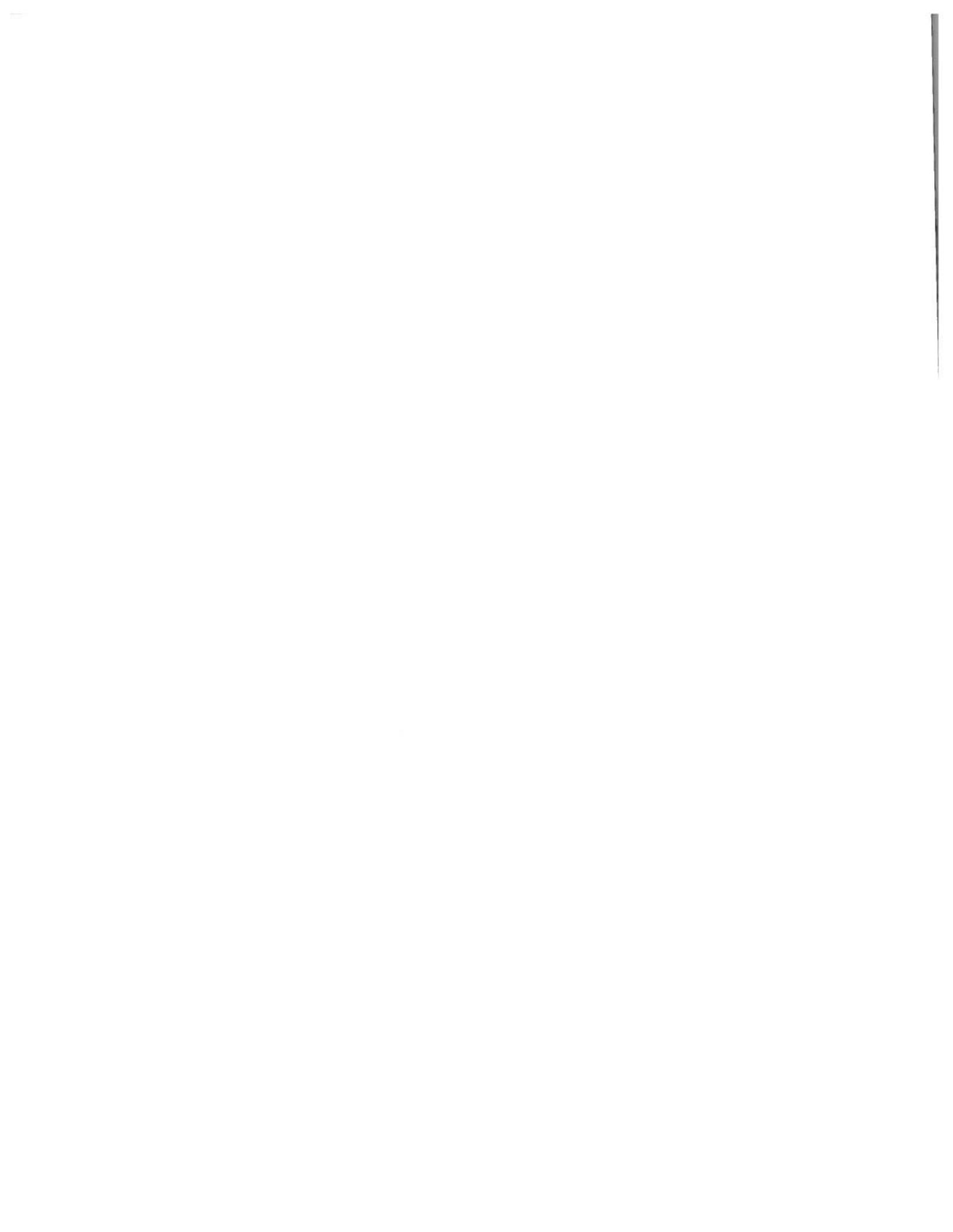


**NOTICE OF MEETING
SPECIAL MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA** *(The Public may speak to the Committee regarding matters on the agenda that are not scheduled for Public Hearing. There is a 3 minute time limit.)*
- 4. APPROVAL OF MINUTES** *(Minutes are approved during regular meetings only)*
 - A. Meeting Minutes for the October 11, 2012 Regular Meeting Page 1
- 5. VISITORS** *(For scheduled guest, time limit 10 minutes.)*
- 6. STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORTS**
 - A. Staff Report – Updates on Pending or Outstanding Leases (If Any)
- 7. PUBLIC HEARING** *(Time Limit for testimony is set at 3 minutes per person.)*
- 8. PENDING BUSINESS** *(Testimony or presentation by a proposal applicant is set at 10 minutes.)*
- 9. NEW BUSINESS** *(Testimony or presentation by a proposal applicant is set at 10 minutes.)*
 - A. Proposal & Assignment: Alaskan Coastal Freight Page 5
 1. Chapter 6 – Proposal Evaluation Process
 3. Staff Evaluation & Findings Page 43
- 10. INFORMATIONAL MATERIALS**
- 11. COMMENTS OF THE AUDIENCE**
- 12. COMMENTS OF THE CITY STAFF**
- 13. COMMENTS OF THE COUNCILMEMBER (If one is assigned)**
- 14. COMMENTS OF THE CHAIR**
- 15. COMMENTS OF THE COMMITTEE**
- 16. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR JULY 11, 2013 AT 3:00 P.M.** at City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue Homer, Alaska 99603.



Session 12-03 A Regular Meeting of the Lease Committee was called to order at 3:03 pm on October 11, 2012 by Chair Terry Yager at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMITTEEMEMBERS YAGER, HAWKINS, MAURAS AND ZIMMERMAN
ABSENT: COMMITTEEMEMBERS ABOUD, SCHMIDT (EXCUSED)
STAFF: DEPUTY CITY CLERK I RENEE KRAUSE
CITY MANAGER WALT WREDE

APPROVAL OF THE AGENDA

The agenda was approved by consensus of the Committee.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA (3 Minute Time Limit)

There was no public comment on the agenda.

APPROVAL OF THE MINUTES

Chair Yager requested a motion to approve the minutes.

HAWKINS/ZIMMERMAN – MOVED TO APPROVE THE MINUTES FOR THE MEETINGS OF JULY 14, 2011; NOVEMBER 10, 2011; FEBRUARY16, 2012 AND MARCH 28, 2012 AS PRESENTED.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORTS

A. Staff Report – Updates and Status Report

City Manager Wrede stated he had no written report but would offer an updates on any outstanding leases the committee had questions about. The committee offered no outstanding concerns.

There was no further discussion.

PUBLIC HEARING

There were no public hearings scheduled.

PENDING BUSINESS

There were no items on the agenda.

NEW BUSINESS

- A. South Central Radar Proposal & Assignment
1. Chapter 14 – Assignments
 2. Chapter 6 – Proposal Evaluation Process
 3. Staff Evaluation & Findings

Chair Yager requested the City Manager continue to address the business on the agenda since there were no questions from committee.

Mr. Wrede provided a summary of his report contained in the packet. He asked if there were any questions from the committee members.

Chair Yager declared he may have a conflict a motion was made and seconded by Mr. Hawkins and Mr. Zimmerman respectively. After a brief explanation from Mr. Yager the remaining members of the committee voted and determined that Mr. Yager did not have a conflict and could participate.

There were no further questions from the committee.

Chair Yager invited the applicants to provide testimony on behalf of their application. Chair Yager welcomed the applicants.

The applicant, Mark Zeiset, provided their background, experience and how it would complement and/or benefit the existing business and Harbor community. The applicant asked a few questions on designation of responsibility and Mr. Hawkins responded that it would be determined before the lease would be executed.

The committee members offered comments welcoming the applicants back to Homer and taking on the responsibility of an existing business.

Chair Yager inquired of the applicants if there were any plans regarding the lack of experience or on the job training since there was no apparent experience in the industry previously provided. The applicant stated the agreement with the current owner to stay on after the sale and that he is planning to obtain the certifications required to continue the existing services provided.

Chair Yager asked if there were any additional questions or comments. There were none and he requested a motion to submit a recommendation to City Council to approve the assignment of the South Central Radar Lease to Mark A and Laura Zeiset.

