



City and Borough of Wrangell
Port Commission
AGENDA

Thursday, April 08, 2021
6:00 PM

Location: Borough Assembly Chambers
City Hall

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES (*MOTION* - Move to approve the Minutes, as presented)

[a.](#) 2021-03-04 Port Commission Minutes

4. AMENDMENTS TO THE AGENDA

5. CORRESPONDENCE

6. PERSONS TO BE HEARD

[a.](#) Public Correspondence from the 03-04-2021 Meeting

7. HARBORMASTER'S REPORT

[a.](#) Harbormaster Report April 2021

[b.](#) Barge Ramp Inspection Report

[c.](#) General Maintenance Schedule

8. COMMISSIONER REPORTS

9. UNFINISHED BUSINESS

[a.](#) Harbor Goals

10. NEW BUSINESS

[a.](#) Approval of direction to work with WCA to acquire the area in the southwest corner of Shakes Island Parking Lot to develop and relocate Shakes Island Walkway Bridge

[b.](#) Approval of Third Modification to Leased Mill Dock 1 in the Wrangell Marine Service Center to modify the lot size square footage from 5,140 square feet to 7,460 square feet, and to increase the monthly lease amount from \$411.20 to \$596.80 plus tax

[c.](#) Approval to move forward with the Lease of Mill Dock, Lot 2 in the Wrangell Marine Service Center to Dustin Phillips

11. NEXT AGENDA ITEMS

12. ADJOURN

Minutes of the Regular Wrangell Port Commission Meeting

Held March 4th, 2021

Chairman John Martin called the Regular Port Commission meeting to order at 6:00 p.m., January 7th, 2020, via Zoom

PRESENT: Martin, Morrison, Roppel, Merritt, Yeager

ABSENT:

Harbormaster Steve Miller was also in attendance.

APPROVAL OF MINUTES

- a. Approval minutes from meeting February 4th, 2020

M/S: Merritt/Yeager to approve the minutes, as presented. Motion approved unanimously.

AMENDMENTS TO THE AGENDA - None.

CORRESPONDENCE- None.

PERSONS TO BE HEARD- None.

HARBORMASTER'S REPORT

Miller reported on the following items:

- The Harbor Office has been busy working on the live-aboard language and gathering information from other Harbors.
- The Harbor had a water leak issue at Heritage. The Harbor dept hired a diver and used spare parts to make the repairs. There is a total of 5 connections and 10 flanges that need immediate repairs.
- The Port is getting ready to do an inspection of the barge ramp.
- The Marine Service Center is seeing the usual rush of boats scheduling their haul outs for this Spring.

COMMISSIONER REPORTS

Yeager reported that Sea Level Cannery is not opening until May 1st. Halibut opens on May 6th and boats are being forced to go elsewhere to sell their halibut. Wrangell will feel the hit from this because fish tax will be going elsewhere. Sea Level not opening will have a trickle-down effect with fisherman not buying groceries and fuel in town. Seal Level is not opening because they do not want to pay for Covid tests for their employees.

Martin asked about safety procedures for the Harbor Department. Miller replied that he holds weekly to bi-weekly safety meetings with the crew.

PUBLIC HEARING-

- 9a** Ordinance 984- Live Aboard
- No persons to be heard and 2 letters submitted.

M/S: Roppel/Merritt to approve Ordinance 984 – Live Aboard.

Motion approved unanimously by polled vote.

Yeager spoke in favor of the new ordinance and believes Ordinance 984 is well thought out. Merritt and Yeager requested that emails go out to the two people who submitted letters for the public hearing and make sure their questions are answered.

OLD BUSINESS**10a** Harbor Goals 2021

It was requested that Meyers Chuck be added to the goal list. Miller did add that this spring he will plan a trip to Meyers Chuck and pressure wash the docks. Roppel asked about the progress of security cameras and Miller replied that between grant money and the FY2022 budget that there should be enough funds to start the security camera process. The goal is to have cameras at all the Harbor Facilities.

NEXT AGENDA ITEMS – None.

The next Regular meeting April, 8th 2021

Regular meeting adjourned at 6:35 p.m.

From Bill Wakefield (3-4-2021 meeting correspondence)

Recd. 3-4-2021 @ 2:01pm

Dear Wrangell Port Commissioners,

I am writing to comment regarding the Live Aboard Vessel/ Residential User Fee agenda items on your 4-Mar-2021 meeting agenda.

Background:

We have been happy fulltime live aboard cruisers in our sailboat [Denali Rose](#) since we retired from the University of Alaska in 2014, and we plan to continue.

We have never had any issues paying reasonable extra fees for this privilege, and have happily done so since we brought our boat to Wrangell in 2014.

We have kept a reserved slip in Heritage Harbor since that time, and come and go in our vessel as we please. We average between 3-5 months time in our slip each year, it being empty the rest of the time.

We love having Wrangell as our home port.

My comments follow:

Adding the definition of Residential User helps clarify the Live Aboard status for everyone concerned.

What I don't see are any business rules for when the Residential User Fee would [or perhaps wouldn't] be assessed.

The proposed changes seem to be written with an eye toward vessels that occupy their slip full time. I say this because I find no new business rule(s) stating when the newly defined Residential User Fee would be applied to qualifying vessels.

Currently, the online harbor policy documents indicate such fees will be assessed if a vessel is occupied for 14 or more days during a calendar month. [This is what we are used to during our tenure here.]

Will this be changing?

As an example, since we live full time on our vessel, and keep a reserved slip, will the Residential User Fee be assessed only when our boat is in its slip? If so, for how long? For instance, will it be assessed when we do a two day stop and go for groceries and fuel in Wrangell? [Remember we only occupy our slip an average of 3-5 months each year...]

Additionally, current Municipal Code [\[14.05.015 L\]](#) limits live aboard designation to a total of 21 vessels across all harbors. Will that number be increasing, or is this effort solely for those 21 possible vessels?

Thank you for your time, consideration, and efforts. I look forward to learning what the new business rules will be.

Cordially,

Bill Wakefield

+1 907.687.8150 (Mobile)

[SV Denali Rose](#)

PS: If you will indulge one item that is off topic for this agenda item, but on topic if this is all about improving harbor revenues: I continue to be surprised that Wrangell doesn't hot-berth slips?

For example, our 50 ft slip is empty 6+ months of each year. If the slip were occupied just half of that time [90 days] by transient vessels, the harbor would gross an additional 65% revenue over and above our annual fees paid on just our slip.

Is there sufficient traffic to support this? It seems so; I end up sending 10+ cruising boats each year to Petersburg because Wrangle has declined moorage during peak periods- despite a seasonal spate of empty slips.

