLDMAN SACHS PRIME OBLIGATIONS FUND	-300,000.00
06-25-19	06-27-19	wd	Purchase	FLEXSHARES QUAL DIV ETF	-49,202.45
06-25-19	06-27-19	wd	Purchase	ISHARES S&P SMALLCAP 600 INDEX ETF	-55,154.01

Alaska Permanent Capital Management Co.
CASH LEDGER
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-25-19	06-27-19	wd	Purchase	ISHARES CORE S&P MIDCAP 400 ETF	-128,692.53
06-25-19	06-27-19	wd	Purchase	ISHARES MSCI USA MIN VOLATILITY ETF	-49,836.00
06-25-19	06-27-19	wd	Purchase	SPDR S&P 500 ETF	-292,530.00
06-25-19	06-27-19	wd	Purchase	VANGUARD SHORT-TERM TIPS ETF	-179,993.55
06-25-19	06-27-19	wd	Purchase	VANGUARD TOTAL BOND MARKET ETF	-450,430.16
06-25-19	06-27-19	wd	Purchase	VANGUARD TOTAL INTL BOND ETF	-73,114.88
06-25-19	06-27-19	wd	Purchase	ISHARES ETF CORE MSCI EMERGING MKTS	-86,870.00
06-25-19	06-27-19	wd	Purchase	ISHARES ETF CORE MSCI EAFE	-88,740.00
06-25-19	06-27-19	wd	Purchase	ISHARES MSCI EAFE INDEX FUND	-88,398.00
06-25-19	06-27-19	wd	Purchase	ETRACS BLOOMBERG CMCI ETN	-26,352.00
06-25-19	06-27-19	wd	Purchase	INVESCO OPTIMUM YIELD DIVERSIFIED COMMODIT	-26,432.00
06-25-19	06-27-19	wd	Purchase	FLEXSHAR STX GLOBAL BROAD INF ETF	-53,676.00
06-25-19	06-27-19	wd	Purchase	JPMORGAN BETABUILDERS MSCI US REIT ETF	-36,465.00
06-27-19	06-27-19	dp	Dividend	FLEXSHAR STX GLOBAL BROAD INF ETF	845.53
06-27-19	06-27-19	dp	Dividend	FLEXSHARES QUAL DIV ETF	862.43

Alaska Permanent Capital Management Co.
CASH LEDGER
KENAI PENINSULA BOROUGH - LAND TRUST INVESTMENT FUND
From 06-01-19 To 06-30-19

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-28-19	06-28-19	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	383.98
06-30-19			Ending Balance		29,797.74
DIVIDEND ACCRUAL					
06-01-19			Beginning Balance		0.00
06-21-19	07-31-19	dp	Dividend	SPDR S&P 500 ETF	2,899.07
06-30-19			Ending Balance		2,899.07



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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Tony Prior, Deputy Chief
DATE: August 1, 2019
SUBJECT: Fire Department Mid-Month Report - June

In June the department responded to 117 calls for service as we were slightly above 113 in 2018 and 112 in 2017. The Peninsula began to see warmer temperatures and drier conditions move our way and on June 6th the Swan Lake Fire began as a result of a lightning strike.

On June 21st State Forestry requested a type 6 engine from Kenai and we were able to provide services to the Swan Lake Fire until July 21st.

On June 26th we were inspected by FAA at our Airport Stations and one recommendation was corrected immediately as requested by the inspector. No other issues noted during the inspection of the Fire Department. Also passing annual inspection on June 15th was our Aerial ladder truck (Tower 1).

Casey Luecker attended training in Anchorage and became a State Certified EMT Instructor, which will improve the training in-house personnel in the future.

We conducted testing to hire a new Firefighter June 8-10th and Cory Lehl started July 1st with our department as she is a previous member of Kenai Fire Dept.





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MEMORANDUM

TO: Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Mary Jo Joiner
DATE: July 7, 2019
SUBJECT: Library Mid-Month Report

June Circulation Figures

Adult Fiction	1,267	Internet Access	733
Adult Non-Fiction	1,164	iPad use	155
Young Adult Fiction	209	Games	8
Periodicals	91	Room Booking	147
Juvenile Fiction	457	Music	8
Juvenile Non-Fiction	432	DVDs	1,774
Easy Fiction	997	Audio books	57
Easy Non-Fiction	163	Miscellaneous	75
Interlibrary Loan	0	Computer Programs	
Books – Consortium	293	Media – Consortium	164
Total Print	5,073	Total Non-Print	3,121

	Total Circulation 6/19	9,194	Downloadable Audio	719
	Total Circulation 6/18	9,064	Downloadable EBooks	608
	% change	+1.5%	% change in downloadable	0%
	In-House circulation	370		



Note: June circulation of children’s and young adult materials was 34% higher than in May.