HAWKINS/MAURAS - MOVED THAT THE LEASE COMMITTEE RECOMMENDS THAT THE HOMER CITY COUNCIL APPROVE THE ASSIGNMENT OF THE LAND LEASE ON LOT 88-1 FROM WILLIAM TENER TO MARK AND LAURA ZEISET OR THE LLC THAT WILL BE FORMED ONCE ALL THE TRANSACTIONS ARE COMPLETED; FURTHER THE LEASE COMMITTEE RECOMMENDS THAT THE TERM OF THE CURRENT LEASE BE AMENDED TO START ANEW WITH A 20 YEAR BASE TERM AND TWO 5 YEAR OPTIONS; AND THE EXISTING RENTAL RATE AS DETAILED IN THE CURRENT LEASE FOR LOT 88-1 SHOULD APPLY; AND THAT THE LEASE COMMITTEE ADDITIONALLY RECOMMENDS THAT THE LEASE INCLUDE STIPLUATIONS THAT AN "ASBUILT" SURVEY BE COMPLETED, THAT POTENTIAL ENCROACHMENT ISSUES BE RESOLVED; THAT A PLAN FOR LOT DELINEATION BE SUBMITTED FOR APPROVAL BY THE MANAGER; AND THAT ALL INFORMATION NOT INCLUDED IN THE LEASE APPLICATION INCLUDING INSURANCE DOCUMENTATION AND LLC INCORPORATION PAPERS BE PROVIDED.

There were no further comments or discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT

Motion carried.

INFORMATIONAL MATERIALS

A. Recommendations for the 2012 Land Allocation Plan

There was no discussion on the informational materials.

COMMENTS OF THE AUDIENCE

There were no audience comments.

COMMENTS OF THE CITY STAFF

There were no comments from staff present.

COMMENTS OF THE COUNCILMEMBER *(If one is appointed)*

There were no councilmembers present.

COMMENTS OF THE CHAIR

Chair Yager had no comments.

COMMENTS OF THE COMMITTEE

There were no comments from the committee members.

ADJOURN

There being no further business before the Lease Committee, Chair Yager adjourned the meeting at 3:35 p.m. The next regular Lease Committee meeting is scheduled for 3:00 p.m. April 12, 2012 at City Hall, Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: _____

**CITY OF HOMER
PROPERTY MANAGEMENT
POLICY AND PROCEDURES**

CHAPTER 6: APPLICATION / PROPOSAL EVALUATION PROCESS

6.1 POLICY

- A. It is the policy of the City of Homer to provide for a fair, standardized and objective proposal evaluation process.

6.2 PROCEDURES

- A. All lease proposals shall be evaluated and scored by the Lease Committee.
- B. The Criteria for evaluating proposals shall include but is not limited to the following:
1. Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan.
 2. The development plan including all proposed phases and timetables.
 3. The proposed capital investment.
 4. Experience of the applicant in the proposed business or venture.
 5. Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development.
 6. The number of employees anticipated.
 7. The proposed rental rate.
 8. Other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease.
 9. Other long term social and economic development.
- C. Lease Rental Rates
1. The determination of lease rental rates is addressed in Chapter 7.
- D. After evaluating and scoring the proposals, the Lease Committee shall make a recommendation on a successful bidder to the City Council. The recommendation shall be contained in the form of a memorandum from the City Manager to the City Council that appears on the consent calendar of a regular meeting agenda. If a recommendation to approve a proposal is adopted, the Manager or his designee shall finalize a lease document for presentation to Council for approval. If the Council approves the lease, it will not be executed until the period for reconsideration under section 8.3 passes.
- E. Final approval of long term leases (more than six months) rests with the City Council. The Council shall either:
1. Approve the proposed lease
 2. reject the proposed lease; or
 3. remand the unapproved lease to the Manager with comments

CITY OF HOMER

491 EAST PIONEER AVENUE
HOMER, AK 99603
(907) 235-8121

017734

Date 5-3 2013

RECEIVED FROM Alaskan Coastal freight

\$ 30

DOLLARS

Thirty +00/100

for lease Application Fee

Thank You

AMOUNT OF ACCOUNT		
THIS PAYMENT	30	-
BALANCE DUE		

- CASH
- CHECK
- M.O.
- CREDIT CARD

BY Wj

ALASKAN COASTAL FREIGHT, LLC
DBA ALASKAN COASTAL FREIGHT, LLC
 C/O ANNA FLANIGAN
 ANNA.FLANIGAN@MYWAY.COM
 PO BOX 4089 PH: (907) 235-3660
 HOMER, AK 99603-4089

5807 89-7202/2352

PAY TO THE ORDER OF City of Homer
Thirty and 00/100 \$ 30.00 DOLLARS

AlaskaUSA
 Federal Credit Union
 Total line (907) 525-6064
 Anchorage (907) 525-4567
 www.alaskausa.org

FOR LEASE APPLICATION FEE

DATE 4-26-13

Quincy D

⑆005807⑆ ⑆325272021⑆ ⑆0001250458⑆

Alaskan Coastal Freight, LLC

PO BOX 4083

HOMER, AK 99603

(907) 235-3660

City of Homer

RE: Proposal

We propose to make usable the 100' X 220 ' section of lot #13 immediately south of the chip pile lot. Currently it is unusable due to 2 ditches with culverts that run through it.

Our idea is to place filter fabric, then slotted culverts for drainage with drain rock. It will then be capped with filter fabric and drain rock with gravel on the surface.

We believe this will result in a usable space to stage freight for shipping and nearer the loading ramp from which we load. We would like to rent it for .50 per square foot per year for a term of 5 years.

Sincerely, Captain Bruce Flanigan / MV Helenka B

**The following materials must be submitted when applying for a lease of
City of Homer real property**

1.	Plot Plan	<p><u>A drawing of the proposed leased property showing:</u></p> <p><input type="checkbox"/> Size of lot - dimensions and total square footage. – to scale, please.</p> <p><input checked="" type="checkbox"/> Placement and size of buildings, storage units, miscellaneous structures planned – to scale, please.</p> <p><input checked="" type="checkbox"/> Water and sewer lines – location of septic tanks, if needed.</p> <p><input checked="" type="checkbox"/> Parking spaces – numbered on the drawing with a total number indicated – please refer to Homer City Code _____</p>																
2.	Development Plan	<p><input type="checkbox"/> List the time schedule from project initiation to project completion, including major project milestones.</p> <table border="0"> <thead> <tr> <th data-bbox="500 724 787 756">Dates</th> <th data-bbox="787 724 1554 756">Tasks</th> </tr> </thead> <tbody> <tr> <td data-bbox="500 756 787 850">_____</td> <td data-bbox="787 756 1554 850">Fill in ditches that makes the North end of lot #13 unusable.</td> </tr> <tr> <td data-bbox="500 850 787 945">_____</td> <td data-bbox="787 850 1554 945">Place Filter fabric, then slotted culverts for drainage with drain rock. Cap</td> </tr> <tr> <td data-bbox="500 945 787 1039">_____</td> <td data-bbox="787 945 1554 1039">with filter fabric and drain rock. gravel ON surface</td> </tr> </tbody> </table> <p>For each building, indicate:</p> <table border="0"> <thead> <tr> <th data-bbox="500 1050 966 1081">Building Use</th> <th data-bbox="966 1050 1554 1081">Dimensions and square footage</th> </tr> </thead> <tbody> <tr> <td data-bbox="500 1081 966 1134">NA</td> <td data-bbox="966 1081 1554 1134">NA</td> </tr> <tr> <td data-bbox="500 1134 966 1186">_____</td> <td data-bbox="966 1134 1554 1186">_____</td> </tr> <tr> <td data-bbox="500 1186 966 1239">_____</td> <td data-bbox="966 1186 1554 1239">_____</td> </tr> </tbody> </table>	Dates	Tasks	_____	Fill in ditches that makes the North end of lot #13 unusable.	_____	Place Filter fabric, then slotted culverts for drainage with drain rock. Cap	_____	with filter fabric and drain rock. gravel ON surface	Building Use	Dimensions and square footage	NA	NA	_____	_____	_____	_____
Dates	Tasks																	
_____	Fill in ditches that makes the North end of lot #13 unusable.																	
_____	Place Filter fabric, then slotted culverts for drainage with drain rock. Cap																	
_____	with filter fabric and drain rock. gravel ON surface																	
Building Use	Dimensions and square footage																	
NA	NA																	
_____	_____																	
_____	_____																	
3.	Insurance	<p><input checked="" type="checkbox"/> Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.</p>																
4.	Subleases	<p><input checked="" type="checkbox"/> Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to chapter 13 of the Property Management Policy and Procedures manual.</p>																
5.	Health Requirements	<p><input checked="" type="checkbox"/> Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.</p>																
6.	Agency Approval	<p><input type="checkbox"/> Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.</p>																

City of Homer-Lease Application/Assignment Form

Directions:

1. Please type.
2. Please submit this application form to the City Clerk's Office, 491 Pioneer Avenue, Homer, Alaska 99603.
3. Please answer all questions on this form, or put "N/A" in the space if it is non applicable.