From Bob Wilkinson (3-4-2021 meeting correspondence)

Recd. 03-04-2021 @ 10:14am

To: Wrangell Port commission and Municipal Assembly
Re: 984

In the "WHEREAS" section of the proposed changes there are a number of assumptions that are questionable.

It seems to me all/most vessels in the harbor are "Live aboards" at some point during the year.

In my neighborhood alone there are a half dozen boats whose owners arrive from out of State for the summer cruising/fishing season. Most are not Alaska residents but, rather residents of Washington, Oregon or other. They typically spend several months aboard their boats.

Are they to fall under the definition of "Live aboard" as cited in Section DD?

"DD. "Liveaboard" means ANY (emphasis mine.) vessel utilizing the harbor as a primary residence for one or more persons."

If this is so, it would most certainly increase revenue to the Harbor if that is the goal. I suspect more than half the vessels in the harbor fall into this category.

With that in mind, I assume the revenue vs, administrative cost has been considered.

Section MM has a provision for a 60 day period to be declared a "Residential user."

I think it might be difficult to look forward 60 days to determine who is, or rather who will become, a "Residential user."

The intention may be to make such determination in arrears and bill users accordingly. Again, admin costs are a consideration.

Many of the vessels, fishing and otherwise come and go from the harbor for varying lengths of time. Most return for re-provisioning, fuel, repairs, etc. as necessary. The economic impact to Wrangell as a whole is considerable. I think this is to be encouraged.

Perhaps the existing ordinance and definitions are adequate for the purpose.

Thank you for your consideration,
Bob Wilkinson
M/V Clementine
Heritage B-11

Harbormasters Report April 2021

Administration- I would like to welcome Calleigh Miller as our administrative assistant while Keeleigh Solverson is on maternity leave. Calleigh will be a good fit with the Harbor Department as she has been involved with the fishing and tourism community her entire life. We have been busy trying to get caught up on delinquent accounts. We have sent 22 accounts to collections and sent notices to all accounts past 90 days with either taking stalls or intent to impounds. We have been focused on collections to clean up our books. WCA submitted a letter of interest for a lease of the Marine Bar parking lot that is owned by the city. I got together with WCA and measured out a 30'x 60' space along the water front facing Shakes Island. They are planning a new trestle, restroom, and three-sided shelter to conduct tours of Shakes Island. I have included the letter and conceptual drawing for discussion.

Harbor- I have been in contact with Steve and Kathy Peavy of Meyers Chuck. They have been gracious enough to be our eyes and ears for the harbor department since we took over the float system. They collect moorage and register new boats for the Harbor Dept. They are going to compile a list of parts and pieces we may need to bring with us on our spring trip to Meyers Chuck for maintenance and pressure washing. Amber and I have been working on a CIP for float replacement and you will see what we have put together as soon as the budget is closer to presentation. Boat launch permit sales have still been a hot item and will continue to be as the weather warms up.

Port- Amber and I have also been working on getting the city dock fender piles replaced that were damaged earlier this year. This is going to come in around \$83k, and a portion of this will be paid for by our insurance. We will have bid packets out by mid-April. The new summer float is near completion with all decking finished. The last task is to attach the bull rail. We did a barge ramp inspection and I have included an additional report on this. We will be seeing small cruise ships this season with passenger counts under 500 people. We will not be seeing any large cruise ships this season due to Canada and the CDC still not allowing large cruise ships to sail US waters until at least November 2021.

Marine Service Center- We are close to capacity and still have more people calling every day setting up reservations for a haul out. I believe we will hit our goals for haul outs for this fiscal year with no problem.

Chugach Ranger- Hopefully by the time of this meeting the Chugach Ranger will be in its new home. The move is supposed to take place the first week of April.

Barge Ramp Inspection March 4th 2021

The last barge ramp condition assessment was completed in 2011 by PND engineering. On March 4th 2021 we did a barge ramp inspection to get an idea of where we are at on coating failures and overall barge ramp condition. Upon completion of the inspection, we found that most coatings are beyond their serviceable life. There are large sections of the transfer span floatation tanks that the coatings are either gone or flaking of in large sections. All anodes are gone and need replaced. These are what keep the steel from having corrosive sectional loss. I have included pictures of the bare steel for reference. These tanks and support structure are in need of sand blasting and recoating in order to stop the galvanic corrosion that has taken place. We had a contractor do some Ultrasonic readings on the floatation tank and supports. These readings showed that over all the thickness of the steel were ok but with out proper coatings and anodes this condition will not be sustained for long.

The connections to the bulk head are also a concern and need to be addressed. There is significant metal loss and wear at this connection. The H pile dolphins are all in good shape but the coatings are also failing and need to be addressed. These all need to have anodes welded on below the water line to protect from corrosion as well. Some of the wood fender piling need reattached.

The under side of the barge ramp coatings have also failed and are in need of sand blasting and recoating. There are substantial repairs that are needed in order to maintain use of our barge ramp facility. Amber and I will be working together to get a cost estimate of repairs that are needed and will be including those costs in a CIP.

Ports & Harbor Director

City & Borough Of Wrangell

Steve Miller



Corrosion to air inlet

Floatation Tank

Barge Ramp Beach Connection





Corrosion bare steel

Barge Ramp Beach Connection





Corrosion bare steel

Flotation tank

H Pile Dolphins and Fender Piles



General Maintenance Schedule

Spring- (following thaw)

- Pressure washing floats including Ladders
- Pressure wash and repair the summer floats prior to installation
- Re-nail float decking where pulled from movement or snow plow.
- Repair replace non skid material on gangways, floats and in town grid
- Stray current checks
- Fire equipment maintenance & training
- Training and maintenance of dewatering pumps

Summer

- Grease hoists and repair as necessary
- Finish any large projects from previous year
- Address all safety issues on docks
- Make new list of projects and complete on a worst first priority
- Ground's maintenance tree and brush removal
- Paint where needed (safety areas, decks, loading zones, parking lots)

Fall

- Pull summer floats for the season
- Pressure wash bad spots on all floats prior to first frost
- Clean all facilities in preparation of winter snow
 - Clear floats of customer's totes, fishing gear, coolers, hand trucks etc.
 - Clear floats of electrical cords, hoses and moorage lines prior to snow removal.
- Fire equipment maintenance
- Repair or replace non-skid materials on gangways and floats as needed
- Stray current Checks
- Check auto drain Valves on water lines
- Drain all exposed water lines to protect from freeze (City Dock, Grids, Yard Hydrants)

Winter

- Weather permitted repairs and maintenance
- Clean up and organize shop areas
- Snow removal, sand and salt as needed

Routine Checks: Harbor staff walks facility daily performing security and inventory. Staff will perform a visual inspection and will be noting deficiencies and repairing safety issues immediately. Other less immediate issues will be scheduled for repair. Throughout the year items such as hoists, fire equipment, waterlines, barge ramp and water pumps are maintained.