Library Door Count..... 6,362

Income

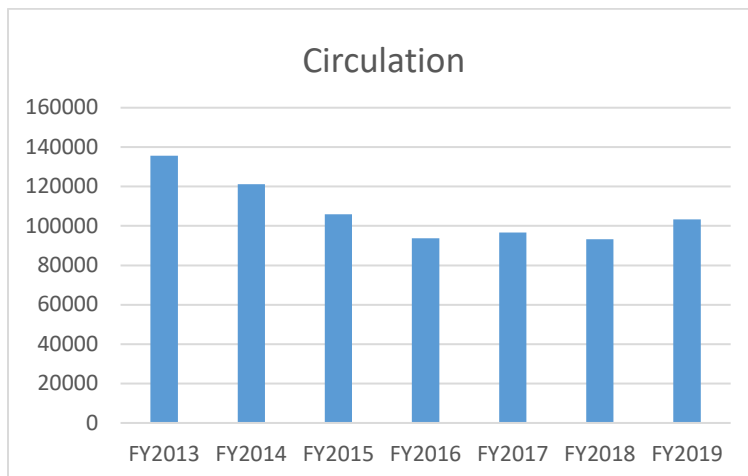
Fines	\$ 282.20
Xerox	158.95
Lost/Damaged	22.80
Test Proctoring Fee	0
Printing	216.50
<u>Other</u>	<u>.00</u>
Total income	\$ 680.45



Library Cards Issued	June
ILL	2
Kenai	32
Nikiski	8
Other Peninsula	4
Soldotna	4
<u>Sterling</u>	<u>2</u>
Total	52

Programs

In June 7 volunteers worked about 58 hours. There were 26 children’s programs with 632 total in attendance, and 15 adult and family programs with 90 attendees. In June we ordered 5 interlibrary loan items not available through the consortium and received 0 items, we returned 1 items and loaned 11 items to other libraries who are out of state or not in the consortium.





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Elizabeth Appleby, City Planner
DATE: July 29, 2019
SUBJECT: **Planning and Zoning June 2019 Report**

Below are a summary of activity in June 2019 for the Planning and Zoning Department.

Planning and Zoning Commission Agenda Items and Resolutions

The Planning and Zoning Commission approved of two transfers of conditional use permits, one application for a conditional use permit for surface extraction of natural resources, one application for amendment to a conditional use permit, one applications for a home occupation permit, and recommended the City Planner respond affirmatively to a plat time extension request:

- Resolution PZ2019-17 – Application for a Conditional Use Permit for Surface Extraction of Natural Resources, submitted by Peninsula Commercial Ventures, 3201 Tamarak Ave. Wasilla, Alaska 99654, for the property described as Tract C, Hollier Subdivision No. 2, located at 695 Gravel Street, Kenai, Alaska 99611
- Resolution PZ2019-18 – Application for Transfer of Conditional Use Permit PZ06-84 (PZ01-11) for a hotel (short-term recreational rentals) from Blue Heron Land Company, LLC, Transferor, to Blue Heron Enterprises, LLC, Transferee, located at 1230 Angler Dr., Kenai, Alaska 99611; further described as Lot 1, Block 2, Anglers Acres Subdivision Addition No. 1
- Resolution PZ2019-19 – Application for Transfer of Conditional Use Permit PZ06-85 (PZ05-26) for a hotel, guide service, and boat parking from Blue Heron Land Company, LLC, Transferor, to Blue Heron Enterprises, LLC, Transferee, located at 1105 Angler Dr., Kenai, Alaska 99611; further described as Lot 6, Anglers Acres Subdivision, Part 3



- Resolution PZ2019-23 – Application for Amendment to Conditional Use Permit PZ2018-16 to remove the hours of operation restriction for the retail marijuana store, submitted by Clint A. Pickarsky d/b/a Kenai River Cannabis, P.O. Box 1016, Soldotna, Alaska 99669, for the property described as Lot 4, Block 1, Bush Lanes Subdivision, located at 14429 Kenai Spur Highway, Kenai, Alaska 99611
- Resolution PZ2019-22 – Application for a Home Occupation Permit to operate a daycare of no more than eight (8) children under the age of twelve (12), including children related to the caregiver, submitted by Glenn and Charlotte Yamada, 1806 4th Avenue, Kenai, Alaska 99611, for property described as Lot 1-C, Block 1, Spruce Grove Subdivision Murphy’s Replat
- Discussion/Recommendation – Authorizing the City Planner to draft and send a letter to the Kenai Peninsula Borough supporting a request by the developer of Kee’s Tern Subdivision for a one-year time extension to finalize the plat

Lands, Economic Development, and Outreach

The City Planner attend a board meeting for the Alaska Chapter of the American Planning Association.