Applicant Name:	Bruce Flanigan 314-54-2480 / Anna Flanigan 570-45-8747
Social Security No.s	
Mailing Address:	Po Box 4083
City, State, ZIP code:	Homer, AK 99603
Business Telephone No.	907-235-3660
Representative's Name:	Anna Flanigan
Mailing Address:	Po Box 4083
City, State, ZIP code:	Homer, AK 99603
Business Telephone No.	907-235-3660
Property Location:	Lot #13 Freight Dock Rd - The first 100'x200' space just north of the chip pile.
Legal Description:	Lot #13 Freight Dock Rd
Type of Business to be placed on property:	Freight staging for on loading and off loading before and after shipping
Size of Buildings to be placed or leased:	NA
Duration of Lease requested:	5 yrs
Options to re-new:	Yes
Special lease requirements:	NA
Number of parking spaces required, per code:	NA

7.	Fees	<p><u>All applicable fees must be submitted prior to the preparation and/or execution of a lease.</u></p> <p><input type="checkbox"/> Application fee - \$30.00. Covers costs associated with processing the application.</p> <p><input type="checkbox"/> Lease fee - \$300.00. Covers the costs of preparing and processing the actual lease.</p> <p><input type="checkbox"/> Assignment fee - \$250.00. Covers the costs of preparing and processing the lease transfer.</p>								
8.	<p>Financial Data</p> <p><i>Attached</i></p>	<p><u>Please indicate lessee's type of business entity:</u></p> <p><input type="checkbox"/> Sole or individual proprietorship.</p> <p><input type="checkbox"/> Partnership.</p> <p><input type="checkbox"/> Corporation.</p> <p><input type="checkbox"/> Other – Please explain: <u>LLC</u></p> <hr/> <p><input checked="" type="checkbox"/> Financial Statement – Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</p> <p><input type="checkbox"/> Surety Information – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance.</p> <p><input type="checkbox"/> Bankruptcy information - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action?</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt.</p> <p><input type="checkbox"/> Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation?</p> <p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.</p>								
9.	<p>Partnership Statement</p>	<p><input type="checkbox"/> <u>If the applicant is a partnership, please provide the following:</u></p> <p>Date of organization: <u>12-30-05</u></p> <p>Type: <input type="checkbox"/> General Partnership <input checked="" type="checkbox"/> Limited Partnership</p> <p>Statement of Partnership Recorded? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Where <u>HOMER</u> When <u>12-30-05</u></p> <p>Has partnership done business in Alaska? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Where <u>Homer</u> When <u>2006 to Present</u></p> <p>Name, address, and partnership share. If partner is a corporation, please complete corporation statement.</p> <p>Limited/ <table border="0"> <thead> <tr> <th><u>General</u></th> <th><u>Name</u></th> <th><u>Address</u></th> <th><u>Share %</u></th> </tr> </thead> <tbody> <tr> <td></td> <td><u>Anna Flanigan</u></td> <td><u>Po Box 4083 Homer</u></td> <td><u>51%</u></td> </tr> </tbody> </table> </p>	<u>General</u>	<u>Name</u>	<u>Address</u>	<u>Share %</u>		<u>Anna Flanigan</u>	<u>Po Box 4083 Homer</u>	<u>51%</u>
<u>General</u>	<u>Name</u>	<u>Address</u>	<u>Share %</u>							
	<u>Anna Flanigan</u>	<u>Po Box 4083 Homer</u>	<u>51%</u>							

11. Applicant References

Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.

Name: David Bennett
Firm: Alaska USA Federal Credit Union
Title: Commercial loan officer
Address: 500 W. 36th Ave, Suite 400, Anchorage
Telephone: 907-786-2324
Nature of business association with Applicant: Principal Financial Institution

Name: Carrie Herndon
Firm: Carrie Herndon, CPA
Title: Certified Public Accountant
Address: 331 E Pioneer Ave Homer
Telephone: 907-235-8260
Nature of business association with Applicant: CPA for Alaskan Coastal Freight

Name: Curtis Pennington
Firm: Hilcorp Energy Company
Title: Project manager Drift river
Address: 52300 Nikiski Beach Rd - Nikiski AK 99563
Telephone: 337-276-7474
Nature of business association with Applicant: Frequent customer of ACF

Name: James Harris
Firm: Alaska Native Tribal Health Consortium
Title: Project manager
Address: 1901 Bragaw St Anchorage AK 99509
Telephone: 907-729-3600
Nature of business association with Applicant: Frequent customer of ACF

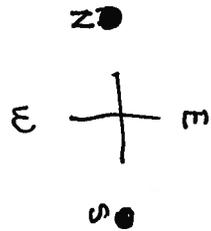
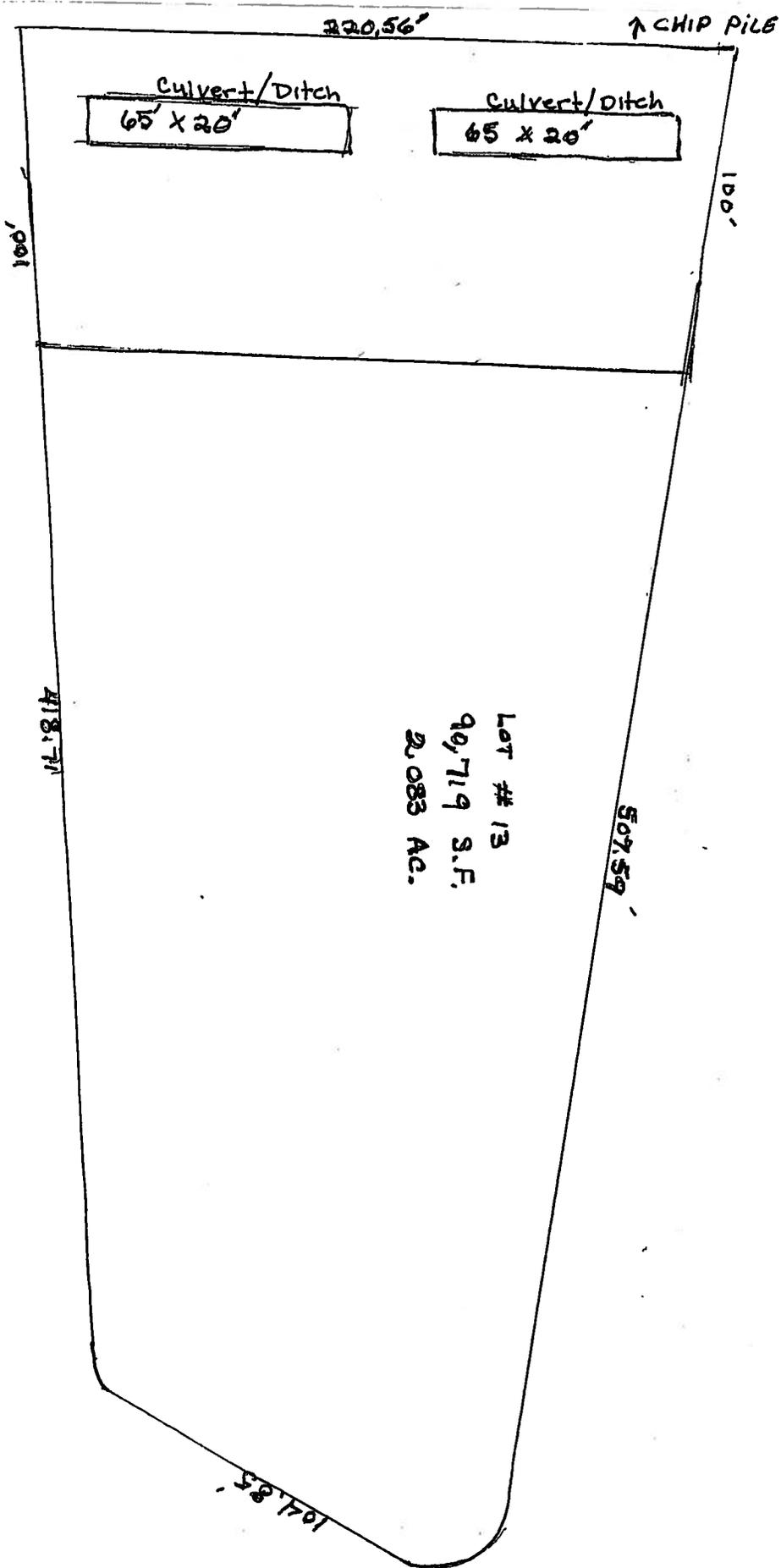
I hereby certify that the above information is true and correct to the best of my knowledge.