Harbor goals for 2021

Administration

- Do we increase rates for 21/22?
- New Credit Card Processing to implement auto-pay
- Start the collections process for delinquent accounts
- Temp Hire Spring training
- Security Cameras
- Maintenance on Harbor vehicles
- Emergency equipment training
- Budget

Port

- Cruise Ship Security plan approval
- Barge Ramp? Lease to AML, Sampson? Repair?
- Sampson Lot Pot holes filled/graded
- Cruise Ship Dock Cleaning
- Summer float installation
- Camel log installation
- City Dock Piling Repairs

Harbor

- Inner Harbor Lighting/Wiring
- Inner Harbor Finger Replacement/ Maintenance/Dredging
- Pressure washing all floats
- Stray Current – All harbors except Shoemaker
- Fill all Harbors to capacity
- Hoist Cards? – Credit Card readers?
- Parking Lot Signage
- Fill Pot Holes
- Net Float Replacement SMB
- Meyers Chuck Float Replacement

Marine Service Center

- Buy a used container
- Dispose of impounded vessels to open space in yard
- Restructure leased space fees
- Business Plan
- Mill Dock Repairs \$250k??

CITY & BOROUGH OF WRANGELL, ALASKA PORT COMMISSION AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	April 8, 2021
	<u>Agenda Section</u>	New Business

Approval of direction to work with WCA to acquire the area in the southwest corner of Shakes Island Parking Lot to develop and relocate Shakes Island Walkway Bridge

SUBMITTED BY:

Steve Miller, Port & Harbor Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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Amount Budgeted:

	FY20 \$XXX
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Account Number(s):

	XXXXX XXX XXXX
--	----------------

Account Name(s):

	Enter Text Here
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Unencumbered Balance(s) (prior to expenditure):

	\$XXX
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Reviews/Approvals/Recommendations

<input checked="" type="checkbox"/>	Port Commission
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Request from WCA 2. Map

RECOMMENDATION MOTION:

Approval to work with WCA to acquire the area in the southwest corner of Shakes Island Parking Lot to develop and relocate Shakes Island Walkway Bridge and to send the request to the Borough Assembly.

SUMMARY STATEMENT:

WRANGELL COOPERATIVE ASSOCIATION

Item a.

P.O. Box 2021 • Wrangell, Alaska 99929
Telephone: (907) 874-4304
Email: wcatrbe@gmail.com

February 25, 2021

Lisa Von Bargaen
City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929

Dear Lisa,

The purpose of this letter is to share our ideas and hopefully come to an agreement on a new walkway bridge and rest area at Shakes Island. Wrangell Cooperative Association's mission is to support the cultural, ceremonial and subsistence lifestyle for all Alaskans, and to promote the safe use and availability of a healthy environment for present and future generations.

Shakes Island Walkway Bridge provides access to cultural, educational, and ceremonial activities at Chief Shakes Tribal House. The City and Borough of Wrangell has generously transferred ownership of their half of the bridge to the tribe. As sole owner of the bridge, it is the tribe's responsibility to maintain it and ensure safe access for the traveling public. Over the years, the bridge has deteriorated and is starting to become a safety hazard. In 2013, WCA's Transportation Department resurfaced the entire bridge and replaced dilapidated pilings. We were given a 10-year lifespan on the resurfaced bridge and the 10-year mark is quickly approaching.

We would like to work with the City and Borough of Wrangell to acquire the area in the southwest corner of Shakes Island Parking Lot, in order to develop, and relocate Shakes Island Walkway Bridge.

Please feel free to contact Esther Ashton at 874-4304 with any questions. Thank you.