City staff conducted a site visit for a gravel pit.

The City Planner worked on the draft Land Management Plan and data supporting the creation of the plan.

Code Enforcement

2019 Second Quarter Report:

Planning & Zoning has eight active code cases:

Junk Vehicles	3
Junk Vehicles and Debris & Junk	3
Debris & Junk	0
Garbage	0
Building Code Violation	2
Miscellaneous Code Violation	0
Cases transferred to Legal Department/Civil Penalties being assessed.	0
TOTALS:	8

Code Enforcement Action during the months of April. – June, 2019:

Closed Cases	8
Opened Cases	7



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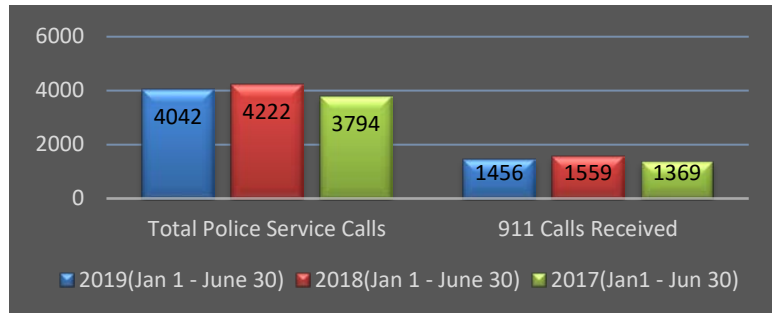
MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: David Ross, Police Chief
DATE: July 10, 2019
SUBJECT: **Police & Communications Department Activity – June 2019**

Police handled 767 calls for service in May. Dispatch received 278 9-1-1 calls. Officers made 72 arrests. Traffic enforcement resulted in 207 traffic contacts and 94 traffic citations. There were 6 DUI arrests. Officers investigated 7 motor vehicle crashes. There was one collision involving caribou. There was one collision involving drugs or alcohol.

June training included: The KPD officer on the SERT team completed two weeks of training. One officer attended a week long training on tactical medical for first responders in Wasilla. One dispatcher attended a week long training conference in Florida.

The police department hired an officer to fill one vacancy, and that individual will attend the DPS academy starting at the end of July. The recruitment process continues to fill two remaining vacancies.





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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: July 2019
SUBJECT: Mid-Month Report; Public Works / Capital Projects

- Terminal Building Rehabilitation Project – Blazy Construction was issued a Notice to Proceed on October 1, 2018. The project is approximately 59% complete to date. Inside the facility Ravn's future space has final finishes being installed. The restaurant exterior wall has now been demo'd, the final exterior addition at the baggage areas is now underway. See photos below. On the exterior the roofing is now 85% complete. The new arrival has been constructed and is now drywalled. Project Completion date remains scheduled for February 2, 2020. The A/E Team and Contractor have processed roughly 98% of the required submittals, as well as responding to 217 RFIs to date. The project is proceeding well.



Ravn's New Counter



Arrival Entry



West Side Demo



- Automated Flight Service Station Renovations Phase 3 (Interior remodel) – Invitations to Bid were released on November 16, 2018 with Bids due on December 14, 2018. Ordinance 3049-2019 was enacted on February 20, 2019 accepting additional Funding from the FAA for the Project to be completed as requested. Polar North Construction was issued a formal Notice of Award on February 27, 2019; Agreement has been executed with a Notice to Proceed issued on March 14, 2019. The project has been proceeding well, the associated electrical work is 90% complete, carpeting replacements are 80% complete, painting 100% complete. Anticipating final completion in August 2019.
- WWTP Improvements – The combined Aeration Blower Replacement / DO Probes project Invitation to Bid was released on February 13, 2019 with Bids due on March 27, 2019. Two Bids were received with Peninsula Construction being the lowest responsive and responsible bidder. The City elected to execute a deductive alternate #1 which removed the digester blowers and associated DO probe from the project for budget purposes. Executed Contract is for \$1,035,000.00 and shall provide for complete replacement of the three Aeration Basin Blowers and associated DO Probes and analyzer. Project is anticipated to take place throughout the summer with completion in the fall. Council approved the project through Resolution 2019-21 at the April 3, 2019 meeting. Notice to Award was issued to Peninsula Construction on April 10, 2019. Submittals are being finalized, equipment has been placed on order. *Update: The new Blowers and DO Probes arrived at the site late July and are anticipated to be operational in approximately six weeks, about a month ahead of schedule.*



Temp Blower Pad and Piping



Temp Blowers moved out and running

- Dock repair – The City Dock received some new damages as a result of the November 30, 2018 Earthquake. Public Works and Finance are coordinating with the insurance company to complete an Engineer's assessment of the damages. Anticipating the current project documents being modified to account for the new damages. Insurance company and engineer will be on site 6/21 to further inspect the property from the water. *Update: Due to weather conditions Engineer rescheduled for August 2, 2019 high tide to complete inspection of trestle from boat.*



- Recreation Center Improvements – Grant extension was requested to allow additional time to coordinate with other projects. Work scope will be finalized in early August, improvements beginning in September.
- Kenai Cemetery Expansion 2018 – Project Documents were recently finalized. The Public Works Department is completing a majority of this work in house. Storm Water Protection Plan has been developed and submitted with the state. Clearing of the site is now complete, survey staking is now in place.



