

City Council
March 9, 2015
Monday



Worksession 4:00 P.M.
Committee of the Whole 5:00 P.M.
Special Meeting 5:20 P.M.
Regular Meeting 6:00 P.M.



Cowles Council Chambers
City Hall
491 E. Pioneer Avenue
Homer, Alaska

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2015



- Monday 9th:** **CITY COUNCIL**
Worksession 4:00 p.m., Committee of the Whole 5:00 p.m.,
and Regular Meeting 6:00 p.m.
- Tuesday 10th:** **ECONOMIC DEVELOPMENT ADVISORY COMMISSION**
Regular Meeting 6:00 p.m.
- Monday 16th:** **CITY COUNCIL**
Special Meeting 6:00 p.m.
- Wednesday 18th:** **PLANNING COMMISSION**
Worksession 5:30 p.m. and Regular Meeting 6:30 p.m.
- Thursday 19th:** **PARKS AND RECREATION ADVISORY COMMISSION**
Regular Meeting 5:30 p.m.

Regular Meeting Schedule

- City Council 2nd and 4th Mondays 6 p.m.**
**Library Advisory Board 1st Tuesday with the exception of January,
April, August, & November 5 p.m.**
Economic Development Advisory Commission 2nd Tuesday 6 p.m.
**Parks and Recreation Advisory Commission 3rd Thursday with the exception of
July & December 5:30 p.m.**
Planning Commission 1st and 3rd Wednesday 6:30 p.m.
Port and Harbor Advisory Commission 4th Wednesday 5 p.m. (May – August 6 p.m.)
Public Arts Committee Quarterly 2nd Thursday 5 p.m.
Permanent Fund Committee Quarterly 2nd Thursday 5:15 p.m.

MAYOR AND CITY COUNCILMEMBERS AND TERMS

- BETH WYTHE, MAYOR – 16**
FRANCIE ROBERTS, COUNCILMEMBER – 15
BRYAN ZAK, COUNCILMEMBER – 16
DAVID LEWIS, COUNCILMEMBER – 17
BEAUREGARD BURGESS, COUNCILMEMBER – 15
GUS VAN DYKE, COUNCILMEMBER – 16
CATRIONA REYNOLDS, COUNCILMEMBER – 17

City Manager, Marvin Yoder
City Attorney, Thomas F. Klinkner

<http://cityofhomer-ak.gov/cityclerk> for home page access, Clerk's email address is:
clerk@ci.homer.ak.us City Clerk's office phone number: direct line 235-3130, other number
435-3106.

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
www.cityofhomer-ak.gov



WORKSESSION
4:00 P.M. MONDAY
MARCH 9, 2015
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
COUNCIL MEMBER FRANCIE ROBERTS
COUNCIL MEMBER DAVID LEWIS
COUNCIL MEMBER BRYAN ZAK
COUNCIL MEMBER BEAUREGARD BURGESS
COUNCIL MEMBER GUS VAN DYKE
COUNCIL MEMBER CATRIONA REYNOLDS
CITY ATTORNEY THOMAS KLINKNER
CITY MANAGER MARVIN YODER
CITY CLERK JO JOHNSON

WORKSESSION AGENDA

- 1. CALL TO ORDER, 4:00 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. STRATEGIC DOING**

Memorandum 15-031 from City Manager as backup. **Page 7**
Memorandums 15-032 and 15-033 from Public Works Director as backup. **Pages 15/17**

Memorandum 15-034 from Library Director as backup. **Page 25**
- 4. COMMENTS OF THE AUDIENCE**
- 5. ADJOURNMENT NO LATER THAN 4:50 P.M.**
Next Regular Meeting is Monday, March 23, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession 4:00 p.m. A Special Meeting is scheduled for Monday, March 16, 2015 at 6:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

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Memorandum 15-031

To: Mayor and Council
From: Marvin L Yoder
Date: February 25, 2015
Subject: Strategic Doing

Strategic Doing

The Staff met to further discuss the progress for the Strategic Doing assignment. The consensus is that the initial priorities set by the council have been dealt with.

Port Staging Area

City personnel attended a second meeting with the AKLNG consortium about the potential utilization of the Homer Port if this project is approved for construction. This project could have a large impact on Homer, including numerous jobs and additional revenues to the Harbor.

Homer is recognized as the only suitable port and harbor in the Cook Inlet on this side of Anchorage. Logistics may bring large vessels into Homer and stage them here before loading them on to smaller barges for delivery north.

Constructing the expansion of the deep water dock and the new small boat harbor will facilitate this activity. Work is ongoing on the deep water dock expansion and the Army Corps earlier completed an analysis of the small boat harbor. These projects need to be a high priority if the city is going to benefit from the AKLNG project. One final note, The Legislature is now considering a bill to delay the AKLNG project, perhaps to put more effort into the smaller diameter gas line.

This objective will need to be monitored but progress has been made toward meeting the goal.

Commercial Fishing

The Port and Harbor Commission has been debating the issue of raising rates in the harbor. A part of the discussion revolves around issues of rates for uses beyond the moorage rates.

There has been testimony that some of the rates for ice, for example, have a negative effect on commercial fishing related activity in Homer.

Secondly, the fish market has changed. Fish tax receipts were put in place when most fish were processed and shipped out frozen. Now there is a fresh market. Gutted fish received at the dock and shipped out without processing generate no fish tax for the Homer dock. This requires the dock to charge higher fees for the cranes and the ice delivery to break even. This impacts the level of commercial fishing activity at the dock.

The Port and Harbor Commission has discussed hiring an outside consultant to assist in setting rates for Moorage but also for the leases and other fees.

This objective needs additional evaluation by the Port Commission and the City Council.

Partner with other organizations

The City is actively involved with the Chamber of Commerce, the Homer Marine Trades Association, the Kenai Peninsula Economic Development Committee, PARC and MAPP.

This is an ongoing objective.

Parking

There were two issues with parking. 1. Shared parking within the business community is complete. 2. Building city owned parking lots is on hold until there is more demand.

This objective is substantially complete.

Roadway Standards

See attached Developing Bike/Pedestrian friendly Roadway Standards memo from Public Works Director Carey Meyer.

These standards need to be reviewed and adopted by the Planning Commission and the City Council to complete this objective.

Trails

Construct Shellford, Danview and West Homer Elementary Trails in FY2015 and purchase land for the trailhead for Rogers loop Trail.

See attachment from Public Works Director.

This objective will be developed in phases with additional projects proposed in future years.

The actions noted above bring substantial completion to the Comprehensive Plan Objectives designated by the City Council in the last Strategic Doing Session.

I suggest that the Council next look at land use and housing next.

Prioritized List of Comprehensive Plan Implementation Table Goals/Strategies

High Impact | Low Difficulty

19 – Education

- 50 – Continue to partner and work to support efforts of the Kenai Peninsula Borough School District.

19 – Economic Vitality – Natural Resources

- 42 – Support staging areas for large development projects.
- 42 – Support commercial fishing and fish processing.
- 41 – Partner with and support the efforts of other organizations, such as the Chamber of Commerce, to plan for economic development.

18 – Energy Plan

- 42 – Improve energy efficiency and conservation in City facilities.
- 38 – Create a solid waste and recycling plan for City facilities.
- 37 – Implement the Climate Action Plan.
- 37 – Create an Energy Plan
- 34 – Partner with public, private and non-profit organizations to implement a plan to reduce, reuse and recycle solid waste.

15 – Parking

- 38 – Allow for shared parking and in-lieu fees for downtown businesses.
- 29 – Construct strategically located parking lots in or near downtown.
- 23 – Improve/increase on-street parking

13 – Trails/Non-motorized Transportation

- 44 – Develop bike/pedestrian friendly roadway design standards
- 43 – Implement the policy recommendations of the Non-Motorized Transportation Plan, e.g. an acceptance policy for trail easements.
- 39 – Build the recommended trail connections in the Non-Motorized Transportation Plan.

13 – Senior Services

- 37 – Encourage or create incentives for private businesses to provide or improve accessibility for seniors.
- 37 – Improve accessibility for senior citizens. Require all public facilities be accessible for seniors and individuals with disabilities.

High Impact | High Difficulty

12 – Community Capacity

- 39 – Continue to work with citizen groups and nonprofit organizations which play a large role in providing desired services in Homer
- 37 – Continue to work with residents and business to better understand community priorities, and to the extent possible, find resources to meet these needs.

- **35** – Increase the net revenues coming into the city, through managing costs and expanding the community’s tax base.
- **28** – Support the efficient use of existing community facilities. Partner with organizations to keep city facilities operating beyond normal hours.

12 – Youth Services

- **31** – Provide a range of activities and programs to benefit youth.

11 – Port and Harbor

- **40** – Address general harbor maintenance and erosion control.
- **36** – Complete the Port and Harbor projects listed in Homer’s current CIP.
- **34** – Expand the Deep Water Dock.
- **30** – Create an East Boat Harbor.
- **30** – Improve restrooms along the spit trail.

11 – Fire and Emergency Services

- **38** - Increase marine fire/emergency response capabilities.
- **37** – Increase training opportunities.
- **36** – Update Hazard Plans.
- **34** – Construct new building and training facility.
- **34** – Increase volunteer core to 50 people.
- **24** – Hire Fire Marshal/Code Examiner.

11 – Police Department

- **35** – Implement a reasonable vehicle replacement plan.
- **35** – Construct a new building.
- **31** – Address retention and recruitment issues, and retain a competitive compensation package.
- **27** – Hire dedicated Homer Spit Officer for summer months.

9 – Storm Water

- **36** – Develop storm water design criteria for large parcel development.
- **36** – Encourage the utilization of green infrastructure mapping as a means to identify and retain natural drainage channels and important wetlands, which serve drainage functions.
- **34** – Adopt area-wide storm water management standards.

9 – Parks, Recreation, & Culture

- **35** – Create a Parks and Recreation Master Plan.
- **35** – Update the Beach Policy.

Low Impact | Low Difficulty

16 – Transportation – Misc.

- **34** – Update the 1986 Master Streets and Roads Plan and the 2005 Transportation Plan. Implement the Transportation Plan.
- **31** – Establish a Road Corridor Preservation Program and adopt appropriate ordinances (e.g. road standards, cost sharing mechanism).

15 – Improved Zoning

- **38** – Develop new zoning code to implement new categories.

- 37 – Work with the Comprehensive Plan Land Use Recommendation map on an area by area basis to determine the feasibility and acceptability of rezoning.

14 – Economic Vitality – Tourism

- 32 – Provide adequate parking for Spit attractions and/or efficient shuttle service between downtown and Spit areas.
- 29 – Prepare a Tourism Management Plan.

13 – Economic Vitality – Misc.

- 36 – Accommodate and promote arts and culture events.
- 36 – Work with the University, KBC to develop education and vocation programs for Homer residents.
- 33 – Research and implement strategies to provide for a range of housing options.
- 31 – Improve technology infrastructure.

11 – Improved Standards and Regulations

- 35 – Adopt new development standards for development in environmentally sensitive areas. Includes road construction practices.
- 34 – Create new development standards for higher density residential development.
- 28 – Evaluate and consider shifting platting authority from Borough to City of Homer.
- 28 – Adopt building codes.

Low Impact | High Difficulty

14 – Solid Waste

- 40 – Institute measures to improve recycling among City departments.

13 – Library

- 27 – Increase staff to respond to increased demand.

12 – Water and Sewer

- 36 – Construct water and sewer lines to developed properties as demand warrants.
- 35 – Implement the Water Sewer Master Plan.
- 32 – Repair and rehabilitate sewer mains to reduce infiltration.
- 32 – Enact a sewer inflow reduction program.
- 24 – Develop a new water source.

11 – Green Infrastructure

- 35 – Adopt guidelines for sustainable development such as energy efficiency, use of recycled materials, and low impact landscaping in city buildings.
- 33 – Evaluate incentives to promote development that uses the green infrastructure ideas presented in Appendix D.

7 – Pattern of Development

- 36 – Work with Borough to prepare mutually acceptable development standards.
- 32 – Establish more specific criteria, process, schedule and objectives for possible future annexations.
- 31 – Amend city code to recognize the transfer of development rights to preserve environmentally sensitive or recreational areas.



City of Homer

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Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 15-032

TO: Marvin Yoder - City Manager
FROM: Carey Meyer – Public Works Director
DATE: March 3, 2015
SUBJECT: **Strategic Doing -
Build the Recommended Trail Connections in the
Non-Motorized Transportation Plan**

The construction of the following trails is recommended in the Non-Motorized Transportation Plan:

Shellford Trail – A 200 foot long Level 1 foot path in the Shellford right-of-way (connecting the existing road to the north to Lee Street) is proposed. Public Works/Parks will complete any required clearing and install a six foot wide gravel pathway to create a Level 3 trail.

Danview Trail – A 300 foot long Level 1 footpath in the Danview Street right-of-way (between Bartlett and Hohe Streets) is proposed. Public Works/Parks will acquire the necessary wetland permit and complete any required clearing and install a six foot wide gravel pathway to create a Level 3 trail.

West Homer Elementary Trail – A trail is proposed between Forest Glen Drive and the West Homer Elementary School. Public Works will evaluate potential alignments, secure necessary easements and prepare bid documents for the construction of a Level 3 trail.

Roger's Loop Trail Head Land Acquisition – Negotiations with the property owner will hopefully result in the acquisition of this parcel later this year.

Construction Schedule – Public Works will start construction of the Shellford and Danview Trails this winter and will hopefully have them completed by Spring. The West Homer Elementary Trail should be finished later in the Summer by a competitively selected Contractor.



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Memorandum 15-033

TO: Marvin Yoder - City Manager
FROM: Carey Meyer – Public Works Director
DATE: February 27, 2015
SUBJECT: **Developing Bike/Pedestrian Friendly Roadway Design Standards**

As part of the City's Strategic Doing effort, attached are five roadway designs incorporating various levels of bike and pedestrian friendly amenities.

LEVEL 1 (Widened Pavement One Side) – This design provides the minimum level of pedestrian/bike amenities. This would be most appropriate on minor residential streets where pedestrian/bike traffic volumes are very low and cost is an overriding issue. A widened shoulder on one side of the street provides for both pedestrians and bicycles. This design has been used on many of our more recent residential road assessment district projects, such as Waddell Rd/St.

LEVEL 2 (Widened Pavement Both Sides) – This design provides additional pedestrian/bike facilities. Facilities are provided on both sides of the street by widening the pavement on each side of the vehicular travel lanes. This allows for pedestrians to walk in the direction of opposing traffic and bikes to travel in the same direction as vehicular traffic. This design provides for a higher volume of pedestrian/bike traffic in a somewhat safer configuration than provided by Level 1. This design was used to construct Waddell Way north from the Sterling Highway.

LEVEL 3 (Single Separated Pathway) - This design, unlike the previous two, provides for pedestrian/bike amenities that are separated from the vehicular traffic lanes. This design can be seen along Spruceview Avenue, west of Bartlett Street because there are few driveway approaches and no need for driveway culverts (see shallow roadside swale) on the pathway side of the road.

LEVEL 4 (Sidewalk/Widened Pavement) – This design provides for a curb and gutter and sidewalk on one side and a widened pavement on the other to provide for pedestrian/bike amenities. Pedestrians would tend to use the sidewalk, while bicycles would use the widened shoulder.

LEVEL 5 (Sidewalk/Separated Pathway) - this design provides for bike lanes adjacent to the vehicular lanes (in both directions); a sidewalk on one side, and a separated pathway on the other for pedestrians.

Other solutions could include a combination of the presented designs (i.e. - separated pathways on both sides; or sidewalks on both sides).

The street right-of-way is a narrow corridor that provides for more than just vehicular/pedestrian/bicycle access. It must also provide for:

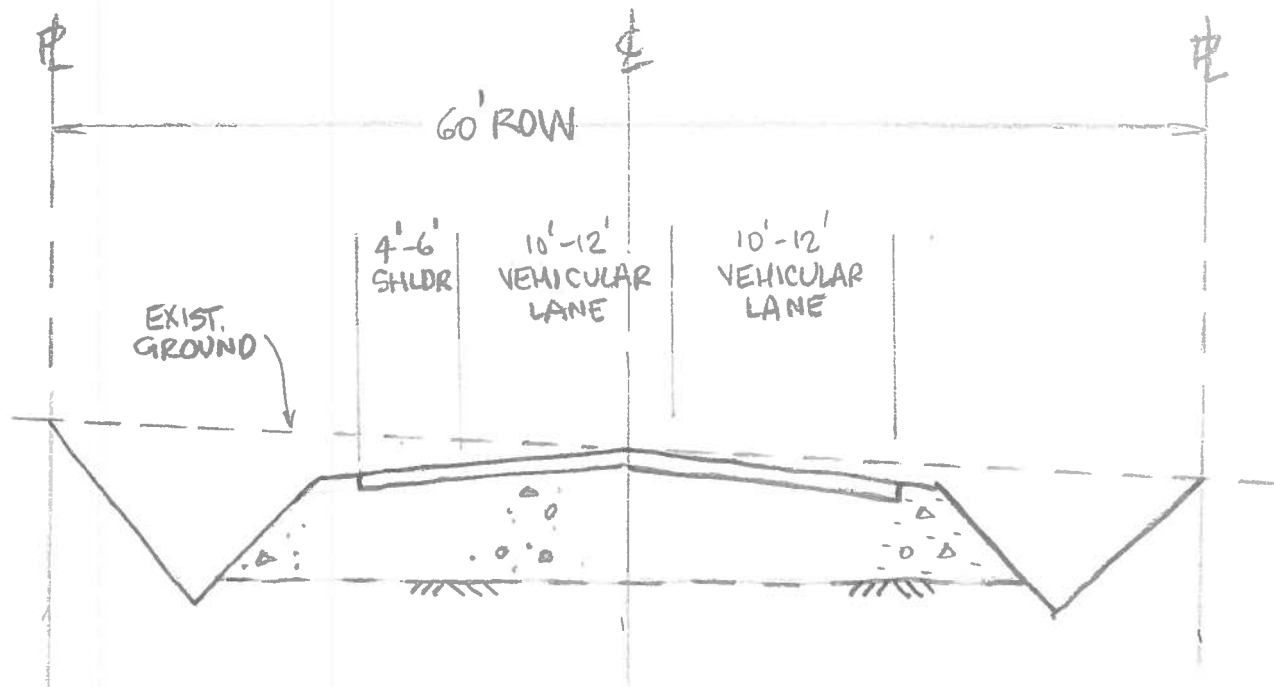
- Drainage (road side ditches or when curb and guttered, storm drain pipes and storm water quality improvements,
- Water, sewer, electrical, telephone, cable, and gas facilities,
- Street lights, and
- Snow storage

The designs presented focus on providing pedestrian/bicycle friendly road improvement designs. Selecting a particular design for a particular street must balance all users of the right-of-way. These decisions must also take into account road grades, topography, wetlands, and access to adjacent property.

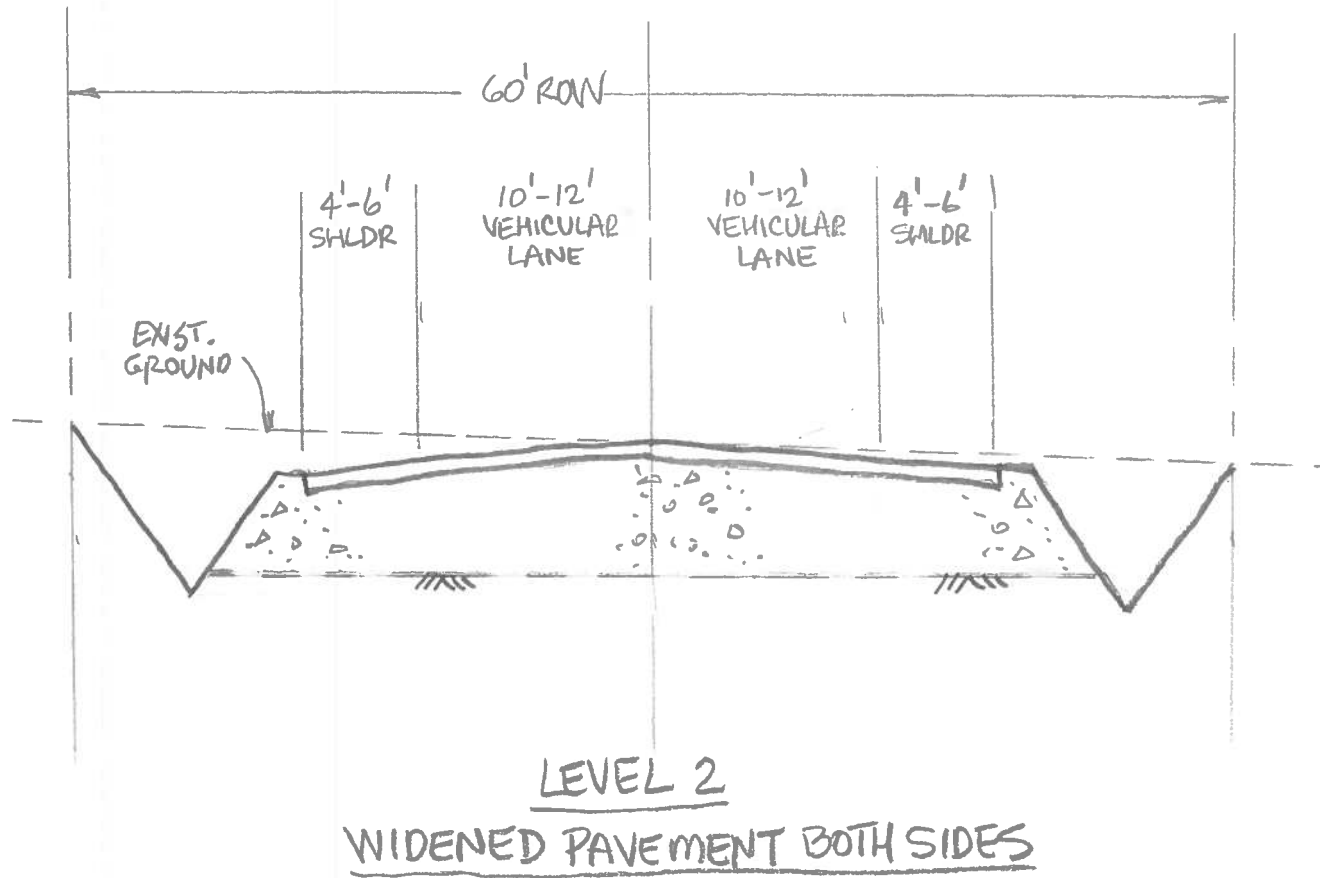
Level 1 roads will be the most cost effective when it comes to maintenance, there is plenty of snow storage and room for surface drainage improvements. Grassy road side ditches are very effective in improving storm water runoff quality and are the least expensive to maintain.

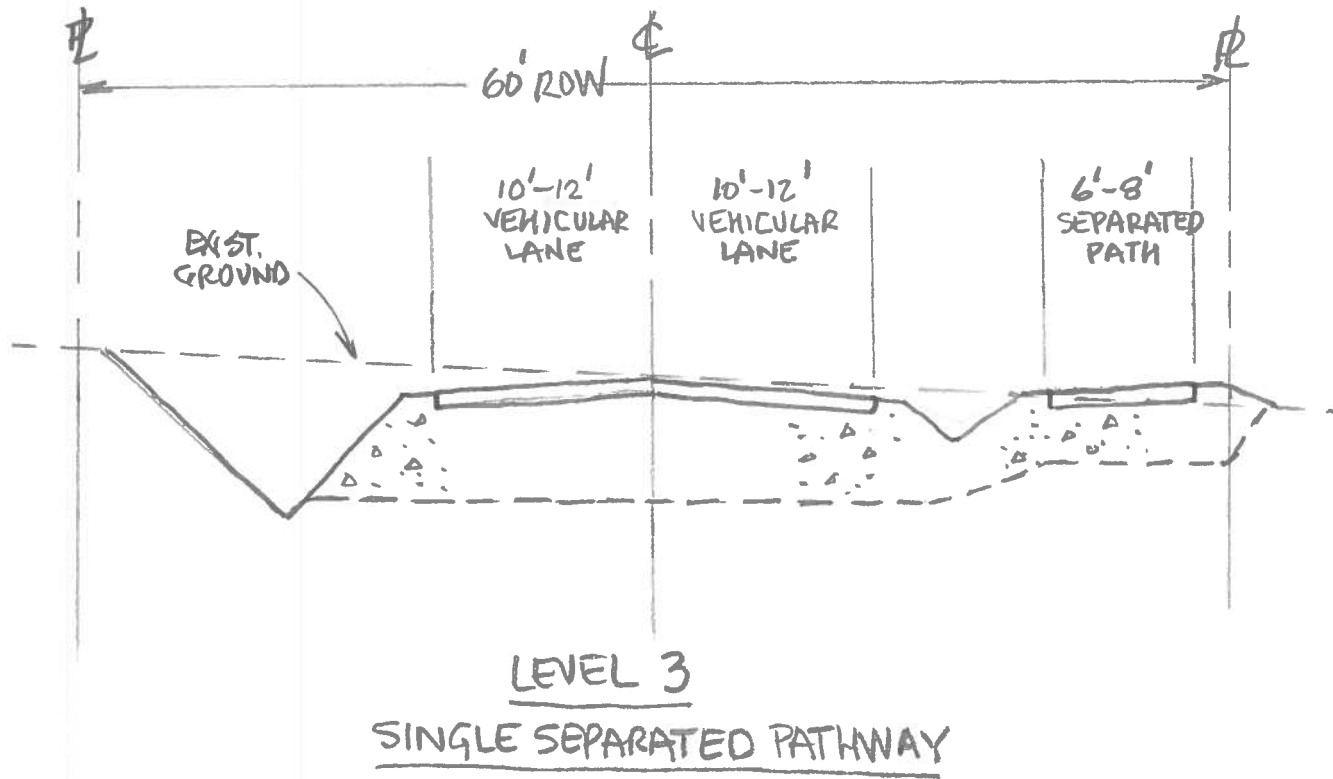
Once we introduce curb and gutters to the road design (Level 4 and 5); design, construction and maintenance cost escalate substantially. Catch basins, underground storm drain pipe, manholes, and storm water quality improvement facilities are expensive to construct and maintain. Snow removal costs increase when snow cannot be plowed to the side of the road and must be hauled away to new or expanded snow storage areas.

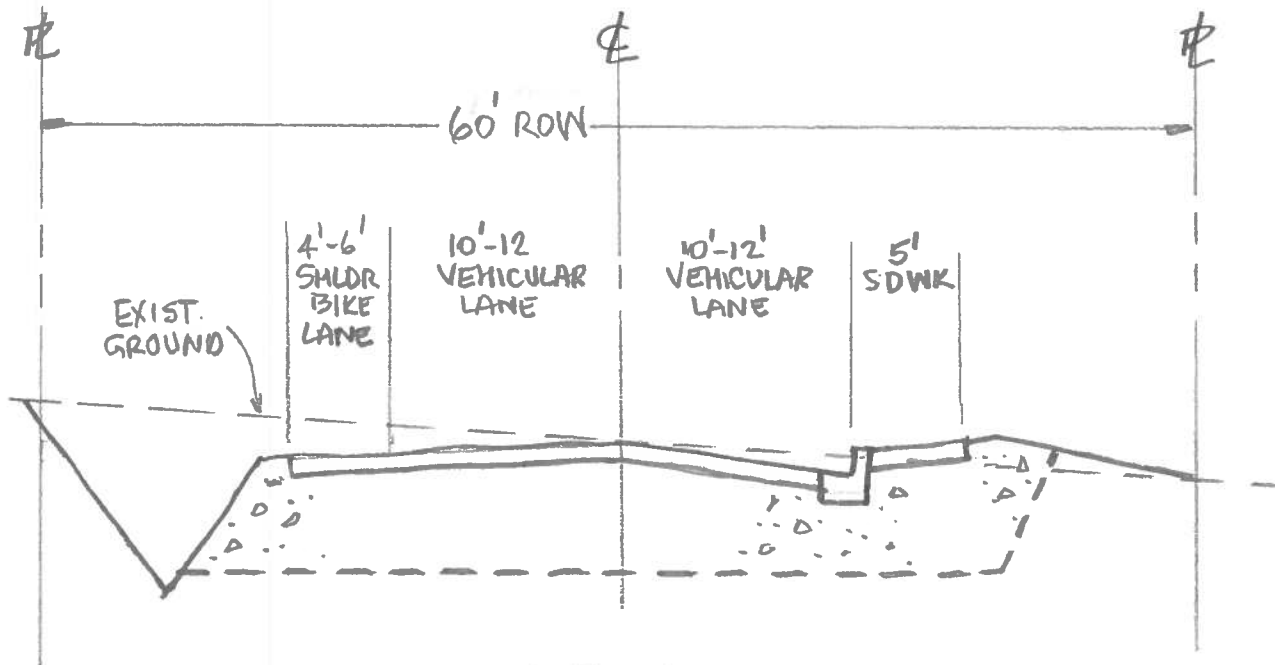
Recommendation: City Council pass a resolution formally incorporating the recommendation of this memo into the 2005 Homer Area Transportation Plan.