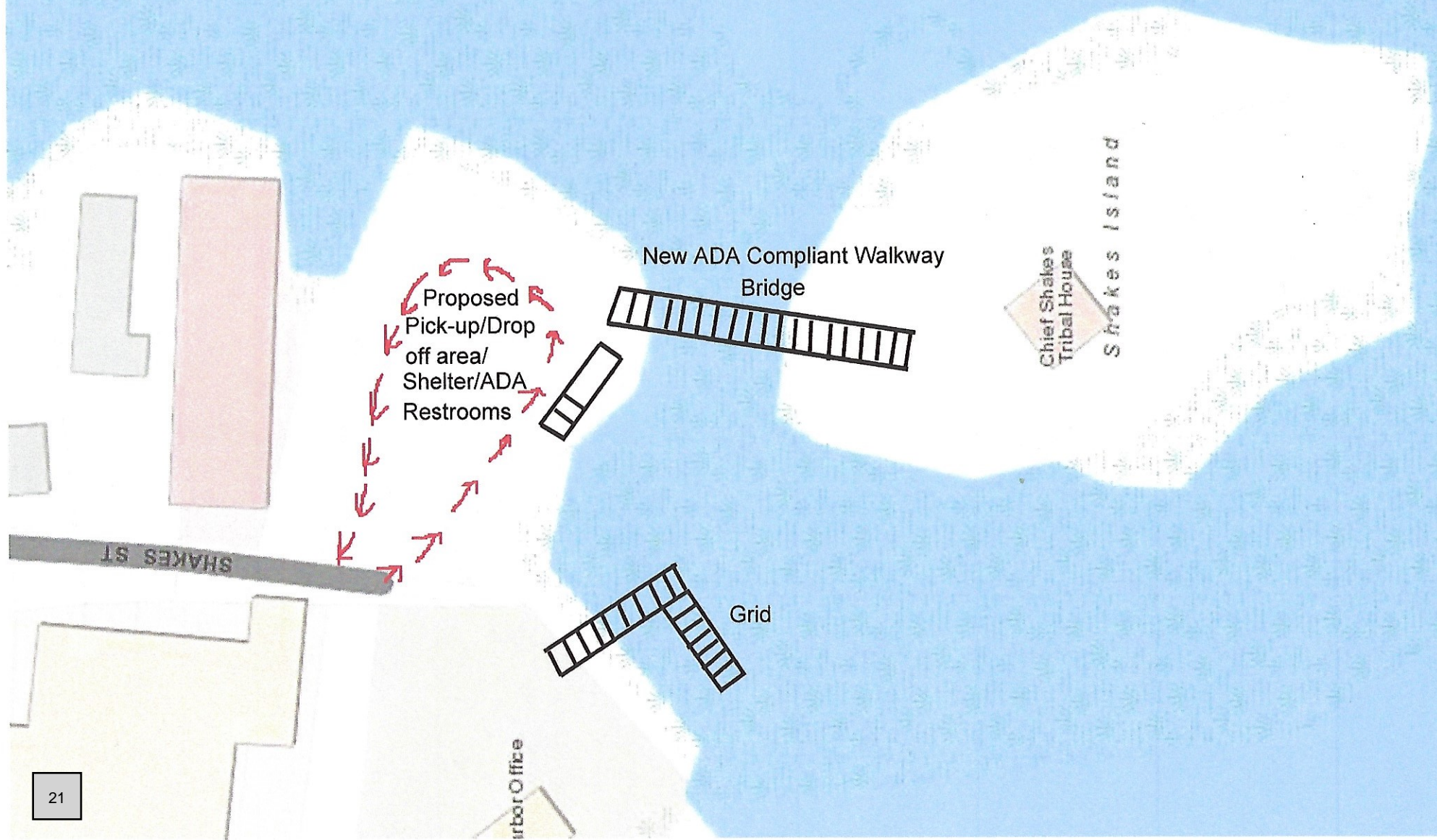
Sincerely,



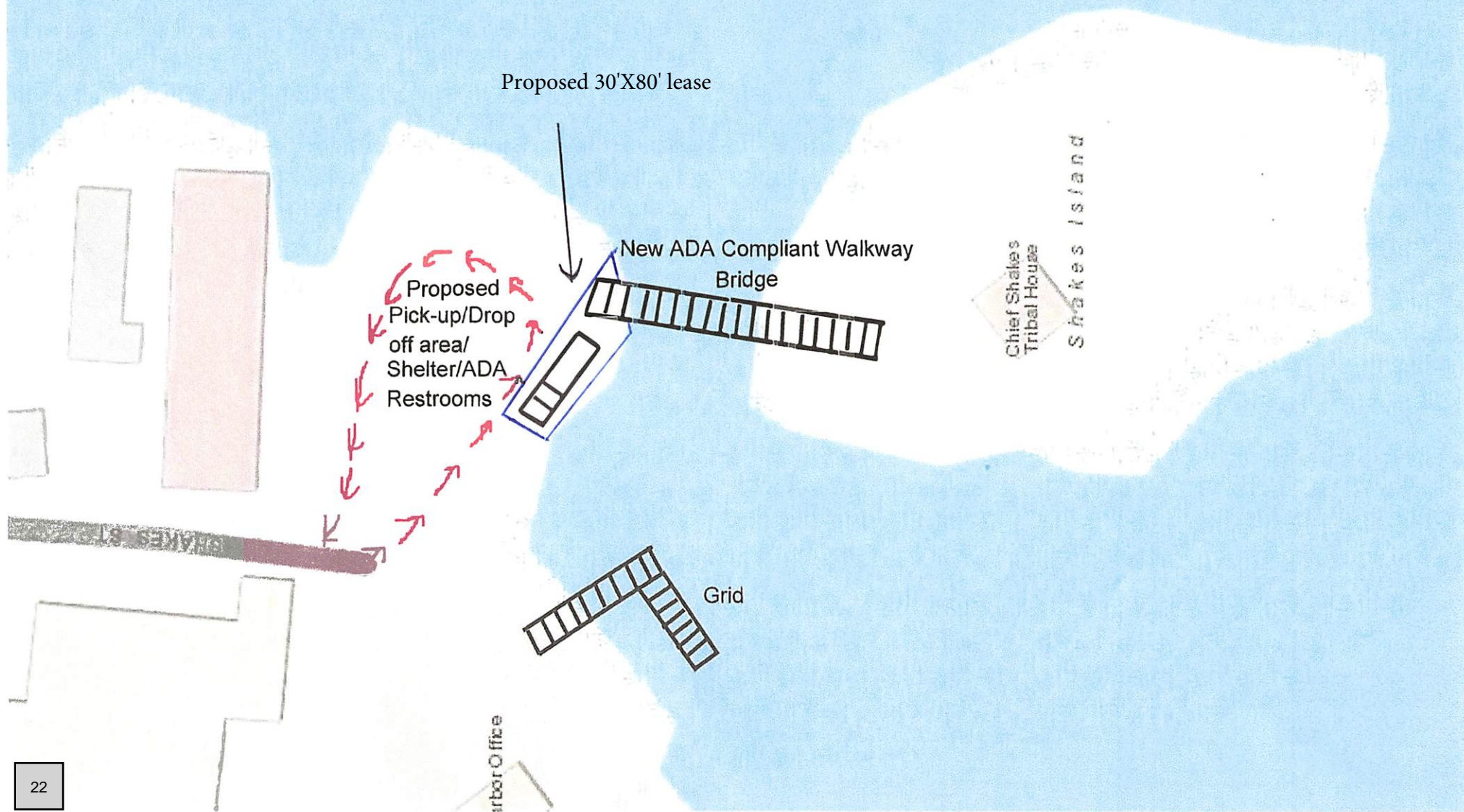
Richard Oliver, WCA President

Attachment:
Conceptual Drawing

Proposed ADA Walkway Bridge and Rest Area



Proposed ADA Walkway Bridge and Rest Area



CITY & BOROUGH OF WRANGELL, ALASKA PORT COMMISSION AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	April 8, 2021
	<u>Agenda Section</u>	New Business

Approval of Third Modification to Leased Mill Dock 1 in the Wrangell Marine Service Center to modify the lot size square footage from 5,140 square feet to 7,460 square feet, and to increase the monthly lease amount from \$411.20 to \$596.80 plus tax

SUBMITTED BY:

Steve Miller, Port & Harbor Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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Amount Budgeted:

	FY20 \$XXX
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Account Number(s):

	XXXXX XXX XXXX
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Account Name(s):

	Enter Text Here
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Unencumbered Balance(s) (prior to expenditure):

	\$XXX
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Reviews/Approvals/Recommendations

<input checked="" type="checkbox"/>	Port Commission
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Lease Modification 2. Original Lease 3. Mr. Thomassen's request to expand

RECOMMENDATION MOTION:

Approval of Third Modification to Leased Mill Dock 1 in the Wrangell Marine Service Center to modify the lot size square footage from 5,140 square feet to 7,460 square feet, and to increase the monthly lease amount from \$411.20 to \$596.80 plus tax.

SUMMARY STATEMENT:

The additional square footage is being requested by Mr. Thomassen, dba Crab Alaska LLC.

Once approved by the Port Commission, this item will go to the Borough Assembly for final approval.