- Peninsula Avenue Bluff Erosion 2018 – Design Documents are now 100% complete. Invitation to Bid is pending, working with Granting agency for approval to advertise.
- Alaska Regional Fire Training Facility – RFP for Engineering, Design, and Construction Administration Services Released March 14, 2019 with Proposals due on April 4, 2019. A Professional Services Agreement was executed with Morrison Maierle on May 8, 2019. Site Visits are schedule for 5/13-5/14 with Design Documents anticipated completion of July 31, 2019, and a formal invitation to bid for construction first week of August 2019. The Preliminary Design Report was received on June 4, 2019 detailing the design teams findings from May's site visit.
- Kenai Municipal Airport Crack Seal and Pavement Marking – The City released a formal Invitation to Bid on May 7, 2019 with Bids received on 5/28/19. Two Bids were received with Northwest Contracting dba Pacific Asphalt being the lowest responsive responsible bidder at \$713,998.50. The project is currently working through grant acceptance and anticipating a



Notice to Proceed within the next few weeks. *Update: Notice to Proceed was issued on July 11, 2019 and the project is now underway.*

- USACE Bluff Erosion – See City Manager’s report. Director’s Report from the Army Corp of Engineers was signed April 10, 2019.
- DOT KSH Rehabilitation (Widening to 5 lanes) Phase 1 Swires Rd. to Eagle Rock Dr. was bid on March 30, 2018. City of Kenai water main replacement crossing KSH at Shotgun/Beaver Loop designed, funded, and will be bid with DOT project. *Update: The 16” new water main associated with this project has now been installed under the Highway.*
- DOT KSH Rehabilitation (Widening to 5 lanes) Phase 2 Eagle Rock Dr. to Sports Lake – ADOT advises this project will take place 2019.
- DOT Beaver Loop Road and Pedestrian Pathway Project – QAP was awarded the project. Signage was posted the week of June 10th, clearing of the right of ways and directional boring of utilities is actively underway. DOT advises final asphalt for both the new road and bike path will not be until May/June 2020.





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MEMORANDUM

TO: Mayor Brian Gabriel and Kenai City Council
THROUGH: Paul Ostrander, City Manager
FROM: Kathy Romain, Senior Center Director
DATE: July 8, 2019
SUBJECT: **June 2019 Monthly Report**

Congregate Meals Served (Dining Room)	1230
Home Delivered Meals	1247
Volunteer Hours	(30 individuals) = 405
Unassisted Transportation Rides	419
Assisted Transportation Rides	122
Social Security Video Service	38 individuals
Senior Center Rentals	5
Total Event Sign-Ins (through MySeniorCenter)	2272
Total Unduplicated Participants (through MySeniorCenter)	228

June activities highlights included:

- No Host Dinner to Acapulco Restaurant. This was attended by 16 seniors for good food and lots of fun!
- The Senior Center hosted the Anchorage Bowl Chamber Orchestra on Sunday afternoon, June 2. This 25 piece orchestra performed to over 50 individuals from around the area. They hope to be back in late August to provide another concert.
- The Mystery Drive was once again, full of excitement. Steve took nine seniors to the Kasilof home of Joseph and Colleen Robertia to visit their sled dog team. Joseph explained about their operation of rescues, rejects, runts and discarded dogs they have rehomed. They visited the South Kasilof riverbank to check out the old Carlson dock and processing facility where Helen and Connie Carlson spent many years of their lives. Other stops included ice cream and then to Ron Homan's house to get a lesson from a Master Farrier in proper care of horse and donkey hooves with a live demonstration on a Mediterranean donkey.
- On June 26, over 50 seniors enjoyed a sun-filled picnic out at the Hilcorp Campsite on Kidney Lake. Missy and Ethan fixed grilled chicken, hot dogs, watermelon, and baked beans. Also, a pretty competitive corn-hole game was the hot item of the afternoon.