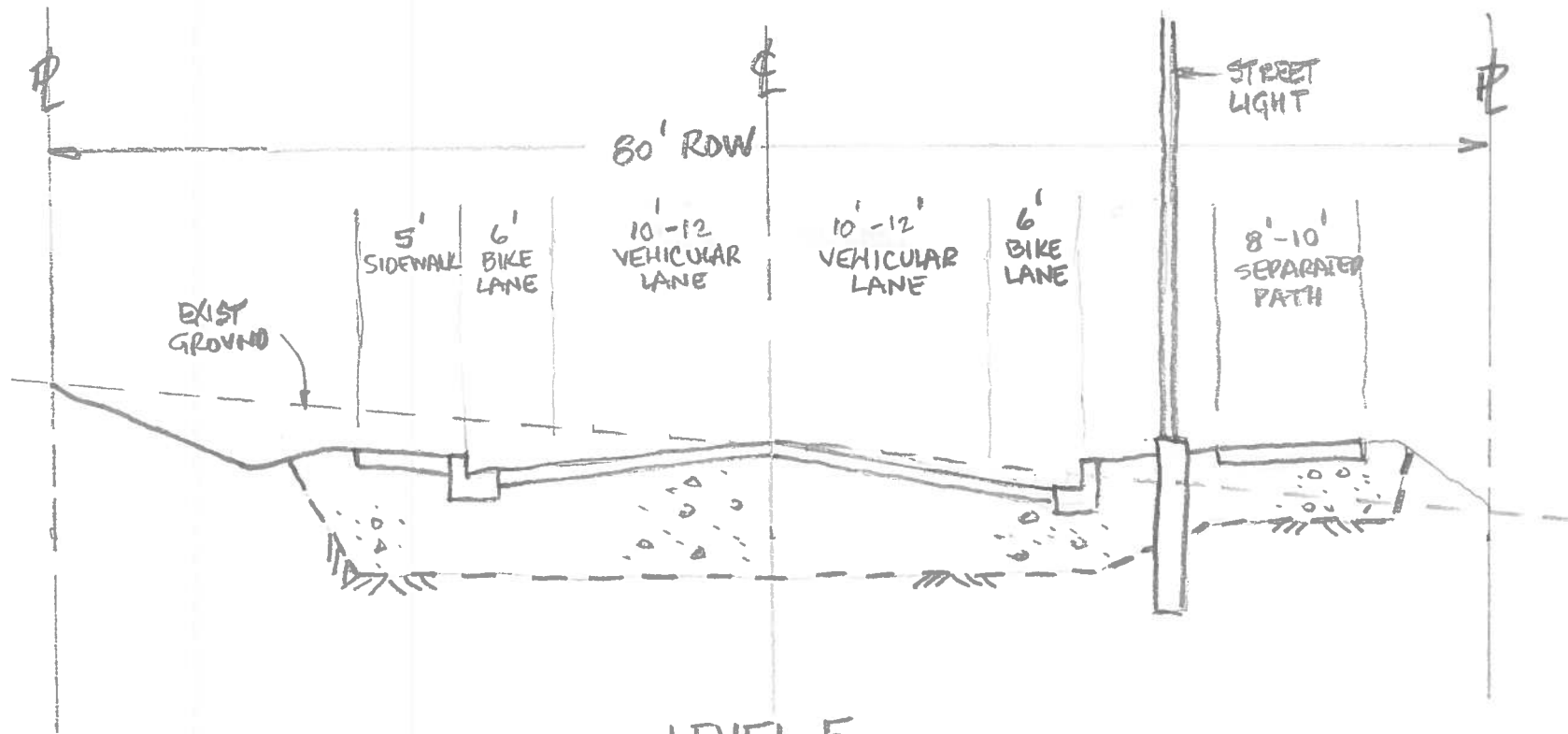
LEVEL 1
WIDENED PAVEMENT ONE SIDE







LEVEL 4
SIDEWALK/WIDENED PAVEMENT



LEVEL 5

SIDEWALK/SEPARATED PATHWAY



City of Homer

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Homer Public Library

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Homer, AK 99603

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Memorandum 15-034

TO: Mayor Wythe and City Council
THROUGH: Marvin Yoder, City Manager
FROM: Ann Dixon, Library Director
DATE: January 19, 2015
SUBJECT: Strategic Doing

Strategic Doing is an interesting and potentially effective new mechanism for focusing limited resources to achieve best results. As Council members and City staff begin that process, I'd like to bring forward a few questions and comments.

How do we implement the process in such a way that it is "living" – i.e. responds to current needs in the community?

- Strategic Doing priorities are based on projects and other goals listed in the Comprehensive Plan, which hasn't been updated for several years. Examples from the Library include an emergency back-up generator, which is on the CIP list, and the western lot of Library land, which has become a matter of community concern, input, and initial planning for reasons of safety and trail use. Both these issues have arisen in the past one to two years. Neither is listed in the Comprehensive Plan or Strategic Doing. This doesn't mean that action won't proceed – it is proceeding, in both instances. Maybe the question is, what role (if any) does the Strategic Doing document play in projects that arise between revisions of the Comprehensive Plan?

Does Strategic Doing meaningfully address items on the Comprehensive Plan that are less project-specific and more community-oriented, such as items under Community Capacity?

- Projects such as "Improve restrooms along the spit trail" and "Update the beach policy" are easier to quantify and rate objectively than Community Capacity goals such as "Continue to work with citizen groups and nonprofit organizations which play a large role in providing desired services in Homer" or "Support the efficient use of existing community facilities. Partner with organizations to keep city facilities operating beyond normal hours." Are broader, less-defined goals more difficult to act upon? Should Community Capacity goals be more specific?

How can the Strategic Doing rubric be best utilized to be less subjective and more reflective of community priorities and needs?

- In some cases, the rubric itself is problematic. For example, staffing needs are listed under the areas of Youth Services, Library, and Parks, Recreation & Culture. If the stated problem is that staffing in these areas is inadequate, how can the rubric category “Project has adequate existing or easily accessible staffing” be meaningfully answered? Ratings range from 5 (Youth Services) to 6 (Parks, Rec & Culture) to 3 (Library). What do those numbers mean? What are they based on?
- The concept of “High Impact/Low Impact” carries a considerable degree of subjectivity. If it’s based on rating results by the number of residents impacted (City residents only – or area residents, too?), how do we explain “Increase staffing at Parks & Rec” rated as High Impact while “Increase staff” at the Library is rated as Low Impact? Considering the volume of visits to the Library in 2014 – 129,600, well over 10,000 per month on average – how could an increase in staffing not have a high impact on the community? If High Impact/Low Impact is more a measure of impact as *perceived* by the public, that is even more subjective, i.e. Council’s and staff’s perceptions of what the public perceives.

I appreciate the Mayor’s and Council’s initiative in moving the Strategic Planning process forward. While any process is bound to have strengths and weaknesses, Strategic Doing appears to be a useful tool to help the City focus on priorities -- particularly if we can address, or at least keep in mind, the issues of currency, relevancy, and subjectivity.

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
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COMMITTEE OF THE WHOLE
5:00 P.M. MONDAY
MARCH 9, 2015
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
COUNCIL MEMBER FRANCIE ROBERTS
COUNCIL MEMBER DAVID LEWIS
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CITY MANAGER MARVIN YODER
CITY CLERK JO JOHNSON

COMMITTEE OF THE WHOLE AGENDA

- 1. CALL TO ORDER, 5:00 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. CONSENT AGENDA**
- 4. REGULAR MEETING AGENDA**
- 5. COMMENTS OF THE AUDIENCE**
- 6. ADJOURNMENT NO LATER THAN 5:20 P.M.**
Next Regular Meeting is Monday, March 23, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession 4:00 p.m. A Special Meeting is scheduled for Monday, March 16, 2015 at 6:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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SPECIAL MEETING
5:20 P.M. MONDAY
MARCH 9, 2015
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
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CITY CLERK JO JOHNSON

SPECIAL MEETING AGENDA

- 1. CALL TO ORDER, 5:20 P.M.**
- 2. AGENDA APPROVAL** (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 5)
- 3. Memorandum 15-035**, from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310 (c)(1)-(2) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the City, and Matters Which by Law, Municipal Charter, or Ordinance are Required to be Confidential (Establishing a Salary Range for City Manager).

Page 31
- 4. COMMENTS OF THE AUDIENCE**
- 5. ADJOURNMENT NO LATER THAN 5:50 P.M.**

Next Regular Meeting is Monday, March 23, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and Worksession 4:00 p.m. A Special Meeting is scheduled for Monday, March 16, 2015 at 6:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



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Office of the City Clerk

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Homer, Alaska 99603

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Memorandum 15-035

TO: MAYOR WYTHE AND CITY COUNCIL

FROM: JO JOHNSON, MMC, CITY CLERK

DATE: MARCH 4, 2015

SUBJECT: REQUEST FOR EXECUTIVE SESSION PURSUANT TO AS 44.62.310 (C)(1)-(2) MATTERS, THE IMMEDIATE KNOWLEDGE OF WHICH WOULD CLEARLY HAVE AN ADVERSE EFFECT UPON THE FINANCES OF THE CITY, AND MATTERS WHICH BY LAW, MUNICIPAL CHARTER, OR ORDINANCE ARE REQUIRED TO BE CONFIDENTIAL (ESTABLISHING A SALARY RANGE FOR CITY MANAGER).

Pursuant to Council's Operating Manual – "Any Councilmember, the Mayor or City Manager may place consideration of an executive session on the agenda..."

City Council has requested an Executive Session regarding "Establishing a Salary Range for City Manager" for the Special Meeting of March 9, 2015. This has been publicly and internally noticed since that time.

RECOMMENDATION:

Approve the request for Executive Session and conduct immediately in the Conference Room.

CALL TO ORDER
PLEDGE OF ALLEGIANCE
AGENDA APPROVAL

HOMER CITY COUNCIL
491 E. PIONEER AVENUE
HOMER, ALASKA
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REGULAR MEETING
6:00 P.M. MONDAY
MARCH 9, 2015
COWLES COUNCIL CHAMBERS

MAYOR BETH WYTHE
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CITY CLERK JO JOHNSON

REGULAR MEETING AGENDA

**Worksession 4:00 p.m., Committee of the Whole 5:00 p.m., and Special Meeting 5:20 p.m.
in Homer City Hall Cowles Council Chambers.**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE

Department Heads may be called upon from time to time to participate via teleconference.

2. AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

3. PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

4. RECONSIDERATION

5. CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Regular meeting minutes of February 23, 2015. City Clerk. Recommend adoption. **Page 47**

B. **Ordinance 15-06**, An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Operating Budget by Appropriating \$179,892.97 From the Harbor Reserve Fund to Satisfy the City's Matching Grant Requirement Associated With the Completion of the Deep Water Dock Expansion Feasibility Study. City Manager/Port and Harbor Director. Recommended dates: Introduction March 9, 2015, Public Hearing and Second Reading March 23, 2015. **Page 63**

C. **Resolution 15-013**, A Resolution of the Homer City Council Awarding the Contract for the Preparation of the Deep Water Dock Expansion Feasibility Study to the Firm of R&M Consultants, Inc. of Anchorage, Alaska, in the Amount of \$1,060,092 and Authorizing the City Manager to Execute the Appropriate Documents. City Clerk. **Page 67**

D. **Resolution 15-014**, A Resolution of the Homer City Council Awarding the Contract for the Construction of the Homer Small Boat Harbor Launch Ramp Renovation to the Firm of Harris Sand & Gravel of Valdez, Alaska, in the Amount of \$3,412,000 and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Public Works Director. **Page 69**

Memorandum 15-029 from Public Works Director as backup. **Page 71**

6. VISITORS

- A. Senator Gary Stevens, Legislative Update, followed by 20 minute reception.
- B. Derotha Ferraro, South Peninsula Hospital, Emergency Response Exercise Update, 10 minutes.

7. ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board
 - 2. Homer Advisory Planning Commission
 - a. Minutes of February 18, 2015 **Page 77**

3. Economic Development Advisory Commission
 4. Parks and Recreation Advisory Commission
 5. Port and Harbor Advisory Commission
- C. Correspondence with Russian Sister City Yelosivo **Page 83**
- 8. PUBLIC HEARING(S)**
- A. Homer Natural Gas Special Assessment District **Page 87**
- 9. ORDINANCE(S)**
- 10. CITY MANAGER’S REPORT**
- A. City Manager’s Report **Page 93**
1. Memorandum 15-027 from City Planner, Re: Regulation of Marijuana **Page 95**
 2. Memorandum 15-028 from Public Works Director, Re: Fireweed Avenue and Cottonwood Lane Road Conditions **Page 105**
- B. Bid Report **Page 127**
- 11. CITY ATTORNEY REPORT**
- 12. COMMITTEE REPORT**
- A. Public Arts Committee
 - B. Permanent Fund Committee
 - C. Employee Committee Report
 - D. Port and Harbor Building Task Force

E. Public Safety Building Review Committee

F. Vessel Haul-Out Task Force

G. City Manager Selection Committee

13. PENDING BUSINESS

A. **Resolution 15-004**, A Resolution of the City Council of Homer, Alaska, Requesting That the Alaska Legislature Re-Appropriate the \$1,405,000 That the City Received for the Waddell Way Road Improvement to a New Public Safety Building. Mayor. (Postponed from January 26, 2015.) **Page 135**

Resolution 15-004(S), A Resolution of the City Council of Homer, Alaska, Requesting That the Alaska Legislature Re-Appropriate \$606,000 of the \$1,405,000 That the City Received for the Waddell Way Road Improvement to a New Public Safety Building. Mayor. **Page 137**

14. NEW BUSINESS

15. RESOLUTIONS

A. **Resolution 15-012**, A Resolution of the City Council of Homer, Alaska, Amending the Preliminary Assessment Roll for the Homer Natural Gas Special Assessment District by Exempting One Property and Correcting Errors in The Assessment Roll. City Clerk. **Page 145**

B. **Resolution 15-015**, A Resolution of the City Council of Homer, Alaska, Approving an Amendment to Bob's Trophy Charter Lease on Tract 1-B Fishing Hole Subdivision No. 2, to Permit Transfer of the Lease to Wilson Stick, Inc., Extend the Lease for a Period of 20 Years, and Authorizing the City Manager to Execute the Appropriate Documents. City Manager. **Page 157**

Memorandum 15-030 from Port and Harbor Advisory Commission as backup.

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16. COMMENTS OF THE AUDIENCE

17. COMMENTS OF THE CITY ATTORNEY

- 18. COMMENTS OF THE CITY CLERK**
- 19. COMMENTS OF THE CITY MANAGER**
- 20. COMMENTS OF THE MAYOR**
- 21. COMMENTS OF THE CITY COUNCIL**
- 22. ADJOURNMENT**

Next Regular Meeting is Monday, March 23, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession 4:00 p.m. A Special Meeting is scheduled for Monday, March 16, 2015 at 6:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PUBLIC COMMENTS
UPON MATTERS
ALREADY ON THE AGENDA

RECONSIDERATION

CONSENT AGENDA

Session 15-07 a Regular Meeting of the Homer City Council was called to order on February 23, 2015 at 6:00 p.m. by Mayor Mary E. Wythe at the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska, and opened with the Pledge of Allegiance.

PRESENT: COUNCILMEMBERS: BURGESS, LEWIS, REYNOLDS, ROBERTS, VAN DYKE, ZAK

STAFF: CITY MANAGER YODER
CITY CLERK JOHNSON
CITY ATTORNEY KLINKNER (telephonic)
COMMUNITY & ECONOMIC DEVELOPMENT
COORDINATOR KOESTER
FINANCE DIRECTOR LI
LIBRARY DIRECTOR DIXON
PORT AND HARBOR DIRECTOR HAWKINS
PUBLIC WORKS DIRECTOR MEYER

The Council met for a Worksession from 4:00 p.m. to 4:50 p.m. for Green Dot training. The Council met as a Committee of the Whole from 5:00 p.m. to 5:09 p.m. to discuss Consent Agenda and Regular Meeting Agenda items.

Department Heads may be called upon from time to time to participate via teleconference.

AGENDA APPROVAL

(Addition of items to or removing items from the agenda will be by unanimous consent of the Council. HCC 1.24.040.)

The following changes were made: **ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS** - Lobbyist Report, AML Policy Committee Report by Councilmember Zak. **CITY MANAGER'S REPORT** - Status of City Projects by Public Works Director.

Mayor Wythe called for a motion for the approval of the agenda as amended.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

Kevin Hogan, city resident, objected to the Executive Session as the subject is an order to show cause. He asserted the subject does not qualify under HCC 1.10 and the Council should hire their own attorney since they are not acting in their official capacity.

RECONSIDERATION

CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Councilmember.)

- A. Homer City Council unapproved Special meeting minutes of February 2, 2015 and Regular meeting minutes of February 9, 2015. City Clerk. Recommend adoption.
- B. **Memorandum 15-023**, from Deputy City Clerk, Re: Liquor License Renewals For Alice's Champagne Palace, the Grog Shop, Land's End, Best Western Bidarka Inn, Don Jose's, American Legion Post 16, Homer Liquor & Wine Co., Patel's, Patel's#2, Fat Olives, Rum Locker, Boardwalk Fish & Chips, Mermaid Café, Beluga Lake Lodge, Fresh Catch Café, and Two Sister's Bakery.
- C. **Ordinance 15-05**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Section 2.48.040, Board—Creation and Membership, to Decrease From Five to Three the Number of Library Advisory Board Members Who Must Be City Residents. City Manager/Library Advisory Board. Recommended dates: Introduction February 23, 2015, Public Hearing and Second Reading March 9, 2015.

Memorandum 15-024 from Library Advisory Board as backup.

Moved to Ordinances.

Item C, Ordinance 15-05 was moved to Ordinances, Item A. Roberts.

Mayor Wythe called for a motion for the approval of the recommendations of the consent agenda as amended.

LEWIS/REYNOLDS – SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

ANNOUNCEMENTS/PRESENTATIONS/BOROUGH REPORT/COMMISSION REPORTS

- A. Borough Report
- B. Commissions/Board Reports:
 - 1. Library Advisory Board

Library Advisory Board Member Patricia Utley reported they are hopeful about taking in board members outside the city. She suggested the Council could reduce the number of non-residents to three or they can send it back to the LAB. It makes sense taxpayers should be on the Board if they have control over the money. The LAB is setting up goals, talking to the Library, and hearing what the Library needs. There are three grant writers on the Board and more board members would empower the Board to keep the momentum going.

- 2. Homer Advisory Planning Commission
 - a. Minutes of February 4, 2015
- 3. Economic Development Advisory Commission
- 4. Parks and Recreation Advisory Commission

Parks and Recreation Advisory Commission Chair Matt Steffy reported there was a PARC Steering Committee meeting to hear the results from the December survey. The preliminary gap analysis will show what the community does, what they want to do and where the gap is. There is an upcoming meeting on Thursday, February 26th at the Kachemak Bay Campus at 3:30 p.m. with the Borough Mayor Special Assistant Michele Aranguiz who will discuss a special service area.

The commission has been reviewing the Beach Policy and gathering public comments to make recommendations. At the next meeting the Homer Police Department will talk about enforcement and their resources. They are asking for public participation. On the City's webpage you may look up topics and submit written public comments. The more input the commission receives the more balanced their decision will be.

There is a Woodard Creek Coalition presentation and informal workshop February 26 at 6:30 p.m. at Islands & Ocean Visitor Center. The National Park Service staff will be present. There are now 511 parcels within the Woodard Creek Watershed.

The commission is endorsing the Recreation Trails Symposium that will be held on April 18 at the Homer High School. The topic will focus on walkability with work groups, local businesses, and local user groups. If there is good community response the commission will contribute to the symposium again next year.

The swimming pool is number two on the needs assessment. The school board is discussing the possibility of ending swimming due to the recent deficit projected for the Borough.

5. Port and Harbor Advisory Commission

C. Lobbyist Report

D. AML Policy Committee Report by Councilmember Zak

PUBLIC HEARING(S)

A. **Ordinance 15-03**, An Ordinance of the City Council of Homer, Alaska, Approving the Sale of the City's Interest in Lot 6-A-1, Nils O. Svedlund Subdivision 2013 Replat for \$1,655.50 to Dragonfly, LLC, and Establishing the Terms of the Sale. City Manager. Introduction February 9, 2015, Public Hearing and Second Reading February 23, 2015.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 15-03 by reading of title only for second and final reading.

LEWIS/REYNOLDS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

- B. **Ordinance 15-04**, An Ordinance of the Homer City Council Accepting and Appropriating a Grant from the Alaska Highway Safety Office in the Amount of \$40,768.01 for the Homer Police Department Project Drive and Authorizing the City Manager to Execute the Appropriate Documents. City Manager/Police Chief. Introduction February 9, 2015, Public Hearing and Second Reading February 23, 2015.

Memorandum 15-019 from Police Chief as backup.

Mayor Wythe opened the public hearing. In the absence of public testimony, Mayor Wythe closed the public hearing.

Mayor Wythe called for a motion for the adoption of Ordinance 15-04 by reading of title only for second and final reading.

ZAK/LEWIS - SO MOVED.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

ORDINANCE(S)

- A. **Ordinance 15-05**, An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Section 2.48.040, Board—Creation and Membership, to Decrease From Five to Three the Number of Library Advisory Board Members Who Must Be City Residents. City Manager/Library Advisory Board. Recommended dates: Introduction February 23, 2015, Public Hearing and Second Reading March 9, 2015.

Memorandum 15-024 from Library Advisory Board as backup.

Mayor Wythe called for a motion for the adoption of Ordinance 15-05 for introduction and first reading by reading of title only.

ZAK/LEWIS - SO MOVED.

Councilmembers Roberts and Burgess expressed opposition to four non-resident members on the LAB since they do not pay taxes to support the Library. In the best interests of the taxpayers they cannot support the ordinance that provides non-residents the ability to create policy and decide on fiscal needs. A service area for the Library may be a possibility.

Councilmember Lewis suggested an amendment to allow three members to be non-residents allowing Homer residents to have a majority on the board.

LEWIS/ZAK – MOVED TO AMEND OCCURENCES OF THREE TO FOUR (MEMBERS WHO MUST BE CITY RESIDENTS).

VOTE: (amendment) YES. LEWIS, BURGESS, ZAK, VAN DYKE

VOTE: NO. ROBERTS, REYNOLDS

Motion carried.

VOTE: (main motion as amended) YES. LEWIS, ZAK, VAN DYKE

VOTE: NO. REYNOLDS, ROBERTS, BURGESS

Mayor Wythe broke the tie vote with a NO VOTE.

Motion failed.

CITY MANAGER'S REPORT

A. City Manager's Report

1. Status of City Projects by Public Works Director

Budget Cuts

During my trip to Juneau I was able to talk with Linda Anderson about the proposed budget cuts to the Contract Jails program. If these cuts are adopted the city could lose over \$500,000. Chief Robl provided a lot of information about the impact such cuts would have in Homer.

We are now hearing that neither the Troopers nor the Court system had sufficient input on this issue prior to it being introduced. Linda is keeping us updated on what is happening with this critical budget issue.

Resolution 15-004

I spoke with Linda Anderson, Rep. Paul Seaton and Sen. Gary Stevens about this issue. Nothing is certain at this time. It is hoped that the State Budget will be more in focus by the time Mayor Wythe and Katie visit Juneau next month.

Personnel

The finance Department is having some personnel changes. Longtime employee Jo Earls resigned. Two employees were promoted new positions in the department and the city is recruiting and entry-level receptionist.

School News

Homer will host the 3A regional basketball tournament March 5 – 7. There will be 7 visiting teams in Homer that weekend.

Enstar Refund

The Finance Department received check and the following statement from Shay Pesta of Enstar regarding the FMA payment. “I have attached the excel spreadsheet for the 546 refunds totaling \$624,166 which are for 2nd, 3rd and 4th quarters of 2014 with some from the 1st quarter. You can tell by the meter set dates. We are still working on 2013 and part of the 1st quarter of 2014.”

The FMA funds will go into a sinking/reserve fund until the bonds are paid off. Disbursements to the property owners will be made after the bonds are retired.

City Manager Yoder reported he attended a meeting last week with the ABC Board in Juneau on upcoming marijuana issues. He also met with City Attorney Holly Wells to discuss what the City should be involved in with marijuana regulations. There will be zoning, three or four different licenses that will be handled differently from growing, manufacturing, to retail. The initiative said cities can have an advisory board. One half of the license fees paid by people doing activities will go to the city if they have an advisory board. There are a lot of different things that will come up. Mr. Yoder brought up a question before the ABC Board if cities will have the right to collect extra taxes. The ABC Board will be writing regulations on procedures for licenses. There are three different groups that are working on the issue and it will probably

be a year before everything is completed. In the next few weeks the Council will have a memo from Attorney Wells on the subject.

In his trip to Juneau Mr. Yoder met with Lobbyist Linda Anderson. The Governor proposed a \$10M statewide cut in jail contracts. It has since been changed to \$3M, with \$7M returned to the budget. There was not a lot of coordination between the state troopers and the court system when this was initially discussed. We still have some cuts coming to jails and the ALMAR radio system program. The ALMAR was designed by the State of Alaska a number of years ago to make sure local government, state troopers, and DOT were on the same length in case of a disaster. When initially put forward the money mainly came from Homeland Security with the State paying operating costs. The State is now backing out and cities may have to contribute if they want to remain on the system.

Personnel changes in Finance resulted when one person left. Two people moved up one step and we will hire an entry employee.

A correction to the report is there are seven sports teams, with seven cities represented of both boys and girls, so it will be fourteen teams coming to Homer.

The Finance Department received the first check for the Free Main Allowance from Enstar. The attorney is still working on the proper language on how the fund will work. The money will go in a fund and will be used in making loan payments if there are problems. After all assessments and loans are paid back, the property owners will get paid back.

Mr. Yoder attended a meeting on Waddell Road with Homer Electric. We may work out an agreement to obtain the right-of-way without any cash money because HEA has an easement they want to get rid of. He talked to the attorney today about that as well.

The Deep Water Dock Feasibility Study RFP was advertised and preliminary scores were done. We are getting ready to move the project forward.

As to Lillian Walli subdivision, property owners asked for a LID just for Eric Lane that connects with Fairview Way. The way the subdivision was designed with large lots and lots of cul-de-sacs, if the whole subdivision were included in the district it could be in excess of \$80,000 per lot. A plat note says you can't do one lot without doing all lots. He talked to the attorney about that as well and will try to come up with some solutions.

On water distribution storage improvements the DEC budget still includes our project. It has some federal match so it will probably stay. The HART and HAWSP funds are still available.

Mr. Yoder will miss the March 9th meeting but will try to call in.

Councilmember Lewis asked if the ABC Board has talked about limiting the number of establishments that would sell pot. Mr. Yoder answered the ABC Board met to report on the Colorado trip and had lots of information as to how Colorado was handling things. He thinks there will be some limitation; his preference would be to turn it over to municipalities to let them decide. Municipalities can say there will be no establishments. He would like to see municipalities have more control about how many licenses are issued.

B. Bid Report

CITY ATTORNEY REPORT

COMMITTEE REPORT

- A. Public Arts Committee
- B. Permanent Fund Committee
- C. Employee Committee Report
- D. Port and Harbor Building Task Force
- E. Public Safety Building Review Committee

Ken Castner reported the survey on the property along with soil surveys is done. There are fairly consolidated soils with no peat or clay. The public safety building project had a \$300,000 budget and there is now \$57,000 left. It is not enough money to go to 35% design. An estimate for demolition of the two buildings came in at \$40 per square foot. It will cost \$1M to remove the two buildings. A big chunk for disposal is the cost of hauling away the materials. He asked Public Works to look for a lot to put clean solid fill in. The committee feels it is their job to push the project. The Council needs to appropriate money to go to 35% design. If the Council could decide on an ordinance to appropriate funds, Stantec could go into the design. We are working toward 100% design with all public safety facilities in the design. He urged the Council to get together with Stantec and do some public policy work. The \$30M needed is a big hurdle if the majority is coming from local participation. Stantec is the right group to facilitate the discussion and it needs to be addressed soon if we are looking at a bond

proposition in the fall. Senior exemptions on property taxes have increased 5% per year according to the Borough. That percentage will steadily increase with the baby boomers coming of age.

Spending money on the design now provides for a deliverable of design of the building. The longer you wait to move forward the more expensive it will be; the need to have it will never go away. The Council will need to come up with \$540,000 to get to 35% design.

F. Vessel Haul-Out Task Force

G. City Manager Selection Committee

Councilmember Roberts reported the interviews for the two city manager candidates are on March 3rd at 4:00 p.m. and 6:00 p.m. Candidates will be here visiting city departments and employees on March 2nd.

PENDING BUSINESS

NEW BUSINESS

A. **Memorandum 15-025** from City Clerk, Re: Request for Executive Session Pursuant to AS 44.62.310 (A-C)(1 & 5) Matters, the Immediate Knowledge of Which Would Clearly Have an Adverse Effect Upon the Finances of the Government Unit and Attorney/Client Privilege (Castner vs. City of Homer Resumed Litigation).

Mayor Wythe recused herself due to her ongoing conflict on the natural gas line project. She passed the gavel to Mayor Pro Tempore Roberts.

Mayor Pro Tempore Roberts called for motion for the approval of the recommendations of Memorandum 15-025 to meet in Executive Session to discuss Castner vs. City of Homer Resumed Litigation.

No motion was offered.

Councilmember Burgess requested as much discussion in public as possible and to adjourn to Executive Session to discuss legal strategy.

BURGESS/LEWIS - MOVED THAT WE POSTPONE VOTING ON MEMORANDUM 15-025 UNTIL WE HAVE EXHAUSTED ALL DISCUSSION IN PUBLIC.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Attorney Klinkner was called and joined by telephone.

Councilmember Burgess provided the background on the natural gas line special assessment district. About 80% of the owners did not object to the project and the gas line was completed last fall. We are now finalizing assessments, the objection period is open, and the Council will cure and correct the final assessment roll. Ken Castner is one of several owners of condominiums with his condominium located on Smokey Bay Way and Ben Walters Lane. When someone parcels out a physical unit they physically divide real title. If you break it up into condos you have taken one piece of real property and turned it into multiple pieces. All owners received notice of assessments. Mr. Castner's interpretation is that the notices would be final assessments. Mr. Castner has 4 to 5 condos and received 7, 8, or 9 notices and filed suit and the judge found in Mr. Castner's favor. The City has yet to assess any financial obligation on any lot. Mr. Castner said he disputed what the City might do with the final assessment roll and the judge agreed with Mr. Castner.

The City has decided not to depart from the original assessment; the City didn't want to override the judge's ruling. People may ask why the City is making a decision that is not in the interest of condominium owners. Roughly 2% to 3% of the lots in Homer are condominiums. If they are no longer assessed, 13 mega condos at the end of the Spit pay one \$3,200 assessment. Others pick up the increased costs. It is not an issue of not agreeing with the judge, it is sticking with the assessment and allowing everyone else to go through the assessment process. Almost every condo owner on the Spit made it very clear to please bring us natural gas. It is difficult for Councilmember Burgess to represent the financial interests of the City of Homer when high dollar real estate is saving a tremendous amount. There is no interest in going against the court. The Council has not decided to change their policy on the initial tax roll.