Second Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
for Mill Dock Lot 1

This **third** modification to change the name of the Facility Lease Agreement is made and entered into as of _____, 2021 by and among:

Crab Alaska, LLC (previously Alaska Special Sea Seafood), P.O. Box 424, Wrangell Alaska 99929.

Now therefore, both parties agree as follows:

First Modification (1-19-2018)

- A. Alaska Special Sea Seafood's entered into an original WMSC Facility Lease Agreement dated May 1, 2020 with the City and Borough of Wrangell as follows: Mill Dock Lot 1 – originally 50' x 80' (4000 square feet); and
- B. On January 19, 2018, modification 1 changed section 1, Duration, of the original agreement and changed Section 2, Leased Property, by granting additional square footage. Both amendments are as follows and are reflected in the original agreement:
 - a. Section 1, Duration: This lease shall be in effect for an additional five years, more specifically, from the date shown above until the 1st day of May 2020.
 - b. Section 2, Leased Property: The property subject to this Lease is described as: Mill Dock, Lot 1, from 50' x 80' (4000 square feet) to 5,140 square feet. The monthly lease amount will increase from \$360.00 per month + tax to \$411.20 per month + tax.

Second Modification (July 28, 2020)

- A. The City and Borough of Wrangell received notification from Mr. Thomassen that Alaska Special Sea Seafood's had changed their name to Crab Alaska, LLC as of June 23, 2020; and
- B. Upon execution, this second amendment will become an attachment to the original agreement, dated May 1, 2012.

***Third Modification* date , 2021**

- A. On _____, 2021, **modification 3 changed Section 2, Leased Property, by granting additional square footage. This amendment is as follows and is reflected in the original agreement.**
 - a. **Section 2, Leased Property: The property subject to this Lease is described as: Mill Dock, Lot 1, from approximately 51' x 100' (5,140**

square feet) to an include an additional 2,320 (total 7,460 square feet).
The monthly lease amount will increase from \$411.20 to \$596.80 per
month plus tax.

Steve Thomassen, Lessee

Date

Stephen Prysunka, Mayor

Date

(Attest) Kim Lane, Borough Clerk

Second Modification to the Facility Lease Agreement
in the Wrangell Marine Service Center (WMSC)
for Mill Dock Lot 1

This **second** modification to change the name of the Facility Lease Agreement is made and entered into as of July 28, 2020 by and among:

Crab Alaska, LLC (previously Alaska Special Sea Seafood), P.O. Box 424, Wrangell Alaska 99929.

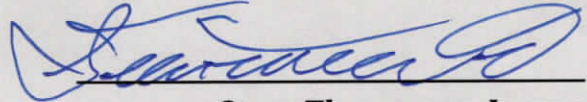
Now therefore, both parties agree as follows:

First Modification (1-19-2018)

- A. Alaska Special Sea Seafood's entered into an original WMSC Facility Lease Agreement dated May 1, 2020 with the City and Borough of Wrangell as follows: Mill Dock Lot 1 - originally 50' x 80' (4000 square feet); and
- B. On January 19, 2018, modification 1 changed section 1, Duration, of the original agreement and changed Section 2, Leased Property, by granting additional square footage. Both amendments are as follows and are reflected in the original agreement:
 - a. Section 1, Duration: This lease shall be in effect for an additional five years, more specifically, from the date shown above until the 1st day of May 2020.
 - b. Section 2, Leased Property: The property subject to this Lease is described as: Mill Dock, Lot 1, from 50' x 80' (4000 square feet) to 5,140 square feet. The monthly lease amount will increase from \$360.00 per month + tax to \$411.20 per month + tax.

Second Modification August 11, 2020
~~(July 28, 2020)~~

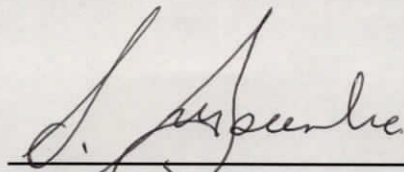
- C. The City and Borough of Wrangell received notification from Mr. Thomassen that Alaska Special Sea Seafood's had changed their name to Crab Alaska, LLC as of June 23, 2020; and
- D. Upon execution, this second amendment will become an attachment to the original agreement, dated May 1, 2012.



Steve Thomassen, Lessee

8-17-2020

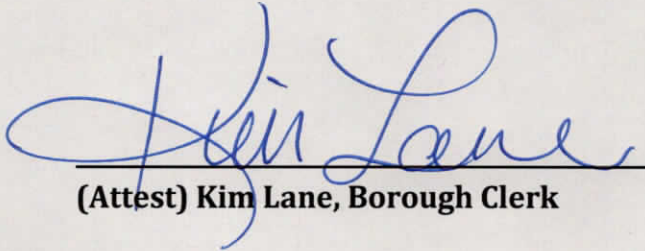
Date



Stephen Prysunka, Mayor

August 11, 2020

Date



(Attest) Kim Lane, Borough Clerk

**First Modification to the Facility Lease Agreement
to Wrangell Marine Service Center (WMSC)
Facility Lease Agreement**

This **first** modification to extend the duration and modify the square footage of the Facility Lease Agreement is made and entered into as of January 19th, 2018 by and among:

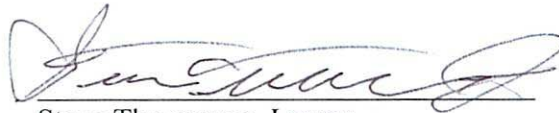
Steve Thomassen, Jr., dba Alaska Special Sea Seafoods, P.O. Box 468, Wrangell, Alaska 99929, and the City and Borough of Wrangell, Alaska, P.O. Box 531, Wrangell, Alaska 99929.

Now therefore, both parties agree as follows:

- A. Steve Thomassen, Jr. entered into an original WMSC Facility Lease Agreement dated May 1, 2012 with the City and Borough of Wrangell as follows: Mill Dock Lot 1 – originally 50' x 80' = 4000 square feet;
- B. **This amendment changes section 1, Duration, of the original agreement and changes Section 2, Leased Property by granting additional square footage. Both amendments are as follows and are reflected in the original agreement:**

Section 1, Duration: This lease shall be in effect for an additional five years, more specifically, from the date shown above until the 1st day of May, 2022.

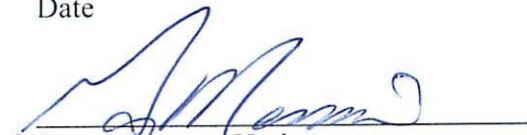
Section 2, Leased Property: The property subject to this Lease is described as: Mill Dock, Lot 1, from 50' x 80' = 4,000 square feet (\$360.00 per month), to 5,140 square feet (\$411.20 per month).