Kenai Chamber of Commerce and Visitor Center

Kenai Visitor and Cultural Center Report

2nd Quarter

April - June 2019

KVCC Walk in Visitor Count

Month	2015	2016	2017	2018	2019
April	2,145	1,582	1,142	913	1,445
May	3,108	3,299	2,840	2,089	1,700
June	5,880	6,574	6,026	5,057	4,851
Q2 Total	11,133	11,455	10,008	8,059	7,996

Official Kenai Guide Mailings

Month	2015	2016	2017	2018	2019
April	500	667	332	1,330	1,196*
May	850	1,159	988	757	1,141
June	300	730	1,356	1,230	250
Q2 Total	1,650	2,556	2,676	3,317	2,587

*Includes Great Alaska Sportsman Show

Official Kenai Guide Display Racks

Location	2015	2016	2017	2018	2019
Anchorage Brochure Distribution	***	***	***	***	***
Airport Hotel – Kenai	NA	NA	0	200	0
Aspen – Kenai	200	0	0	0	210
Aspen – Soldotna	200	192	0	100	154
Charlotte’s Restaurant	NA	NA	0	148	16
City Hall	NA	85	170	102	74
Country Foods/IGA	200	35	239	188	63
Diamond M Ranch	100	0	96	0	0
Everything Bagels	NA	NA	160	194	16
Kenai Airport	1,500	804	651	708	653
Mad Moose Restaurant	NA	NA	158	NA	NA
Paradisos Restaurant	300	75	64	100	142
Quality Inn	400	30	128	237	198
Safeway – Kenai	500	311	406	225	57
Safeway – Soldotna	400	NA	NA	448	108
Soldotna Inn	200	56	80	200	30
Sportsmans Warehouse	500	271	343	399	234
The Cannery Lodge	NA	NA	NA	NA	0
Three Bears	350	207	196	249	135
Veronica’s	NA	31	94	185	69
Total Guide Count	4,850	2,097	2,785	3,683	2,159



Kenai Chamber of Commerce and Visitor Center

Kenai Visitor and Cultural Center Report

2nd Quarter

April - June 2019

Note: In January, we send guides to Anchorage Brochure Distribution to distribute to the following locations throughout the year. ABD also supplies literature to many hotels and businesses that do not have one of their displays.

Downtown

Downtown Tour Group
 4th Street Mall
 Anchorage Guesthouse
 Anchorage Grand Hotel
 Anchorage Historic Hotel
 Clarion Suites
 Comfort Inn
 International Auto Logistics
 Marriott
 Ramada
 Ship Creek RV
 The Aviator
 Quality Inn

JBER

Outdoor Rec Ft. Rich
 Oasis Travel
 YMCA
 Outdoor Rec Elm AFB
 Airforce Inn

Whittier/Girdwood

Inn at Whittier
 Portage Train Station

Midtown

Best Western Golden Lion
 AAA Travel
 Clippership RV
 Extended Stay
 Golden Nugget RV
 Cruise America RV Rentals
 Fairfield Inn Marriott
 Hilton Garden Inn
 Home2 by Hilton
 Marriott
 Springhill Suites 36th
 Springhill Suites Providence

Spenard

ABC Motorhome
 ALEX Inn & Suites
 Coast International Inn
 Comfort Suites
 Courtyard Marriott
 Executive Suites
 Holiday Inn Express
 La Quinta
 Midnight Sun Car Rental
 Rent-A-Subaru
 Puffin Inn
 Microtel
 Barratts Travel Lodge

of guides sent to Anchorage Brochure Distribution in January
 5yr Comparison

	2015	2016	2017	2018	2019
Anchorage Brochure Distribution	20,000	20,000	15,000	15,000	15,000



Kenai Chamber of Commerce and Visitor Center

Kenai Visitor and Cultural Center Report

2nd Quarter

April – June 2019

Website Traffic for www.visitkenai.com

2019: 5,011 Users*

2018: 5,619 Users

No Eagle Cam in 2019*



Analytics Kenai Chamber of Commerce and Visitors Center
Kenai Chamber of Comm...

[Go to report](#)