Signature:



Date:

4/26/13



CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH	CHORD BRNG	CHORD DIST
C1	47°28'20"	359.28 (M/R)	310.20 (M)	310.04 (R)	300.85
C2	44°17'09"	359.28	277.67	277.67	277.67
C3	47°28'20"	359.28	310.20	310.04	300.85
C4	66°08'32"	409.28	472.21	472.21	446.45

LINE TABLE

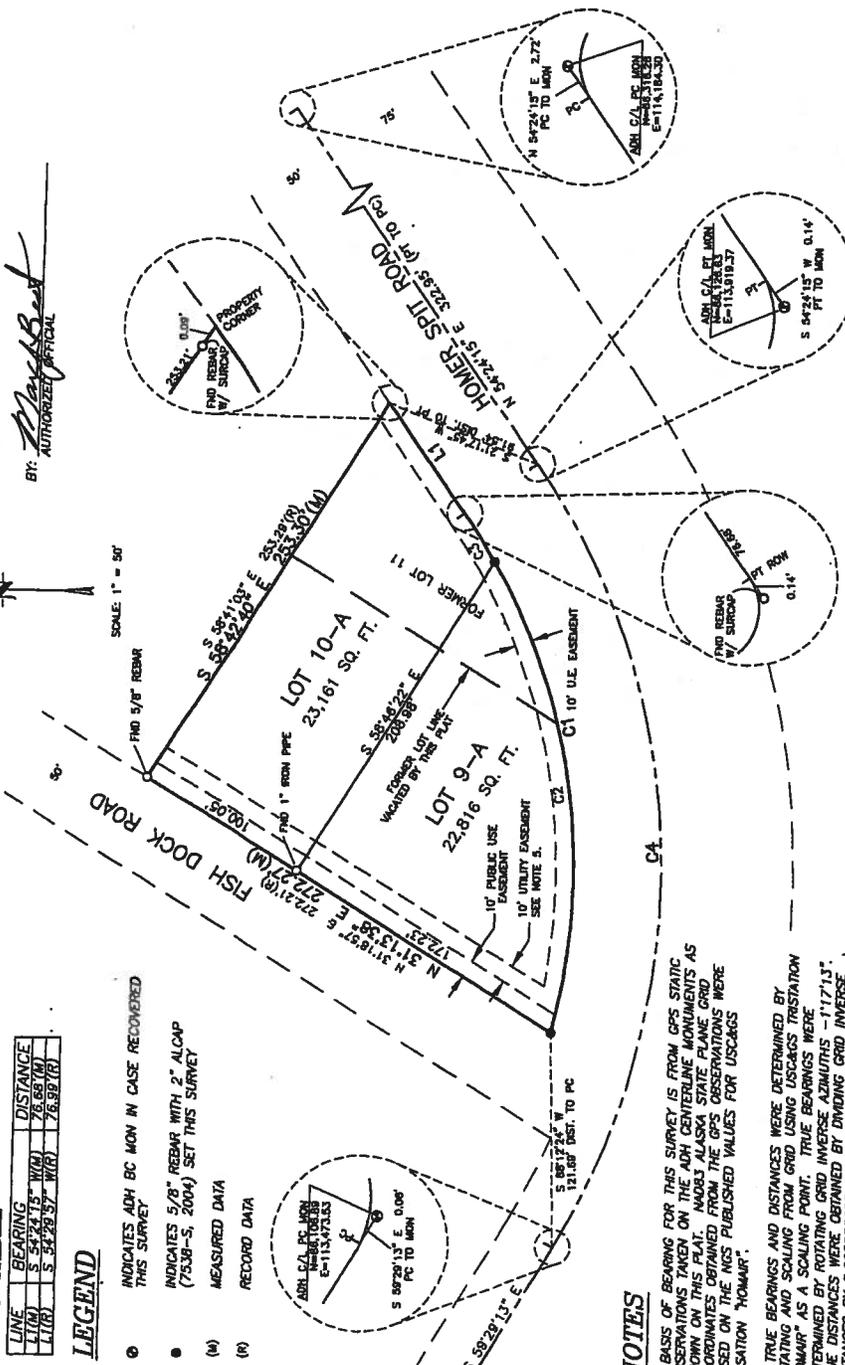
LINE	BEARING	DISTANCE
L1(R)	S 54°24'15" W (R)	76.68 (M)
L1(R)	S 54°28'57" W (R)	76.99 (R)

LEGEND

- INDICATES ADH BC MON IN CASE RECOVERED THIS SURVEY
- INDICATES 5/8" REBAR WITH 2" ALCAP (7538-S, 2004) SET THIS SURVEY
- (M) MEASURED DATA
- (R) RECORD DATA



SCALE: 1" = 50'



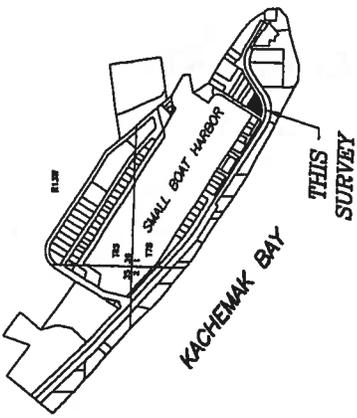
NOTES

1. BASIS OF BEARING FOR THIS SURVEY IS FROM GPS STATIC CROSSINGS TAKEN ON THE ADH CENTERLINE MONUMENTS AS SHOWN ON THE PLAT. NAADS ALASKA STATE PLANE GRID COORDINATES OBTAINED FROM THE GPS OBSERVATIONS WERE BASED ON THE NGS PUBLISHED VALUES FOR USCGAS TRSTATION 'HOMAR'.
2. TRUE BEARINGS AND DISTANCES WERE DETERMINED BY ROTATING AND SCALING FROM GRID USING 'ASCIS' TRSTATION 'HOMAR' AS A SCALING POINT. TRUE BEARINGS WERE DETERMINED BY ROTATING GRID INVERSE AZIMUTHS -177°13'. TRUE DISTANCES WERE OBTAINED BY DIVIDING GRID INVERSE DISTANCES BY 0.998986696.
3. TRUE COORDINATE VALUES WERE TRANSLATED TO A LOCAL COORDINATE SYSTEM BASED ON N=100,000 E=100,000 AT USCGAS TRSTATION 'HOMAR'.
4. NO PERMANENT STRUCTURE SHALL BE CONSTRUCTED OR PLACED WITHIN AN EASEMENT WHICH WOULD INTERFERE WITH THE ABILITY OF A UTILITY TO USE THE EASEMENT.
5. EXISTING BURIED ELECTRICAL FACILITIES IN THIS AREA ARE CENTERLINE OF A 10 FOOT WIDE ELECTRICAL DISTRIBUTION LINE EASEMENT.
6. NO DIRECT VEHICLE ACCESS TO STERLING HIGHWAY IS PERMITTED UNLESS APPROVED BY STATE OF ALASKA, D.O.T.
7. EXCEPTION TO KPB 20.20.220: LOTS - DOUBLE FRONTAGE WAS GRANTED IN THEIR MEETING ON 2-14-05.
8. AN EASEMENT EXISTS IN FAVOR OF THE DEPT. OF HIGHWAY DATED 4-20-1967. BOOK 44 PAGE 88, H.R.D.
9. ALL RECORD DATA IS FROM CITY OF HOMER REPLAT OF A PORTION OF THE HOMER SPIT (HRD 87-444).
10. THE PUBLIC USE EASEMENT IS FOR UNDERGROUND UTILITIES AND PEDESTRIAN ACCESS. THE CITY OF HOMER WILL BE THE PARTY RESPONSIBLE FOR ENFORCEMENT OF THE EASEMENT.

PLAT APPROVAL

THIS PLAT WAS APPROVED BY THE KENAI PENINSULA BOROUGH PLANNING COMMISSION AT THE MEETING OF 2/14/2005.
KENAI PENINSULA BOROUGH

BY: *[Signature]*
AUTHORIZED OFFICIAL



VICINITY MAP

SCALE: 1" = 1200 FEET

CERTIFICATE OF OWNERSHIP

I HEREBY CERTIFY THAT I AM THE OWNER OF THE REAL PROPERTY SHOWN AND DESCRIBED HEREON, THAT I HEREBY DEED THIS PLAT OF SUBDIVISION, AND BY MY FREE CONSENT DEED THE RIGHTS OF WAY AND PUBLIC AREAS TO PUBLIC USE, AND GRANT ALL EASEMENTS TO THE USE SHOWN HEREON.

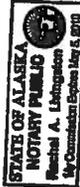
[Signature] 1/17/07
CITY OF HOMER
WALT WREDE, HOMER CITY MANAGER
491 EAST PIONEER AVENUE
HOMER, ALASKA 99603

NOTARY'S ACKNOWLEDGEMENT

SUBSCRIBED AND SWORN TO BEFORE ME THIS 17th DAY OF JANUARY, 2007.