Councilmember Lewis commented were not assessing individual lots, but were going by who receives a property tax assessment. A residential condominium receives the same benefit as an individual house. He doesn't know of any less difference a condominium would get than

an individual residence. You can argue about office condos and Mr. Castner has. We should proceed with the normal process and at the end the process the Council will deal with exemptions for good reason and follow the court order.

Councilmember Reynolds commented Mr. Castner went directly to the court when there was a way to bring the disagreement of the assessment to the Council. We have taken some properties out on a case by case basis. The court ruling came out of sequence as to how the events would have gone if the process had been followed.

Councilmember Burgess asked Attorney Klinkner to explain the process and objection period and why one can't take legal issue before an event has occurred.

City Attorney Klinkner advised the Council the legal doctrine is called exhaustion of administrative remedies. If there is process in place to resolve a dispute at an administrative level, that process should be completed and exhausted before a person dissatisfied with the result goes to court. They still have their day in court but should attempt to resolve it through the existing administrative process and not take up the court's time unless it is really required.

Councilmember Burgess asked what bearing the judge's decision in Mr. Castner's favor has on the other condominium owners who say we are in contempt of court by not applying the ruling to the rest of the assessment.

City Attorney Klinkner answered when the Council last discussed assessing condominiums at the February 9th meeting, after the Executive Session the Council announced it had decided to follow the original improvement plan in assessing condominiums. It didn't carve out an exception for Mr. Castner's situation and the ruling from the court. Mr. Castner was led to believe that the Council intended not to comply with the court's order for his property. On top of that he tacked on a more general challenge asserting the court's decision was a more general application to condominiums other than his own. It would be beneficial for the Council on the record to affirm that Mr. Castner's property will be assessed as the court directed. In conjunction, because the announcement was taken by city staff that Mr. Castner's property should have multiple assessments, the Council should agree to entertain a resolution for consideration at the March 9th meeting correcting the preliminary assessment roll from three assessments to a portion of one assessment as ordered by the court. It is Attorney Klinkner's strong view that Mr. Castner's contempt motion with the regard to the

treatment of other condominium units has no merit and will be rejected by the court. It is not a judgment that binds the City to other condominium properties.

LEWIS/REYNOLDS - MOVED TO ADJOURN TO EXECUTIVE SESSION PER MEMORANDUM 15-025.

There was no discussion.

VOTE: YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mayor Pro Tempore Roberts called for a motion to adjourn to Executive Session.

BURGESS/LEWIS - SO MOVED.

VOTE: YES. REYNOLDS, ROBERTS, VAN DYKE, ZAK, BURGESS, LEWIS

Motion carried.

The Council adjourned to Executive Session at 7:02 p.m. and reconvened the meeting at 7:22 p.m.

Councilmember Lewis stated the Council intends to follow prior court ruling in Castner case in the assessment of Mr. Castner's condominium property. Council will be considering at the March 9th meeting amending the preliminary assessment roll to correct the assessment for Mr. Castner's condominium building.

RESOLUTIONS

COMMENTS OF THE AUDIENCE

Scott Adams, city resident, commented on the need for both Waddell Way and a public safety building. He uses Bishop's Beach to drive to Anchor Point, collect coal, subsistence fishing, 4-wheeling, and for ATVs. He advocated for continued access to all beaches and enforcement on the beaches. Responsible folks should not be penalized because of a few.

Karen Zak, city resident and new Executive Director of the Chamber of Commerce, told the Council she looks forward to working on the Economic Development Advisory Commission and promoting tourism in the community.

Doug Van Patten, city resident, agreed with Scott Adams on beach access. A few people are making it difficult for the rest of us. It would be nice if there were enforcement to handle it. He thanked Councilmember Burgess for his presentation on the condominium assessments. He commended the Council for not allowing the condominium associations to have one assessment. A better assessment method would have been based on the valuation of properties.

Adelle Person, city resident, has had conversations with Julie Engebretsen on walkability and what the Council wants to put into action. At the community MAPP meeting on March 27 they will be addressing a wide variety of options. The Parks and Recreation Advisory Commission will have a symposium focused on walkability on April 18 at the high school.

COMMENTS OF THE CITY ATTORNEY

City Attorney Klinkner was not present.

COMMENTS OF THE CITY CLERK

City Clerk Johnson had no comments.

COMMENTS OF THE CITY MANAGER

City Manager Yoder had no comments.

COMMENTS OF THE MAYOR

Mayor Wythe congratulated Karen on her new position and looks forward to working with her. She urged people to check out the city webpage associated with the Beach Task Force.

COMMENTS OF THE CITY COUNCIL

Councilmember Roberts congratulated Karen and welcomed her to the Chamber of Commerce. At the 4:00 p.m. meeting the Council was trained by Green Dot people. She appreciated the training and learned a lot. She encouraged others to get involved with the program as it could be helpful to our community. She thanked Councilmember Zak for his

AML report; she read it with interest and it was good information. She asked the City Manager to look into the water reservoir and report back to the Council on the long term water situation. She doesn't know how much water comes from rain versus snowfall, but there doesn't appear to be a lot of snow pack to feed the reservoir this year.

Councilmember Zak congratulated his wife, Karen Zak, as new Chamber Executive Director. They will both have an opportunity to serve on the Economic Development Advisory Commission. Their first meeting is March 10th. Matt gave an excellent report regarding parks and recreation. Tomorrow night the school board will be discussing whether to fund the swimming pool. The meeting will be at the high school at 5:00 p.m. He encouraged the community to provide input. February 24th is the date Proposition 2 goes into effect. The City Manager is on the ABC Board and has expertise in that area having attended the meetings in Juneau. He will keep us up to date on the progress. We need to be careful within the community; it is still a crime to smoke in public. It is good to have Marvin Yoder on board with us.

Councilmember Van Dyke commented on the state tournaments in the City Manager's report. March 13, 14, and 15 we have the little squirt hockey team playing their state championship at the Kevin Bell Ice Arena. It will bring quite a few people here. He is a proud grandpa and it is a fun thing to watch.

Councilmember Reynolds mentioned Green Dot and congratulated Francie for doing her first green dot by talking about it on the air. There are plenty of people with green buttons now and you can ask them what Green Dot is or find out on Facebook. She is glad the public participated today. With Adele mentioning walkability, she was looking at a property listing for some friends. Items that made the house more appealing was its walkability. The website was set up to connect with a map to show how many restaurants were within walking distance. It is very interesting having a walkable town; it has many positive effects.

Councilmember Burgess reminded people February 24th the use of cannabis becomes legal; he urged people to not get too caught up in the merriment that they forget there is a borough assembly meeting that evening on that very issue. He congratulated Karen as the new Executive Director of the Homer Chamber of Commerce. It is a demanding position with different interests and the budget to balance. On the gas line there was discussion the process wasn't as inclusive as people wanted it to be. He assured the public he did his best to make sure that wasn't the case leading up to and during the gas line assessment. The Council had extensive discussion about the different kinds and methods of assessment, one being property evaluation and one being per lineal foot of street frontage of a lot to the gas line. There were lots of alternatives weighed. One big strike against property evaluation was that you would have to assess and value properties and decide what was germane information and what wasn't for each mode of valuation. It would dramatically encumber the process. There was per lineal front footage, but the utility is not commensurate to how much of your

property is against the gas line. The Council went with the simplest solution; that was to assess per unit of real property, condo or lot, per unit of assessment. It may not be a perfect measure but there are benefits to the community. When you pay a hospital bill you are paying for natural gas instead of fuel. There are benefits to the larger institutions that citizens use. He asked Ken Castner why he won't run for City Council. He would love to be sitting with Mr. Castner at the table. On beach policy use there are lots of voices who would use the authority of government to impose strict rules on the beach. Councilmember Burgess feels that beaches are public space and we don't want to heavily regulate uses. Rest assured he is not going to support anything heavy handed or overly intrusive with regard to beach regulation. He ended with a quote from Tao Te Ching.

Councilmember Lewis congratulated Mrs. Zak. He thanked Bryan for bringing up the pool. It is a public facility that is paid for with our tax dollars; people pay a nominal fee to use it. It costs the district \$800,000 a year to keep it open. The school district will have meetings and it will be interesting to see if they close the pool and who they will expect to run the pool. Now they know what it is like for the ice rink and Kevin Bell Arena and what those parents have been going through to keep that building open with some public money, but basically money out of their pockets and from the supporters.

Mayor Wythe announced the youth events of basketball and hockey both weekends on both sides of the spring break. We could be inundated with people. She hopes everyone has a nice break. Katie and her will be heading to Juneau tomorrow morning and will return with a trip report.

ADJOURNMENT

There being no further business to come before the Council, Mayor Wythe adjourned the meeting at 7:44 p.m. The next Regular Meeting is Monday, March 9, 2015 at 6:00 p.m., Committee of the Whole 5:00 p.m., and a Worksession 4:00 p.m. A Special Meeting is scheduled for Tuesday, March 3, 2015 at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

JO JOHNSON, MMC, CITY CLERK

Approved: _____

ORDINANCE REFERENCE SHEET
2015 ORDINANCE
ORDINANCE 15-06

An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Operating Budget by Appropriating \$179,892.97 From the Harbor Reserve Fund to Satisfy the City's Matching Grant Requirement Associated With the Completion of the Deep Water Dock Expansion Feasibility Study.

Sponsor: City Manager/Port and Harbor Director.

1. City Council Regular Meeting March 9, 2015 Introduction

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Port and Harbor Director

5 **ORDINANCE 15-06**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY 2015 OPERATING BUDGET BY
9 APPROPRIATING \$179,892.97 FROM THE HARBOR RESERVE
10 FUND TO SATISFY THE CITY’S MATCHING GRANT REQUIREMENT
11 ASSOCIATED WITH THE COMPLETION OF THE DEEP WATER
12 DOCK EXPANSION FEASIBILITY STUDY.

13
14 WHEREAS, The Transfer of Responsibilities Agreement (TORA) between the City and
15 the State of Alaska provides funding for the completion of a Deep Water Dock Expansion
16 Feasibility Study; and

17
18 WHEREAS, The Agreement stipulates that the City’s matching requirement is
19 \$179,892.97 (9.03%); and

20
21 WHEREAS, The Agreement stipulates that “The City’s matching fund contribution shall
22 be one lump sum payment to ADOT/PF within 30 days of a signed PDA...”; and

23
24 WHEREAS, The City is ready to proceed with the preparation of the study utilizing
25 funding provided by the Agreement.

26
27 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

28
29 Section 1. The Homer City Council hereby amends the FY 2015 Operating Budget by
30 appropriating \$179,892.97 from the Port and Harbor Reserves as a local match to the Deep
31 Water Dock Expansion Feasibility Study as follows:

32
33 Expenditure:

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>
415-0921	Local Match/ DWD Expansion Feasibility Study	\$179,892.97

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 15-013

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE CONTRACT FOR THE PREPARATION OF THE DEEP WATER DOCK EXPANSION FEASIBILITY STUDY TO THE FIRM OF R&M CONSULTANTS, INC. OF ANCHORAGE, ALASKA, IN THE AMOUNT OF \$1,060,092 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, In accordance with the City's Procurement Policy and the conditions of the ADOT Memorandum of Agreement, RFP's were solicited for the completion of a Deep Water Dock Expansion Feasibility Study from qualified consulting engineering firms; and

WHEREAS, Three proposals were received January 15, 2015 and a review committee consisting of Bryan Hawkins, Carey Meyer, Bob Howard, Dan Nelsen, and Morgan Merritt (ADOT) reviewed and scored the proposals; and

WHEREAS, R&M Consultants, Inc. of Anchorage, Alaska, was found to be the most qualified; and

WHEREAS, Negotiations with R&M Consultants, Inc. has successfully been completed resulting in the establishment of a reasonable scope, schedule, and budget for the first phase of the work; and

WHEREAS, This award is not final until written notification is received by the firm from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves the contract award for the completion of the Deep Water Dock Expansion Feasibility Study to the firm of R&M Consultants, Inc. of Anchorage, Alaska, in the amount of \$1,060,092 and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 9th day of March, 2015.

CITY OF HOMER

MARY E. WYTHE, MAYOR

43 ATTEST:

44

45

46

47 _____
JO JOHNSON, MMC, CITY CLERK

48

49 Fiscal Note: 456-0921

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Public Works Director

5 **RESOLUTION 15-014**

6
7 A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING THE
8 CONTRACT FOR THE CONSTRUCTION OF THE HOMER SMALL
9 BOAT HARBOR LAUNCH RAMP RENOVATION TO THE FIRM OF
10 HARRIS SAND & GRAVEL OF VALDEZ, ALASKA, IN THE AMOUNT OF
11 \$3,412,000 AND AUTHORIZING THE CITY MANAGER TO EXECUTE
12 THE APPROPRIATE DOCUMENTS.

13
14 WHEREAS, Competitive bids were solicited for the construction of the Homer Small
15 Boat Harbor Launch Ramp Renovation project by ADF&G in conformance with their
16 procurement policies; and

17
18 WHEREAS, Five bids were received February 20, 2015 (see Memorandum 15-029); and

19
20 WHEREAS, Harris Sand and Gravel of Valdez, Alaska, was found to be the lowest
21 responsive bidder; and

22
23 WHEREAS, ADF&G is responsible for designing and bidding the project, but the City of
24 Homer is responsible for issuing and administering the construction contract; and

25
26 WHEREAS, This award is not final until written notification is received by the firm from
27 the City of Homer.

28
29 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, approves
30 the construction contract award for the completion of the Homer Small Boat Harbor Launch
31 Ramp Renovation project to the firm of Harris Sand and Gravel of Valdez, Alaska, in the
32 amount of \$3,412,000 and authorizes the City Manager to execute the appropriate
33 documents.

34
35 PASSED AND ADOPTED by the Homer City Council this 9th day of March, 2015.

36
37 CITY OF HOMER

38
39
40 _____
41 MARY E. WYTHE, MAYOR
42

43 ATTEST:

44

45

46

47 _____
JO JOHNSON, MMC, CITY CLERK

48

49 Fiscal Note: 456-0921



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 15-029

To: Marvin Yoder, City Manager
From: Dan Nelsen, Project Manager
Through: Carey Meyer, PW Director
Date: February 24, 2015
Subject: **Award of Construction Contract
Homer Small Boat Harbor Launch Ramp Renovation**

On February 20, 2015 at 2:00pm bids were opened for the Homer Small Boat Harbor Launch Ramp Renovation project. This work was advertised in the local and Anchorage newspapers during the month of January. Design and bidding was completed by ADF&G.

The project consists of a complete removal and replacement of the existing launch ramp facility. The existing boarding floats, piles, approach apron, ramp planks and revetment will be replaced with new, modern amenities.

The new launch ramp surface will consist of precast concrete panels connected to timber sleepers and supported by granular fill. Two new timber boarding floats restrained by galvanized structural steel piles will be installed. A reinforced cast-in-place (CIP) concrete approach slab will tie the new precast concrete planks to the existing uplands asphalt. Two new CIP concrete abutments will become an integral part of the approach slab and will provide the access point to the timber boarding floats. New stripping and lane numbering will help guide users on the 5-lane ramp. Riprap revetment will be placed around the side slopes, shoulders and toe of the new launch ramp to stabilize and protect the ramp. Various signage will be installed to guide users at the facility.

On the uplands, a new toll booth with an automated pay station will be installed at the launch entrance along Freight Dock Road. Additionally, lighting and cameras will be installed.

Five responsive bids were received from qualified firms. The bid results were totaled and the results are as follows:

Company	Representative	Total Bid
Harris Sand & Gravel	Bill Harris	\$3,412,000.00
Alaska Marine Excavation	Cap Shafer	\$3,993,750.00
Beachy Construction	Sheldon Beachy	\$3,637,500.00
Swalling Construction	Mike Swalling	\$4,303,000.00
Orion Marine Contractors	Bryce Erickson	\$3,571,300.00

Recommendation:

City Council pass a resolution awarding the construction contract for the Homer Small Boat Harbor Launch Ramp Renovation in the amount of \$3,412,000.00 to Harris Sand & Gravel, Inc. of Valdez, Alaska and authorizing the City Manager to execute all appropriate documents necessary to complete this project.

Fiscal Note:

Homer Small Boat Harbor Launch Ramp Renovation: 456-0380

VISITORS

ANNOUNCEMENTS
PRESENTATIONS
BOROUGH REPORT
COMMISSION REPORTS

Session 15-04, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Stead at 6:30 p.m. on February 18, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS BOS, BRADLEY, ERICKSON, HIGHLAND, STEAD, STROOZAS, VENUTI

STAFF: CITY PLANNER ABBOUD
DEPUTY CITY CLERK JACOBSEN

Approval of Agenda

Chair Stead called for a motion to approve the agenda.

HIGHLAND/BRADLEY SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Public Comment

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

None

Reconsideration

Adoption of Consent Agenda

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

A. Approval of Minutes of February 4, 2015 meeting

Chair Stead called for a motion to approve the consent agenda.

HIGHLAND/BOS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Presentations

None

Reports

- A. Staff Report PL 15-13, City Planner's Report

City Planner Abboud reviewed the staff report. There was brief discussion explaining the notification process for the natural gas line assessments.

Public Hearings

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

None

Plat Consideration

None

Pending Business

- A. Staff Report PL 15-14, Bridge Creek Watershed Protection District

City Planner Abboud reviewed the staff report.

Commissioner Highland questioned if they want legislation that requires testing leach fields in the area once in a while and what they could do about it.

Commissioner Erickson commented in support of including allowance for a small shed or green house in the ordinance. It is something they had talked about previously.

Commissioner Stroozas added that he would like to see the 500 square feet of uncovered added as well. He is also interested in working on line 45 regarding impervious coverage of driveways and sidewalks. It seems to be very subjective and as he mentioned in the worksession other areas of the ordinance are very objective regarding percentages. He agrees they need to get into the septic tank issue and would like to see if there is a way to incorporate it into the ordinance. He agrees with Ms. Highland in that if property owners in the area don't get their septic tank pumped until there is a problem after 5 or 6 years, then it causes problems. Getting it pumped on a routine basis and the City helping with all or some of the cost would enable the owner to know if he or she has a problem with their leach field and fix it before it goes on for years and possibly harms the water shed. There are a lot of positives that come from routine maintenance.

The Commission discussed current mitigation plan information and impervious coverage. City Planner Abboud said the idea is to get a mitigation plan that addresses a 10 year three hour storm, and he can look at other plans where driveways have been excluded depending on engineer certification.

STROOZAS/BOS MOVED TO AMEND LINE 45 OF THE DRAFT THAT STATES "FOR THE PURPOSE OF CALCULATING IMPERVIOUS COVERAGE ON LOTS SMALLER THAN TWO AND ONE HALF ACRES, DRIVEWAYS AND WALKWAYS MAY BE PARTIALLY OR FULLY EXCLUDED FROM THE CALCULATION DEPENDING UPON THEIR DEGREE OF IMPERVIOUSITY IF CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH A MITIGATION PLAN SUBMITTED AND APPROVED IN ACCORDANCE WITH SUBSECTION (A)(3) OF THIS SECTION.

City Planner Abboud suggested something directing the Planner to make more objective standards for determination of exclusion of items in this paragraph.

There was brief discussion regarding the wording of the motion.

Commissioner Highland called for the question.

There was no objection to the call for the question.

VOTE: YES: ERICKSON, STROOZAS
NO: BOS, STEAD, HIGHLAND, VENUTI, BRADLEY

Motion failed.

HIGHLAND/STROOZAS MOVED TO RETURN NUMBER ONE UNDER ITEM B ON LINE 45 BACK TO THE PLANNER TO CREATE MORE OBJECTIVE STANDARDS FOR EXCLUSION FROM IMPERVIOUS CALCULATION.

There was no further discussion.

VOTE: YES: HIGHLAND, ERICKSON, STEAD, VENUTI, STROOZAS, BRADLEY
NO: BOS

Motion carried.

B. Staff Report PL 15-16, Towers

The Commission briefly discussed the information from The Center for Municipal Solutions, an organization that has industry experts, is set up to assist with the creation of ordinances, and can do review, enforcement, or whatever we would need them to do. The idea is their review is paid by the applicant, so it wouldn't cost the city, but it is a significant amount of money. It was suggested this may be cost prohibitive to an applicant, and point was raised that putting up a tower is very costly to begin with, so it may not. City Planner Abboud wasn't sure of the cost of their service for Alaska.

City Planner Abboud and the Commission reviewed the ordinance information and revisions included in the staff report.

Discussion included:

- Essential services shouldn't be an exemption and telecommunications could be considered an essential service. The Environmental Protection Agency will require any utility or service using federal funds to construct will have to go through an environmental assessment. If an essential service wants to build a tower in excess of our height requirement, they should still have to come in for a CUP.
- The 1.1x setback is agreeable.
- 12 months is acceptable relating to reconstruction and replacement and also abandonment.
- Including review by a group like The Center for Municipal Solutions within the standards for approval of new tall structures. This company shouldn't be called out by name in code as there may be others offering the service.
- Continue working on and getting legal review of the draft ordinance, height requirements, and restrictions.

New Business

A. Staff Report Pl 15-15, Zoning for Marijuana

City Planner Abboud reviewed the staff report.

There was discussion that the City can adopt local regulations but they can't make them less restrictive than the state regulations. Opposition was expressed to cultivation being allowed in the GC1 and EEMU districts.

They acknowledged the work the state is doing and that it may be beneficial to wait to see what the legislators come up with first. It seems many of the other communities are stepping back to see what the state and larger cities are doing. Forming a local advisory board would be a good step in the process as it will allow a group of people time to focus on the topic and allow the city and residents to be actively engaged in the process.

HIGHLAND/BOS MOVED THAT THE COMMISSION RECOMMENDS COUNCIL FORM A LOCAL ADVISORY BOARD FOR MARIJUANA REGULATIONS.

There was discussion the Commission will still have an opportunity to address zoning relating to the allowable uses and restrictions in the districts.

VOTE: YES: STEAD, BRADLEY, STROOZAS, BOS, HIGHLAND, VENUTI
NO: ERICKSON

Motion carried.

There was brief discussion of requiring a CUP for anyone who wants to establish a growing operation or retail operation in the city. It was suggested that it not be considered all areas, but address allowing by CUP in the CBD, Town Center, GC1, and EEMU.

Informational Materials

- A. City Manager's report for February 9, 2015 Council Meeting
- B. KPB Plat Committee Decision on Tietjen Church of Christ Addition Preliminary Plat

Comments of the Audience

Members of the audience may address the Commission on any subject. (3 minute time limit)

Lindianne Sarno, city resident, commented that apparently the state is doing a thorough job in drafting regulation and encouraged the city to wait to see what comes from the State Legislature. She thinks it will be good legislation for people on both sides of the issue. If the city does propose an ordinance we need to be careful and ensure we don't deny ourselves of tax revenue that we could really benefit from. Both Homer and Alaska's tax base can be very diversified by this development. She noted medical cannabis is also part of this and currently there are some extremely sick people in Homer who have to go the lower 48 for treatment and Alaska loses when people have to leave the state for treatment. Lastly she encouraged them to consider an allowance for cultivation for agricultural hemp, which is different from medicinal or recreational hemp.

Wes Schatt, borough resident and member of Kachemak Cannabis Coalition, said they look forward to working with the City on this. He commented this all comes down to personal responsibility. There is a drug and alcohol problem in town and that includes pharmaceuticals. Cannabis seems to be one of the least bad of the things going on here and it's been around the town forever.

City Manager Yoder commented to the Commission that the Economic Development Advisory Commission has been discussing low incoming housing and how to get housing prices lower. One thing that keeps coming up is getting utilities. With most land it seems the cost of the local improvement district is more than the value of the lot. He referenced the Lillian Walli subdivision and a proposed improvement district in the area. In talking with the Public Works Director about what's allowed in code, he asked if there is a way to make this work like PUD's or cluster developments. One issue in the subdivision is there are multiple owners, and another is the restriction in the code. The Public Works Director said building the subdivision out the way it is now could cost up to \$80,000 per lot. He wanted to bring it to the Commissions attention.

Comments of Staff

None

Comments of the Commission

Commissioner Stroozas said tonight's discussion was good and he will be absent at the next two meetings.

Commissioner Venuti said it was an interesting meeting.

Commissioner Bos commented that there are lots of interesting topics and lots of interesting points of view. It was a good meeting.

Commissioner Erickson had no comment.

Commissioner Bradley agrees there are many interesting topics. Having grown up in Homer she never thought this would come to the plate, but here we are.

Commissioner Highland said Mr. Yoder brought up an interesting comment. She doesn't know if they can have it on their next meeting. She thinks it's important to address.

Chair Stead said he thought Mr. Yoder was expressing that there are other ways to address the Lillian Walli Subdivision than forming an assessment district and it may be worth talking to him directly first. He thought it was a good meeting.

Adjourn

There being no further business to come before the Commission, the meeting adjourned at 8:31 p.m. The next regular meeting is scheduled for March 4, 2015 at 6:30 p.m. in the City Hall Cowles Council Chambers. A worksession will be held at 5:30 p.m.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____



**Russian Federation, Kamchatskiy krai
ADMINISTRATION
OF ELIZOVSKY MUNICIPAL
DISTRICT**

684000 city of Yelizovo, Lenina St., house 10
Phone: + 7(41531) 6-16-42
Fax: +7 (41531) 7-39-36
E-mail: glavaemr@gmail.com

04.09.2014 № 3047

Mayor Beth Wythe

PO Box 1822 Homer, AK 99603

Dear Mayor Beth Wythe,

With sincere greetings and best wishes to you and all residents of Homer from the head of Administration of the Elizovsky municipal district of Kamchatskiy krai Zaytsev Dmitry.

In 1995, between the cities of Homer and Yelizovo, Kamchatskiy krai, a twinning relationship was established. This protocol on intentions on mutually beneficial cooperation between twin-cities Homer and Yelizovo was signed on October 15, 2004.

It should be noted the unfortunate fact that by today, the relations between our cities were lost in spite of the fact that friendly communication beforehand, allowed us to get mutually acquainted with life, history, and culture of our cities. Cooperation of our cities was expressed in an exchange of delegations, art and sports collectives, literature, exhibitions, and also information on experience of maintaining municipal economy and economic development.

This is addressed to you, Mayor Beth Wythe, I would like to restore mutually beneficial relations between our cities, to restore partnership and to improve business relations. For this purpose, I and representatives of municipal authority, the public, and business would like to organize the first visit of official delegation to the city of Homer.

In this regard, I ask you to consider the possibility of restoration of our twinning relationship and to organize reception of official delegation of the Elizovsky municipal district in 2014.

I hope to hear of your early affirmative reply.

Yours faithfully,

Head of Administration of the
Elizovsky municipal district

D. Zaytsev



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

D. Zaytsev
Russian Federation Kamchatski Krai
Administration of Elizovsky
Municipal District
684000 City of Yelizovo
Lenina St., House 10
Delivered electronically

March 4, 2015

Dear D. Zaytsev,

Thank you for your correspondence expressing renewed interest in the sister city relationship between Homer and Yelizovo. The lovely book you sent is full of pictures of beautiful scenery not unlike Alaska. It is a reminder that we have many things in common. My sincere apologies for the delayed response, your letter has just recently been brought to my attention. In order to avoid such delays, I am sending this response via electronic mail.

I am very pleased to hear the City of Yelosivo is organizing a trip to Alaska and Homer. It would be helpful to know what time of year you are planning on coming and the number of people in the delegation. The Homer City Council meets on Monday March 9. I will include your letter with Council's meeting materials so they can discuss to what capacity the City of Homer could accommodate visitors from our Russian sister city.

Thank you again for reaching out. I look forward to hearing from you.

Sincerely,

Mayor Wythe

PUBLIC HEARING(S)

CITY OF HOMER



NOTICE OF PUBLIC HEARING

HOMER NATURAL GAS SPECIAL ASSESSMENT DISTRICT

The Homer City Council will hear objections to the assessment roll for Homer Natural Gas Special Assessment District during City Council meetings on **March 9 and 16, 2015 at 6:00 p.m.** The meetings will be held in the Homer City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

All owners of record are welcome to attend and give testimony concerning errors or inequalities on their assessment(s). **Written objections or comments must be received prior to March 16, 2015 at 5:00 p.m. at the City Clerk's office.**

Please take note, State Law provides that, "the validity of an assessment may not be contested by a person who did not file with the municipal clerk a written objection to the assessment roll before its confirmation."

After the public hearings the City Council shall correct errors and inequalities in the roll and confirm the roll at the March 23, 2015 regular meeting. Time and method of payment shall then be fixed by resolution; payments may not be required sooner than sixty days after billing and may be paid in full or by other available terms.

Notice of hearings and assessment roll was mailed to owners of record on February 18, 2015. Questions concerning the assessment roll or hearings may be directed to the City Clerk, 491 E. Pioneer Avenue, Homer, Alaska 99603, phone (907) 235-3130, fax (907) 235-3143, email clerk@ci.homer.ak.us.

Dated this 17th day of February, 2015

A handwritten signature in cursive script that reads "Jo Johnson".

Jo Johnson, MMC, City Clerk

Publish: Homer Tribune: March 4, 2015
Homer News: March 12, 2015

Account No. 175-0375-5227

CLERK'S AFFIDAVIT OF POSTING

I, Jo Johnson, qualified City Clerk for the City of Homer, Alaska, do hereby certify that a copy of the Public Hearing Notice for Homer Natural Gas Special Assessment District was posted at Homer City Hall and at the Homer Public Library on March 2, 2015 and that the City Clerk posted same on City of Homer Homepage on March 2, 2015.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of said City of Homer this 2nd day of March, 2015.



A handwritten signature in cursive script that reads "Jo Johnson".