Steve Thomassen, Lessee

1-17-18

Date



Greg Meissner, Harbormaster
City and Borough of Wrangell

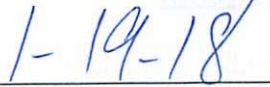
1-17-18

Date

Attest:


Kim Lane, MMC, Borough Clerk

Date:



**WRANGELL MARINE SERVICE CENTER (WMSC)
FACILITY LEASE AGREEMENT**

This Lease is entered into on the 1 day of May, 2017, by and between the City and Borough of Wrangell (hereinafter "Lessor"), a municipal corporation, and Steve Thomassen, Jr., dba Alaska Special Sea Seafoods (hereinafter "Lessee"), a business owner, doing business in the State of Alaska, for purpose of leasing borough-owned land in Wrangell. The parties hereby agree to the following conditions:

1. DURATION

This Lease shall be in effect for a five year term, more specifically, from the date above until the 1 day of May, 2017.

2. LEASED PROPERTY

The property subject to this Lease is described as: Mill Dock, Lot 1, 50' x 80'

3. PERMISSIBLE USES

A. Lessee shall utilize the property only for the purpose of conducting a seafood processing business. Accessory uses of the property are allowed if pre-approved in advance in writing by the Borough Assembly and/or Port Commission.

B. Lessee agrees to abide by all Federal, State, and local laws in the operation and maintenance of the permitted commercial activity.

C. The Lessor does not warrant that the property is suitable for the purposes sought. Lessee assumes all risks associated with the location of the leased premises.

4. CONDITIONS OF LEASING

A. Lease payments shall be in the amount of \$320.00, payable in advance on the 10th day of each month.

B. Lessee shall comply with all rules and yard Best Management Practices as set forth by the Harbor Department or Port Commission.

C. Lessee must sign and agree to fully comply with the WRANGELL MARINE SERVICE CENTER (WMSC) FACILITY USE AGREEMENT.

5. RENEWAL

A. The Lease may be renewed at the option of the Lessor upon written request by the Lessee within at least sixty (60) days of the expiration of the current term, provided that the Lessee is current in the payment of all fees, and that the Lessee has been compliant with all yard rules and all provisions of this agreement as determined by the Port Commission.

B. The terms and conditions of this Lease for each renewal term shall be identical with the original term except for the lease payment.

6. OPERATION AND MAINTENANCE

A. Lessee shall at all times provide sufficient personnel to operate and maintain the leased premises. Lessee shall keep and maintain the leased premises in good, clean, safe, and sanitary condition.

B. Items stored on the leased premises must be directly related to the commercial business operating on the property.

C. Lessee shall be responsible for any and all special assessments for public improvements which may be made against the leased premises during the term of this Lease or any option to renew by the Lessee.

D. Lessee shall pay all property taxes owed on the leased premises in accordance with the Wrangell Municipal Code. Lessee shall also collect and remit sales tax in accordance with Wrangell Municipal Code.

E. Lessee shall promptly repair, rebuild, or restore the leased premises, facilities or surrounding property damaged or destroyed by any event whatsoever, with the exception of events caused by the act, error, or omissions of Borough employees, contractors or representatives, or by inherent condition of normal wear and tear.

F. Lessor may, at all reasonable times and without prior notice, enter upon and inspect the leased premises. If the Lessor demonstrates that the Lessee has failed to perform maintenance or repair work required under the Lease, and if the Lessee, after prior notice of the deficiencies, fails to correct the deficiency or to begin corrective action within a reasonable time, the Lessor may enter any part of the Leased premises and perform the necessary work. The Lessee shall reimburse the Lessor for all reasonable expenses incurred by this work.

7. INDEMNITY AND INSURANCE

A. Lessee shall defend, indemnify, and hold harmless the Lessor from any and all claims or actions for injuries or damages sustained by any person or property arising, or in connection with, or incident to the operation of the leased premises.

B. Lessee shall provide adequate liability property and personal injury damage insurance as described below. The insurance shall not contain any exclusions for pollution, environmental impairment, or nuisance. The Lessor shall be listed as an additional insured on this policy. Proof of such insurance shall be provided to the Lessor as a condition of entering into the Lease. Lessee must notify the Lessor thirty (30) days in advance of any cancellation or alteration of such insurance. Failure to maintain insurance as specifically described in this section shall constitute default by Lessee.

C. Lessee shall keep the leased premises insured at Lessee's expense against fire and other risks covered by a standard fire insurance policy with an endorsement for extended coverage. Lessee covenants that it shall maintain at all times and pay the premiums on such policy or policies of casualty insurance to the building and leased premises designated the Lessor as loss payee, said policy to be in such amount and contain such terms as shall be from time to time determined sufficient by the Lessor. Lessee shall furnish the Lessor with a copy of said policy and all amendments or modifications thereto.

D. INSURANCE REQUIREMENTS

The Lessee shall not commence with use of the City and Borough's facility/land until the Lessee has obtained the insurance required under this contract. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to the City and Borough of Wrangell. The required lines and limits of insurance are as follows:

1. **General Liability Insurance:** The User shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$ 1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage.
2. **Motor Vehicle Liability Insurance:** The user shall procure and maintain during the life of this agreement, Motor Vehicle Liability Insurance, including applicable no fault coverages, with limits of liability of not less than \$1,000,000 per occurrence combined single limit. If the vehicle is a boom truck or is a boom truck combination, the policy must contain **LOAD/UNLOAD** coverage.

3. **Workers Compensation Insurance:** If the facility user has employees, they shall procure and maintain during the life of this agreement, Workers Compensation Insurance, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Alaska.
4. **Additional Insured:** General liability insurance and vehicle liability insurance, as described above, shall include an endorsement stating the following shall be an Additional Insured:

The City and Borough of Wrangell, its elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

This coverage shall be primary to the Additional Insured's, and not contributing with any other insurance or similar protection available to the Additional Insured's, whether the other available coverage be primary, contributing or excess.

5. **Cancellation Notice:** General liability insurance and vehicle liability insurance, as described above, shall include an endorsement stating the following: "Sixty" (60) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to: Greg Meissner, Harbormaster, City and Borough of Wrangell, PO Box 531, Wrangell, AK 99929
6. **Proof of Insurance Coverage:** Prior to commencement of any seafood processing activities at the WMSC, the user shall provide the City and Borough of Wrangell with certificates of insurance and/or policies, acceptable to the City and Borough of Wrangell, for each of the insurance policies described above.