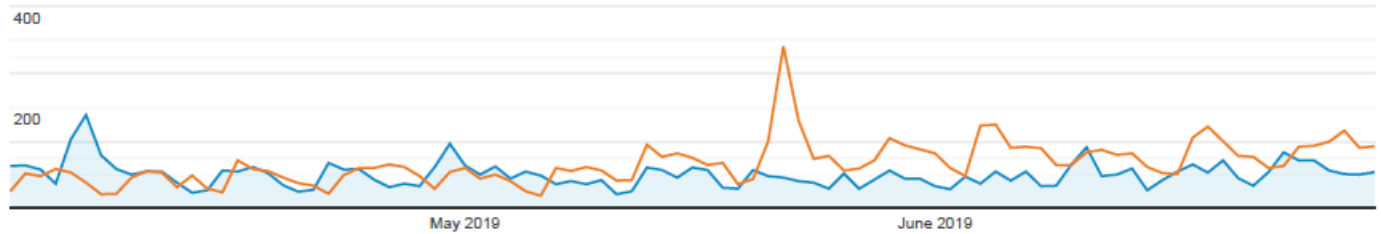
Audience Overview



Apr 1, 2019 - Jun 30, 2019
Compare to: Apr 1, 2018 - Jun 30, 2018

Overview

Apr 1, 2019 - Jun 30, 2019: ● Users
Apr 1, 2018 - Jun 30, 2018: ● Users



Users

-14.28%
5,236 vs 6,108



New Users

-14.90%
4,975 vs 5,846



Sessions

-32.06%
7,007 vs 10,314



Number of Sessions per User

-20.75%
1.34 vs 1.69



Pageviews

-32.84%
13,282 vs 19,777



Pages / Session

-1.15%
1.90 vs 1.92



Avg. Session Duration

-29.68%
00:01:15 vs 00:01:46



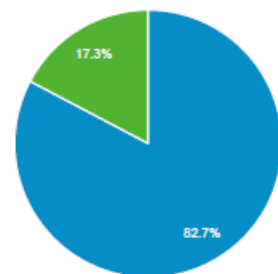
Bounce Rate

2.64%
53.29% vs 51.92%

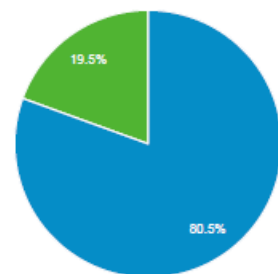


■ New Visitor ■ Returning Visitor

Apr 1, 2019 - Jun 30, 2019



Apr 1, 2018 - Jun 30, 2018



Language

Users % Users



Kenai Chamber of Commerce and Visitor Center

Kenai Visitor and Cultural Center Report

2nd Quarter

April – June 2019

Facility Rental/Community Usage

<u>Organization/Company</u>	<u>Hours of Usage</u>
Alaska Support Industry Alliance Membership Luncheons	6
Alaska Veterans' Affairs Meetings	3.5
Homer Electric Association Board Meeting	6.5
KDLL Radio Adventure Talks	6
Kenai Chamber Board Meetings	6
Kenai Chamber of Commerce Breakfasts/Luncheons	8
Kenai Chamber Women in Business Summit	8
Kenai Community Awards Luncheon	2
Kenai Historical Society Membership Meetings	3.5
Kenai Peninsula Association of Realtors Meetings	4
Kenai Peninsula Relay for Life Meetings	12.5
Kenai Peninsula Trout Unlimited Film Festival	6.5
Kenai Saturday Market	49
Kenaitze Indian Tribe	8.5
Kenai Young Professionals Advisory Council Meetings	1
Opening Reception for Summer Show	2
Shop for a Cure	6
Shroud of Turin Presentation	3
Q2 Facility Usage:	142hrs



April 4 – 7: GASS Sportshow

750 TideBooks

966 ENA Guides

DipNet App Downloads:

Per Dan, CoK IT, "For the period of April 4 – 8, the Dipnet Kenai app was downloaded a total of 44 times. There were also 379 pageviews and 113 unique sessions."