Jo Johnson, City Clerk

ORDINANCE(S)

CITY MANAGER'S REPORT



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

MANAGER'S REPORT

March 9, 2015

To: The Mayor and Council

From: Marvin L Yoder

Date: March 4, 2015

Enstar Refund

The Finance Department received a second FMA check from Enstar in the amount of \$493,000. This covers all of 2013 connections as well as the remaining connections from the first quarter of 2014.

Recreation Service Area

There was a meeting held on February 26 to discuss a Recreation Service Area which would include the City and some areas around the City. Two KPB employees (mayor staff and attorney) attended the meeting to discuss the variables of how a service areas works.

To establish a service area would require an election by all the people who would be in the district. An exception is that the City Council could decide to be a part of the larger service area without a vote inside the City.

Questions were asked regarding administration. For instance, the Hockey Rink needs some capital funding, but the volunteer non-profit organization in charge of the operation could remain.

In answer to a question, the Borough staff said they were not interested in Parks being a part of the Recreation service area.

Borough Staff indicated that if the service area included Homer, Kachemak, Diamond Ridge and Fritz Creek, ½ mil would generate over \$350,000. Of course, all these areas would need to have recreation opportunities if they were contributing to the funding.

Gas Line Loan

The City Council approved securing a loan from the Borough in the amount of \$12,700,000. The actual construction cost to date is \$12,359,388. There may be a few

other charges, however the City will be repaying the difference between the actual expenditures and the original loan amount.

Waddell Way

The City is preparing a plat to vacate the Easement on Parcel E and plat a 60 ROW on parcel 2. Once the plat is complete it will sent to the City Planning Commission and then to the Borough Planning Commission for approval.

Letter of Support

The Kachemak Bay Family Planning Clinic is requesting a letter of support from the City for their application for a three-year grant from the State of Alaska Department of Health and Social Services (DHSS/Department), Division of Public Health (DPH/Division). The grant is titled Teen and Unintended Pregnancy Prevention. Katie will be writing a letter on their behalf.

FYI

- Invitation from the Coast Guard for Bryan Hawkins to be a part of the Technical Risk Assessment Group that will review the potential LNG marine traffic in Cook Inlet.
- Alaska Association of Police Chiefs position Paper on Marijuana.
- Alaska Association of Police Chiefs response to the proposed budget cuts to the Community Jails Program.
- Award to Kachemak Bay Water Trail Project
- Homer Foundation Quarterly Report
- Memorandum 15-028 from Public Works re: Road projects
- Kachemak Bay Family Planning Clinic request for letter of support
- AAHPA SCHOLARSHIP (Ports & Harbors) applications



City of Homer

www.cityofhomer-ak.gov

Planning
491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us
(p) 907-235-3106
(f) 907-235-3118

Memorandum 15-027

TO: MAYOR WYTHE AND HOMER CITY COUNCIL
THROUGH: MARVIN YODER, CITY MANAGER
FROM: RICK ABBOUD, CITY PLANNER
DATE: FEBRUARY 24, 2015
SUBJECT: RECOMMENDATION FROM HOMER ADVISORY PLANNING COMMISSION TO FORM LOCAL ADVISORY BOARD FOR THE REGULATION OF MARIJUANA WITHIN THE CITY OF HOMER.

During the Planning Commissions meeting of February 18, 2015 the subject of zoning for marijuana was on the agenda. Concerns of the commissioners and public testimony were expressed. While the Commission stopped short of proposing zoning amendments, they did think it would be a good idea to see how regulation played out at the state level. They did recommend the formation of a Local Advisory Board to initiate a community conversation on the subject with the understanding that they would be responsible for reviewing any recommendation related to zoning.

Att.

1. Minutes of HAPC meeting 2.18.15
2. SR PL15-15 Zoning for Marijuana

Session 15-04, a Regular Meeting of the Homer Advisory Planning Commission was called to order by Chair Stead at 6:30 p.m. on February 18, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS BOS, BRADLEY, ERICKSON, HIGHLAND, STEAD, STROOZAS, VENUTI

STAFF: CITY PLANNER ABBOUD
DEPUTY CITY CLERK JACOBSEN

Approval of Agenda

Chair Stead called for a motion to approve the agenda.

HIGHLAND/BRADLEY SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Public Comment

The public may speak to the Planning Commission regarding matters on the agenda that are not scheduled for public hearing or plat consideration. (3 minute time limit).

None

Reconsideration

Adoption of Consent Agenda

All items on the consent agenda are considered routine and non-controversial by the Planning Commission and are approved in one motion. There will be no separate discussion of these items unless requested by a Planning Commissioner or someone from the public, in which case the item will be moved to the regular agenda and considered in normal sequence.

A. Approval of Minutes of February 4, 2015 meeting

Chair Stead called for a motion to approve the consent agenda.

HIGHLAND/BOS SO MOVED.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Presentations

None

Reports

- A. Staff Report PL 15-13, City Planner's Report

City Planner Abboud reviewed the staff report. There was brief discussion explaining the notification process for the natural gas line assessments.

Public Hearings

Testimony limited to 3 minutes per speaker. The Commission conducts Public Hearings by hearing a staff report, presentation by the applicant, hearing public testimony and then acting on the Public Hearing items. The Commission may question the public. Once the public hearing is closed the Commission cannot hear additional comments on the topic. The applicant is not held to the 3 minute time limit.

None

Plat Consideration

None

Pending Business

- A. Staff Report PL 15-14, Bridge Creek Watershed Protection District

City Planner Abboud reviewed the staff report.

Commissioner Highland questioned if they want legislation that requires testing leach fields in the area once in a while and what they could do about it.

Commissioner Erickson commented in support of including allowance for a small shed or green house in the ordinance. It is something they had talked about previously.

Commissioner Stroozas added that he would like to see the 500 square feet of uncovered added as well. He is also interested in working on line 45 regarding impervious coverage of driveways and sidewalks. It seems to be very subjective and as he mentioned in the worksession other areas of the ordinance are very objective regarding percentages. He agrees they need to get into the septic tank issue and would like to see if there is a way to incorporate it into the ordinance. He agrees with Ms. Highland in that if property owners in the area don't get their septic tank pumped until there is a problem after 5 or 6 years, then it causes problems. Getting it pumped on a routine basis and the City helping with all or some of the cost would enable the owner to know if he or she has a problem with their leach field and fix it before it goes on for years and possibly harms the water shed. There are a lot of positives that come from routine maintenance.

The Commission discussed current mitigation plan information and impervious coverage. City Planner Abboud said the idea is to get a mitigation plan that addresses a 10 year three hour storm, and he can look at other plans where driveways have been excluded depending on engineer certification.

STROOZAS/BOS MOVED TO AMEND LINE 45 OF THE DRAFT THAT STATES "FOR THE PURPOSE OF CALCULATING IMPERVIOUS COVERAGE ON LOTS SMALLER THAN TWO AND ONE HALF ACRES, DRIVEWAYS AND WALKWAYS MAY BE PARTIALLY OR FULLY EXCLUDED FROM THE CALCULATION DEPENDING UPON THEIR DEGREE OF IMPERVIOUSITY IF CONSTRUCTED AND MAINTAINED IN ACCORDANCE WITH A MITIGATION PLAN SUBMITTED AND APPROVED IN ACCORDANCE WITH SUBSECTION (A)(3) OF THIS SECTION.

City Planner Abboud suggested something directing the Planner to make more objective standards for determination of exclusion of items in this paragraph.

There was brief discussion regarding the wording of the motion.

Commissioner Highland called for the question.

There was no objection to the call for the question.

VOTE: YES: ERICKSON, STROOZAS
NO: BOS, STEAD, HIGHLAND, VENUTI, BRADLEY

Motion failed.

HIGHLAND/STROOZAS MOVED TO RETURN NUMBER ONE UNDER ITEM B ON LINE 45 BACK TO THE PLANNER TO CREATE MORE OBJECTIVE STANDARDS FOR EXCLUSION FROM IMPERVIOUS CALCULATION.

There was no further discussion.

VOTE: YES: HIGHLAND, ERICKSON, STEAD, VENUTI, STROOZAS, BRADLEY
NO: BOS

Motion carried.

B. Staff Report PL 15-16, Towers

The Commission briefly discussed the information from The Center for Municipal Solutions, an organization that has industry experts, is set up to assist with the creation of ordinances, and can do review, enforcement, or whatever we would need them to do. The idea is their review is paid by the applicant, so it wouldn't cost the city, but it is a significant amount of money. It was suggested this may be cost prohibitive to an applicant, and point was raised that putting up a tower is very costly to begin with, so it may not. City Planner Abboud wasn't sure of the cost of their service for Alaska.

City Planner Abboud and the Commission reviewed the ordinance information and revisions included in the staff report.

Discussion included:

- Essential services shouldn't be an exemption and telecommunications could be considered an essential service. The Environmental Protection Agency will require any utility or service using federal funds to construct will have to go through an environmental assessment. If an essential service wants to build a tower in excess of our height requirement, they should still have to come in for a CUP.
- The 1.1x setback is agreeable.
- 12 months is acceptable relating to reconstruction and replacement and also abandonment.
- Including review by a group like The Center for Municipal Solutions within the standards for approval of new tall structures. This company shouldn't be called out by name in code as there may be others offering the service.
- Continue working on and getting legal review of the draft ordinance, height requirements, and restrictions.

New Business

A. Staff Report Pl 15-15, Zoning for Marijuana

City Planner Abboud reviewed the staff report.

There was discussion that the City can adopt local regulations but they can't make them less restrictive than the state regulations. Opposition was expressed to cultivation being allowed in the GC1 and EEMU districts.

They acknowledged the work the state is doing and that it may be beneficial to wait to see what the legislators come up with first. It seems many of the other communities are stepping back to see what the state and larger cities are doing. Forming a local advisory board would be a good step in the process as it will allow a group of people time to focus on the topic and allow the city and residents to be actively engaged in the process.

HIGHLAND/BOS MOVED THAT THE COMMISSION RECOMMENDS COUNCIL FORM A LOCAL ADVISORY BOARD FOR MARIJUANA REGULATIONS.

There was discussion the Commission will still have an opportunity to address zoning relating to the allowable uses and restrictions in the districts.

VOTE: YES: STEAD, BRADLEY, STROOZAS, BOS, HIGHLAND, VENUTI
NO: ERICKSON

Motion carried.

There was brief discussion of requiring a CUP for anyone who wants to establish a growing operation or retail operation in the city. It was suggested that it not be considered all areas, but address allowing by CUP in the CBD, Town Center, GC1, and EEMU.

Informational Materials

- A. City Manager's report for February 9, 2015 Council Meeting
- B. KPB Plat Committee Decision on Tietjen Church of Christ Addition Preliminary Plat

Comments of the Audience

Members of the audience may address the Commission on any subject. (3 minute time limit)

Lindianne Sarno, city resident, commented that apparently the state is doing a thorough job in drafting regulation and encouraged the city to wait to see what comes from the State Legislature. She thinks it will be good legislation for people on both sides of the issue. If the city does propose an ordinance we need to be careful and ensure we don't deny ourselves of tax revenue that we could really benefit from. Both Homer and Alaska's tax base can be very diversified by this development. She noted medical cannabis is also part of this and currently there are some extremely sick people in Homer who have to go the lower 48 for treatment and Alaska loses when people have to leave the state for treatment. Lastly she encouraged them to consider an allowance for cultivation for agricultural hemp, which is different from medicinal or recreational hemp.

Wes Schatt, borough resident and member of Kachemak Cannabis Coalition, said they look forward to working with the City on this. He commented this all comes down to personal responsibility. There is a drug and alcohol problem in town and that includes pharmaceuticals. Cannabis seems to be one of the least bad of the things going on here and it's been around the town forever.

City Manager Yoder commented to the Commission that the Economic Development Advisory Commission has been discussing low incoming housing and how to get housing prices lower. One thing that keeps coming up is getting utilities. With most land it seems the cost of the local improvement district is more than the value of the lot. He referenced the Lillian Walli subdivision and a proposed improvement district in the area. In talking with the Public Works Director about what's allowed in code, he asked if there is a way to make this work like PUD's or cluster developments. One issue in the subdivision is there are multiple owners, and another is the restriction in the code. The Public Works Director said building the subdivision out the way it is now could cost up to \$80,000 per lot. He wanted to bring it to the Commissions attention.

Comments of Staff

None

Comments of the Commission

Commissioner Stroozas said tonight's discussion was good and he will be absent at the next two meetings.

Commissioner Venuti said it was an interesting meeting.

Commissioner Bos commented that there are lots of interesting topics and lots of interesting points of view. It was a good meeting.

Commissioner Erickson had no comment.

Commissioner Bradley agrees there are many interesting topics. Having grown up in Homer she never thought this would come to the plate, but here we are.

Commissioner Highland said Mr. Yoder brought up an interesting comment. She doesn't know if they can have it on their next meeting. She thinks it's important to address.

Chair Stead said he thought Mr. Yoder was expressing that there are other ways to address the Lillian Walli Subdivision than forming an assessment district and it may be worth talking to him directly first. He thought it was a good meeting.

Adjourn

There being no further business to come before the Commission, the meeting adjourned at 8:31 p.m. The next regular meeting is scheduled for March 4, 2015 at 6:30 p.m. in the City Hall Cowles Council Chambers. A worksession will be held at 5:30 p.m.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____



City of Homer

www.cityofhomer-ak.gov

Planning

491 East Pioneer Avenue
Homer, Alaska 99603

Planning@ci.homer.ak.us

(p) 907-235-3106

(f) 907-235-3118

Staff Report PL 15-15

TO: Homer Advisory Planning Commission
FROM: Rick Abboud, City Planner
DATE: February 18, 2015
SUBJECT: Zoning for marijuana

Introduction

As the referendum for legalization has passed, I thought it would be good to have a conversation about how zoning may come into play with the legislation. I have included a summary, put together by the Alaska Clerks, of the proposed legislation regarding marijuana. Not a whole lot about zoning here. I would think that several of the issues addressed will be guided by state legislation. That said, municipalities generally have the right to offer more stringent regulations than the state.

Analysis

While I expect many aspects in relation to the growing, processing and selling of marijuana to be regulated by the state, municipalities such as Homer also may choose to create local regulations. My take on this is that by the City's silence on the subject, we just are not ready to create more burdensome regulation than the state. So at this time I will present how various aspects would be treated in relation to the current code.

Sale – If the state goes the route of others it will create regulation for sale that might typically include a distance from schools and daycares, perhaps a 1000 feet. Generally, I have seen that others do not allow for the product or depictions of the product to be seen in the general public. The municipalities may also wish to regulate hours of operation. In Denver, all shops must close by 7pm.

Currently this would be regulated as would any other retail operation. Retail activity of this nature would be allowed in CBD, TCD, GC1, and EEMU. Sales would not be allowed as a home occupation as the generation of traffic would be expected at a greater level than that found associated with residential uses. Roadside sales would likely be prohibited as they would not be able to comply with requirements regarding the view of the product to the public.

Cultivation – Expected regulation from the state would likely include that commercial operation not be visible from adjacent property and perhaps in a secure facility. Rules regarding cultivation are based on the amount of plants being grown. Several plants will likely be able to be grown in a residence while greater amounts will be subject to greater regulation. I am not sure that local conditions would be favorable to growing product outside of a green house. Currently, agricultural activities are permitted in RR and EEMU districts, while greenhouses are an allowed use in GC1 and EEMU. Commercial greenhouse including sale of plants grown on premises are allowed in RR with an approved CUP. Additionally, agricultural activities are allowed in the BCWPD with a CUP. I believe this is an area of code (agriculture) that may deserve a closer look with or without consideration to marijuana. Generally, although the code is silent, I would not challenge anyone’s right to grow plants on personal property for personal use. It gets a bit more complicated when people set up a high tunnel which may have a requirement for an amount of produced to be sold or may want to plant a field of peonies, thus creating a commercial cultivation situation.

Manufacturing/processing – This is another challenging section of code as we do not have a definition of manufacturing and we tend to couch manufacturing in classification of products and agricultural or food items are not mentioned. So, one might say that this would be an unlisted item that would need to be reviewed as such per HCC 21.04.020 and would need a CUP if recommended by the commission. The only inroad I see for agricultural “manufacturing” or “processing” might be in EEMU and CBD. Lite or custom manufacturing is a conditional use in the CBD. EEMU would have an opportunity to create a combinations grow, manufacturing, and sales operation.

Staff Recommendation – Have a discussion about the implications of the various activities on the various districts. Recommend any appropriate subject for continued discussion, research, or code amendments.

Attachments

- 1.** Local government actions relating to Ballot Measure 2



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 15-028

TO: Marvin Yoder - City Manager
FROM: Carey Meyer – Public Works Director
DATE: February 27, 2015
SUBJECT: **Fireweed Avenue and Cottonwood Lane Road Conditions**

The City currently has two sections of gravel roads that are in desperate need of road improvements. Property owners annually complain that the City needs to fix the problem. One section is 1000 lineal feet of Fireweed Avenue, and the other is 1000 lineal feet of Cottonwood Lane (see attached map). There are many miles of gravel roadways that are sub-standard and break up in areas, most of which can be dealt with in a maintenance fashion. But, these two sections are extreme, requiring reconstruction, and this department does not currently have the authorization to give these problem areas the immediate attention that they need.

Each spring these portions of roadway break up to a point where they are impassable without a four-wheel-drive vehicle with good ground clearance. The folks that drive it each day get to a point where they call this department pleading for assistance. There are times when emergency vehicles would likely get stuck while attempting to travel the roadway. Public Works cannot put heavy equipment on the road to grade it until it is dried up and the frost is gone, without creating additional damage to the roadway.

The issues on these roads have been going on for many years, and road LID attempts have failed because the folks that drive through these areas have no right-of-way (ROW) frontage along these stretches. Without frontage on the ROW they have no say in the matter. The property owners that can initiate a road LID (those being immediately adjacent to the ROW where the failing roadway is) have no interest in an LID because they don't live in the area or the lots are vacant.

Public Works is tasked with maintaining roads and the department does minor repairs. But, this department is not tasked with, or funded to, build roads. The folks that are impacted by these failed roadways cannot initiate or affect a road LID. So, there has been this impasse in resolving the matter for years.

This department is proposing a couple of options for consideration and discussion in an attempt to solve this ongoing problem:

1. Option 1 - Allow the affected property owners to collectively pay for materials (gravel and fabric) to construct a roadway 18' wide with 18" of gravel, and the PW department will place the material. This is a stop-gap scenario at least allows for year round maintenance. The ultimate city-standard road improvements would take place in the future as lots adjacent to the work area sell or develop and the property owners are motivated to initiate a road LID.

This option would be quick and would allow these two sections of road to be addressed fairly soon were the folks in the area be inclined to fund the materials. Informal conversations with the folks on Fireweed indicate that they would support the effort. No conversations have taken place with the Cottonwood folks regarding this type of funding scenario.

2. Option 2 - Have council consider initiating a road LID in these areas where effected property owners do not have the ability to initiate or vote on a road LID based on public safety. Criteria for such a move and other considerations such as whether to place deferred assessments would need to be discussed.

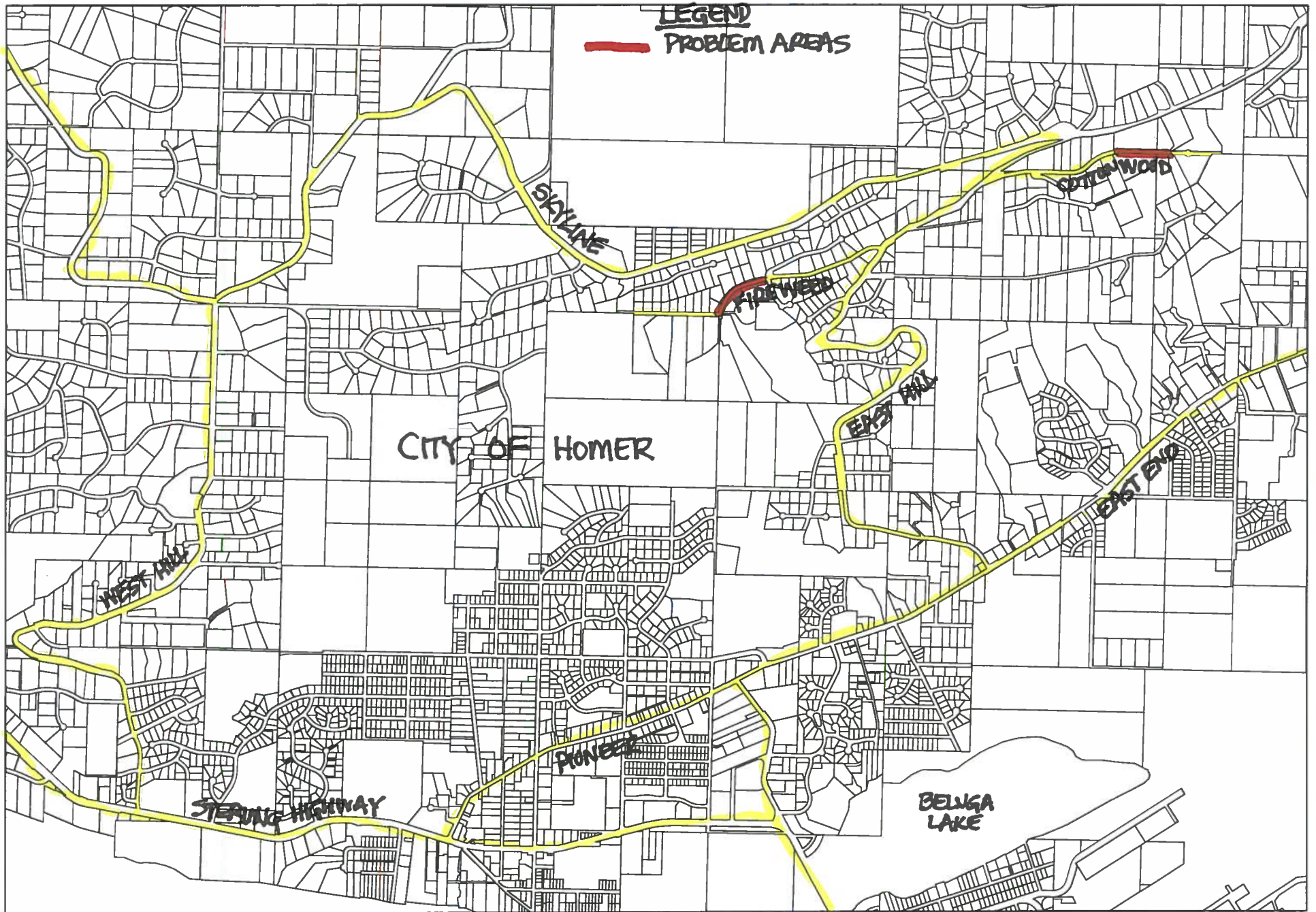
This option would provide a better road, and the improvements would be of a permanent nature. This option would take longer and may be more challenging as this type of LID would basically be imposed rather than initiated.

3. Option 3 - Do nothing. If this option is utilized, it would be good to formally communicate the city's position with the effected property owners that drive these sections of road.

Due to the abnormal winter weather conditions this year, Homer has experienced a couple of break-up periods already, which is why complaints about these roads have already begun. These areas are going to experience more severe break-up as spring arrives in force.

Recommendation

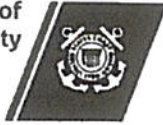
City Council provide direction as to which option the Public Works Department should initiate.



1 inch = 2,000 feet

U.S. Department of
Homeland Security

United States
Coast Guard



Captain of the Port
United States Coast Guard
Western Alaska

P.O. Box 5800
JBER, AK 99505-0800
Staff Symbol: s
Phone: (907) 428-4200
FAX: (907) 428-4128

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PORT & HARBOR
PORT & HARBOR

16611
February 19, 2015

Homer- Port Director
ATTN: Bryan Hawkins
4350 Homer Spit Road
Homer, AK 99603

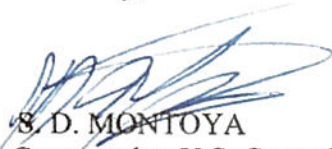
Dear Mr. Hawkins,

This letter is sent to inform you that we have received a Letter of Intent (LOI) and a preliminary Waterway Suitability Assessment (WSA) from the Alaska Liquefied Natural Gas (LNG) Project and need your assistance in assessing the suitability of Cook Inlet for the LNG Marine traffic as it relates to navigation safety and security. The Project would include the transport of LNG by ships from the proposed liquefaction facility in Nikiski, Alaska. The LOI and WSA are required to be submitted to the Coast Guard in accordance with 33 CFR 127.007. In accordance with 33 CFR 127.009, we will assess the suitability of Cook Inlet for handling LNG marine traffic and issue a Letter of Recommendation (LOR) to the Federal Energy Regulatory Commission (FERC) on the third quarter of 2016, then FERC will review the information in our LOR as part of their process in deciding whether to approve or deny the proposed project.

We are extending an invitation for you or a designated member of your staff to participate on the Technical Risk Assessment Group. We believe your knowledge of the safety and security operations in Cook Inlet, along with, waterway characteristics (physical, environmental, and commercial), emergency response procedures, and emergency response resources available will be of great value in providing a thorough and valid assessment to FERC.

We have scheduled an initial informational meeting on March 17th to go over the WSA process and to provide a Port Characterization Overview presentation; additionally, on May 12th, 13th, and 14th, we will follow up with a Technical Risk Assessment meeting. Both meetings will be at the University of Anchorage; the specific location, time, and agenda will be forwarded via separate correspondence. Please contact LT Eugene Chung at Eugene.Chung@uscg.mil or (907) 428-4189 to confirm your participation or if you have any questions, comments, or concerns.

Sincerely,


S. D. MONTOYA
Commander, U.S. Coast Guard
Alternate Captain of the Port, Western Alaska



Alaska Association of Chiefs of Police

Marijuana Position Paper

February 23, 2015

Philosophy and Position:

The Alaska Association of Chiefs of Police (AACOP) recognizes that Ballot Measure 2 was passed by voters in 2014 and codified in Alaska Statute 17.38. This legislation legalized the cultivation, distribution, possession and non-public consumption of small amounts of recreational marijuana. Now in 2015, the Alaska Legislature is crafting legislation to align related statutes affected by AS 17.38. Soon the Alaska Legislature will be developing legislation to regulate the commercial cultivation, manufacturing and sale of marijuana and marijuana-based products.

The AACOP recognizes that society's views and norms are evolving on the use of marijuana, yet we also believe that public safety is also of paramount concern to our residents, businesses and visitors.

- The primary mission and focus of Alaska law enforcement officers represented by the AACOP is the prevention and reduction of crime and disorder. Marijuana legalization will negatively impact driver and public safety in Alaska communities. The AACOP is committed to research and the implementation of practices and strategies that will maintain safety in our communities.
- It is recognized that Alaska peace officers have a duty and responsibility to uphold the Alaska Constitution as well as local, state and federal laws.
- The conflict between Federal law and State law with regard to marijuana remains a major obstacle and needs to be resolved.
- It is the position of the AACOP that clear direction and guidance is essential for our officers, prosecutors and communities. The AACOP supports legislation, training and education which provide clear direction and guidance to our officers and the communities we serve. This includes developing statutory definitions of the legal meaning of terms such as public, manufacturing, marijuana, cannabinoids, etc.
- The AACOP supports community education to reduce the use of marijuana by our youth and to highlight the risks of marijuana use to our communities and

individuals. The AACOP requests that adequate funding be provided for the development and delivery of community and youth education.

- The AACOP supports an effective and robust regulatory system, which can regulate the retail, commercial distribution of medical and recreational marijuana.
 - AACOP supports the idea of a separate Marijuana Control Board, and desires that a seat on that board might be designated for an AACOP member to insure that the interests and expertise provided by executive level law enforcement leaders are considered in the regulation of legalized marijuana in Alaska.
- The AACOP is concerned for the safety of the motoring public and passengers as it pertains to driving under the influence of drugs.
 - The legislature should adopt a presumptive inference standard of impairment for cannabinoids at 0 nanograms/millileter THC or higher, as per se evidence of impairment.
 - The AACOP strongly supports the adoption of breath, blood, urine or saliva as authorized sampling methods during the investigation of impaired driving when the officer establishes probable cause that impairment due to the presence of alcohol and/or drugs, including cannabinoids, exists.
 - The AACOP strongly advocates that Alaska peace officers be trained in Advanced Roadside Impaired Driving Enforcement (ARIDE) and as Drug Recognition Experts (DRE) and requests that adequate funding be provided to increase training for peace officers statewide.
 - The AACOP requests that funding be provided for the purchase of oral fluid testing equipment for local agencies to explore the effectiveness of this technology in determining if drivers are under the influence of marijuana or other legal and illegal drugs. Training on use of such equipment should also be funded.
 - It has been recognized by experts in the field that being under the influence of both alcohol and marijuana is more dangerous than being under the influence of just alcohol or just marijuana. The AACOP supports additional legislation or changes in current law to enhance the seriousness of offenses when drivers are found to be impaired by alcohol and marijuana and/or other drugs.

- The AACOP have identified a gap in the establishment of statutory charging authority and penalties concerning possession and use of marijuana by minors, as prohibited under AS 17.38, and recommends that appropriate language be added to existing statutes or new statutes created.
- The AACOP requests that the legislature develop clear and understandable guidance to law enforcement in establishing the authority and procedures for the storage and disposition of lawfully seized marijuana that will not conflict with current federal law.
- The AACOP acknowledges great concern for the diversion of marijuana outside the state of Alaska and for the availability of marijuana to minors.
- The AACOP support development and analysis of accurate data to determine the impact to the communities we serve. The AACOP will partner with all stakeholders, including all local, state and federal law enforcement partners to ensure safety in the communities we serve and will assist in the collection of data to determine the impact of marijuana legalization in Alaska.

The Alaska Association of Chiefs of Police is committed to working with all stakeholders to ensure that all Alaska communities remain safe and the legalization of marijuana does not adversely impact the communities in which we live and work.