FOR: *[Signature]*
NOTARY PUBLIC FOR ALASKA

MY COMMISSION EXPIRES MAY 5, 2010



HOMER RECORDING DISTRICT

HOMER SPIT REPLAT 2006
A REPLAT OF LOTS 9 AND 10 AND 11 OF THE CITY OF HOMER REPLAT OF A PORTION OF THE HOMER SPIT (HRD 87-444) INTO LOTS 9-A AND 10-A

LOCATED WITHIN THE N. 1/2 OF SEC. 1, T7S, R13W, S.M., AK AND WITHIN THE CITY OF HOMER, ALASKA CONTAINING 1.055 ACRES

GEOVERA, LLC
STEPHEN C. SMITH, P.L.S.
PO BOX 3235
HOMER, ALASKA 99603
(907) 235-0501 FAX 235-9302

DRAWN BY: SCS COMP BY: SCS JOB #04-14

DATE: 3/13/06 SCALE: 1"=50' SHEET #1 OF 1

WASTEWATER DISPOSAL

PLANS FOR WASTEWATER DISPOSAL THAT MEET REGULATORY REQUIREMENTS ARE ON FILE AT THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION.

2005-136
REG DIST
Date 12/15/05
From 12:57 PM
Registration by Seal
Address





KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA • 99669-7520
BUSINESS (907) 262-4441 FAX (907) 262-1892

JOHN J. WILLIAMS
MAYOR

CERTIFICATE OF TAX DEPARTMENT

I, Rhonda K. Krohn, Property Tax and Collections Supervisor for the Kenai Peninsula Borough, do hereby certify that all real property taxes levied by the Kenai Peninsula Borough through December 31, 2006 have been paid for the area(s) described as:

Subdivision: HOMER SPIT REPLAT 2006

Parcel # 18103422-4

T07S R13W S01 HM0670444 CITY OF HOMER REPLAT OF A PORTION OF THE HOMER SPIT Lot 11

Parcel # 18103423-2

T07S R13W S01 HM0670444 CITY OF HOMER REPLAT OF A PORTION OF THE HOMER SPIT Lot 9

Parcel # 18103424-0

T07S R13W S01 HM0670444 CITY OF HOMER REPLAT OF A PORTION OF THE HOMER SPIT Lot 10

Effective January 1, 2007 the 2007 estimated taxes of were paid on the above property(s). However, if the estimated taxes are less than the actual taxes levied on July 1, 2007, the difference is a lien against the property(s) until paid.

Witness my hand and seal this 31st day of January, 2007.

Rhonda K. Krohn
Property Tax and Collections Supervisor

Vertical handwritten note: Done 2007-136

OPERATING AGREEMENT

This is the Operating Agreement for ALASKAN COASTAL FREIGHT, LLC.

I. Term and Purpose.

The term of the Company shall be perpetual. The Company is organized to engage in the business of marine coastal freight transportation and any other lawful business within the State of Alaska.

II. Capital Contributions.

The organizational members and their percentage of ownership interest shall be as follows:

<u>Member</u>	<u>Ownership Percentage</u>
Anna M. Flanigan	51%
Bruce J. Flanigan	49%

Members married to one another may hold their ownership interest as tenants by the entirety. The capital contributions of the organizational members shall be as set forth in Exhibit A. Voting shall be in accordance with ownership interest. Members holding their interest as tenants by the entirety or joint tenants with right of survivorship shall vote their interest as a "block."

Additional contributions shall be authorized by 3/4 of the total outstanding membership interest and shall be assessed in proportion to each member's interest.

Should a member fail to make an additional capital contribution within thirty (30) days of its assessment, the other members may take one of the following actions:

A. If all non-defaulting members are in agreement, the Company shall return the additional capital contributions made by the non-defaulting members.

B. Any of the non-defaulting members may make the additional capital contribution in question. Following such contribution, the ownership interest of the members shall be adjusted to account for the disparity in contributions. If more than one non-defaulting member wishes to make the additional

contribution, they shall do so in proportion to their ownership interest.

C. The non-defaulting members may take no action and, if so, the ownership interest of the members shall be adjusted to account for the disparity in contributions.

D. Upon unanimous consent of the non-defaulting members, the Company can be dissolved under §VI of this Agreement.

III. Profit Distributions.

After accounting for all appropriate expenses and reserves, any remaining profit may be distributed to the members. Any such distribution shall be according to the members' percentage of ownership interest, except that members holding their interest as joint tenants with right of survivorship, may receive their distribution jointly.

IV. Protection From Liability.

No member shall be liable solely by reason of being a member or a member-manager for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or applicable law shall not be grounds for imposing personal liability on the members for liabilities of the Company.

The Company shall indemnify the members and agents for all costs, losses, liabilities, and damages paid or accrued by such member (either as member or as manager) or agent in connection with the business of the Company, to the fullest extent provided or allowed by the laws of Alaska.

V. Transfers of Interest.

A. General Restriction.

Neither a member nor a transferee may transfer, whether voluntarily or involuntarily, any portion of the person's membership or other interest except as otherwise provided in this Article. For purposes of this Article, a "transfer" includes, but is not limited to, any sale, assignment, gift, devise or other transfer upon death, exchange, hypothecation, collateral assignment or subjection to a security interest. However, it shall not include transfer from one married joint tenant member to his or her member spouse, either at death or otherwise.

B. Assignment of Interest.

A member may not transfer, in whole or in part, the member's interest in the Company to a non-member without the unanimous consent of the total outstanding membership interest. Notwithstanding the foregoing, a member may assign any right to receive profit distributions and return of capital to a third party without approval of the membership. In the case of such an assignment, the interest assigned by a member shall not entitle the assignee to participate in the management and affairs of the Company, to become a member, or to exercise the right of a member without the consent of all of the other non-assigning members.

If after obtaining the requisite consent of the membership, any member should desire to assign his or her ownership interest to a non-member, he must first offer for assignment to the Company, in writing, the ownership interest at the same price and on the same terms as being offered to the prospective buyer. The Company shall have thirty (30) days from the receipt of said offer in which to exercise its option to purchase said interest. Said notice shall be given by the member to the Company at its registered office. Such purchase must be approved by unanimous vote of the membership interest.

In the event that the Company should fail, refuse or be unable to exercise, within thirty (30) days after the receipt of the offer, its option to purchase such interest, the remaining members shall have the option to purchase said interest. Said option must be exercised within thirty (30) days after there has been mailed by the Company to each member, a notice in writing describing the shares being offered for sale and the price at which said shares are being offered. This notice shall be sent by United States mail, addressed to each member as shown in the Company's records, and shall be sent within five (5) days after the expiration of the option granted the company. Members of the company so desiring to purchase said interest, shall send to the Company, within the required period, written offers to purchase the member's interest.

If the ownership interest offered for sale is not purchased by the Company or members, the member wishing to sell said interest shall have the right to sell to the approved purchaser, provided however, that the sale of said ownership interest shall not be made at any lower price than that which was offered to the Company and other members, and provided further that the sale of such interest shall not be made later than ninety (90) days after the date upon which said ownership interest was offered to the Company.

If more than one member desires to purchase the ownership interest for sale, the members desiring to purchase the same shall be entitled to purchase said interest in proportion to the ownership interest each such member bears to one another.

C. Conditions on Transfers of Interest.

The transfer of a membership or other interest (including the interest of a transferee) otherwise permitted by this Article shall be subject to the following additional limitations:

(1) No membership or other interest may be transferred or issued if the proposed action, in the opinion of counsel for the Company, would result in the termination of the Company under Section 708 of the Code, would result in the cancellation of the Company's Articles of Organization, or would impair the Company's partnership tax status under the Code.

(2) No membership or other interest may be issued by the Company or transferred by a member unless the transferee confirms in writing acceptable to the managers that the transferee has agreed to be bound by the terms and provisions of this Agreement.

(3) No transfer of a membership or other interest may be made unless the transferee shall have paid or, at the election of the Managers, becomes obligated to pay all reasonable expenses connected with such transfer, substitution or admission, including but not limited to the cost of preparing and filing any amendment to the Articles of Organization required to effect the transferee's admission as a new or substituted member.

(4) No membership or other interest may be transferred unless, if requested, the Managers receive an opinion of counsel, satisfactory in form and substance to the Company's counsel, to the effect that such transfer will not violate the federal securities laws, or any state securities or syndication laws. Such opinion shall, in the case of a transfer by a member, be furnished at the expense of the member.

D. Death of a Member.

Upon the death of a member, the Company shall have the option to purchase the deceased member's ownership interest from his or her estate.