PURCHASE ORDERS BETWEEN \$2,500.00 AND \$15,000.00 FOR COUNCIL REVIEW

COUNCIL MEETING OF: AUGUST 7, 2019

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VENDOR	DESCRIPTION	DEPT.	ACCOUNT	AMOUNT
VERIPIC	ANNUAL MAINTENANCE	POLICE	SOFTWARE	3,003.00
NORTH STAR PAVING	GRAVEL	CEMETERY CAP PROJ	CONSTRUCTION	4,774.00
BRODART	LEASED BOOKS	LIBRARY	RENTALS	6,102.00
KENAI WATERSHED FORUM	WATER QUALITY MONITORING	LEGISLATIVE	GRANTS TO AGENCIES	5,000.00
ALASKA MUNICIPAL LEAGUE	FY20 MEMBER DUES	LEGISLATIVE	DUES & PUBLICATIONS	7,216.00
SOLDOTNA PROF. PHARMACY	FY20 PHARMACY SUPPLIES	FIRE	OPERATING SUPPLIES	4,500.00
EDOCALASKA	FY20 LASERFICHE SOFTWARE	CLERK	SOFTWARE	8,155.00
IMAGE TREND	FY20 ANNUAL SERVICE AGRMT	FIRE	PROFESSIONAL SERVICES	3,000.00
SPILLMAN TECHNOLOGIES	FY20 MAINTENANCE	COMMUNICATIONS	REPAIR & MAINTENANCE	10,781.94
NEW WORLD SYSTEMS CORP	MOBILE DATA COMPUTER SOFTWARE	FIRE	COMMUNICATIONS	3,800.00
CROWLEY	FLOAT PLANE BASIN FUEL	AIRPORT	OPERATING SUPPLIES	3,807.92
STATE OF ALASKA - ACADEMY	ACADEMY TUITION - HILD	POLICE	TRAVEL	12,360.00
PENINSULA CLARION	FY20 AGENDAS/NOTICES	CLERK	ADVERTISING	6,000.00
KONICA MINOLTA	FY20 COPIER MAINT.	NON-DEPARTMENTAL	POSTAGE	6,000.00
CHRISTINE BABCOCK	FY20 PHYSICIAN CONSULTATION	FIRE	PROFESSIONAL SERVICES	6,000.00
TERRI ELLIOTT	FY20 PHYSICIAN CONSULTATION	FIRE	PROFESSIONAL SERVICES	6,000.00
SPRINKLER PRO	LAWN MAINTENANCE JULY-SEPT.	CONG. HOUSING	PROFESSIONAL SERVICES	4,500.00
T2 SYSTEMS	LUKE PAY STATION	AIRPORT	MACHINERY & EQUIPMENT	10,104.30
ESRI	ARCGIS MAINTENANCE	VARIOUS	SOFTWARE	3,749.00
CODE PUBLISHING COMPANY	FY20 MUNICIPAL CODE UPDATES	CLERK	PROFESSIONAL SERVICES	5,000.00
KACHEMAK ELECTRIC	CIRCUIT INSTALLATION	BUILDINGS	REPAIR & MAINTENANCE	3,149.00
GCI	FY20 VINTAGE POINTE CABLE	CONG. HOUSING	UTILITIES	8,640.00
PENINSULA CLARION	FY20 AGENDAS/NOTICES	P&Z	ADVERTISING	3,500.00
WINCE, CORTHELL, BRYSON	ENGINEERING SERVICES	AIRPORT	PROFESSIONAL SERVICES	3,000.00
MINICIPAL CODE CORPORATION	AGENDA MANAGEMENT SOFTWARE	CLERK	SOFTWARE	3,800.00
WORLD WIDE TECHNOLOGY	ANNUAL CISCO MAINTENANCE	VARIOUS	COMMUNICATIONS	8,664.80
ALCAN ELECTRICAL	CAMERA LICENSES	LIBRARY	SOFTWARE	2,549.56



“Connecting Businesses
On the Kenai since 1954”

Phone: 907-283-1991
Fax: 907-283-2230
www.KenaiChamber.org

July 10, 2019

City of Kenai
Jamie Heinz
210 Fidalgo Ave., Ste. 200
Kenai, AK 99611



Dear Ms. Heinz,

On behalf of the Kenai Chamber of Commerce & Visitor Centers Board of Directors and staff, we would like to thank you for helping to make this year's 4th of July celebration a huge success. Your help and participation was invaluable!

The weather was perfect, and the day included a great parade consisting of trucks, classic and race cars, floats, a wedding proposal, performances and animals that lasted over 90 minutes. The festivities continued on the green strip following the parade with entertainment by Troubadour North. The midway had about 40 vendors, a kid's carnival, a bouncy house sponsored by Jumpin' Junction, Water Games provided by Kenai Fire Department, and a Beer Garden featuring Kassik's Brewery. There was something for everyone! Kenai Parks and Recreation were, as usual, a great help in the set-up, maintenance and tear down of the midway festivities.

Thank you to Rirkland Valuation Services LLC for sponsoring our Hometown Heroes display. Please keep in mind for next year, if you have a hero you wish to recognize in the display, you can submit their military photo at any time throughout the year to Kenai Chamber of Commerce & Visitor Center.

This year's event was a huge success thanks to you and all of those in our community who participated in one way or another! Once again, thank you for your contribution and we look forward to working with you next year.

Sincerely,

Johna Beech, IOM
Kenai Chamber of Commerce & Visitor Center
President/COO

2019 Board of Directors

- *
- Chairman of the Board
Bruce Jackman
Marathon Petroleum Corp
- *
- Vice Chairman
Al Hull
Petroleum Equipment & Services
- *
- Treasurer
Chris Finley
The Finley Group
- *
- Secretary
Penny Furnish
Stewart Title
- *
- Directors
- *
- Fred Braun
Jack White Real Estate – Kenai
- *
- Dennis Swarner
Kenai Vision
- *
- Jake Arness
Udelhoven Oilfield Systems Service
- *
- Mike Dye
Northrim Bank
- *
- Serena Sevener – Byerly
Aspen Hotel Suites – Kenai
- *
- Staff
- Johna Beech
President /COO
- Kimberly Stallings
Visitor Services Representative
- Gloria Ungrue
Administrative Support