Alaska Association of Chiefs of Police

Honorable Governor Bill Walker
Office of the Governor
P.O. Box 110001
Juneau, Alaska 99811-0001

February 20, 2015

Re: Community Jails Program

Dear Governor Walker,

Recently your office announced significant changes to the State's plan for the funding of Community Jails, and on behalf of the Alaska Association of Chiefs of Police (AACOP), I am writing to advise you that this decision will have a significant detrimental impact on our municipal police agencies and will likely create costly and unanticipated consequences for the State. While we understand that you have since restored some of the cuts you originally proposed to the budget lines affecting community jails, we believe any cuts to this program will end up costing exponentially more as the State's burden of prisoner costs shifts from Community Jails to other areas of the State's budget. That was demonstrated clearly some years ago when an attempt was made to defund the Community Jail at Kotzebue. Our AACOP membership respectfully opposes ANY cuts to the Community Jails Program.

The Community Jails Program has been a way for the State to control prisoner transport costs by delaying or eliminating the need to immediately transport prisoners to a larger centralized holding facility. Loss of Community Jails would mean more unscheduled transports, likely increasing Department of Public Safety costs and requiring Troopers to be taken off regular duties to escort prisoners on short notice. Additionally, the increase in transports, many of which occur on public conveyances, will expose the public to potential risks and essentially decrease public safety.

The Community Jails are very important to their respective communities and the ability of police to ensure public safety by safely confining offenders. According to data collected in a recent AACOP survey about the Community Jails Program, which serves primarily small and mid-sized communities located at some distance from larger prison facilities, Community Jail Program participants reported they received between 15% and 100% of their annual Police Department budget from the Program and more than 20,500 prisoner man-days were logged in their Community Jails during the last fiscal year.

An imminent loss of supportive funding may result in closed or understaffed jail facilities, and will likely cause layoffs, creating significant negative economic impact on those affected communities. Respondents of the above mentioned survey estimated that budget cuts to the Community Jails Program would likely result in the **reduction**

of more than 30 full-time jobs as well as some part time positions, as the individual agencies struggle to make ends meet and continue to provide for the public's safety.

Whenever an economy struggles, crime rises with unemployment, and communities need a full arsenal of tools to combat it. We understand that the state is facing hard decisions with regard to the budget, and that its revenue is estimated to be severely reduced in the coming fiscal year, but however tempting it may be to reduce this line item, we ask that you reconsider. This is not the time to be slashing police budgets and hampering their abilities.

Sincerely,

A handwritten signature in blue ink that reads "BE Johnson". The signature is written in a cursive style with a large, stylized "B" and "J".

Deputy Chief Brad Johnson, President
Alaska Association of Chiefs of Police

Kachemak Bay Water Trail Project Receives 2015 Project Excellence Award

In exciting news, the NPS Alaska Rivers, Trails and Conservation Assistance (RTCA) program is happy to announce that a recent RTCA project, the Kachemak Bay Water Trail, has been selected to receive a 2015 Project Excellence Award from the Society of Outdoor Recreation Professionals.

The Kachemak Bay Water Trail is a 125-mile water trail that inspires exploration and wise stewardship of the natural treasure that is Kachemak Bay. It extends from Homer, north to the head of the Bay and back along the south side to Seldovia. For more information about the Kachemak Bay Water Trail, and to plan your own visit, see the trail website at <http://www.kachemakbaywatertrail.org/>

Creating the water trail was a true collaborative process. It began in 2011, when Dave Brann, a Homer trails advocate, came up with the idea of a water trail connecting communities around Kachemak Bay. Dave rallied others and soon established a committee of ten enthusiastic community volunteers to lead the planning process. Recognizing that it would be a major undertaking and additional expertise was needed, the committee requested and received assistance from RTCA staff, who provided overall guidance and hands-on help throughout the three year planning process.

Multiple other entities also were instrumental in making the Kachemak Bay Water Trail a reality, including (to name a few): the Cities of Homer and Seldovia and associated parks and recreation committees, Homer and Seldovia Chambers of Commerce, Alaska State Parks, Alaska Chapter of the American Society of Landscape Architects, Kachemak Bay Wooden Boat Society, Kenai Peninsula Borough, NOAA – National Ocean Service/Kasitsna Bay Laboratory, Alaska Trails, Kachemak Bay National Estuarine Research Reserve, and Friends of Kachemak Bay State Park.

On June 6, 2014, two ribbon cutting ceremonies, one in Homer and one in Seldovia, inaugurated the Kachemak Bay Water Trail. At each site, a brass plaque was unveiled commemorating the trail as a Department of the Interior's America's Great Outdoors project. Of the value of collaboration and partnerships, Dave Brann said: "Ideas are just ideas until people, organizations and agencies come together in partnership to make something great happen. The power of a partnership is demonstrated in the realization of the Kachemak Bay Water Trail."

The Society of Outdoor Recreation Professionals is the nation's leading association of outdoor recreation and related professionals. Michael Bradley, SORP Awards Committee Chair, wrote, "Each year, the SORP Board of Directors presents this prestigious award to select individuals and/or planning teams contributing to exemplary outdoor recreation projects. SORP believes the efforts by the Kachemak Bay Water Trail Association for the Kachemak Bay Water Trail is worthy of recognition." The award will be formally presented at the National Outdoor Recreation Conference on April 14, 2015.



Pat Pourchot, Special Assistant to the Secretary of the Interior for Alaska Affairs (left) and Dave Brann (right) celebrate the Kachemak Bay Water Trail ribbon cutting with RTCA's Heather Rice (left) and Lisa Holzapfel (right). Photo:NPS

Homer Foundation
P.O. Box 2600
Homer, AK 99603
235-0541 voice - info@homerfund.org email

LETTER OF AGREEMENT

DISTRIBUTION #15-10

DATE: 1/8/15

FUNDING RECIPIENT NAME: City of Homer

CONTACT PERSON: Marvin Yoder, Interim Manager

ADDRESS: 491 E. Pioneer Ave, Homer, AK 99603

PROJECT: Climate Action Plan Implementation- Natural Gas Conversion of Library Fireplace

FUNDING SOURCE: Lentfer Pass-Through AMOUNT: \$930.00 CODE: 5015/4535

The Homer Foundation is pleased to award funding to the City of Homer in the amount of \$930.00 to support conversion of the Library fireplace to natural gas as part of the City's Climate Action Plan. The City of Homer agrees to expend the funds for the intended purpose and:

1. Write a letter to the editors of the local media describing your project and recognizing support from Jack and Mary Lentfer through the Homer Foundation.
2. Write a letter describing the benefits to the community of your project. Send this letter to the Homer Foundation and we will forward it to the donor.
3. Upon completion of your project submit the attached Evaluation Cover Sheet and a brief summary stating how the funds were use. Include copies of the letters to the media, letter to the donors, and 1-2 photos if available. (Digital photos are preferred and may be submitted via email to info@homerfund.org.)

Final compliance of all requirements must occur within sixty (60) days following the completion of your project.

Please sign and return this letter of agreement. A signed copy will be forwarded with your check.

City of Homer by:

Jo Johnson, Acting City Manager
Print Name, Title

[Signature]
Signature

2/10/15
Date

The Homer Foundation by:

[Signature]
Joy Steward, Director

2/19/15
Date

Connecting generosity to community need.



FILE COPY

HOMER FOUNDATION
Quarterly Report to Fund Holders
Oct - Dec 2014

Fund Holder City of Homer
Fund City of Homer Fund

Fund Type: Field of Interest
Fund Code: 1305

PORTFOLIO SHARE (Corpus)

Beginning Balance	235,884.50
Contributions	-
Withdrawals	-
Portfolio Market Change	(18,751.53)
Ending Balance	217,132.97

AVAILABLE FOR DISTRIBUTION (Earnings)

Beginning Balance	17,761.78
Earnings Allocation	487.69
Grants Awarded: None	-
Grants Total	-
Transfers	-
Ending Balance	18,249.47

Jo Johnson

From: Heather O'Connor <heather@kbfpc.org>
Sent: Tuesday, March 03, 2015 4:44 PM
To: Katie Koester
Cc: R.E.C. Room
Subject: City of Homer letter of support -- Teen pregnancy prevention grant

Hi, Katie.

We're so pleased that you can help us ask the City of Homer for a letter of support for our upcoming grant application. As you know, the 5-year PHAT grant will end in June 2015, so we've been looking for other grants that might help us continue reproductive health education using the peer mentoring model.

We would like to include a letter of support in our application for a three-year grant from the State of Alaska Department of Health and Social Services (DHSS/Department), Division of Public Health (DPH/Division). The grant, titled Teen and Unintended Pregnancy Prevention, is available here: <http://notice.alaska.gov/175705>

With this funding, we would continue the AK PHAT program, and expand it by introducing it in school settings. Some key points in our proposal will be:

- KBFPC and R.E.C. Room have been providing sexual health education and human development in the 7th and 9th grade classrooms as part of the health education curriculum for over 20 years
- Consensus from school staff on the lower KP is that young people need this information earlier and more often
- Alaska PHAT is a strong program, but it's difficult to recruit youth for an out of school program without teaching it in the schools, so expanding to bring PHAT into the schools will strengthen the existing program, reaching more kids and in different ways
- Bringing PHAT into the schools will work to merge the community sex ed component with the school sex ed component to reach a maximum number of kids, earlier and more consistently
- Demonstrated need to provide sex ed at an earlier age
- This grant will provide infrastructure to strengthen your relationships with the school district and expand the services to a broader region (up the peninsula)
- This grant will provide capacity building opportunities to collect data and become certified to teach in schools
- PHAT has a peer education component which is demonstrated to be an effective model for learning
- KBFPC/REC has demonstrated strong community engagement and community readiness in PHAT
- KBFPC/REC's experience implementing PHAT coupled with 20 year history of teaching sexual health ed in schools make it highly likely to be able to successfully implement the project and meet the goals of the grant program
- KBFPC/REC is the only program of its kind on the SKP, making it a perfect fit

Please let me know if you need any other information. If the City is able to help us, we would ask for an electronic version of a signed letter by March 21st.

Thank you so much for your help, Katie.

Best,

Heather

--

Heather O'Connor
Executive Director
Kachemak Bay Family Planning Clinic
907.235.3436
Heather@kbfpc.org



**ALASKA ASSOCIATION OF HARBORMASTERS
AND PORT ADMINISTRATORS**

Kim Elliot, Executive Secretary

7 Maksoutoff Street

Sitka, AK 99835

Phone: (907) 747-7677

aahpa@gci.net – www.alaskaharbors.org

Application for a scholarship for a college or vocational school bound Alaskan high school senior interested in pursuing a maritime career.

Name _____

Address _____

Phone _____

What school do you plan to attend? _____

What are your educational goals? _____

What are your career goals? _____

What steps have you taken already to reach your educational and career goals? Have you been able to gain any relative maritime experience?

What steps do you plan to take in the future in order to reach your educational and career goals?

Have you applied for and/or received any other scholarships or grants? If so please list.

Please list all community service activities and organizations you have participated in during the past 4 years.

Why should the Alaska Association of Harbormasters and Port Administrators award you this scholarship? What sets you apart from the other applicants?

Applicant Signature

Date

Please attach a copy of your most recent high school transcript.

Application Information: Selection will be based on several factors including past educational performance, reality of future plans, financial need and demonstrated community service participation.

\$500 scholarships may be awarded to one or two students pursuing a maritime related degree or vocation.

Applications should be submitted no later than March 31, 2015 by either regular mail or email to the following address:

Kim Elliot, Executive Secretary
Alaska Association of Harbormasters and Port Administrators
7 Maksoutoff Street
Sitka, AK 99835-7556
aahpa@gci.net

Additional information regarding the AAHPA can be found at our website
www.alaskaharbors.org



City of Homer

www.cityofhomer-ak.gov

Office of the City Clerk

491 East Pioneer Avenue
Homer, Alaska 99603

clerk@cityofhomer-ak.gov

(p) 907-235-3130

(f) 907-235-3143

Memorandum

TO: MAYOR AND CITY COUNCIL
FROM: MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK
DATE: MARCH 3, 2015
SUBJECT: BID REPORT

RFP FOR THE PRODUCTION OF A MARINE TRADES PROMOTIONAL VIDEO-The City of Homer, Alaska is requesting proposals from qualified firms for video production services to create a short film for promoting the Homer Marine Trades Association and Homer Port and Harbor. Successful proposer will be contracted to produce such a video, and to furnish the necessary labor, materials, equipment, tools, supervision, and other facilities to perform under such contract. Plan holder registration forms, and Plans and Specifications are available on line at <http://www.cityofhomer-ak.gov/rfps>. All proposers must submit a City of Homer Plan Holders Registration form to be on the Plan Holders List and to be considered responsive. Sealed proposals shall be received at the Office of the City Clerk **no later than 4:30 pm, Friday, March 6, 2015.**

RFP FOR A CONSULTANT/CONTRACTOR TO CREATE A MUNICIPAL ART BASELINE INVENTORY-The City of Homer, Alaska is requesting proposals from qualified individuals or firms to create a complete catalogue of City of Homer owned art assets for long term planning and care of the collection. Proposals will be received at the Office of the City Clerk, City Hall, City of Homer, 491 East Pioneer Avenue, Homer, Alaska until 4:00 P.M., Thursday, April 9, 2015. The time of receipt will be determined by the City Clerk's time stamp. **Proposers are required to be on the Plan Holder's List to have their proposals evaluated by the committee.**

CITY ATTORNEY REPORT

COMMITTEE REPORTS

PENDING BUSINESS

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **RESOLUTION 15-004**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 REQUESTING THAT THE ALASKA LEGISLATURE RE-APPROPRIATE
8 THE \$1,405,000 THAT THE CITY RECEIVED FOR THE WADDELL
9 WAY ROAD IMPROVEMENT TO A NEW PUBLIC SAFETY BUILDING.

10
11 WHEREAS, The City has received a Legislative Grant in the amount of \$1,405,000 for
12 improvements to Waddell Way Road (being that it was the #1 transportation project priority
13 at the time the grant was requested); and

14
15 WHEREAS, Currently, the #1 City project priority is the replacement of the functionally
16 obsolete police and fire department buildings that provides basic essential services to the
17 community; and

18
19 WHEREAS, In this time of capital project budget constraints, it is reasonable to
20 sacrifice progress on past priority projects so that a current higher priority City project (that
21 provides for an essential community service) can continue to make progress; and

22
23 WHEREAS, The Public Safety Building is included in the City's current Capital
24 Improvement Plan Priority List.

25
26 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby respectfully
27 requests that the Alaska Legislature re-appropriate the \$1,405,000 grant for the design and
28 construction of the Waddell Way Road Improvements (15-DC-062) to design and construction
29 of the New Public Safety Building.

30
31 BE IT FURTHER RESOLVED that the City Manager and the City lobbyist are authorized
32 to take the appropriate and necessary measures to assist our Legislators in making this
33 request a reality.

34
35 PASSED AND ADOPTED by the Homer City Council this 9th day of March, 2015.
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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: Transfer of \$1,405,000 Legislative Grant to the Public Safety Building project.

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Mayor

4 **RESOLUTION 15-004(S)**
5

6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 REQUESTING THAT THE ALASKA LEGISLATURE RE-APPROPRIATE
8 \$606,000 OF THE \$1,405,000 THAT THE CITY RECEIVED FOR THE
9 WADDELL WAY ROAD IMPROVEMENT TO A NEW PUBLIC SAFETY
10 BUILDING.
11

12 WHEREAS, The City has received a Legislative Grant in the amount of \$1,405,000 for
13 improvements to Waddell Way Road; and
14

15 WHEREAS, Progress has been made on improvements to Waddell Way Road including
16 utility locates, field surveys, geotechnical investigations and the initiation of design and right
17 of way acquisition; and
18

19 WHEREAS, Currently, the #1 City project priority is the replacement of the functionally
20 obsolete police and fire department buildings that provides basic essential services to the
21 community; and
22

23 WHEREAS, The community's Public Safety Building Review Committee has made
24 significant progress on a new public safety building including conceptual design, site
25 selection, space needs analysis and cost estimates; and
26

27 WHEREAS, In this time of capital project budget constraints, the City proposes
28 advancing both projects by stretching State dollars and splitting the original appropriation;
29 and
30

31 WHEREAS, By re-appropriating just over one third of the Waddell Way Road
32 improvement project funds to the New Public Safety Building the City will be able to advance
33 the public safety building project to pursue construction funding such as municipal bonds;
34 and
35

36 WHEREAS, The remaining funds appropriated to Waddell Way combined with City
37 funds will complete Waddell Way up to city urban road standards and only delay paving.

38 NOW, THEREFORE, BE IT RESOLVED that if the climate in the State Legislature is
39 conducive to this re-appropriation request and can ensure that the original appropriation
40 amount is retained by the City, the Homer City Council hereby respectfully requests that the
41 Alaska Legislature re-appropriate \$606,000 of the grant for the design and construction of the
42 Waddell Way Road Improvements (15-DC-062) to design and construction of the New Public
43 Safety Building.

44
45 BE IT FURTHER RESOLVED that the City Manager and the City lobbyist are authorized
46 to take the appropriate and necessary measures to assist our Legislators in making this
47 request a reality.

48
49 PASSED AND ADOPTED by the Homer City Council this 9th day of March, 2015.

50
51

CITY OF HOMER

52
53
54

MARY E. WYTHE, MAYOR

55
56

57 ATTEST:

58
59

JO JOHNSON, MMC, CITY CLERK

60
61

62

63 Fiscal Note: Transfer of \$606,000 Legislative Grant to the Public Safety Building project.

Just a Thought - Suggested Approach to Funding
Waddell Way & Public Safety Building

- 1) Proceed with design only for Waddell Way with State legislative grant. This would expend \$200,000 of the grant and leave \$1,205,000:

$$\begin{array}{r} \$1,405,000 \text{ (current grant total)} \\ - \underline{\$200,000} \text{ (cost to design)} \\ \$1,205,000 \end{array}$$

This would:

- Show State that the Waddell project is making progress (removes excuse that we are not using the monies, and they should take it all back right now).
 - Show local residents that favor the road project, that the City is committed to the project.
 - Commit the City to purchase needed right-of-way and construct Waddell (using HART funds (City has already committed approx. \$350,000 - 25% match). Total HART funding needed - \$1,600,000)
- 2) Request re-appropriation of \$1,205,000 of the Waddell State grant to the Public Safety Building project (leaving \$200,000 for Waddell design). This would fund Public Safety Building design through 65% and provide a Guaranteed Maximum Price (GMP). No more additional funding would be required for the Public Safety Building until September 2016. An additional \$300,000 might be needed at that time.

This would:

- Keep Public Safety Building moving forward through September 2016.
- Give us two legislative sessions between now and then to secure final design/construction monies.
- Provide design details, including more accurate cost estimates, to support proposed ballot measure and construction.

NEW BUSINESS

RESOLUTIONS

**CITY OF HOMER
HOMER, ALASKA**

City Clerk

RESOLUTION 15-012

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE PRELIMINARY ASSESSMENT ROLL FOR THE
HOMER NATURAL GAS SPECIAL ASSESSMENT DISTRICT BY
EXEMPTING ONE PROPERTY AND CORRECTING ERRORS IN THE
ASSESSMENT ROLL.

WHEREAS, Council adopted Ordinance 13-02 on February 11, 2013 creating the City of Homer Natural Gas Distribution Special Assessment District; and

WHEREAS, Since the adoption of Ordinance 13-02, the Council has taken several actions to delete properties from the preliminary assessment roll that it found would not be benefited by the improvement, and to correct other errors in the preliminary assessment roll; and

WHEREAS, The Council finds that it is necessary to amend the preliminary assessment roll as provided herein to exempt one property that will not be benefited by the improvement, and to correct other errors in the preliminary assessment roll.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby amends the preliminary assessment roll for the Homer Natural Gas Special Assessment District by exempting one property and correcting other errors in the assessment roll, as shown on Attachment A, a copy of which is attached and incorporated herein.

PASSED AND ADOPTED by the Homer City Council on this 9th day of March, 2015.

CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A

March 9, 2015 Changes to the Preliminary Assessment Roll
for the Homer Natural Gas Special Assessment District

New Exempt Lots				
Parcel ID	Owner	Legal Description	Reason for Change from Preliminary Assessment Roll Resolution 12-081	
17402412	Carol Griswold	Skyline View Sub Lot 1 Lying South of Diamond Ridge Road	Very steep lot with very limited development potential (landowner request)	
Corrections				
Parcel ID	Owner	Legal Description	Notes	Change in assessment amount/Action to be taken
17730224	Micheal and Shila Hough	Lakeside Village Sub Amended Lot 2 Blk 1	This lot is a common element in a condo development and should not be assessed, per legal council	Remove this tax ID from the assessment roll, and remove assessment.
17731025CO01	Micheal and Shila Hough	T 6S R 13W SEC 20 Seward Meridian HM 2007003 KACHE	Change in assessment amount from one full assessment per unit, to one assesment for the building, split among the three units.	Change assessment amount from \$3,237.14 to \$1,079.05
17731025CO02	Micheal and Shila Hough	T 6S R 13W SEC 20 Seward Meridian HM 2007003 KACHE	Change in assessment amount from one full assessment per unit, to one assesment for the building, split among the three units.	Change assessment amount from \$3,237.14 to \$1,079.05
17731025CO03	Ken Castner	T 6S R 13W SEC 20 Seward Meridian HM 2007003 KACHE	Change in assessment amount from one full assessment per unit, to one assesment for the building, split among the three units.	Change assessment amount from \$3,237.14 to \$1,079.05
17419204	Kenneth and Roseleen Moore	Former Puffin Acres Sub Lot 1 Block 1	Staff did not catch this error until preparing the final assessment roll. This parcel was part of a plat recorded in December 2012, which vacated common lot lines, creating one large parcel. This parcel has been eliminated and should be removed from the assessment roll.	Remove this tax ID from the assessment roll, and remove assessment.
17420317LH1	(Boatyard Burger Restaurant)		The Kenai Peninsula Borough is now assessing this as a boardwalk lease. The assessment dictrict dos not include assessments for this type of lease without real property attached to it.	Remove this tax ID from the assessment roll, and remove assessment.
18103425	City of Homer	CITY OF HOMER PORT INDUSTRIAL SUB NO 2 LOT 13B	This parcel is leased, and the lease holder pays. Right now there are two assessments for the same piece of real estate; there should only be 1 in total. (Snug Harbor Lease)	Remove this tax ID from the assessment roll, and remove assessment.
18103240	City of Homer	HOMER SPIT SUB NO 5 LOT 21	This parcel is leased, and the lease holder pays. Right now there are two assessments for the same piece of real estate; there should only be 1 in total. (SVT Lease)	Remove this tax ID from the assessment roll, and remove assessment.
17940228LH7	K Bay Vending		This lease is no longer on the tax roll. Staff did not catch this error until preparing the final assessment roll. This was a lease inside of the Homer Airport Terminal, and should not have been included in the assessment district.	Remove this tax ID from the assessment roll, and remove assessment.

Parcel_ID	OWNER	ATTENTION	ADDRESS	CITY	STATE	ZIPCODE	COUNTRY	Assessed_Value	Count	Assessment	Corrected Legal Description
17516033CO01	RANDLE NORMAN L		166 W BUNNELL AVE APT 1	HOMER	AK	99603		\$93,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 101
17516033CO02	JOHNSON CHARLES C		PO BOX 293	HOMER	AK	99603		\$82,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 102
17516033CO03	SPRAGUE FAMILY TRUST		1525 CHELTEN WAY	SOUTH PASADENA	CA	91030		\$82,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 103
17516033CO04	RYCKMAN ARLINE		1325 BELUGA CT	HOMER	AK	99603		\$82,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 104
17516033CO05	JONES JAMES T & DUKE DAVID L		166 W BUNNELL AVE APT 9	HOMER	AK	99603		\$82,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 105
17516033CO06	MORETH PATRICIA S		PO BOX 305	HOMER	AK	99603		\$82,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 106
17516033CO07	SPELL BENJAMIN DAVID		166 W BUNNELL AVE APT 2	HOMER	AK	99603		\$92,700.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 201
17516033CO08	BILBO RACHEL M DECLARATION OF TRUST		166 W BUNNELL AVE APT 4	HOMER	AK	99603		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 202
17516033CO09	GUTIERREZ R SCOTT		166 W BUNNELL AVE	HOMER	AK	99603		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 203
17516033CO10	BARTILSON JAMES		166 W BUNNELL AVE # 204	HOMER	AK	99603		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 204
17516033CO11	SWEENEY ADRIENNE W		135 W BUNNELL AVE	HOMER	AK	99603		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 205
17516033CO11	SWEENEY ALEXANDER J Jr		135 W BUNNELL AVE	HOMER	AK	99603		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 205
17516033CO12	SULLIVAN FAMILY TRUST		70 CEDAR AVE APT 1	COCOA BEACH	FL	32931		\$83,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 0810021 BAY WATCH CONDOMINIUMS UNIT 206
17516052CO01	INLET TRADING POST LLC		106 W BUNNELL AVE STE A	HOMER	AK	99603		\$253,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2011002 INLET TRADING POST CONDOMINIUMS UNIT 1
17516052CO02	SAVORY LOVE LLC		PO BOX 2311	HOMER	AK	99603		\$55,600.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2011002 INLET TRADING POST CONDOMINIUMS UNIT 2
17516056CO01	MARQUARDT KAREN A		3430 MAIN ST APT E	HOMER	AK	99603		\$124,700.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 1

Parcel_ID	OWNER	ATTENTION	ADDRESS	CITY	STATE	ZIPCODE	COUNTRY	Assessed_Value	Count	Assessment	Corrected Legal Description
17516056CO02	MEARES INVESTMENT COMPANY LIMITED PARTNERSHIP		PO BOX 9	ESTER	AK	99725		\$172,800.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 2
17516056CO03	SWEENEY ADRIENNE W		135 W BUNNELL AVE	HOMER	AK	99603		\$172,700.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 3
17516056CO03	SWEENEY ALEXANDER J Jr		135 W BUNNELL AVE	HOMER	AK	99603		\$172,700.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 3
17516056CO04	CLAPP JAIME LYNN		PO BOX 4034	HOMER	AK	99603		\$168,500.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 4
17516056CO04	CLAPP KELLY		PO BOX 4034	HOMER	AK	99603		\$168,500.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 4
17516056CO05	STEPHENS MARJORIE G		3459 MAIN ST APT 5	HOMER	AK	99603		\$140,700.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 5
17516056CO06	MARQUARDT KURT D		2205 LINCOLN AVE	ANCHORAG E	AK	99517		\$107,100.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 6
17516056CO07	BOLING MICHAEL TODD		203 W PIONEER AVE STE 2	HOMER	AK	99603		\$174,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 7
17516056CO07	BOLING BETH		203 W PIONEER AVE STE 2	HOMER	AK	99603		\$174,300.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 7
17516056CO08	MILLER GARY		5201 E NORTHERN LIGHTS BLVD UNIT 4N	ANCHORAG E	AK	99508		\$143,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 8
17516056CO08	MILLER SUSAN		5201 E NORTHERN LIGHTS BLVD UNIT 4N	ANCHORAG E	AK	99508		\$143,400.00	1	\$3,237.14	T 6S R 13W SEC 19 Seward Meridian HM 2008081 CHAMBERLAIN & WATSON OLD TOWN CO TTAGES ADD AMD UNIT 8
17701082CO01	NELSON TRUST THE	C/O STEPHEN E & JANICE L NELSON TRUSTEES	PO BOX 992	PASO ROBLES	CA	93447		\$446,200.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005045 QUIET CREEK COMMUNITY PHASE 1 UN IT 702
17701082CO02	LOCKWOOD HARLOW TRUST		602 PALLADIUM DR E	JOLIET	IL	60435		\$428,600.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005045 QUIET CREEK COMMUNITY PHASE 1 UN IT 704

Parcel_ID	OWNER	ATTENTION	ADDRESS	CITY	STATE	ZIPCODE	COUNTRY	Assessed_Value	Count	Assessment	Corrected Legal Description
17701082CO03	GRIFFITH MARY ANN		706 QUIET CREEK DR # 706	HOMER	AK	99603		\$434,700.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005045 QUIET CREEK COMMUNITY PHASE 1 UN IT 706
17701082CO04	FRANK WILLIAM E & GAIL S		PO BOX 1749	ROCKPORT	TX	78381		\$432,800.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005045 QUIET CREEK COMMUNITY PHASE 1 UN IT 708
17701082CO05	FORRESTER FAMILY TRUST		PO BOX 371	HOMER	AK	99603		\$440,000.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005045 QUIET CREEK COMMUNITY PHASE 1 UN IT 710
17701082CO06	AMMERMAN ROBERT L		924 QUIET CREEK DR	HOMER	AK	99603		\$465,900.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 924
17701082CO06	AMMERMAN GAIL M		924 QUIET CREEK DR	HOMER	AK	99603		\$465,900.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 924
17701082CO07	NIKORA LEO & BEVERLEY TRUST		119 MISSION HILLS DR	RANCHO MIRAGE	CA	92270		\$466,100.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 926
17701082CO08	FEDERAL NATIONAL MORTG		PO BOX 650043	DALLAS	TX	75265-0043		\$470,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 928
17701082CO09	NEAL FAMILY LIMITED PARTNERSHIP		5800 LAKEWOOD RANCH BLVD N	LAKEWOOD RANCH	FL	34240		\$452,000.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 930
17701082CO10	DAVIDHIZAR FAMILY TRUST		511 KNOLL CIR	SOLDOTNA	AK	99669		\$469,600.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2006075 QUIET CREEK COMMUNITY LLC PHASE 2 UNIT 932
17701082CO11	FULLER DAVID L		PO BOX 837	GOODLAND	FL	34140		\$474,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007088 QUIET CREEK COMMUNITY LLC PHASE 3 UNIT 812
17701082CO11	FULLER JOAN A		PO BOX 837	GOODLAND	FL	34140		\$474,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007088 QUIET CREEK COMMUNITY LLC PHASE 3 UNIT 812
17701082CO12	ALASKA USA FEDERAL CREDIT UNION		4000 CREDIT UNION DR	ANCHORAGE	AK	99503		\$476,100.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007088 QUIET CREEK COMMUNITY LLC PHASE 3 UNIT 814
17701082CO13	BEERY TRUST		PO BOX 195	EXETER	CA	93221		\$473,800.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2009011 QUIET CREEK COMMUNITY LLC PHASE 4 AMENDED UNIT 816
17701082CO14	ALASKA USA FEDERAL CREDIT UNION		4000 CREDIT UNION DR	ANCHORAGE	AK	99503		\$454,700.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2009011 QUIET CREEK COMMUNITY LLC PHASE 4 AMENDED UNIT 818
17701082CO15	ALASKA USA FEDERAL CREDIT UNION		4000 CREDIT UNION DR	ANCHORAGE	AK	99503		\$469,200.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2009011 QUIET CREEK COMMUNITY LLC PHASE 4 AMENDED UNIT 820
17716108CO01	ZATZ DANIEL		3430 MAIN ST STE C	HOMER	AK	99603		\$126,200.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 2002010 OLD TOWN PROFESSIONAL CENTER UNI T 1
17716108CO02	NORTH GULF OCEANIC SOCIETY		3430 MAIN ST STE B1	HOMER	AK	99603		\$126,000.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 2002010 OLD TOWN PROFESSIONAL CENTER UNI T 2