In exchange for the redeemed membership interest, the Company shall pay the deceased member's estate the fair market value of that interest, as of the date of the member's death.

In the event the Company and the deceased member's estate are unable to agree on the fair market value of the deceased member's interest, such value shall be determined by a neutral appraiser familiar with appraising the value of small businesses, selected by the Company.

If, following the appraisal, the Company and the deceased member's estate continue to disagree on the fair market value of the deceased member's interest, the deceased member's estate will choose another neutral appraiser to conduct a second appraisal.

If, following the second appraisal, the Company and the deceased member's estate remain unable to agree on the value of the deceased member's interest, the two appraisers will select a third neutral appraiser for a final determination. The third appraiser will review the two earlier appraisals and conduct whatever independent investigation he or she deems appropriate. The determination of the third appraiser shall be final, binding and not subject to further mediation, arbitration or court review. The Company will pay for any appraisals performed under this paragraph.

The Company may secure policies of life insurance on each member in order to have funds available to implement this provision.

Payment for the ownership interest shall be made to the deceased member's estate (or other appropriate legal representative) within 90 days of the final determination of fair market value and upon assignment to the Company of the deceased member's interest.

In the event any insurance proceeds to be used for the purchase are less than the fair market value of the deceased member's interest, the deficiency may be paid by the Company to the deceased member's estate in cash or in monthly payments amortized over five years, at the prime interest rate then reflected in the Wall Street Journal.

If the Company carried no life insurance on the deceased member, the Company may, in lieu of full payment in cash, pay the deceased member's estate 10% of the purchase price within ninety (90) days of final determination of fair market value and

the remaining balance in monthly installments amortized over five (5) years, at the prime interest rate then reflected in the Wall Street Journal.

In the event the Company fails to timely exercise the option to purchase the deceased member's ownership interest, the remaining members shall have the option to purchase the interest. Written notice that the option is being exercised must be sent by certified mail to the estate's representative within thirty (30) days after the Company's option to purchase has expired. The method for determining the purchase price shall be the same as set forth above. The purchasing member may elect to pay for the deceased member's interest over time, according to the terms set forth in the preceding paragraph.

If more than one member desires to purchase the deceased member's interest, the members desiring to purchase the same shall be entitled to purchase said interest in proportion to the ownership interest each such member bears to one another.

E. Withdrawal of Member.

Except as otherwise provided in this Article, no member shall be entitled to withdraw or resign from the Company.

F. Recognition of Transferees and Substituted Members.

Amendments to the books and records of the Company and, if required by law, amendments to the Articles of Organization, shall be made to recognize assignments of membership interests and, if applicable, admission of substituted or new members. Assignments of membership interests and admissions of new members shall be recognized and effective on and as of the first day of the first month following the date of the satisfaction of the conditions to the transfer and substitution set forth in this Article. Allocation of Company profits, losses and other items upon transfer shall be made as provided elsewhere in this Agreement

G. Obligations of Transferring Member.

Except as otherwise unanimously agreed to by the other members, no transfer by a member of all or any portion of an interest in the Company shall relieve the transferring member of any of the member's then existing obligations to the Company or of any then existing liability as a member, whether or not the person remains as a member.

H. New Members.

Except as indicated above, new members may be admitted only upon the unanimous approval of the entire membership interest.

VI. Dissolution.

The Company shall be dissolved and its affairs wound up, upon the first to occur of the following events:

- (a) a member's bankruptcy;
- (b) a member's death or incapacity;
- (c) a member's incompetency;
- (d) in the case of a member who is acting as a member by virtue of being a trustee of a trust, the termination of the trust;
- (e) in the case of a member that is a separate entity, the dissolution and commencement of winding up of the entity;
- (f) in the case of a member that is an estate, the distribution by the fiduciary of the estate's entire interest in the Company;
- (g) the unanimous written consent of all of the members; or
- (h) the unanimous written consent of all non-defaulting members, as provided for in §II(D) of this Agreement.

Notwithstanding the foregoing, the business of the Company may be continued with the consent of the majority in interest of the remaining members.

VII. Internal Management.

A. Management.

The ordinary and usual decisions concerning the business affairs of the Company shall be made by the member-managers selected by the members. There shall be at least one member-manager. No member-manager shall have any contractual

right to such a position. Each member-manager shall serve until the earliest of:

1. the resignation of such member-manager;
2. removal of the member-manager by the majority vote of the remaining members; or
3. the election and qualification of a successor to the member-manager by a majority of the members.

The initial Co-Managers shall be Anna M. Flanigan and Bruce J. Flanigan.

B. Powers to Bind.

Only the member-managers and agents of the Company authorized by the member-managers shall have the authority to bind the Company. No member who is not either a member-manager or otherwise authorized as an agent shall take any action to bind the Company, and each member shall indemnify the Company for any costs or damages incurred by the Company as a result of the unauthorized action of such member. Each member-manager has the power, on behalf of the Company, to do all things necessary or convenient to carry out the business and affairs of the Company.

C. Compensation of Member-Managers.

Each member-manager shall be reimbursed all reasonable expenses incurred in managing the Company and shall be entitled to compensation, in an amount to be determined from time to time by a majority vote of the members.

D. Duty of Care of Member-Manager.

A member-manager shall perform the duties of management in good faith in a manner the member-manager reasonably believes to be in the best interests of the Company, and with the care, including reasonable inquiry that an ordinarily prudent person in a like position would use under similar circumstances. A member-manager may rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by a Company employee, attorney, accountant or other professionals or experts as to matters the member-manager reasonably believes are within such other person's professional or expert competence.

VIII. Records, Returns and Reports

A. Records to be Maintained.

The Company shall maintain the following records at the principal office:

1. A current and past list of the full name and last known business address of each member, former member and other holder of a membership interest;
2. A copy of the Articles and all amendments thereto, including signed copies of any powers of attorney pursuant to which Articles have been executed;
3. Copies of the Company's federal, foreign, state and local income tax returns and reports, if any, for the three most recent years;
4. Copies of this Agreement including all amendments thereto;
5. Any financial statements of the Company for the three most recent years;
6. To the extent not provided in this Agreement, a document stating the amount of cash contributed by a member, the agreed value of other property or services, and when a member shall make additional contribution, if any.

B. Inspection of Records.

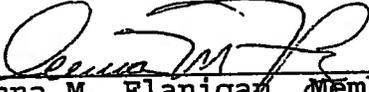
The Company shall make its books and records of the account reasonably available for inspection and copying at its registered office or principal office by a member. Member inspection shall be upon written demand stating with reasonable particularity the purpose of inspection. The inspection may be in person or by agent or attorney, at a reasonable time and for a proper purpose. Only books and records of account, minutes, and the record of members directly connected to the stated purpose of inspection may be inspected or copied.

IX. Amendment.

This Operating Agreement may be amended by a vote of members holding a majority ownership interest in the company.

1/23/06

Date


Anna M. Flanigan, Member

1/24/06

Date


Bruce J. Flanigan, Member



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/25/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Alaska USA Insurance Brokers P.O. Box 196530 Anchorage AK 99519	CONTACT NAME: Sharon Pope, CISR		
	PHONE (A/C No. Ext): (907) 561-1250	FAX (A/C No): (907) 561-4315	
	E-MAIL ADDRESS: s.pope@alaskausainsurance.com		
	PRODUCER CUSTOMER ID #: 00031140		
INSURED Alaskan Coastal Freight, LLC PO Box 4083 Homer AK 99603	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Zurich American Insurance		16535
	INSURER B: Navigators Insurance Company		
	INSURER C: Liberty Mutual Group-Assigned		
	INSURER D: Zurich American/Catlin Ins.		
	INSURER E: Great American Insurance Co		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: 13/14 MGL/WC/XS/P&I/PLI REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	MAR584452201 Including Stevedores and Terminal Operators Liab	1/4/2013	1/4/2014	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Marine Comprehensive Liability					PERSONAL & ADV INJURY \$ Included
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					PRODUCTS - COM/PROP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS					\$
	<input type="checkbox"/> NON-OWNED AUTOS					\$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		SE13LIA00943001	1/4/2013	1/4/2014	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		SE13LIA00943002	1/4/2013	1/4/2014	AGGREGATE \$ 5,000,000
B	DEDUCTIBLE					EACH OCCURRENCE \$ 14,000,000
	RETENTION \$					AGGREGATE \$ 14,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N N/A	WC539S312624012 USL&H is included	4/5/2012	4/5/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)					E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Protection & Indemnity		FW60860	1/4/2013	1/4/2014	LIMIT \$ 1,000,000
E	Vessel Pollution		OMB6662353	1/4/2013	1/4/2014	LIMIT \$ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Where required by written contract or agreement, Certificate Holder is additional insured on the Marine Comprehensive Liability policy.