8. ENVIRONMENTAL INDEMNITY

A. Lessee acknowledges and agrees that environmental contamination may exist on or adjacent to the leased premises. Lessor has not made, and Lessee has not relied on, any representations as to the presence, absence, nature, or extent of any such environmental contamination by Lessor. Lessee hereby expressly assumes the risk that any such environmental contamination may cause loss of or damage to Lessee's real and personal property and improvements and may render the leased premises unfit for Lessee's purposes.

B. Lessee shall use, store, handle, and deal with all Environmental Substances (as defined below) in compliance with all Environmental Laws (as defined below). Lessee shall take prompt and responsible action to correct any noncompliance reported by Lessee or alleged by DEC or EPA with any requirements of any Environmental Law or any contamination or pollution caused by a release (as defined below) of an Environmental Substance. Lessee shall obtain all necessary permits, licenses, and other authorizations issued pursuant to Environmental Laws required for Lessee to own or operate the leased premises. Operation of the leased premises shall be in compliance with any terms and/or conditions of such permits, license, and other authorizations. "Environmental Laws" means all federal, State, or local laws, statutes, ordinance, codes, rules, regulations, orders, decrees, and directives imposing liability or standards of conduct for or relating to the protection of health, safety, or the environment. "Environmental Substances" include without limitation any substance, material, waste, pollutants, contaminant or chemical, regardless of how it is referred to or defined, that is regulated in, or pursuant to, any Environmental Laws. "Release" includes an actual or potential

discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage, or disposal which is or may be in breach of any Environmental Law, regardless of cause. "Lessee" includes Lessee, any subsidiaries of the Lessee, any partnership or joint ventures involving the Lessee, Lessee's agents, representatives, employees, invitees, or contractors or any agents, representatives, employees, invitees, or contractors of Lessee's subsidiaries, partnerships, or joint ventures.

C. Lessee acknowledges and agrees that the creation, use, handling, storage, release, and disposal of waste, garbage, pollutants, and toxic or hazardous substances, and the investigation, remediation, and clean-up of environmental contamination, are governed by a wide variety of Environmental Laws. Lessee shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of hazardous substances and Environmental Substances and shall take all practicable measures to minimize the quantity and toxicity of hazardous substances and Environmental Substances used, handled, or stored on the leased premises.

D. Lessee shall defend, indemnify, and hold harmless Lessor from and against all claims, including nuisance described in 9 of this Lease, liabilities, suits, obligations, fines, judgments and penalties (and any other expenses, including attorneys' fees and other costs of litigation, raised, sought, or imposed by third parties in connection with Lessee's violation of any Environmental Laws or in connection with Lessee's creation, use, handling, storage, release, or disposal of any waste, garbage, pollutants, or toxic or hazardous substances (regardless of whether such creation, use, handling, storage, release, or disposal violated an Environmental Law) on the leased premises or in connection with Lessee's use of the leased premises or by any persons or entity associated with the Lessee as outlined in paragraph 8.B above.

E. Nothing in this Lease alters any obligation Lessor or Lessee may have to investigate, remediate, or clean up any environmental contamination that may exist on the leased premises.

9. WASTE AND NUISANCE PROHIBITED

During the term of this Lease, Lessee shall comply with all federal, State, and local laws affecting the leased premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the leased premises. Lessee shall not commit, or suffer to be committed, any waste on the leased premises, or any nuisance. Lessee shall not operate the leased premises in any manner which might constitute a nuisance.

10. ABANDONMENT OF LEASED PREMISES

Lessee shall not vacate or abandon the leased premises at any time during the term of this Lease. If Lessee shall abandon, vacate, or surrender the leased premises, or be dispossessed by process of law or otherwise, any personal property belonging to Lessee and left on the leased premises shall be deemed to be abandoned, and at the option of the Lessor, the personal property shall become the property of the Lessor, except such property as may be encumbered to the Lessor. Lessee agrees to defend, indemnify, and hold harmless the Lessor for any harm, damage, or injury to person or property, alleged to arise out of the actions of the Lessee in vacating or abandoning the leased premises, and as to any harm, damage, or injury to person or property arising out of the condition of the property at the time of vacating or abandoning the leased premises.

11. LIENS

Except with respect to activities for which Lessor is responsible, Lessee shall pay all claims for work done on and for services rendered or material furnished to the leased premises,

and shall keep the leased premises free from any liens. If Lessee fails to pay such claims or to discharge any lien, the Lessor may do so and collect the cost as additional rent. Any amount so added shall bear interest at the highest legal rate as allowed by law from the date of payment by the Lessor. Any amount paid by the Lessor on behalf of the Lessee shall be payable on demand. Such action by the Lessor shall not constitute a waiver of any right or remedy which the Lessor may have on account of Lessee's default.

12. LESSOR'S RIGHTS UNDER THIS LEASE

A. The Lessor may sue periodically to recover damages during the period corresponding to the remainder of the Lease term, and no action for damages shall bar a later action for damages subsequently accruing.

B. If Lessee fails to perform any obligation under this Lease, the Lessor shall have the option to do so after twenty (20) days written notice to Lessee. All of the Lessor's expenditures to correct the default shall be reimbursed by Lessee on demand with interest at the highest legal rate of interest allowed by law from the date of payment by the Lessor. Such action by the Lessor shall not waive any other remedies available to the Lessor because of the default.

C. All remedies in this Lease shall be in addition to and shall not exclude any other remedy available to the Lessor under any applicable law.

13. GOVERNING LAW

The laws of the State of Alaska shall govern the construction and interpretation of this Lease. The Superior Court for the State of Alaska, First Judicial District at Wrangell, Alaska, shall be the exclusive court for jurisdiction and venue of any and all actions of any kind and any nature arising out of or related to this Lease. The parties agree that trial of any action filed shall be in Wrangell, Alaska.

14. DEFAULT

If the Lessor determines that the provisions of the Lease are not being met and attempts to resolve the dispute in a reasonable manner are unsuccessful, written notice shall be given to the Lessee stating the nature of the deficiency and the necessary corrective action. Lessee shall either take immediate corrective action or respond to the Lessor within ten (10) calendar days stating the reason for the noncompliance and a schedule for compliance. If the Lessor determines that this response is unacceptable, the Lessor shall give Lessee written notice of default and the Lease is terminated. Lessee shall have a reasonable amount of time to remove all personal property. If the personal property is not removed within the time stated in the notice of default, the Lessor may take possession of the property.

15. TERMINATION

Each party shall have the right to terminate this Lease upon providing written notice of the intent to terminate sixty (60) days prior to the date of termination.