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17716108CO03	SEA GLO LLC		212 LEE DR	HOMER	AK	99603		\$155,300.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 2002010 OLD TOWN PROFESSIONAL CENTER UNI T 3
17716108CO04	POSO ANNE M		PO BOX 1133	HOMER	AK	99603		\$151,500.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 2002010 OLD TOWN PROFESSIONAL CENTER UNI T 4
17716108CO05	MARQUARDT ORMAN & MARY ANN REVOCABLE TRUST		27712 N DESIERTO DR	RIO VERDE	AZ	85263		\$170,400.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 2002010 OLD TOWN PROFESSIONAL CENTER UNI T 5
17727051CO01	WATSON JENNIFER		360 E INTERNATIONAL AIRPORT RD APT 1	ANCHORAGE	AK	99518		\$254,100.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward SW HM 2006047 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 2 UNIT 1
17727051CO01	WATSON BRIAN		360 E INTERNATIONAL AIRPORT RD APT 1	ANCHORAGE	AK	99518		\$254,100.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward SW HM 2006047 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 2 UNIT 1
17727051CO02	WALDVOGEL ETHAN R		159 MOUNTAIN VIEW DR UNIT B	HOMER	AK	99603		\$254,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward SW HM 2006047 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 2 UNIT 2
17727052CO01	LAFOND PAUL P REVOCABLE TRUST #2		171A MOUNTAIN VIEW DR	HOMER	AK	99603		\$254,000.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005024 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 1 UNIT 1
17727052CO02	ANDERSON CYNTHIA LYNN		171 MOUNTAIN VIEW DR # B	HOMER	AK	99603		\$257,600.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005024 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 1 UNIT 2
17727052CO02	ANDERSON DAVID NELS		171 MOUNTAIN VIEW DR # B	HOMER	AK	99603		\$257,600.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2005024 MOUNTAIN VIEW CONDOMINIUMS WEST PHASE 1 UNIT 2
17727066CO01	WILD REGULA		4611 JUNEAU ST APT 21	ANCHORAGE	AK	99503		\$147,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007036 HIGH TIDE CONDOMINIUMS UNIT 1
17727066CO02	KONDAK DOUGLAS J & MARGARIDA V		PO BOX 113	HOMER	AK	99603		\$147,300.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007036 HIGH TIDE CONDOMINIUMS UNIT 2
17727066CO03	LAVRAKAS JAMES EDWARD		PO BOX 1459	HOMER	AK	99603		\$166,700.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007036 HIGH TIDE CONDOMINIUMS UNIT 3
17727066CO03	LAVRAKAS RUTH ANN		PO BOX 1459	HOMER	AK	99603		\$166,700.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007036 HIGH TIDE CONDOMINIUMS UNIT 3
17727066CO04	KONDAK DOUGLAS J & MARGARIDA V		PO BOX 113	HOMER	AK	99603		\$166,700.00	1	\$3,237.14	T 6S R 13W SEC 17 Seward Meridian HM 2007036 HIGH TIDE CONDOMINIUMS UNIT 4
17730124CO01	PIETSCH JOEL		PO BOX 392	HOMER	AK	99603		\$147,400.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 0790140 BELUGA PROFESSIONAL CENTER CONDO MINIMUMS UNIT 1
17730124CO01	PIETSCH TIA		PO BOX 392	HOMER	AK	99603		\$147,400.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 0790140 BELUGA PROFESSIONAL CENTER CONDO MINIMUMS UNIT 1
17730124CO02	PIETSCH JOEL DAVID & TIA SYLANCE		PO BOX 392	HOMER	AK	99603		\$144,300.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 0790140 BELUGA PROFESSIONAL CENTER CONDO MINIMUMS UNIT 2

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17730124CO03	ANVIL CREEK INVESTMENT COMPANY LLC		PO BOX 2882	KENAI	AK	99611		\$161,200.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 0790140 BELUGA PROFESSIONAL CENTER CONDO MINIUMS UNIT 3
17730124CO04	SPROUT FAMILY SERVICES INC		3691 BEN WALTERS LN STE 4	HOMER	AK	99603		\$132,200.00	1	\$3,237.14	T 6S R 13W SEC 20 Seward Meridian HM 0790140 BELUGA PROFESSIONAL CENTER CONDO MINIUMS UNIT 4
17902090CO1	GARDENER BROOK		1876 TRITON CT UNIT B	HOMER	AK	99603		\$134,400.00	1	\$3,237.14	T 6S R 13W SEC 16 Seward Meridian HM 2007095 TRITON COURT CONDOMINIUMS UNIT 1
17902090CO1	GARDENER DANIEL M Jr		1876 TRITON CT UNIT B	HOMER	AK	99603		\$134,400.00	1	\$3,237.14	T 6S R 13W SEC 16 Seward Meridian HM 2007095 TRITON COURT CONDOMINIUMS UNIT 1
17902090CO2	TYLER CHRISTY R		PO BOX 3668	HOMER	AK	99603		\$138,100.00	1	\$3,237.14	T 6S R 13W SEC 16 Seward Meridian HM 2007095 TRITON COURT CONDOMINIUMS UNIT 2
17902090CO2	TYLER JEFFREY J		PO BOX 3668	HOMER	AK	99603		\$138,100.00	1	\$3,237.14	T 6S R 13W SEC 16 Seward Meridian HM 2007095 TRITON COURT CONDOMINIUMS UNIT 2
17915047CO1	IRELAND COLETTE P		PO BOX 3464	HOMER	AK	99603		\$194,300.00	1	\$3,237.14	T 6S R 13W SEC 22 Seward Meridian HM 2008015 KACHEMAK BAY CONDOMINIUMS UNIT 13A-1
17915047CO2	IRELAND COLETTE P		PO BOX 3464	HOMER	AK	99603		\$200,200.00	1	\$3,237.14	T 6S R 13W SEC 22 Seward Meridian HM 2008015 KACHEMAK BAY CONDOMINIUMS UNIT 13A-2
17918113CO01	ARNOLD PATRICIA ANN		3479 LANDINGS ST APT 1	HOMER	AK	99603		\$85,600.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 01
17918113CO02	MERESHON CHRISTY L		PO BOX 1677	HOMER	AK	99603		\$91,500.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 02
17918113CO03	BUZUNIS GARY R & LOUELLA FAMILY 2002 TRUST		PO BOX 39376	NINILCHIK	AK	99639		\$24,000.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 03
17918113CO04	MANUEL MARY H		6721 CROOKED TREE DR	ANCHORAGE	AK	99507		\$23,200.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 04
17918113CO05	MARTIN BRITTNEY R		PO BOX 604	HOMER	AK	99603		\$45,700.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 05
17918113CO05	MARTIN JEROMY S		PO BOX 604	HOMER	AK	99603		\$45,700.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 05
17918113CO06	BUZUNIS GARY R & LOUELLA FAMILY 2002 TRUST		PO BOX 39376	NINILCHIK	AK	99639		\$77,400.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 06
17918113CO07	MARITIME HELICOPTERS INC		3520 FAA RD	HOMER	AK	99603		\$85,700.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 07
17918113CO08	MDIC LLC		PO BOX 615	HOMER	AK	99603		\$91,300.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 08
17918113CO09	WALTON INDY		38725 GAVIN CIR	SOLDOTNA	AK	99669		\$87,100.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 21
17918113CO09	WALTON STEPHANIE		38725 GAVIN CIR	SOLDOTNA	AK	99669		\$87,100.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 21
17918113CO10	CLARK LIEU THI VO		226 DELTA DR	MANDEVILLE	LA	70448		\$90,800.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 22
17918113CO10	CLARK TRAVIS P		226 DELTA DR	MANDEVILLE	LA	70448		\$90,800.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 22

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17918113CO11	BUZUNIS GARY R & LOUELLA FAMILY 2002 TRUST		PO BOX 39376	NINILCHIK	AK	99639		\$22,400.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 23
17918113CO12	DEVANEY MICHAEL L		484 KLONDIKE AVE	HOMER	AK	99603		\$21,900.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 24
17918113CO12	DEVANEY KAREN S		484 KLONDIKE AVE	HOMER	AK	99603		\$21,900.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 24
17918113CO13	SCHIPPER LUKE M		1588 DRAKE RD	LANSING	IA	52151		\$47,200.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 25
17918113CO14	ALASKA SNOW TRUST		PO BOX 4103	HOMER	AK	99603		\$87,200.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 26
17918113CO15	KLABEN PAUL E		325 DOLCHOK LN	KENAI	AK	99611		\$85,100.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 27
17918113CO15	KLABEN SUZANNE		325 DOLCHOK LN	KENAI	AK	99611		\$85,100.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 27
17918113CO16	SMITH B RUSSELL		14201 SE PETROVITSKY RD STE A3	RENTON	WA	98058		\$92,700.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 28
17918113CO17	MERESHON JOSHUA K & MESILLE C		PO BOX 2637	HOMER	AK	99603		\$102,700.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0800088 THE LANDINGS CONDOMINIUMS UNIT 30
17920218CO01	NIEMAN NANCY		PO BOX 2214	HOMER	AK	99603		\$103,100.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 2007020 BAY AVENUE CONDOMINIUMS UNIT 1
17920218CO02	NIEMAN RONALD JACK		PO BOX 1845	HOMER	AK	99603		\$102,300.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 2007020 BAY AVENUE CONDOMINIUMS UNIT 2
17921006CO01	OATES ROBERT		PO BOX 520	HOMER	AK	99603		\$135,900.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A1
17921006CO02	NIEMAN RONALD JACK		PO BOX 1845	HOMER	AK	99603		\$155,500.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A2
17921006CO03	WICK DONALD D & DIANE F		1363 BAY AVE APT 3	HOMER	AK	99603		\$155,500.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A3
17921006CO04	HARDING MARY ANN LIVING TRUST		PO BOX 69	HOMER	AK	99603		\$135,900.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A4
17921006CO05	SHOLTON RITA N		1665 BOB ATWOOD CIR	ANCHORAGE	AK	99517		\$138,000.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A5
17921006CO06	SPRINGER AMY A		PO BOX 855	HOMER	AK	99603		\$138,000.00	1	\$3,237.14	T 6S R 13W SEC 21 Seward Meridian HM 0850131 INTERLUDE CONDOMINIUM PHASE 1 UN IT A6
17930037CO01	BROWNING RYAN E		PO BOX 2765	HOMER	AK	99603		\$185,300.00	1	\$3,237.14	T 6S R 13W SEC 15 Seward Meridian HM 2007054 CLOVER CONDOMINIUMS UNIT 1
17930037CO02	HODGDON MARLENA R		PO BOX 3626	HOMER	AK	99603		\$186,000.00	1	\$3,237.14	T 6S R 13W SEC 15 Seward Meridian HM 2007054 CLOVER CONDOMINIUMS UNIT 2
18103449CO01	MICKS JOHN E & KLIMOW SUSAN S		1441 GWENN DR	ANCHORAGE	AK	99515		\$435,600.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2001017 LANDS END LODGES CONDOMINIUMS UN IT 1
18103449CO02	COGNICOM PROPERTIES LLC		3135 KACHEMAK DR	HOMER	AK	99603		\$388,000.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2001017 LANDS END LODGES CONDOMINIUMS UN IT 2
18103449CO03	DE MIKI DINA CHUNG TRUST		6930 TULIPAN CT	CORAL GABLES	FL	33143		\$435,600.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2001017 LANDS END LODGES CONDOMINIUMS UN IT 3

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18103449CO03	MIKI ROBERTO ALEJANDRO TRUST		6930 TULIPAN CT	CORAL GABLES	FL	33143		\$435,600.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2001017 LANDS END LODGES CONDOMINIUMS UN IT 3
18103449CO04	THE GORDONS LLC		1068 W FIREWEED LN STE A	ANCHORAGE	AK	99503		\$370,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2003007 LANDS END LODGES CONDOMINIUMS PHA SE 2 UNIT 4
18103449CO05	KACHEMAK BAY RETREAT LLC		1430 K ST	ANCHORAGE	AK	99501		\$583,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2003007 LANDS END LODGES CONDOMINIUMS PHA SE 2 UNIT 5
18103449CO06	HALL JARED A & HANNA VIRGENE		4747 POTTER CREST CIR	ANCHORAGE	AK	99516		\$458,200.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2003007 LANDS END LODGES CONDOMINIUMS PHA SE 2 UNIT 6
18103449CO07	MINK PHILIP & ANNA LIVING TRUST		18310 POTTER BLUFF CIR	ANCHORAGE	AK	99516		\$373,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2005009 LANDS END LODGES CONDOMINIUMS PHA SE 3 UNIT 7
18103449CO08	COX GERALD F & LEMERE CYNTHIA A		48 AVON CIR	NEEDHAM	MA	02494		\$588,400.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2005009 LANDS END LODGES CONDOMINIUMS PHA SE 3 UNIT 8
18103449CO09	DESANNOY MICHAEL WILLIAM		BOX 547	NESTOR FALLS	ON	POX1K	CANADA	\$458,200.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2005009 LANDS END LODGES CONDOMINIUMS PHA SE 3 UNIT 9
18103449CO10	LE NHU-Y T		PO BOX 1283	BARROW	AK	99723		\$380,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006002 LANDS END LODGES CONDOMINIUMS PHA SE 4 UNIT 10
18103449CO11	KOCH CINDY C		1100 SW 27TH ST	RENTON	WA	98057		\$583,200.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006002 LANDS END LODGES CONDOMINIUMS PHA SE 4 UNIT 11
18103449CO11	KOCH HANS G		1100 SW 27TH ST	RENTON	WA	98057		\$583,200.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006002 LANDS END LODGES CONDOMINIUMS PHA SE 4 UNIT 11
18103449CO12	LE HIEU T		PO BOX 91059	ANCHORAGE	AK	99509		\$454,300.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006002 LANDS END LODGES CONDOMINIUMS PHA SE 4 UNIT 12
18103449CO13	THURSTON JAMES & JANET JOINT REVOCABLE TRUST		PO BOX 6469	HALIBUT COVE	AK	99603		\$411,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006012 LANDS END LODGES CONDOMINIUMS PHA SE 5 UNIT 13
18103449CO14	CSV ALASKA LLC		400 MACHELLE DR	CARY	IL	60013		\$521,200.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006012 LANDS END LODGES CONDOMINIUMS PHA SE 5 UNIT 14
18103449CO15	THE GORDONS LLC		1068 W FIREWEED LN STE A	ANCHORAGE	AK	99503		\$398,400.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2006012 LANDS END LODGES CONDOMINIUMS PHA SE 5 UNIT 15
18103449CO16	GORDON MICHAEL W		PO BOX 2939	HOMER	AK	99603		\$725,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007069 LANDS END LODGES CONDOMINIUMS PHA SE 7 UNIT 16
18103449CO16	GORDON MICHELLE M		PO BOX 2939	HOMER	AK	99603		\$725,100.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007069 LANDS END LODGES CONDOMINIUMS PHA SE 7 UNIT 16
18103449CO17	STASER JEFFREY B		2203 SORBUS WAY	ANCHORAGE	AK	99508		\$340,400.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007012 LANDS END LODGES CONDOMINIUMS PHA SE 6 UNIT 17

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18103449CO17	STASER KAREN K		2203 SORBUS WAY	ANCHORAG E	AK	99508		\$340,400.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007012 LANDS END LODGES CONDOMINIUMS PHA SE 6 UNIT 17
18103449CO18	LAWSON LARRY		2490 S WOODWORTH LOOP STE 449	PALMER	AK	99645		\$503,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007012 LANDS END LODGES CONDOMINIUMS PHA SE 6 UNIT 18
18103449CO19	BARTLEY JEFFREY J AMENDED REVOCABLE TRUST		PO BOX 945	ANCHOR POINT	AK	99556		\$403,000.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2007012 LANDS END LODGES CONDOMINIUMS PHA SE 6 UNIT 19
18103449CO20	OUZINKIE NATIVE CORPORATION		PO BOX 89	OUZINKIE	AK	99644		\$367,500.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2008073 LANDS END LODGES CONDOMINIUMS PHA SE 8 UNIT 20
18103449CO21	HOLLOWAY RAY A		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$545,500.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2008073 LANDS END LODGES CONDOMINIUMS PHA SE 8 UNIT 21
18103449CO21	SLEZEWSKI MICHELLE L		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$545,500.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2008073 LANDS END LODGES CONDOMINIUMS PHA SE 8 UNIT 21
18103449CO22	FREEMAN HOLDINGS OF ARKANSAS LLC		6700 SW TOPEKA BLVD # 610	TOPEKA	KS	66619		\$413,700.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2008073 LANDS END LODGES CONDOMINIUMS PHA SE 8 UNIT 22
18103449COG1	HOLLOWAY RAY A		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$36,700.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-1
18103449COG1	SLEZEWSKI MICHELLE L		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$36,700.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-1
18103449COG2	GORDON MICHAEL W		PO BOX 2939	HOMER	AK	99603		\$40,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-2
18103449COG2	GORDON MICHELLE M		PO BOX 2939	HOMER	AK	99603		\$40,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-2
18103449COG3	LAWSON LARRY		2490 S WOODWORTH LOOP STE 449	PALMER	AK	99645		\$40,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-3
18103449COG4	FREEMAN HOLDINGS OF ARKANSAS LLC		6700 SW TOPEKA BLVD # 610	TOPEKA	KS	66619		\$40,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-4
18103449COG5	MINK PHILIP & ANNA LIVING TRUST		18310 POTTER BLUFF CIR	ANCHORAG E	AK	99516		\$40,900.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-5
18103449COG6	SLEZEWSKI MICHELLE L		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$36,700.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-6
18103449COG6	HOLLOWAY RAY A		3001 WIDGEON LN APT 3	ANCHORAG E	AK	99508		\$36,700.00	1	\$3,237.14	T 7S R 13W SEC 1 Seward Meridian HM 2009003 LANDS END LODGES CONDOMINIUMS PHA SE 9 UNIT G-6

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 15-015**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING AN AMENDMENT TO BOB’S TROPHY CHARTER LEASE
8 ON TRACT 1-B FISHING HOLE SUBDIVISION NO. 2, TO PERMIT
9 TRANSFER OF THE LEASE TO WILSON STICK, INC. EXTEND THE
10 LEASE FOR A PERIOD OF 20 YEARS, AND AUTHORIZING THE CITY
11 MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS.

12
13 WHEREAS, The owner of Bob’s Trophy Charters have reached a tentative agreement to
14 sell the building and business to Wilson Stick, Inc.; and

15
16 WHEREAS, The buyer has requested an assignment of the lease and extension of the
17 lease term in order to complete the transaction and obtain the necessary financing; and

18
19 WHEREAS, Chapter 13.3 of the Lease Policy provides that the assignee shall submit a
20 new lease application form complete with all attachments and proposals following the
21 process described for new lease applications, and submit it along with any applicable fees to
22 the Lease Committee for review; and

23
24 WHEREAS, A Lease Application / Assignment Form has been submitted and found to
25 be complete and responsive pursuant to Chapter Five of the Lease Policy; and

26
27 WHEREAS, The City Administration has reviewed the application using the proposal
28 evaluation criteria contained in Chapter 6 of the Lease Policy and met with the applicant
29 pursuant to Chapter 5.1 B; and

30
31 WHEREAS, The Administration has concluded that the applicant has the experience,
32 financial capacity, investment plan, and growth potential to provide a significant benefit to
33 the City and justify an assignment of the lease; and

34
35 WHEREAS, Section 14.4 of the Lease Policy provides that “if a lessee intends to assign
36 the lease as part of the sale of the business located on the lease lot, the person who intends

37 to purchase the business may apply to extend the lease term to allow the continuation of the
38 business and secure financing for the purchase.”; and

39

40 WHEREAS, The new owner has applied for financing through First National Bank
41 Alaska and approval is contingent upon the lease term being extended.

42

43 WHEREAS, The Administration recommends assignment of the lease, transfer to the
44 new standard lease document, extension of the term to twenty years, and rent at appraised
45 value; and

46

47 WHEREAS, The Administration acknowledges that the Comprehensive Plan for the Spit
48 recognizes that retail may not be the highest and best use for this property; and

49

50 WHEREAS, The City reserves the right to utilize this parcel for its highest and best use;
51 and

52

53 WHEREAS, The Lease Committee reviewed the application and recommends approval;
54 and

55

56 WHEREAS, The Port and Harbor Advisory Commission reviewed the application at a
57 Special Meeting on February 17, 2015 and again at their Regular Meeting on February 25, 2015
58 and recommends approval.

59

60 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
61 assignment of the lease on Tract 1-B Fishing Hole Subdivision No. 2 to Wilson Stick, Inc. and
62 authorizes the City Manager to execute the appropriate documents.

63

64 BE IT FURTHER RESOLVED that should the City determine that this parcel is needed for
65 another purpose, the City will offer a comparable parcel for the lessee for the duration of the
66 lease term.

67

68 BE IT FURTHER RESOLVED that the term of the lease shall be twenty years, the rent
69 shall be appraised market rent, and the permitted uses shall be those included within the
70 lease.

71

72 PASSED AND ADOPTED by the Homer City Council this 23rd day of March, 2015.

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CITY OF HOMER

MARY E. WYTHE, MAYOR

ATTEST:

JO JOHNSON, MMC, CITY CLERK

Fiscal Note: N/A



Memorandum 15-030

TO: MAYOR BETH WYTHE & HOMER CITY COUNCIL
FROM: PORT & HARBOR ADVISORY COMMISSION
DATE: MARCH 3, 2015
SUBJECT: WILSON STICK, INC. PROPOSAL FOR BOB'S TROPHY CHARTERS LEASE

Per the City of Homer's Property Management Policies, after the Lease Committee has reviewed and made recommendations on Spit lease proposals, the Port and Harbor Advisory Commission shall supply their recommendations, along with the Lease Committee's, to City Council. At their meeting on February 25, 2015, the commission reviewed Wilson Stick, Inc.'s proposal for the transfer and extension of Bob's Trophy Charter Lease.

Background

Bob's Trophy Charters is currently in a lease with the City, which will be expiring March 31, 2018. David Morris, owner, has voiced to the City his desire to sell his charter business to Wilson Stick, Inc. under the pretext that they are able to take over the existing lease and receive a new, long-term lease without it going out to RFP.

Wilson Stick, Inc. has provided a business plan and letter to the Port and Harbor Advisory Commission. Below are their comments and recommendations:

"Harbormaster Hawkins commented that the original application was pretty thin and that this additional information is helpful in considering the lease.

Commissioner Zimmerman commented that he thinks it would be helpful to have something in the lease that if the city needs the property we can offer them another property to move to. It's hard to say what will happen on that part of the spit over the next 20 years and he hates to completely tie it down.

Relating to questions of future use in the marine industrial area by Commissioner Stockburger, Harbormaster Hawkins said the the addressed in the Comp Plan is to straighten Outer Dock Road and align it behind those leases rather than going through the middle of the camp ground. City Planner Abboud confirmed the lease property is zoned marine commercial. He said it's on the boundary of marine industrial and could be changed as circumstances change.

Commissioner Carroll said he thinks marine industrial could work in the area of the dredge spoils, and agrees with the idea of having language in the lease that the City could require they move to another lot, if the applicant agrees to it. But he doesn't want to limit business.

Commissioner Donich commented that the zoning allows for this business and doesn't see how they could deny the lease. If they did have a boat yard area, the lot next to it with the RV parking and the little store might be better since its back off the road.

ZIMMERMAN/STOCKBURGER MOVED THAT THE COMMISSION RECOMMENDS THIS LEASE IS ALLOWED TO BE TRANSFERRED WITH THE 20 YEARS BUT THE CAVEAT THAT SAYS THEY COULD BE MOVED IF A NEED ARISES FOR THE PROPERTY.

There was discussion that there aren't specific ideas for what an alternate use would be for the lot, that the Comp Plan doesn't call for a specific change, and that there aren't any proposals for another use.

Harbormaster Hawkins noted that they didn't talk about whether it should go out for RFP. He also noted that there is language in every lease that gives both parties the option to cancel the lease. It was also suggested that the lot has to be brought into compliance.

VOTE: YES: DONICH, ZIMMERMAN, ULMER, CARROLL, STOCKBURGER

Motion carried."

Recommendation

For informational purposes

RECEIVED

DEC 7 1992

City of Homer
Finance Dept.

BOOK 0218 PAGE 001

**LEASE AGREEMENT
BETWEEN
ALASKA'S HIGH HOPES CHARTERS & CO.
AND
CITY OF HOMER, ALASKA**

September 1992

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LEASE AGREEMENT

THIS LEASE ("Lease") is effective this 8th day of September, 1992, between the CITY OF HOMER, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "LESSOR", and ALASKA'S HIGH HOPES CHARTERS & CO., a corporation organized under the laws of the State of Alaska, hereinafter referred to as "LESSEE".

LESSOR and LESSEE agree as follows:

I. PROPERTY

1.01. Property

Subject to the terms, covenants, conditions, rights and obligations set forth in this Lease, LESSOR leases to LESSEE and LESSEE leases from LESSOR the following described property, to be replatted as Lot 92-2 pursuant to paragraph 1.05 and as shown in Exhibit A attached hereto:

Commencing at the Southeast Corner of Lot 3, according to Plat No. 89-34 of the Homer Spit in the Homer Recording District, Third Judicial District, Homer, Alaska; thence North 11°43'28" East, 122.38 feet to the True Point of Beginning (which is also the Northeast Corner of Lot 92-2); thence North 58°42'48" West, 74.47 feet (to the Northwest Corner of Lot 92-2); thence South 31°17'12" West, 94.03 feet (to the Southwest Corner of Lot 92-2); thence south 48°15'50" East, 50.85 feet to an angle point (on the South boundary of Lot 92-2); thence North 31°17'12" East, 62.40 feet to an angle point (on the East boundary of Lot 92-2); thence South 58°42'48" East, 38.97 feet to an angle point (on the East boundary of Lot 92-2); thence North 11°43'28" East, 43.35 feet to the True Point of Beginning, subject to all easements and restrictions of record and existing encroachments.

The parcel contains approximately 6,228.47 square feet and is referred to herein as the "Property".

1.02. Quiet Enjoyment, Restrictions, Easements, Etc.

LESSOR covenants and agrees that LESSEE, upon paying the rent and other charges herein provided for and observing and keeping the covenants, conditions and terms of this Lease on LESSEE's part to be kept or performed, shall lawfully and quietly hold, occupy and enjoy the Property during the term of this Lease without hindrance or molestation, subject, however,

to the rights and reservations expressed in the United States or State patent to the Property, the existing easements for roads, gas, electric, water, sewer and other utility lines, restrictions of record and to encroachments ascertained by physical inspection of the Property.

LESSOR retains and reserves the right to install, construct and maintain water and sanitary sewer mains and all associated appurtenances on the Property within a five-foot area on each side of the existing or proposed water and sanitary sewer mains shown in Exhibit A.

1.03. Property Accepted "As Is"

LESSEE acknowledges that it has inspected the Property and accepts the same "as is" and without reliance on any representations or warranties of LESSOR, its agents, servants or employees as to the physical condition of the Property, including, but not limited to, subsurface and soil conditions, the presence of any hazardous materials as defined in paragraph 14.03, or as to the habitability or fitness of the Property for any particular purpose.

1.04. No Subsurface Rights

This Lease confers no mineral rights or rights with regard to the subsurface of the land below the level necessary for the use of the Property as stated in this Lease. LESSOR makes no warranty or representation as to whether the Property is open or closed to mineral claims or leases under state or federal law.

1.05. Replat

LESSEE, at LESSEE'S expense, shall prepare and obtain approval of a replat of the Property as a separate single parcel. Such replat shall be completed within six months of the commencement of this Lease. LESSOR will cooperate with LESSEE in such efforts.

II. TERM

2.01. Lease Term

The term of this Lease shall commence on September 1, 1992, and end on August 31, 1997.

2.02. Renewal Options

LESSEE shall have the right to renew this Lease for two (2) additional, successive five (5) year periods, provided:

(a) that LESSEE shall exercise its option to renew not more than one (1) year and not less than 120 days prior to the last day of the term or renewal term of this Lease:

(b) that LESSEE is not in default of any term or condition of this Lease and has not made an assignment or subletting of this Lease or any interest in the Property without the written permission of the LESSOR as set forth in this Lease;

(c) that LESSEE shall exercise its option to renew only by sending written notice thereof in accordance with the provisions of paragraph 15.17 of this Lease; and

(d) that LESSEE shall exercise only one renewal option per term or renewal term, i.e., LESSEE shall not be entitled to exercise both renewal options during the same option renewal window.

2.03. Hold-Over

If LESSEE shall hold-over after the expiration of the term or any renewal term of this Lease such tenancy shall be from month to month, terminable upon 30 days' written notice given by either party at any time, subject to all the terms, covenants and conditions of this Lease, and shall not operate as a renewal or extension of this Lease.