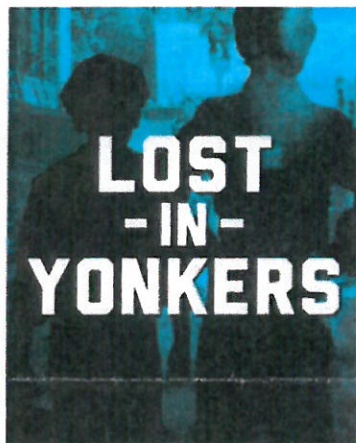


2019-2020 Playbill Advertising Order Form

ANNOUNCING THE 2019-2020 SEASON



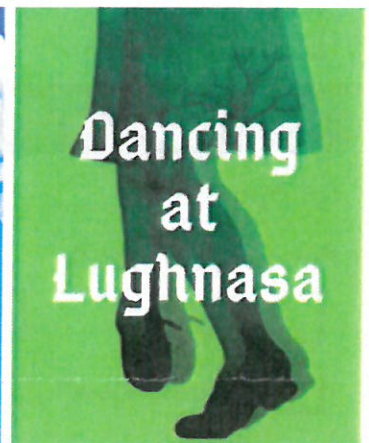
August 2019



November 2019



February/March 2020



May 2020

FULL SEASON AD PRICES SPRING MUSICAL AD PRICES

AD OPTION	AD SIZE (APPROXIMATE)	AD PRICE		AD OPTION	AD SIZE (APPROXIMATE)	AD PRICE	
1/4 pg. horizontal, B&W	4.5" x 2"	\$200	<input type="checkbox"/>	1/4 pg. horizontal, B&W	4.5" x 2"	\$100	<input type="checkbox"/>
1/2 pg. horizontal, B&W	4.5" x 3.5"	\$300	<input type="checkbox"/>	1/2 pg. horizontal, B&W	4.5" x 3.5"	\$150	<input type="checkbox"/>
Full page vertical B&W	4.5" x 7.5"	\$400	<input type="checkbox"/>	Full page vertical, B&W	4.5" x 7.5"	\$200	<input type="checkbox"/>
Premium vertical, Color*	4.5" x 7.5"	\$1,000	<input type="checkbox"/>				

Premium ads are full page, color ads. There are only three Premium Ad opportunities—back and inside cover pages. Premium Ads are only available to purchase as a Full Season Ad

CONTINUE ON BACK . . .

BUSINESS INFORMATION

Page 220

Business Name: _____ Phone: _____

Contact Name: _____

Email Address: _____

ARTWORK

Last year's ad without changes New camera ready ad

My ad will be provided to the Kenai Performers by 07/22/19

via email via flash drive

AD COST & PAYMENT INFORMATION

Ad Space \$ _____ Total \$ _____

Payment Method:

Cash Check

Credit Card: _____ Exp: _____

CVC: _____ Zip Code: _____

All credit card sales will be charged a 3.5% + \$0.15 processing fee

I understand that the balance must be paid in full, no later than July 22, 2019 or my ad will not be included in the 2019-2020 Season Program.

SIGNED _____ DATE _____

REQUIREMENTS & CONDITIONS

Ads will be accepted in digital format only by flash drive or via email. Be sure to include extensions when naming your files. Accepted files include: Acrobat Portable Document (pdf), Encapsulated Post Script (eps), JPEG Image (jpg), TIFF Image (tif). Ads in other formats will not be accepted. Ads in the correct and specified size must be submitted with a minimum resolution of 300dpi. CMYK 4-color or Grayscale color formats must be used.

RGB images will be converted to CMYK. The Kenai Performers will not be responsible for color shifting that may result from a necessary format change. Bleeds should account for at least 1/8" more than the ad size. **Ad/art changes are the responsibility of the advertiser and must be submitted by the advertising deadline of 07/22/19.** If advertisements are changed after the deadline, a minimum penalty of \$50 will be billed to the advertiser. All ad copy is subject to approval. The advertiser/agency assumes liability for all content of ad and any claims arising against the Kenai Performers as a result. That includes names, photos, illustrations, trademarks or other copyrighted matter. The Kenai Performers reserves the right to refuse any advertisement for any reason at any time. The publisher will not be held accountable for errors in key numbers, index to advertisers, or sources & resources omissions. The Kenai Performers are not responsible for corrections made on ad submissions requiring alterations. The advertiser is responsible for said changes and must forward any changed materials to the Kenai Performers.

Cancellations made after 07/22/19 will be billed in full for reserved ad space.

NOTE: Ad orders will not be accepted without a completed & signed advertising order form

Please send all orders and correspondence to: Kenai Performers, Attn: Rebecca Gilman

PO Box 914, Kenai, AK 99611

Phone: (907) 398-2951

Email: rflogilman@gmail.com