16. NOTICE

All notices and requests concerning this lease shall be in writing and addressed as follows:

Lessee: Steve Thomassen, Jr.
 DbA Alaska Special Sea Seafoods
 P.O. Box 468, Wrangell, AK 99929

Lessor: City and Borough of Wrangell
 P.O. Box 531, Wrangell, AK 99929

17. MISCELLANEOUS

- A. This lease cannot be assigned without prior written consent of the other party.
- B. The failure of either party at any time to enforce a provision of this lease shall in no way constitute a waiver of the provision, nor in any way affect the validity of the lease or any part of the lease, or any right of the party thereafter to enforce each and every provision hereof.
- C. If any term of this lease is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of the lease shall be valid and binding upon the parties.
- D. The provisions of this lease are and will be for the benefit of the Lessor and Lessee only and are not for the benefit of any third party, no third party shall have the right to enforce the provisions of this lease.

The Lessee acknowledges that the Lessee has read and understands the terms of this lease and has had the opportunity to review this lease with counsel of his/her choice, and is executing this lease of his/her own free will.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the duly authorized representative(s) signing below.

Date: August 9, 2012

City and Borough of Wrangell, Alaska
Lessor

Attest:

Kim Flores
Kim Flores
Borough Clerk

By Timothy D. Rooney
Timothy D. Rooney
Borough Manager

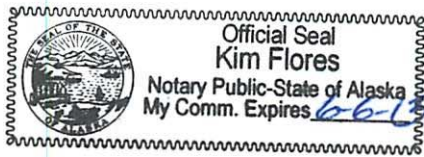
The foregoing instrument was acknowledged before me this 9th day of August, 2012, by **Timothy D. Rooney** and **Kim Flores**, Borough Manager and Borough Clerk, respectively, of the City and Borough of Wrangell, Alaska, an Alaska home rule municipal corporation, on behalf of the corporation.



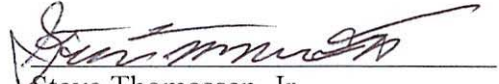
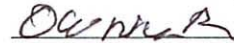
Carol Bean
Notary Public for Alaska
Commission expires: 3/23/2014

Date: August 9, 2012

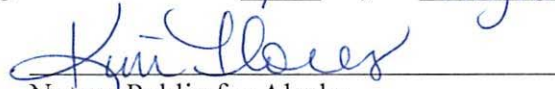
Steve Thomassen, Jr.
Dba Alaska Special Sea Seafoods
Lessee



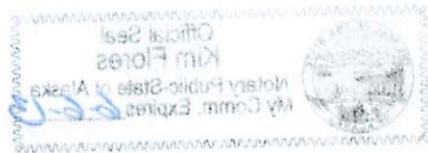
By


Steve Thomassen, Jr.
Title

The foregoing instrument was acknowledged before me this 9th day of August, 2012,
by Steve Thomassen, Jr.


Notary Public for Alaska
Commission expires: 6-6-2013

Notary Public for Alaska
My Comm. Expires 12/31/2011
[Signature]
[Signature]



Notary Public for Alaska
My Comm. Expires 12/31/2011
[Signature]
[Signature]

Crab Alaska LLC
Steve Thomassen
Lynda Nore
PO Box 424
Wrangell, AK 99929

3/15/2021

To whom it may Concern,

Crab Alaska LLC is requesting additional space to be added to our lease agreement. It includes an additional 40'X58' space that will connect to the existing space. (See attached drawing)

We are requesting this additional area to expand our operation of buying and processing capabilities in the future. This would also allow us space to install a covered ice machine necessary to assist our fisherman and production.

Thank you for your consideration

A handwritten signature in blue ink, appearing to read "Steve Thomassen, Jr.", with a stylized, flowing script.

Steve Thomassen, Jr

907-305-0993

Crabak99929@gmail.com

52 X 100
CRAB ALASKA LLC
RENTED SPACE

ADDITIONAL SPACE
NEEDED FOR

40 X 58
CRAB ALASKA LLC

CITY & BOROUGH OF WRANGELL, ALASKA PORT COMMISSION AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	April 8, 2021
	<u>Agenda Section</u>	New Business

Approval to move forward with the Lease of Mill Dock, Lot 2 in the Wrangell Marine Service Center to Dustin Phillips

<u>SUBMITTED BY:</u>
Steve Miller, Port & Harbor Director

<u>Reviews/Approvals/Recommendations</u>	
<input checked="" type="checkbox"/>	Port Commission
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

<u>FISCAL NOTE:</u>		
Expenditure Required: \$XXX Total		
FY 20: \$	FY 21: \$	FY22: \$
Amount Budgeted:		
	FY20 \$XXX	
Account Number(s):		
	XXXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	\$XXX	

ATTACHMENTS: 1. Request to lease 2. Diagram of project

RECOMMENDATION MOTION:

Approval to move forward with the Lease of Mill Dock, Lot 2 in the Wrangell Marine Service Center to Dustin Phillips, and to move the request to the Borough Assembly for Approval, once the requirements of leasing borough property have been met.

SUMMARY STATEMENT:

Mr. Phillips has requested to lease Mill Dock Lot 2 in the WMSC to construct a 40'x60' steel building as well as install an Icehouse/Ice Machine. The purpose is to purchase, process, pack and ship Crab,

Shrimp, Salmon, Halibut and Bottom Fish and to service the local fishing fleet in Wrangell with bait and ice.

Mr. Phillips has submitted a layout of the proposed project as well.

As per WMC16.08.080, here are additional steps that Mr. Phillips must take in order for the lease to be approved. If the Port Commission approves for the lease to move forward, the Assembly will not consider the lease until the requirements are met. Below are the requirements.

What is still needed are the cost estimates and the dates by which construction will begin and will be completed. If the diagram of the proposed project is insufficient, the Port Commission may request additional or detailed information before sending it to the Borough Assembly.

Letter of Interest / Intent to Lease

City of Wrangell, Port Commission Members/Borough Assembly Members.

I am writing this letter to express interest/intent on leasing property that the city has available at Lot #2 of The Old Mill Dock. My intentions for the leased property would be to purchase and construct a 40'x60' steel building as well as installation of a Icehouse/Ice machine. In order to; Purchase, Process, Pack and Ship Crab, Shrimp, Salmon, Halibut and Bottom fish as well as servicing the local fishing fleet in Wrangell with bait and ice.

Please feel free to contact me by phone or email with any questions or concerns.

Thank you for your time and consideration of this request,

Dustin Phillips
PO Box 1004
911 Evergreen Ave.
Wrangell, AK 99929
Ph.# (907)-723-0565
Dphillips0565@gmail.com