2.04. Surrender of Possession

Upon expiration of the term of this Lease, whether by lapse of time or otherwise, LESSEE shall promptly and peaceably surrender the Property, and LESSEE agrees to execute, acknowledge and deliver to LESSOR a proper instrument in writing, releasing and quitclaiming to LESSOR all right, title and interest of LESSEE in and to the Property.

III. RENT, TAXES, ASSESSMENTS AND UTILITIES

3.01. Rent

LESSEE agrees to LESSOR a monthly rent of TWO HUNDRED THIRTY-THREE DOLLARS (\$233.00), plus tax, in advance on the first day of each month commencing on September 1, 1992 and continuing through November 30, 1992. Thereafter, LESSEE agrees to pay to LESSOR annual rent equal to the appraised market rent of the Property, payable in equal monthly amounts, plus tax, in advance on the first day of each month commencing on December 1, 1992. In no event shall the annual rent during the initial five-year term be

less than TWO THOUSAND EIGHT HUNDRED THREE DOLLARS (\$2,803.00) (\$.45 per square foot per annum), and in no event shall the annual rent for the initial five-year term exceed FOUR THOUSAND SEVEN HUNDRED THIRTY-FOUR DOLLARS (\$4,734.00) (\$.76 per square foot per annum). However, the limitations on minimum and maximum annual rent shall not apply to any renewal terms.

Rent shall be payable at the office of the City Manager, 491 East Pioneer Avenue, Homer, Alaska 99603-7624, or at such other place as LESSOR may designate in writing. Delinquent rent shall bear interest at the rate set forth in AS 45.45.010(a) as now enacted or hereinafter amended.

3.02. Appraisal of Property

The appraised market rent will be based on the fair market rental value of the Property, as if privately owned in fee simple, and shall not include the value of buildings or improvements placed on the Property by LESSEE (with the exception of utilities). The cost of the appraisal shall be paid by LESSEE, but if LESSEE fails to do so, LESSOR may pay the cost of the appraisal in which case the amount paid shall become additional rent immediately due and payable under this Lease. The fair market rental value shall be determined by a qualified real estate appraiser selected by mutual agreement of LESSOR and LESSEE. The appraiser's determination of fair market rent shall be conclusive as between the parties.

3.03. Adjustment of Rent

The Property will be reappraised as set forth in paragraph 3.02 at the beginning of any renewal term, i.e., September 1, 1997 and September 1, 2002 ("the rent adjustment date"). The market rental value shall be determined not less than six months before the rate adjustment date. If the determination of adjusted rent is made after the applicable adjustment date, LESSEE shall pay rent at one hundred ten percent (110%) of the rate applicable to the preceding five-year period until the adjusted rate is determined. Within thirty days after the appraisal is completed, LESSEE shall pay any difference between the adjusted market rent and the 110% of the preceding rent to LESSOR for the period affected by the adjustment; in no case, however, shall LESSEE be reimbursed if the adjusted market rent value is less than 110% of the preceding rent.

3.04. LESSEE to Pay Taxes

LESSEE agrees to pay prior to delinquency and directly to the taxing authorities in which the Property is located all applicable real property taxes levied or assessed upon or against the Property and all buildings and improvements

thereon during the term of this Lease. LESSEE further agrees to pay prior to delinquency and directly to the taxing authorities in which the Property is located all applicable personal property taxes on personal property situated on the Property and placed thereon by LESSEE, its agents, servants, or employees. LESSEE further agrees to pay prior to delinquency any other taxes for which it may be liable. LESSEE shall, within 30 days after any such tax, assessment or other charge, whether or not constituting a lien on the Property, shall become due and payable, produce and exhibit to LESSOR satisfactory evidence of payment thereof.

LESSEE acknowledges that it is subject to and will pay applicable municipal taxes, including property tax on LESSEE's leasehold interest in the Property.

3.05. LESSEE to Pay Assessments

LESSEE during the term of this Lease agrees to pay directly to the public authorities charged with collection thereof any and all assessments levied on the Property for any part or all of the costs of any public work or improvement assessed according to benefit found by the levying authority to accrue therefrom to the Property, provided, however, that if an option is given to pay such assessment(s) in installments, LESSEE may elect to pay the same in installments, and in such case LESSEE shall be liable only for such installments as shall become due during the term of this Lease. However, LESSOR, during the term of this lease, agrees to pay any and all assessments levied on the Property for any part or all of the costs of any water or sanitary sewer improvements assessed against the Property. LESSOR warrants and represents that there are currently no outstanding assessments levied on the Property for any part or all of the cost of any public work or improvement constructed by LESSOR.

3.06. Proration of Taxes and Assessments

If LESSEE's obligation to pay taxes or assessments commences or ends during a tax year by reason of commencement or termination of this Lease, such taxes or assessments shall be prorated between LESSOR and LESSEE.

3.07. Contest

LESSEE shall have the right to contest any taxes or assessments that LESSEE is obligated to pay under paragraphs 3.04 or 3.05 of this Lease. Such proceedings shall, if instituted, be conducted promptly at LESSEE's own expense and free from all expense to LESSOR. Before instituting any such proceedings, LESSEE shall pay under protest any such taxes or assessments, or shall furnish to LESSOR a surety bond written

by a company acceptable to LESSOR or other security acceptable to LESSOR, sufficient to cover the amount of such taxes or assessments, with interest for the period that such proceedings may reasonably be expected to take, and costs, securing the payment of such taxes or assessments, interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, LESSEE shall pay any such taxes or assessments at least 30 days before the time when the Property or any part thereof, might be forfeited. The proceedings referred to in this paragraph 3.07 shall include appropriate appeals from any order or judgments therein, but all such proceedings shall be begun as soon as reasonably possible after the imposition or assessment of any such taxes or assessments and shall be prosecuted to final adjudication promptly. In the event of any reduction, cancellation or discharge, LESSEE shall pay the amount that shall be finally levied or assessed against the Property or adjudicated to be due and payable, and, if there shall be any refund payable by the governmental authority with respect thereto, LESSEE shall be entitled to receive and retain the same, subject, however, to apportionment as provided in paragraph 3.06 of this Lease. LESSOR, at LESSOR's option, may, but shall not be obligated to, at LESSOR's own expense, contest any such taxes or assessments, which shall not be contested as set forth above, and, unless LESSEE shall promptly join with LESSOR in such contest and pay all costs and attorneys fees of LESSOR therein, LESSOR shall be entitled to receive and retain any refund payable by any governmental authority with respect thereof.

3.08. LESSEE to Pay Utility Charges

LESSEE shall pay or cause to be paid all charges for gas, oil, electricity, water, sewer, heat, snow removal, refuse removal and any and all other utilities or services used upon the Property throughout the term of this Lease, including any connection fees. LESSEE shall have certain utilities installed as set forth in paragraph 5.02.

3.09. LESSEE to Pay for City Services Related to the Property or to LESSEE's Operations

LESSEE shall pay for all services provided by the City of Homer which are related to the Property or to LESSEE's operations, including but not limited to port and harbor services and utilities, whether incurred by LESSEE, any subtenant or assignee of LESSEE, any other occupant or user of the Property, or any business entity owned in whole or in part by LESSEE or by one or more owners, partners, or shareholders of LESSEE.

3.10. Additional Rent and LESSOR's Right to Cure LESSEE's Default

All costs, expenses, charges, fees, taxes, assessments, and other sums that LESSEE assumes or agrees to pay pursuant to this Lease shall, at LESSOR's election, be treated as additional rent, and in the event of nonpayment, LESSOR shall have all rights and remedies provided in this Lease in the case of nonpayment of rent or of a breach of condition, at LESSOR's election. If LESSEE shall default in making any payment required to be made by LESSEE or shall default in performance of any term, covenant or condition of this Lease on the part of LESSEE to be kept, performed or observed that shall involve the expenditure of money by LESSEE, LESSOR at LESSOR's option may, but shall not be obligated to, make such payment, or, on behalf of LESSEE, expend such sum as may be necessary to keep, perform or observe such term, covenant or condition. Any and all sums so expended by LESSOR, with interest thereon at the legal rate of interest from the date of such expenditure until repaid, shall be additional rent and shall be repaid by LESSEE to LESSOR on demand, provided that no such payment or expenditure by LESSOR shall be deemed a waiver of LESSEE's default, nor shall it affect any remedy of LESSOR by reason of such default. If, however, any charge described in this paragraph is disputed by LESSEE and diligently appealed or litigated by LESSEE, nonpayment of such charge shall not be grounds for default or termination of this lease until such charge remains unpaid for 10 days following a final nonappealable determination adverse to LESSEE.

3.11 Security Deposit

Upon execution of this Lease, LESSEE shall deposit with LESSOR Seven Hundred Dollars (\$700.00) as security for the performance of LESSEE's obligations under this lease. Upon the commencement of any renewal term of this lease, LESSEE shall deposit with LESSOR any additional sums required to make the deposit equal to twenty-five percent (25%) of the adjusted annual rent under this Lease. If LESSEE is in default with respect to any covenant or condition of this Lease, including but not limited to the payment of rent, LESSOR may apply all or any portion of the security deposit to the payment of any sum in default or any damage suffered by LESSOR as result of the default, or any sum which LESSOR may be required to incur by reason of LESSEE's default. LESSEE shall upon demand deposit with LESSOR the amount so applied so that LESSOR shall have the full deposit on hand at all times during the term of this LEASE. If LESSEE has fully complied with all of the covenants and conditions of this LEASE such sum shall be repaid to LESSEE without interest within thirty (30) days after the expiration or termination of this Lease. The security deposit shall not bear interest, and LESSOR may

intermingle the security deposit with LESSOR's own funds and use such sum for such purposes as LESSOR may determine.

3.12. Personal Guarantee

The shareholders of Alaska's High Hopes Charters & Co. shall personally guarantee the performance of all covenants, conditions and obligations by LESSEE as set forth in Exhibit B.

IV. USE AND CARE OF THE PROPERTY

4.01. Use

LESSEE shall use the Property solely for the purpose of operating a charter service office. No other usage is authorized directly or by implication. LESSEE shall not conduct any illegal activities or maintain any nuisances on the Property.

4.02. Care of the Property

LESSEE at its own cost and expense shall keep the Property and all buildings and improvements that at any time may be situated thereon in good condition and repair during the term of this Lease, ordinary wear and tear excepted. The Property shall always be kept by LESSEE neat, clean and free of litter.

4.03. Restoration or Removal of Damaged Buildings and Improvements

In the event any buildings or improvements situated on the Property by LESSEE are damaged or destroyed by fire or other casualty, LESSEE shall at LESSEE's expense restore the same to good and tenantable condition or shall remove the same as soon as is reasonably possible, but in no event shall the period of restoration exceed 18 months nor shall the period of removal exceed 45 days.

4.04. Access Rights of LESSOR

LESSOR, its agents, servants or employees, shall have the right to enter into and upon the Property and all buildings or improvements situated thereon upon reasonable notice to LESSEE and during normal business hours (defined as 9 A.M. to 5 P.M. Monday through Friday except for holidays as defined in paragraph 15.06 of this Lease) for the purpose of inspecting the Property and all buildings and improvements situated thereon for compliance with the terms of this Lease.

4.05. Nuisances Prohibited

LESSEE shall immediately remove from the Property any of the following that are determined to be abandoned or junk vehicles, buildings, improvements, equipment, machinery or fixtures. LESSEE shall not permit any nuisance or public nuisance to exist or to be created or maintained on the Property. LESSEE agrees that any nuisance or public nuisance as defined by the Homer City Code, or any other code or regulations incorporated therein or otherwise adopted by ordinance or resolution of the City of Homer, may, after five days written notice to LESSEE, be removed by LESSOR without LESSEE's further permission, with use of force if necessary, and without incurring any civil or criminal liability therefor, with all the costs of such removal to be paid by LESSEE to LESSOR as additional rent under the terms of this Lease. This paragraph shall not be construed as any limitation on any other legal rights or remedies available to the City of Homer to abate any nuisance or to prosecute any violation of the Homer City Code.

4.06. Compliance with Laws

LESSEE shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting LESSEE's activities on the Property or any buildings or other improvements that may be situated thereon including, without limitation, the zoning ordinances of the City of Homer. LESSEE shall obtain, at LESSEE's sole expense, all approvals and permits required by local, state and federal authorities.

4.07. Radio Interference

At the LESSOR's request, the LESSEE shall discontinue the use of any machine or device that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

4.08. Signs

LESSEE shall be entitled to erect signs upon the Property which comply with the local sign ordinance. City Planning Department approval is required prior to the erection of any sign on the Property.

V. IMPROVEMENTS**5.01. LESSEE's Ownership of Buildings and Improvements**

It is expressly understood and agreed that any and all buildings and improvements of any nature whatsoever constructed or maintained on the Property by LESSEE shall be and remain the property of LESSEE and may be removed or

replaced by LESSEE at any time during the term of this Lease, subject, however, to paragraphs 5.03, 13.01 and 13.02 of this Lease.

5.02. Development of Site and Utilities

LESSEE shall develop the Property as follows:

(a) LESSEE shall, at its own expense, install a six-inch sanitary sewer main to the Property as shown on Exhibit A. The sanitary sewer main shall be designed and installed pursuant to LESSOR's specifications and in compliance with the Homer City Code. LESSOR shall provide the six-inch pipe. Ownership of the six-inch sanitary sewer main shall vest in LESSOR without further action upon completion of installation of the main. LESSEE shall, at its own expense, install a lead from the sanitary sewer main to one or more improvements on the Property. LESSEE shall, at its own expense, install a drain in any area where LESSEE will rinse fish so as to prevent bulk fish waste from entering the sanitary sewer system. The drain shall comply with the Homer City Code.

(b) LESSEE shall, at its own expense, temporarily tap into an existing water line on property owned by LESSOR to the south of and adjacent to the Property as shown on Exhibit A. LESSEE shall, at its own expense, install a curb box at the Property boundary to measure water consumption and shall install a lead from the curb box to the aforementioned property owned by LESSOR. LESSOR shall provide the piping and curb box. Ownership of the curb box and the lead from the Property boundary to LESSOR's adjacent property shall vest in LESSOR without further action upon completion of installation. LESSEE shall, at its own expense, run a lead from the curb box to one or more improvements on the Property. In the event that the City of Homer constructs a water main along Freight Dock Road, LESSEE shall, at its own expense, tap into that water main with six months after it becomes operational. All water leads shall be designed and installed pursuant to LESSOR's specifications and in compliance with the Homer City Code.

(c) LESSOR shall request that Homer Electric Association extend service to the Property boundary. LESSEE shall, at its own expense, have electric

service extended from the Property boundary to one or more improvements on the Property.

(d) LESSEE and LESSOR acknowledge that the site has not been filled or graded, and that the parties to this Lease contemplate that Richard E. Gregoire d/b/a Homer Rental Center (hereinafter "GREGOIRE") will fill and grade the property pursuant to the terms of a lease of Lot 92-1 (as shown in Exhibit A) from LESSOR. In the event that GREGOIRE does not execute a lease of Lot 92-2 from LESSOR, or fails to fill and grade the Property by October 1, 1992, LESSEE shall have no recourse or claim against LESSOR and the following provisions shall apply:

(i) The Property shall be filled, graded and made to drain pursuant to LESSOR's specifications by LESSEE, at LESSEE's own expense, on or before November 1, 1992. LESSOR shall provided the fill free of charge to LESSEE.

(ii) The number of cubic yards of fill placed on the Property by LESSEE multiplied by Two Dollars and Fifty Cents (\$2.50) shall be deducted from the rent otherwise due on December 1, 1992 for the period of December 1, 1992 through August 31, 1993 pursuant to paragraph 3.01. However, such rent deduction shall not exceed ONE THOUSAND EIGHT HUNDRED SEVENTY-FIVE DOLLARS (\$1,875) (750 cubic yards of fill multiplied by \$2.50). If LESSEE fails to complete filling and leveling of the Property before November 1, 1992, no deduction from rent shall be allowed.

5.03. Construction Prerequisites

No construction of any building or improvement shall be commenced unless the following events have occurred:

(a) LESSEE shall furnish to LESSOR proof that all applicable federal, state, and local permits have been obtained.

(c) LESSEE shall give LESSOR no less than five days written notice prior to the commencement of any construction, alteration or repair of any improvements constructed or made by LESSEE on the Property so that LESSOR may, if it so elects, give notice of nonresponsibility pursuant to AS 34.35, as now enacted or hereafter amended.

(d) LESSEE shall furnish to LESSOR certificates of insurance in the amounts and for the purposes specified in paragraphs 9.01 through 9.03.

(e) LESSEE shall from time to time deliver to LESSOR satisfactory proof that workers' compensation insurance has been procured to cover all persons employed in connection with the construction. Notice of any deficiency in this area to LESSEE will be cured immediately and no work will be performed on the project until the LESSOR has satisfactory proof that proper workers' compensation insurance is in place.

5.04. As-built Survey

Within 30 days after COMPLETION of construction of any improvements LESSEE shall provide LESSOR with three (3) copies of an as-built survey prepared by a registered professional surveyor, showing the location of all improvements, including buildings, underground utilities, pipelines, and pre-existing improvements.

5.05. LESSEE's Ownership of Trade Fixtures, Machinery and Equipment

It is expressly understood and agreed that any and all trade fixtures (including electrical fixtures), machinery, equipment of any nature whatsoever and other personal property of LESSEE at any time placed or maintained upon the Property by LESSEE shall be and remain property of LESSEE and may be removed or replaced at any time during the term of this Lease.

VI. ASSIGNMENT AND SUBLETTING

6.01. Assignment Without Consent Generally Prohibited

LESSEE shall not voluntarily assign or encumber its interest in this Lease or in the Property, or sublet all or any part of the Property, or allow any other person or entity (except LESSEE's authorized representatives, guests and invitees) to occupy or use all or any part of the Property without first obtaining LESSOR's consent. Any assignment, encumbrance or sublease without LESSOR's consent shall be voidable and, at LESSOR's election, shall constitute a default. Any request for LESSOR's consent shall be made to LESSOR in writing at least 30 days prior to the execution of the assignment, encumbrance or sublease. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this paragraph. Any assignment effected pursuant to this paragraph 6.01 shall require the assignee to assume the LESSEE's obligations hereunder. An assignment shall not release the LESSEE from

liability hereunder unless LESSOR so consents. Any sublease of the Property by LESSEE shall entitle LESSOR to twenty-five percent (25%) of the gross rental of the sublease and any other compensation paid for the right to use the Property as additional rent under this Lease. LESSEE shall promptly deliver to LESSOR a copy of any instrument or shall promptly notify LESSOR of any unwritten agreement which assigns, encumbers, subleases, or grants a right to use the Property. Sub-subleases are absolutely prohibited.

6.02. Change of Ownership

If LESSEE is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners owning twenty-five percent (25%) or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment under paragraph 6.01. If LESSEE is a corporation, any dissolution, merger, consolidation or other reorganization of LESSEE, or the sale or other transfer of a controlling percentage of the capital stock of LESSEE other than by devise or inheritance, or the sale of twenty-five percent (25%) of the value of the assets of LESSEE, shall be deemed a voluntary assignment under paragraph 6.01. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least twenty-five percent (25%) of the total combined voting power of all classes of LESSEE's capital stock issued, outstanding and entitled to vote for the election of directors. As to a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of such a LESSEE corporation will not be deemed to be a voluntary assignment. Attached as Exhibit C is a schedule describing the method of organization of LESSEE, each owner of LESSEE, and the percentage of ownership of each owner.

6.03. Costs of LESSOR's Consent to Be Borne by LESSEE

LESSEE agrees to pay to LESSOR, on demand, reasonable costs, including attorney's fees, incurred by LESSOR in connection with any request by LESSEE for LESSOR to consent to any assignment or subletting by LESSEE.

VII. LIENS

7.01. Prohibition of Liens

LESSEE shall not suffer or permit any liens, including without limitation, mechanic's or materialmen's liens, to be recorded against the Property. If any such liens shall be recorded against the Property, LESSEE shall cause the same to be removed, or, in the alternative, if LESSEE in good faith

desires to contest the same, LESSEE shall be privileged to do so, but in such case LESSEE hereby agrees to indemnify and save LESSOR harmless from all liability for damages occasioned thereby and shall, in the event of a judgment or foreclosure of such liens, cause the same to be discharged and removed prior to any attempt at execution of such judgment. Nothing contained in this Lease shall be construed to be a waiver of the provisions of AS 09.38.015(c), as may be amended from time to time.

VIII. INDEMNITY

8.01. Indemnity

LESSEE agrees to protect, indemnify and hold LESSOR harmless from and against any and all expenses, damages, claims, losses, and liability arising from acts or omissions of any person and of any nature whatsoever occurring on or relating to the Property or LESSEE's operations, causing injury to, or death of persons, or loss of, or damage to, property, and from any expense, including attorneys fees, incident to the defense of and by LESSOR therefrom. If any action or proceeding is brought against LESSOR by reason of any such occurrences, LESSOR shall promptly notify LESSEE in writing of such action or proceeding.

IX. INSURANCE

9.01. Liability Insurance

LESSEE, during the term of this Lease, shall carry at its expense commercial general liability insurance covering LESSEE's operations and the Property in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) combined single limit to protect against liability for bodily injury, death or property damage that might arise from the construction, occupancy or use of the Property and the operations conducted on, from or related to it. Such insurance shall insure performance by LESSEE of the indemnity provisions of paragraph 8.01.

9.02. Worker's Compensation Insurance

LESSEE, during the term of this Lease, shall carry at its expense Worker's Compensation Insurance in an amount not less than that required by statute.

9.03. Named Insured, Notice to LESSOR, and Waiver of Subrogation

All insurance policies required to be maintained by LESSEE under paragraph 9.01 shall name LESSOR, and its officers, employees and agents, as additional insureds, but shall not

contain any exclusion from coverage for LESSEE's liability for damages or loss incurred by LESSOR because of LESSOR's status as an additional insured. All policies issued under paragraph 9.01 shall contain a waiver of any subrogation rights any insurer might have against LESSOR. All policies issued under paragraphs 9.01 or 9.02 shall contain an agreement by the insurers to provide at least 30 days prior written notice to LESSOR of cancellation, expiration or substantial changes in policy conditions and coverage. LESSEE shall furnish insurance binders, certificates, and copies of all such insurance policies to LESSOR within seven days after the issuance thereof.

9.04 Fire and Extended Coverage Insurance.

LESSEE may at its own expense and in its own name obtain insurance against loss or damage by fire and such other risks as it determines to cover buildings, equipment, inventory, fixtures, personal property and improvements made to the Property by LESSEE subsequent to LESSEE's taking possession of the Property under this Lease.

X. CONDEMNATION

10.01. Condemnation

In the event the Property, or any part thereof or interest therein, shall be taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of LESSOR and LESSEE in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease shall be as provided in this Article X.

10.02. Total Taking

If all of the Property is taken or so transferred, this Lease and all the right, title and interest thereunder of LESSEE shall cease on the date title to the Property vests in the condemning authority.

10.03. Partial Taking - Termination of Lease

In the event the taking or transfer of part of the Property leaves the remainder of the Property in such location, or in such form, shape or reduced size, or so inaccessible as to be not effectively and practicably usable in the opinion of LESSEE for the purpose of operation thereon of LESSEE's business, then this Lease and all of the right, title and interest thereunder of LESSEE shall cease on the

date title to the Property vests in the condemning authority, and the condemning authority enters into possession.

10.04. Partial Taking - Continuation of Lease

In the event the taking or transfer of a part of the Property leaves the remainder of the Property in such location and in such form, shape or size, or so accessible as to be effectively and practicably usable in the opinion of LESSEE for the purpose of operation thereon of LESSEE's business, this Lease shall terminate and end as to the portion of the Property so taken or transferred as of the date title to such portion vests in the condemning authority and the condemning authority enters into possession, but shall continue in full force and effect as to the portion of the Property not so taken or transferred. If there is a partial taking and this Lease is not terminated, then the annual rent payable under this Lease shall abate for the portion of the Property taken in the proportion that such portion bears to all of the Property.

10.05. Compensation

Any compensation received or payable as a result of eminent domain proceedings or a transfer in lieu thereof shall belong to LESSOR, whether such compensation be awarded or paid as compensation for diminution in value of the leasehold or of the fee, and LESSEE shall make no claim against LESSOR for damages for termination of the leasehold or interference with LESSEE's business. LESSEE shall have the right to claim and recover from the condemning authority compensation for any loss to which LESSEE may be put for LESSEE's moving expenses, for interference with LESSEE's business, and for damages relating to any trade fixtures, machinery or equipment owned by LESSEE.

XI. DEFAULT AND TERMINATION

11.01. Default

Each of the following events shall be deemed an event of default by the LESSEE under this Lease and a breach of the terms, covenants and conditions of this Lease:

(a) A default in the payment of the rent and additional sums due under this Lease, or any part thereof, for a period of ten (10) days from the due date for the payment of such rent or additional sums.

(b) A default in the performance of any other term, covenant or condition on the part of the LESSEE to be kept, performed or observed for a period of 15 days after

LESSOR gives to LESSEE a written notice specifying the particular default or defaults; provided, however, that any default on the part of LESSEE in the performance of work or acts required by him to be done, or conditions to be modified, shall be deemed to be cured if steps are taken promptly (and in no event later than 15 days after such notice is given) by LESSEE to rectify the same and are prosecuted to completion with diligence and continuity.

(c) The use of the Property or buildings and improvements thereon for purposes other than those enumerated herein, to which LESSOR has not given its written consent.

(d) The abandonment of the Property by LESSEE. If the Property is deserted or unused by LESSEE for twelve consecutive months or more, it shall be deemed abandoned, even if LESSEE continues to pay rent.

11.02. LESSOR'S Remedies

In the event of any default by LESSEE as recited in paragraph 11.01 of this Lease, LESSOR shall have all of the below enumerated rights and remedies, all in addition to any rights and remedies that LESSOR may be given by statute, common law or otherwise. All rights of LESSOR shall be cumulative, and none shall exclude any other right or remedy. LESSOR's rights and remedies include the following:

(a) LESSOR may declare the term of this Lease ended by written notice to LESSEE. Upon termination of this Lease, LESSEE shall surrender possession and vacate the Property immediately, and deliver possession thereof to LESSOR, and LESSEE hereby grants to LESSOR full and free license to enter into and upon the Property in such event with or without process of law and to repossess LESSOR of the Property and to expel or remove LESSEE and any others who may be occupying or within the Property and to remove any and all property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing LESSOR's right to rent or any other right given to LESSOR hereunder or by operation of law.

(b) LESSOR may by written notice declare LESSEE's right to possession of the Property terminated without terminating this Lease. Upon such termination of LESSEE's right to possession, LESSOR shall have all the rights to repossess the Property and remove LESSEE and LESSEE's property that enumerated in subparagraph (a).

(c) LESSOR may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the term of this Lease, for any sum that LESSOR may deem reasonable, except as provided in subparagraph (e).

(d) LESSOR may collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) LESSOR may recover, whether this Lease be terminated or not, from LESSEE, damages provided for below consisting of items (i) and (ii), or at LESSOR's election, items (i) and (iii):

(i) actual attorney's fees and other expenses incurred by LESSOR by reason of the breach or default by LESSEE; and

(ii) an amount equal to the amount of all rent and additional sums reserved under this Lease, less the net rent, if any, collected by LESSOR on reletting the Property, which shall be due and payable by LESSEE to LESSOR on the several days on which the rent and additional sums reserved in this Lease would have become due and payable; that is to say, upon each of such days LESSEE shall pay to LESSOR the amount of deficiency then existing. Such net rent collected on reletting by LESSOR shall be computed by deducting from the gross rent collected all expenses incurred by LESSOR in connection with the reletting of the Property, or any part thereof, including broker's commission and the cost of renovating or remodeling the Property or the buildings or improvements thereon. However, LESSOR must make diligent efforts in reletting the Property to obtain a rental rate as close to or above that required of LESSEE under this Lease or LESSOR will not have access to the remedy set out in this subparagraph (e)(ii).

(iii) an amount to be due immediately on breach, equal to the difference between the rent and the fair and reasonable rental value of the Property for the same period. In the computation of such damages the difference between any installment of rent thereafter becoming due and the fair and reasonable value of the Property for the period for which such installment was payable shall be discounted to the date of such breach at the rate of eight percent (8%) per year.

(f) Reentry or reletting of the Property, or any part thereof, shall not be deemed a termination of this Lease, unless expressly declared to be so by LESSOR.

(g) If this Lease shall be deemed terminated, LESSEE's liabilities shall survive and LESSEE shall be liable for damages as provided in this paragraph 11.02.

11.03. Assignment of Rents to LESSOR

LESSEE immediately and irrevocably assigns to LESSOR, as security for LESSEE's obligations under this Lease, all rent from any subletting of all or a part of the Property as permitted by this Lease, and LESSOR, as assignee and attorney-in-fact for LESSEE or a receiver for LESSEE appointed on LESSOR's application, may collect such rent and apply it toward LESSEE's obligations under this Lease, except that, until the occurrence of an act of default by LESSEE, LESSEE shall have the right to collect such rent.

XII. BANKRUPTCY AND INSOLVENCY

12.01. Chapter 7

In the event that LESSEE shall file a petition, or an order for relief is entered against LESSEE, under Chapter 7 of the Bankruptcy Code, and the Trustee of LESSEE ("Trustee") shall elect to assume this Lease for the purpose of assigning the same, such election and/or assignment may only be made if all of the terms and conditions of paragraphs 12.03 and 12.04 hereof are satisfied. If such Trustee shall fail to elect to assume this Lease for the purpose of assigning the same within sixty (60) days after such Trustee shall have been appointed, this Lease shall be deemed to have been rejected. LESSOR shall be thereupon immediately entitled to exercise any remedies available to it under Article XI of this Lease, and this Lease shall be cancelled, but LESSOR's right to be compensated for damages in such bankruptcy proceedings shall survive.