CERTIFICATE HOLDER

CANCELLATION

City of Homer 491 E. Pioneer Homer, AK 99603	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE K Muir, CIC/SHARP <i>Kristen A. Muir</i>



ARTICLES OF ORGANIZATION
 Online Filing
 (Domestic Limited Liability Company)

The undersigned person(s) of the age of 18 years or more, acting as organizers of a limited liability company under the Alaska Limited Liability Act (AS 10.50) hereby adopt the following Articles of Organization:

Article 1. Name of the Limited Liability Company. The name of a limited liability company must contain the words "limited liability company" or the abbreviation "L.L.C.," or "LLC":

Alaskan Coastal Freight, LLC

Article 2. The purpose for which the company is organized. A limited liability company may list any lawful as its purpose:
 To engage in the business of marine coastal freight transportation and any other lawful purpose.

Article 3. Registered Agent Name and Address:

Name:	Anna M. Flanigan
Mailing Address:	P.O. Box 4083 Homer, AK 99603
Physical Address if Mailing Address is a Post Office Box:	4722 Sabrina Road Homer, AK 99603

Article 4. Duration:

Check this box if the duration is perpetual:

If the duration is not perpetual, list the latest date upon which the Limited Liability Company is to dissolve:

Article 5. Management: Check this box if the company will be managed by a manager.

Article 6. Optional Provisions:

One or more organizer shall sign the Articles of Organization for a limited liability company.

Name of Organizer

Bruce J. Flanigan
 Anna M. Flanigan

Online Signature of Organizer

Bruce J. Flanigan
 Anna M. Flanigan

Date Submitted Online

December 30, 2005

State of Alaska
Department of Commerce, Community, and
Economic Development

**CERTIFICATE
OF
ORGANIZATION
Limited Liability Company**

THE UNDERSIGNED, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that Articles of Organization duly signed and verified pursuant to the provisions of Alaska Statutes has been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

Alaskan Coastal Freight, LLC

and attaches hereto the original copy of the Articles of Organization for such certificate.



IN TESTIMONY WHEREOF, I execute
this certificate and affix the Great Seal of
the State of Alaska on December 30, 2005.

A handwritten signature in black ink, appearing to read "William C. Noll".

William C. Noll
Commissioner

Homer City Code

Chapter 21.30 MI Marine Industrial District

21.30.010 Purpose.

21.30.020 Permitted uses and structures.

21.30.030 Conditional uses and structures.

21.30.040 Dimensional requirements.

21.30.050 Site and access plan.

21.30.060 Traffic requirements.

21.30.070 Site development requirements.

21.30.080 Nuisance standards.

21.30.090 Lighting standards.

21.30.010 Purpose. The purpose of the Marine Industrial District is primarily to provide adequate space for those water-dependent industrial uses that require direct marine access for their operation, such as fishing, fish processing, marine transportation, off-shore oil development and tourism; giving priority to those water-dependent uses over other industrial, commercial and recreational uses. (Ord. 08-29, 2008).

21.30.020 Permitted uses and structures. The following uses are permitted outright in the Marine Industrial District, except when such use requires a conditional use permit by reason of size, traffic volumes, or other reasons set forth in this chapter:

- a. Port and harbor facilities;
- b. Manufacturing, processing and packing of sea products;
- c. Cold-storage;
- d. Dry docks;
- e. Wharves and docks, marine loading facilities, ferry terminals, marine railways;
- f. Marine equipment sales, rentals, service, repair and storage.
- g. Boat launching or moorage facilities, marinas, boat charter services;
- h. Warehouse and marshaling yards for storing goods awaiting transfer to marine vessels or off-loaded from a marine vessel and awaiting immediate pickup by land-based transportation;
- i. Other similar uses, if approved after a public hearing by the Commission, including but not limited to those uses authorized in the Marine Commercial District under HCC §§ 21.28.020 and 21.28.030, provided the Commission finds the use meets the following standards and requirements:
 1. The proposed use is compatible with the purpose of Marine Industrial District or provides a necessary service to water-dependent industry,
 2. The proposed use is compatible with land use development plans for the Homer Spit and the comprehensive plan,
 3. Public facilities and services are adequate to serve the proposed use, and
 4. The Port and Harbor Commission, after a public hearing, has made a written recommendation to the Commission concerning the proposed use, including specifically whether conditions (1) through (3) of this subsection are or may, with appropriate conditions, be met by the proposed use;
- j. Mobile food services;
- k. Itinerant merchants, provided all activities shall be limited to uses permitted outright under this zoning district;
- l. Recreational vehicle parks, provided they shall conform to the standards in HCC § 21.54.
- m. As an accessory use, one small wind energy system per lot. (Ord. 09-34(A) §19 (part), 2009; Ord. 08-29, 2008).

21.30.030 Conditional uses and structures. The following uses may be permitted in the Marine Industrial District when authorized by conditional use permit issued in accordance with HCC Chapter 21.71:

- a. Planned unit development, limited to water-dependent or water-related uses and excluding all dwellings;
- b. Boat sales, rentals, service, repair and storage, and boat manufacturing;

- c. Restaurants and drinking establishments;
- d. Extractive enterprises related to other uses permitted in the district;
- e. Campgrounds;
- f. Bulk petroleum storage;
- g. Caretaker's residence as an accessory to a permitted or conditionally permitted use;
- h. Heliports;
- i. Pipelines and railroads;
- j. More than one building containing a permitted principal use on a lot.
- k. Permitted uses that exceed 100 vehicles during peak hour or more than 500 vehicles per day based on the proposed land use and density, calculated utilizing the Trip Generation Manual, Institute of Traffic Engineers, most current edition;
- l. Indoor recreational facilities;
- m. Outdoor recreational facilities. (Ord. 08-29, 2008).

21.30.040 Dimensional requirements. a. Lot Size. The minimum lot size is 6,000 square feet.

b. Setbacks.

1. All buildings shall be set back 20 feet from all dedicated rights-of-way. Alleys are not subject to a 20 foot setback requirement. The setback requirements from any lot line abutting an alley will be determined by the dimensional requirements of subparagraph (2) below.
2. Buildings shall be set back five feet from all other lot boundary lot lines unless adequate firewalls are provided and adequate access to the rear of the building is otherwise provided (e.g., alleyways) as defined by the State Fire Code and enforced by the State Fire Marshal.

c. Building Height.

1. The maximum building height shall be thirty-five feet.

d. No lot shall contain more than 8,000 square feet of building area (all buildings combined), nor shall any lot contain building area in excess of 30 percent of the lot area without an approved conditional use permit.

e. Building Area and Dimensions - Retail and Wholesale.

1. The total square feet floor area of retail and wholesale business uses within a single building shall not exceed 25,000 square feet.
2. In no event may a conditional use permit or variance be granted that would allow a building to exceed the limits of subparagraph (d)(1) and no nonconforming use or structure may be expanded in any manner that would increase its nonconformance with the limits of subparagraph (d)(1). (Ord. 08-29, 2008; Ord. 08-27(S)§1, part, 2008).

21.30.050 Site and access plan. a. A zoning permit for a building or structure within the Marine Industrial District shall not be issued by the City without a level two site plan approved under HCC Chapter 21.73.

b. No zoning permit may be granted without a level two right-of-way access plan approved under HCC Chapter 21.73. (Ord. 08-29, 2008).

21.30.060 Traffic Requirements. A conditional use permit is required for every use that is estimated or expected to generate traffic in excess of the criteria contained in HCC § 21.18.060. (Ord. 08-29, 2008).

21.30.070 Site Development Requirements. a. All site development shall conform to the level two site development standards contained in HCC § 21.50.030.

b. Point source discharges to a waterway shall be in conformance with the Alaska Department of Environmental Conservation regulations. (Ord. 08-29, 2008).

21.30.080 Nuisance Standards. The nuisance standards of HCC § 21.59.010 apply to all development, uses, and structures in this zoning district. (Ord. 08-29, 2008).

21.30.090. Lighting Standards. The level one lighting standards of HCC § 21.59.030 apply to all development, uses, and structures in this zoning district. (Ord. 08-29, 2008).

STAFF REPORT

ALASKA COASTAL FREIGHT PROPOSAL

Lease Committee Meeting 5/14/13

Introduction:

Alaska Coastal Freight submitted a lease proposal in response to the RFP the City recently posted. The proposal is to lease a 100 foot by 220 foot section on the South end of Lot 13. Lot 13 contains the chip pad however, the area proposed for lease is not on the cement pad and is located close to the deep Water Dock and the harbor barge ramp. The proposed use is a freight staging area to support Coastal Freight's operations at the barge ramp. The proposal requests a lease term of five years and a rental rate of 50 cents per sq. foot per year.

The Proposal

Chapter 5.2 of the Property Management Policy and Procedures Manual (Lease Policies) contains the criteria to determine if a proposal is complete and responsive to the RFP. Attached is a checklist report on the responsiveness of the proposal prepared by Andrea Browning. Andrea's report shows that the proposal meets the minimal requirements for responsiveness. The Development Plan does not contain a timeline or any benchmarks for improvements which is a requirement. The staff determined that this omission was not significant enough to warrant rejection of the proposal because very few improvements are proposed on the property and the lease term is only five years. The timetable can be addressed by the Committee and made a condition of final approval of the lease. This proposal has been determined to be sufficiently complete for Lease Committee review.

Proposal Evaluation

Chapter 6.2 (B) contains the evaluation criteria to be used in scoring and rating a lease proposal. An analysis of each of the criteria follows:

Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan.

The property proposed for lease is located within the Marine Industrial Zoning District. The proposed use is a staging area for freight that is being shipped to or from Homer. The use is water related and water dependent and the site is appropriately located near the harbor barge ramp and the Deep Water Dock. Freight staging is consistent with the Zoning District and relevant sections of the Spit Comprehensive Plan. The use is also consistent with neighboring uses which include boat repair, metal scrap salvage and shipping, a fuel tank farm, and a general purpose staging and storage area adjacent to the Deep Water Dock.

The development plan including all proposed phases and timetables.

The development plan includes making a portion of Lot 13 usable that is currently not. This work will include filling in ditches with filter fabric, slotted culverts, drain rock, and gravel to make a smooth usable area that still drains adequately. No timetable is provided for this work to occur and that should be a stipulation of final approval. Also, the drainage proposal should be reviewed and approved by the City Engineer, Planner, and other appropriate authorities.

The proposed capital investment.

The only capital investment described in the proposal is the filling of ditches described above. No dollar amount is provided for the value of that work although providing usable land certainly has value to the City. The value of these improvements should be obtained. This information is important since the applicant is requesting a rental rate that may be below market value. The applicant has also verbally discussed other improvements such as a security fence but this is not mentioned in the application. That needs to be clarified before final approval. It should be noted that the applicant has already made significant capital improvements in the area which include paving the barge ramp and grading and leveling the lot the Company is currently using for staging (tariff rental rates apply). The applicant has also recently made a large capital investment in its vessel, the Helenka B; which is the foundation of this business enterprise.

Experience of the applicant in the proposed business or venture.

The applicant did not provide information regarding experience in the proposal. I will request that supplemental information be provided for the Committee by meeting time. This reviewer is aware though, that the applicant has a vast amount of experience in this enterprise and has been doing it for many years. Alaska Coastal Freight is a well known company providing shipping services to much of Alaska. I have no concerns about the experience of the applicant.

Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development.

A large capital investment is not proposed so the financial assets and/or backing of the applicant take on lesser importance. The applicant provided a profit and loss statement for the business which was reviewed by the staff. The financial information provided demonstrated that the company has more than adequate resources to carry-out this proposal and perform under the lease. The financial documents were not provided in the packet or made public for privacy and proprietary reasons. The applicant has been doing business with the City for some time and has an excellent track record with respect to port and harbor fees, taxes, etc.

The number of employees anticipated.

The applicant did not mention the number of employees or associated contractors. Again, I will request supplemental information by meeting time.

The proposed rental rate.

The applicant proposes a rental rate of 50 cents per square foot per year. This may be below market value. An appraisal of Lot 13 in 2007 came up with 60 cents on average for the Lot. The City recently rented space on an adjacent lot for a similar use for 60 cents per square foot. On the other hand, it could be argued that the proposed improvements which make the land useable and therefore, more valuable in the long term, could justify a lower rent. We recommend 60 cents or whatever a new appraisal deems the property to be worth.

Other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease.

The applicant did not address this issue in the proposal. However, I felt comfortable moving this application ahead to the Committee without that information because I know that the value of related or spin-off economic development is great; especially with respect to support businesses and the marine trades. The applicant proposes to leave behind useable land close to the Deep Water Dock and the harbor barge ramp that will increase in value over time. He has also paved and improved the barge ramp and improved the land he is currently utilizing. I will request supplemental information by meeting time.

Other long term social and economic development.

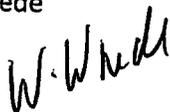
Shipping and the movement of freight is expected to be an area of economic growth in the future; helping the local economy and the finances of the port and harbor enterprise fund. Having this enterprise located in the harbor and on Lot 13 is expected to stimulate a range of other similar or support businesses.

RECOMMENDATION:

I would recommend that the Lease Committee approve this proposal and pass it to the City Council with a recommendation that the proposal be approved and that the City Manager be authorized to negotiate a five year lease, subject to the following:

1. A rental rate of 60 cents per square foot or the value suggested by a new appraisal of the property.
2. Review and approval of the drainage plan by appropriate authorities.
3. An approved timetable for development
4. Supplemental information regarding planned improvements.
5. An estimate of the proposed and past investments
6. Other required information such as employment and financial impacts.

Respectfully Submitted: W. Wrede





CITY OF HOMER PROPERTY MANAGEMENT LEASE APPLICATION CHECKLIST

Applicant Name: ALASKAN COASTAL FREIGHT
Date Application Received: May 8, 2013

CHAPTER 5: LEASE APPLICATION PROCESS

5.1: POLICY

- A. It is the policy of the City of Homer to provide for a streamlined, standardized, and easily understood lease application process. A full and complete application packet shall be provided to all applicants. Applicants must be qualified under Section 18.08.50 of the Homer City Code:
(a) a natural person and is responsible, meaning the applicant has sufficient skill, experience and financial capability to perform all the obligations of the lessee under the proposed lease; and
(b) a person who is at least nineteen years of age; or
(c) a group, association or corporation which is authorized to conduct business under the laws of the State of Alaska. (Ord. 92-10 (part), 1992). 183 (Homer 06/04)
B. The City administration will provide for pre-application meetings with all potential applicants to provide relevant information on things like land use regulations, lease policies, the permitting process, and other relevant topics.

5.2 PROCEDURES

A. A responsive lease application / proposal shall include:

- 1. A completed application form provided by the City

Table with 4 columns: YES, NO, N/A, INCOMPLETE

NOTES:

- 2. Any applicable fees

Table with 4 columns: YES, NO, N/A, INCOMPLETE

NOTES:

\$30 fee included

- 3. A clear and precise narrative description of the proposed use of the property

Table with 4 columns: YES, NO, N/A, INCOMPLETE

NOTES:

The proposed use is "Equipment and freight staging for on-loading and off-loading before and after shipping". Applicant desires to lease a portion of the lot- specifically the first 100' x 220' space just north of the chip pile, which is currently unusable due to 2 ditches w/ culverts that run through the parcel. Applicant proposes to place filter fabric and drain rock w/ gravel on the surface, making the space adequate for proposed use.

- 4. A specific time schedule and benchmarks for development

Table with 4 columns: YES, NO, N/A, INCOMPLETE

NOTES:

Not indicated

- 5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.

YES	NO	N/A	INCOMPLETE
-----	----	-----	------------

NOTES:

The site plan indicates the outline/dimensions of the lot, and shows the desired 100'x200' portion of the lot the applicant wishes to lease. The culverts/ditches are depicted as 65' x 20' in this site plan, which the applicant proposes to address w. the filter fabric and drain rock w/ gravel.

- 6. Any other information that is directly pertinent to the proposal scoring criteria contained herein or required by the solicitation or request for proposals.

YES	NO	N/A	INCOMPLETE
-----	----	-----	------------

NOTES:

Applicant proposed lease rate of 50 cents/square foot, per year and requested a term of 5 years.

- 7. All other required attachments requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile, and references.

Applicant information

Plot Plan

Development Plan- *No timeline*

Insurance

N/A Proposed Subleases

N/A Environmental Information

N/A Agency approvals and permits

Financial Information (Financial Statement **REQUIRED**, Surety, bankruptcy, pending litigation are situational.

N/A Partnership information and a copy of the partnership agreement OR

Corporation information and a copy of the Articles of Incorporation and Bylaws

Certificate of good standing issued by the entity's state if domicile

Appropriate References (Total of 4 persons or firms with whom the applicant or its owners have conducted business transactions with during the past three years. Two references must have knowledge of your financial management history (One of which **MUST** be your principal financial institution) and two must have knowledge of your business expertise).

YES	NO	N/A	INCOMPLETE
-----	----	-----	------------

NOTES:

Application review completed by ANITA BRUNING on 5/8/13 (date)