12.02. Chapter 11 or 13

In the event that LESSEE files a Petition for reorganization under Chapters 11 or 13 of the Bankruptcy Code or a proceeding filed by or against LESSEE under any other chapter of the Bankruptcy Code is converted to a Chapter 11 or 13 proceeding and the Trustee of LESSEE ("Trustee") or LESSEE as debtor-in-possession fails to assume this Lease within sixty (60) days from the date of filing of the Petition or such conversion, the Trustee or debtor-in-possession shall be deemed to have rejected this Lease. If the Trustee of LESSEE or LESSEE as debtor-in-possession shall elect to assume this Lease for the purpose of assigning the same, such election and/or assignment may only be made if all of the terms and conditions of paragraphs 12.03 and 12.04 hereof are satisfied.

12.03. Election to Assume Lease

No election to assume this Lease shall be effective unless in writing and addressed to LESSOR and unless, in LESSOR's business judgment, all of the following conditions, which LESSOR and LESSEE acknowledge to be commercially reasonable, have been satisfied:

(a) The Trustee or the debtor-in-possession has cured or has provided LESSOR adequate assurance (as defined hereunder) that:

(i) within ten (10) days from the date of such assumption the Trustee or debtor-in-possession will cure all monetary defaults under this Lease; and

(ii) within 30 days from the date of such assumption the Trustee or debtor-in-possession will cure all non-monetary defaults under this Lease, or if the non-monetary default requires more than 30 days to cure, the Trustee or debtor-in-possession will within 30 days commence and proceed with diligence and continuity to cure the non-monetary defaults under this Lease.

(b) The Trustee or the debtor-in-possession has compensated, or has provided to LESSOR adequate assurance (as defined hereunder) that within 10 days from the date of assumption LESSOR will be compensated for any pecuniary loss incurred by LESSOR arising from the default of LESSEE, the Trustee, or the debtor-in-possession as recited in LESSOR's written statement of pecuniary loss sent to the Trustee or debtor-in-possession.

(c) The Trustee or the debtor-in-possession has provided LESSOR with adequate assurance of the future performance of each of LESSEE's obligations under this Lease; provided, however, that the obligations imposed upon the Trustee or debtor-in-possession shall continue with respect to LESSEE after the completion of bankruptcy proceedings.

(d) LESSOR has determined that the assumption of the Lease will not breach any provision in any other Lease by which LESSOR is bound relating to the Property.

12.04. Adequate Assurances

For purposes of paragraph 12.03, adequate assurance shall mean:

(a) LESSOR shall determine that the Trustee or the debtor-in-possession has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure LESSOR that the Trustee or debtor-in-possession will have sufficient funds to fulfill the obligations of LESSEE under this Lease; and

(b) an order shall have been entered segregating sufficient cash payable to LESSOR and/or there shall have been granted a valid and perfected first lien and security interest in property of LESSEE, Trustee or debtor-in-possession, acceptable as to value and kind to LESSOR, to secure LESSOR the obligation of the Trustee or debtor-in-possession to cure the monetary and/or non-monetary defaults under this Lease within the time period set forth above.

12.05. Assignment of Lease

If the Trustee or debtor-in-possession has assumed the Lease pursuant to the terms and provisions of paragraphs 12.01 and 12.02 for the purpose of assigning (or elects to assign) LESSEE's interest under this Lease, to any other person, such interest may be so assigned only if LESSOR shall acknowledge in writing that the intended assignee has provided adequate assurance as defined in this paragraph 12.05 of future performance of all of the terms, covenants and conditions of this Lease to be performed by LESSEE. For purposes of this paragraph 12.05, adequate assurance of future performance shall mean that LESSOR shall have ascertained that each of the following conditions has been satisfied:

(a) the assignee has submitted a current financial statement audited by a certified public accountant which shows a net worth and working capital in amounts determined to be sufficient by LESSOR to assure the future performance by such assignee of LESSEE's obligations under this Lease;

(b) if requested by LESSOR, the assignee shall have obtained guarantees in form and substance satisfactory to LESSOR from one or more persons whom LESSOR determines to be creditworthy;

(c) the assignee has submitted in writing evidence, satisfactory to LESSOR, of substantial experience in business operations of the same kind and comparable size to the business contemplated under this Lease; and

(d) LESSOR has obtained all consents or waivers from any third party required under any Lease by which LESSOR is bound to enable LESSOR to permit such assignment.

12.06. Written Consent Required For Transfer

Neither LESSEE's interest in this Lease, nor any lesser interest of LESSEE herein, shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, or otherwise by operation of law under the laws of any state having jurisdiction of the person or property of LESSEE ("state law") unless LESSOR shall consent to such transfer in writing. No acceptance by LESSOR of rent or other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to have waived, nor shall it waive, the need to obtain LESSOR's consent or LESSOR's right to terminate this Lease for any transfer of LESSEE's interest under this Lease without such consent.

12.07. Termination of Lease.

In the event LESSEE or any guarantor shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency law under state law, or if any proceedings are filed by or against any guarantor under the Bankruptcy Code, or any similar provisions of any future federal bankruptcy law, or if a receiver or trustee of the property of LESSEE or any guarantor shall be appointed under state law by reason of LESSEE's or any guarantor's insolvency or inability to pay its debts as they become due or otherwise, or if any assignment shall be made of LESSEE's or any guarantor's property for the benefit of creditors under state law; then and in such event LESSOR may, at its option, terminate this Lease and all rights of LESSEE hereunder without further obligation to LESSEE, by giving LESSEE written notice of the election to so terminate.

XIII. OWNERSHIP OF IMPROVEMENTS AND FIXTURES ON TERMINATION

13.01. LESSEE to Surrender Improvements; Removal on Order

Buildings, improvements, fixtures, machinery and equipment owned by LESSEE may be removed by LESSEE at its own expense from the Property upon the expiration or termination of this Lease; provided, that such removal shall not cause injury or damage to the Property, or if it does, LESSEE shall indemnify LESSOR for the full amount of such injury or damage. LESSEE shall remove all debris and residue resulting from LESSEE's use of the Property, and shall leave the Property in clean condition. Any improvements, buildings, structures,

fences, fixtures, machinery or equipment left on the Property by LESSEE shall be in good, safe and tenantable or operable condition, and title thereto shall vest in LESSOR without further action on the part of LESSEE or LESSOR. LESSEE shall not commit, create, leave or allow to exist on the Property any nuisance or public nuisance. LESSOR may extend the time for removal of improvements if: (1) LESSEE has promptly commenced removal; (2) hardship not caused by LESSEE is shown to LESSOR's satisfaction; and (3) LESSOR has received a written application for extension promptly made by LESSEE.

13.02. Other Property Not Removed

Any machinery, trade fixtures, equipment or other items of real or personal property, that are not removed from the Property on or before the expiration or termination of this Lease, or any extension granted, shall immediately become the property of LESSOR and title thereto shall vest in LESSOR without further action on the part of LESSEE or LESSOR. LESSOR may use, sell, destroy, or otherwise dispose of any such property in any manner that it sees fit, without further obligation to LESSEE.

13.03. Evidence of Title

Upon request LESSEE shall execute, acknowledge and deliver to LESSOR a proper instrument, in writing, conveying, releasing and quitclaiming to LESSOR all right, title and interest of LESSEE in and to such property and all improvements left on the Property after expiration or termination of this Lease.

XIV. HAZARDOUS MATERIALS

14.01. Use of Hazardous Materials on the Property

(a) LESSEE shall not cause or permit any Hazardous Materials (as defined herein) to be brought upon, kept or used in or about the Property by LESSEE or its authorized representatives or invitees, except for such Hazardous Materials as are necessary or useful to LESSEE's lawful use of the Property.

(b) Any Hazardous Materials permitted on the Property as provided in this paragraph, and all containers therefor, shall be handled, used, kept, stored and disposed of in a manner that complies with all laws or regulations applicable to any such Hazardous Materials. Such Hazardous Materials shall be handled only by properly trained personnel.

(c) LESSEE shall not discharge, leak or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, sewer system or any body of water, if such material (as reasonably determined by the LESSOR, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect (i) the health, welfare or safety of persons, whether located on the Property or elsewhere, or (ii) the condition, use or enjoyment of the Property or any other real or personal property.

(d) If any discharge, leak, spill, emission, or pollution of any type occurs upon or from the Property during the Lease term or any holdover, LESSEE will immediately notify LESSOR and all appropriate federal, state, and local authorities, and will act immediately to contain the spill, repair any damage, absorb and clean up the spill area and restore the Property to comply with the applicable portions of any federal, state, or local law or regulation then in effect.

(e) LESSEE hereby agrees that it shall be fully liable for all costs and expenses related to the handling, use, storage and disposal of Hazardous Materials brought or kept on the Property by the LESSEE, its authorized representatives, customers and invitees, and the LESSEE shall give immediate notice to the LESSOR of any violation or potential violation of the provisions of subparagraphs 14.01(a), (b), (c) and (d).

14.02. Indemnification of LESSOR

Any other provision of this Lease to the contrary notwithstanding, LESSEE shall defend, indemnify and hold harmless LESSOR and its authorized representatives, from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney, consultant and expert fees, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to any of the following not now present on the property:

(a) the presence, disposal, release, or threatened release of any such Hazardous Materials that are on, from, or affecting the Property, soil, water, vegetation, buildings, personal property, persons, animals, or otherwise;

(b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials;

(c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials; and/or

(d) any violation of any laws applicable thereto.

This paragraph 14.02 shall apply only if the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses: (i) occur in whole or in part during the term of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on, from, or related to the Property by LESSEE or its employees, agents, suppliers, customers, invitees, contractors, or sublessees.

The provisions of this paragraph 14.02 shall be in addition to any other obligations and liabilities LESSEE may have to LESSOR at law or equity and shall survive the termination of this Lease. In the event LESSEE asserts that it is not obligated to provide indemnification because the hazardous material at issue was present on the Property prior to the commencement of this Lease, LESSEE shall bear the burden of proving the hazardous material was present prior to commencement of the Lease.

14.03. Hazardous Material Defined

"Hazardous Material" is any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Alaska, or the United States government. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste" or a "hazardous substance" pursuant to local, state or federal law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder. "Hazardous Material" also includes, but is not restricted to, asbestos, polychlorobiphenyls ("PCB's") and petroleum and petroleum products.

XV. GENERAL PROVISIONS

15.01. Estoppel Certificates

Either party shall at any time and from time to time upon not less than 30 days' prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is unamended and in full force and effect (or, if there has been any amendment thereof, that the same is in full force

and effect as amended and stating the amendment or amendments), that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the rent and other charges have been paid in advance.

15.02. Conditions and Covenants

All the provisions of this Lease shall be deemed as running with the land, and shall be construed to be "conditions" as well as "covenants", as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

15.03. No Waiver of Breach

No failure by either LESSOR or LESSEE to insist upon the strict performance by the other of any term, covenant or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such terms, covenants or conditions. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

15.04. Attorney's Fees

If LESSOR is involuntarily made a party defendant to any litigation concerning this lease or the Property by reason of any act or omission of LESSEE, or if LESSOR is made a party to any litigation brought by or against LESSEE without any fault on the part of LESSOR, then LESSEE shall pay all amounts incurred and expended by LESSOR, including the fees of LESSOR's agents and attorneys and all expenses incurred in defense of such litigation.

15.05. Time of Essence

Time is of the essence of this Lease and of each provision.

15.06. Computation of Time

The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term "holiday" shall mean all holidays as defined by the statutes of Alaska.

15.07. Successors in Interest

Each and all of the terms, covenants and conditions in this Lease shall inure to the benefit of and shall be binding upon the successors in interest of LESSOR and LESSEE.

15.08. Entire Agreement

This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease, and no other agreement, statement or promise made by any party that is not contained in this Lease shall be binding or valid.

15.09. Governing Law and Venue

This Lease shall be governed by, construed and enforced in accordance with the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, shall be brought in the Third Judicial District of the State of Alaska.

15.10. Partial Invalidity

If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such provisions are considered by LESSEE to be integral to LESSEE's use of the Property for the purposes stated herein in which case LESSEE will have the authority to terminate this Lease upon 30 days' written notice to LESSOR.

15.11. Relationship of Parties

Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between LESSOR and LESSEE; and neither the method of computation of rent, nor any other provision contained in this Lease nor any acts of the parties, shall be deemed to create any relationship between LESSOR and LESSEE other than the relationship of LESSOR and LESSEE.

15.12. Interpretation

The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not for or against LESSOR or LESSEE as both LESSOR and LESSEE have had opportunity for the assistance of attorneys in drafting and reviewing this Lease.

15.13. Number and Gender

In this Lease, the neuter gender includes the masculine and the feminine, and the singular number includes the plural; the word "person" includes corporation, partnership, firm or association wherever the context so requires.

15.14. Mandatory and Permissive

"Shall", "will" and "agrees" are mandatory; "may" is permissive.

15.15. Captions

Captions of the paragraphs of this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

15.16. Amendment

This Lease is not subject to amendment except in writing executed by all parties hereto.

15.17. Delivery of Notices - Method and Time

All notices, demands or requests from one party to another shall be delivered in person or be sent by mail, certified or registered, postage prepaid, to the addresses stated in paragraph 15.18 and shall be deemed to have been given at the time of delivery or, if mailed, three days after the date of mailing.

15.18. Notices

All notices, demands and requests from LESSEE to LESSOR shall be given to LESSOR at the following address:

City Manager
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603

All notices, demands or requests from LESSOR to LESSEE shall be given to LESSEE at the following address:

David R. Morris
Alaska's High Hopes Charters & Co.
P.O. Box 2478
Homer, Alaska 99603

235-2100

15.19. Change of Address or Agent

Each party shall have the right, from time to time, to designate a different address or different agent for service of process by notice given in conformity with paragraph 15.17.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be duly executed as of the day and year first above written.

LESSOR:
CITY OF HOMER

Date: 09/22/92

By: Harry E. Gregoire
Harry E. Gregoire, Mayor

By: Richard Leland
Richard Leland, City Manager

ATTEST:

Mary V. Shannon
Mary V. Shannon
City Clerk

LESSEE:
ALASKA'S HIGH HOPES
CHARTERS & CO.

Date: 09/04/92

David R. Morris
By: David R. Morris

Its: President

STATE OF ALASKA

)
) ss.
)

THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 22nd day of September, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Harry E. Gregoire, known to me and to me known to be the Mayor of the CITY OF HOMER, and known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that he was authorized to execute the foregoing document by authority granted him by the CITY OF HOMER for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first hereinabove written.

EXHIBIT B

PERSONAL GUARANTEE

This Guarantee is dated as of May 1, 1992, by David R. Morris, whose address is P. O. Box 2478, Homer, Alaska 99603 (hereinafter referred to as the "Guarantor"), to the City of Homer (hereinafter called the "Owner").

Owner owns certain real property located in Homer, Homer Recording District, described as follows:

Commencing at the Southeast Corner of Lot 3, according to Plat No. 89-34 of the Homer Spit in the Homer Recording District, Third Judicial District, Homer, Alaska; thence North $11^{\circ}43'28''$ East, 122.38 feet to the True Point of Beginning (which is also the Northeast Corner of Lot 92-2); thence North $58^{\circ}42'48''$ West, 74.47 feet (to the Northwest Corner of Lot 92-2); thence South $31^{\circ}17'12''$ West, 94.03 feet (to the Southwest Corner of Lot 92-2); thence south $48^{\circ}15'50''$ East, 50.85 feet to an angle point (on the South boundary of Lot 92-2); thence North $31^{\circ}17'12''$ East, 62.40 feet to an angle point (on the East boundary of Lot 92-2); thence South $58^{\circ}42'48''$ East, 38.97 feet to an angle point (on the East boundary of Lot 92-2); thence North $11^{\circ}43'28''$ East, 43.35 feet to the True Point of Beginning, subject to all easements and restrictions of record and existing encroachments.

By Lease Agreement dated September 8, 1992 (the "Lease"), Owner has leased the Property to Alaska's High Hopes Charters & Co., an Alaska corporation, conditioned upon Guarantor's execution of this Guarantee.

Guarantor is the sole shareholder of Alaska's High Hopes Charters & Co. and has agreed to guarantee Lessee's performance of the terms and conditions of the Lease in consideration of Owner's agreement to lease the property to Alaska's High Hopes Charters & Co.

In consideration of the foregoing, Guarantor unconditionally guarantees for himself, and to be fully binding upon his heirs, successors and assigns, jointly and severally:

1. The prompt and complete payment by Lessee of all rental payments and financial obligations contained in or arising from the Lease, and any other agreements, instruments

or documents executed by Lessee in connection with the Lease.

2. The payment on demand and in full of any and all debts and liabilities of whatever kind which Lessee may now or hereafter owe or incur to Owner in respect to the Lease.

3. The payment of all damages, costs and expenses which by virtue of the Lease might become recoverable by Owner from Lessee.

4. All present and future indebtedness and liabilities of Lessee to any of the undersigned shall be at all times fully subordinated to obligations of Lessee to Owner and, if Owner so requests, the undersigned will collect any such indebtedness or liability and pay the same over to Owner. Owner may proceed directly against any or all of the undersigned without first proceeding against Lessee or any other security or pursuing any other remedy.

5. David R. Morris agrees to remain a shareholder, director and officer of Alaska's High Hopes Charters & Co.

6. From and after the date hereof, Guarantor shall provide prompt notice to Owner of all suits filed against Guarantor; all liens and encumbrances affecting Guarantor's assets; and all sales, transfers, assignments and conveyances of Guarantor's assets, including ownership in Alaska's High Hopes Charters & Co.

7. The undersigned hereby waives all demands, presents or notices, of whatever kind, including without limitation, notice of acceptance hereof or of any default by Lessee, as well as the benefit of any statute of limitations affecting the liabilities of Lessee or the undersigned, or the enforcement of this Guarantee.

8. In any insolvency, receivership, or bankruptcy proceedings involving the Lessee, Guarantor shall immediately assume and perform all obligations of Lessee to Owner. Guarantor's liability hereunder shall not be extinguished or diminished by any extension, increase or modification of the obligations of the Lease or of this Guarantee.

9. The undersigned agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by Owner in the enforcement of this Guarantee or arising out of any default, breach or failure of performance of the Lease by Lessee.

10. Guarantor acknowledges that Owner and Lessee may, from time to time, amend, modify or alter the Lease and the terms and conditions contained therein. Guarantor agrees that

such action shall not affect, diminish or extinguish his guarantee of Lessee's performance thereunder.

11. This Guarantee shall continue until all the terms of the Lease have been satisfactorily performed or otherwise discharged by the Lessee; and Guarantor shall not be released of his obligations hereunder so long as any claim of Owner against Lessee arising out of the Lease in any and all other documents executed in connection with the Lease is not settled or discharged in full.

12. This Guarantee shall inure to the benefit of Owner, and its successors, heirs and assigns.

13. All rights, powers and remedies given the Owner hereunder and under any other agreement between the Owner and the Guarantor shall be cumulative and not alternative, and shall be in addition to all rights, powers and remedies given the Owner by law or equity.

14. The liability assumed hereunder shall in no way be affected or diminished by reason of any extension of time that may be granted by the Owner to the Lessee or the Guarantor.

15. All terms which may be necessary to make this Guarantee legal may be implied by a court of competent jurisdiction.

16. If any provision of this Guarantee is invalid or unenforceable, all other provisions shall nevertheless remain in full force and effect. This Guarantee shall be construed and enforced according to the laws of the State of Alaska.



David R. Morris

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me
this 4th day of September, 1992, by David R. Morris

Mary L. Shannon
Notary Public in and for Alaska
My commission expires: 10/15/92

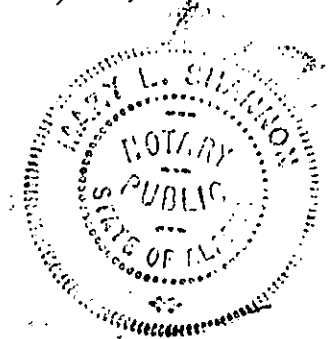


EXHIBIT C

SCHEDULE OF ORGANIZATION, OWNERS,
PERCENTAGE OF OWNERSHIP

Alaska's High Hopes Charters & Co. is organized as a corporation under the laws of the state of Alaska. The shareholders of the corporation are as follows:

NAME	SHARES	PERCENTAGE OF OWNERSHIP
David R. Morris	1,000	100%
TOTAL	1,000	100%

RETURN TO: CITY OF HOMER
491 E. PIONEER AVE.
HOMER, AK 99603

9 2-3 0 7 0

HOMER REC 132
DISTRICT
REQUESTED BY City of Homer

'92 SEP 30 PM 2 47

GROUND LEASE AND SECURITY AGREEMENT

BETWEEN

CITY OF HOMER, ALASKA

AND

ALASKA HIGH HOPES CHARTER & CO.

dba BOB'S TROPHY CHARTERS

March 25, 2008

GROUND LEASE AND SECURITY AGREEMENT

THIS GROUND LEASE AND SECURITY AGREEMENT ("Lease") is made as of this _____ day of _____, 2008, between the CITY OF HOMER, 491 East Pioneer Avenue, Homer, Alaska 99603, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "Landlord" and Alaska High Hope Charter & Co. dba Bob's Trophy Charters a _____ (type of entity) organized under the laws of the state of _____, whose address is P. O. Box 2478, Homer, AK 99603 ("Tenant").

Attached as **Exhibit A** is a schedule naming each owner of Tenant and describing the percentage of ownership of each. Also attached to Exhibit A are a certificate of good standing issued by the state under whose laws Tenant is organized, and, if Tenant is a foreign entity, a certificate of authority issued by the State of Alaska. Attached as **Exhibit B** is a true and correct copy of a resolution of Tenant authorizing Tenant to enter into this Lease and authorizing the undersigned individual(s) or officer(s) to execute the Lease on behalf of Tenant.

Landlord and Tenant agree as follows:

1. PROPERTY

1.01. Property

Subject to the terms, covenants, conditions, rights and obligations set forth in this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property:

Tract 1-B Fishing Hole Subdivision No. 2, Homer Recording District,
State of Alaska as depicted on Exhibit H.

Also known as Kenai Peninsula Borough Tax Parcel No. 181-031-18.

The described parcel contains approximately 6,692 square feet, more or less, and is referred to herein as the "Property."

1.02. Quiet Enjoyment, Restrictions, Easements, Etc.

Landlord covenants and agrees that Tenant, upon paying the rent and other charges herein provided for and observing and keeping the covenants, conditions and terms of this Lease on Tenant's part to be kept or performed, will lawfully and quietly hold, occupy and enjoy the Property during the term of this Lease without hindrance or molestation, subject, however, to the rights and reservations expressed in the U.S. or State patent to the Property, the existing easements for roads, gas, electric, water, sewer and other utility lines, restrictions of record and to encroachments ascertained by physical inspection of the Property.

1.03. Property Accepted "As Is"

Tenant acknowledges that it has inspected the Property and accepts the same "as is" and without reliance on any representations or warranties of Landlord, its agents, servants, or

employees as to the physical condition of the Property, including, but not limited to, subsurface and soil conditions, the presence of any hazardous waste as defined in paragraph 16.03, or as to the habitability or fitness of the Property for any particular purpose.

1.04. No Subsurface Rights

This Lease confers no mineral rights or rights with regard to the subsurface of the land below the level necessary for the use of the Property as stated in this Lease. Landlord makes no warranty or representation as to whether the Property is open or closed to mineral claims or leases under state or federal law.

2. TERM

2.01. Lease Term

The term of this Lease is five years, commencing on the first day of April, 2008 and ending on the last day of March, 2013 (the "Term").

2.02. Hold-Over

If Tenant holds over after the expiration of the term of this Lease and Landlord accepts payment of rent, Tenant's occupancy will be deemed a tenancy from month to month, terminable upon 30 days written notice given by either party at any time, subject to all the terms, covenants and conditions of this Lease, and will not operate as a renewal or extension of this Lease. Landlord is not required to accept Tenant's tender of rent or to agree to any extended tenancy.

2.03. Surrender of Possession

Upon expiration of the term of this Lease, whether by lapse of time or otherwise, Tenant must promptly and peaceably surrender the Property, and all buildings and improvements thereon, except as provided in paragraph 6.01. Tenant agrees to execute, acknowledge and deliver to Landlord a proper instrument in writing, releasing and quitclaiming to Landlord all right, title and interest of Tenant in and to the Property and all such buildings and improvements thereon under paragraph 6.01.

2.04. Renewal Options

Tenant will have the right to renew this Lease for one additional, consecutive five year periods ("Renewal Terms"), provided:

(a) that Tenant must exercise its option to renew not more than one year and not less than 120 days prior to the last day of the Term or current Renewal Term, as the case may be;

(b) that Tenant is not at that time materially in default of any term or condition of this Lease and has not made an assignment or subletting of this Lease or any interest in the Property except as permitted under this Lease;

(c) that Tenant must exercise its option to renew only by sending written notice thereof in accordance with the provisions of paragraph 17.17 of this Lease;

(d) that Tenant may exercise only one renewal option per Term or Renewal Term, as the case may be, i.e., Tenant will not be entitled to exercise more than one renewal option during each period of time described in subparagraph (a); and

(e) that at the time of exercise of the option the Tenant is still using the Property as required or permitted under this Lease.

3. RENT, TAXES, ASSESSMENTS AND UTILITIES

3.01. Rent

(a) **Initial Base Rent.** Tenant agrees to pay to Landlord an initial annual rent of \$5,355.00 (the "Base Rent"), payable monthly in advance in equal installments of \$446.25, plus tax. The first monthly payment is due on the first day of April, 2008, and subsequent monthly payments are due on the first day of each calendar month thereafter. Rent must be paid at the office of the City of Homer, 491 East Pioneer Avenue, Homer, Alaska 99603-7645, or at such other place as Landlord may designate in writing. Delinquent rent will bear interest at the rate set forth in AS 45.45.010(a) as now enacted or hereinafter amended.

(b) **Periodic Appraised Adjustment of Rent.** The Base Rent will be adjusted on January 1, 2013 and on January 1 every five years thereafter (each such January 1 is a "Five Year Rent Adjustment Date") to equal the then current fair market rental value of the Property, determined by appraisal as set forth in paragraph 3.01(d) not more than six months before the Five Year Rent Adjustment Date. In no event, however, will the adjusted Base Rent be less than the Base Rent, adjusted annually, during the year immediately prior to such Five Year Rent Adjustment Date. After such Five Year Rent Adjustment Date, the adjusted rent will thereafter be referred to as the Base Rent.

(c) **Annual Rent Adjustment.** In addition to the five year rent adjustments provided in paragraph 3.01(b), the Base Rent will also be adjusted annually (the "Annual Rent Adjustment") on the first day of January 2009, and on the first day of January every year thereafter, excluding each of the years of the five year rent adjustment, (each such day being an "Annual Rent Adjustment Date") throughout the Term and all Renewal Terms as follows:

(i) The base for computing the Annual Rent Adjustment is the Consumer Price Index for All Urban Consumers (CPI-U), Anchorage, Alaska, for All Items (1982-1984 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (the "Index"). For the first five years of the Term, the Index published for the second half of the calendar year immediately preceding the year in which the Term of this Lease commences is the "Beginning Index". Thereafter, the Index published for the second half of the calendar year immediately preceding the year of the most recent Five Year Rent Adjustment Date is the "Beginning Index." The Index published for the second half of the calendar year nearest, but preceding, the Annual Rent Adjustment Date will be the "Extension Index". On each Annual Rent Adjustment Date the Base Rent will be adjusted to equal the Base Rent determined according to paragraph 3.01(a) or 3.01(b), as the case may be, increased by a percentage equal to the percentage increase from the Beginning Index to the Extension Index. In no case will the Base Rent be reduced because of a decrease in the Index. Landlord will promptly provide written notice to Tenant of the adjustment of the Base Rent, but its failure to do so will not relieve Tenant of the obligation to pay the adjusted Base Rent commencing as of the Annual Rent Adjustment Date.

(ii) If the Index is changed so the base year differs from that used as of the commencement of the term of this Lease, the Index must be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced will be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

(d) **Appraisal of Property.** For purposes of paragraph 3.01(b), the appraised market rent will be based on the fair market rental value of the property, as if privately owned in fee simple, and will not include the value of buildings or improvements placed on the Property by Tenant (with the exception of utilities). The cost of the appraisal must be paid by Tenant, but if Tenant fails to do so, Landlord may pay the cost of the appraisal and the amount paid will become additional rent immediately due and payable under this Lease. The fair market rental value will be determined by a qualified real estate appraiser selected by mutual agreement of Landlord and Tenant. The appraiser's determination of fair market rent will be conclusive between the parties.

3.02. Tenant to Pay Taxes

Tenant agrees to pay prior to delinquency and directly to the taxing authorities in which the Property is located a applicable real property taxes levied or assessed upon or against the Property and all buildings and improvements thereon during the term of this Lease. Tenant further agrees to pay prior to delinquency and directly to the taxing authorities in which the Property is located all applicable personal property taxes on personal property situated on the Property and placed thereon by Tenant, its agents, servants, or employees. Tenant further agrees to pay prior to delinquency any other taxes for which it may be liable. Tenant must, within thirty (30) days after any such tax, assessment or other charge, whether or not constituting a lien on the Property, becomes due and payable, produce and exhibit to Landlord satisfactory evidence of payment thereof.

Tenant acknowledges that it is subject to and will pay applicable municipal taxes, including property tax on Tenant's leasehold interest in the Property.

3.03. Tenant to Pay Assessments

Tenant during the term of this Lease agrees to pay directly to the public authorities charged with collection thereof any and all assessments levied on the Property for any part or all of the costs of any public work or improvement assessed according to benefit found by the levying authority to accrue therefrom to the Property, provided, however, that if an option is given to pay such assessment(s) in installments, Tenant may elect to pay the same in installments, and in such case Tenant will be liable only for such installments as may become due during the term of this Lease. Landlord warrants and represents that there are currently no outstanding assessments levied on the Property for any part or all of the cost of any public work or improvement constructed by Landlord, except as follows: none.

3.04. Proration of Taxes and Assessments

If Tenant's obligation to pay taxes or assessments commences or ends during a tax year by reason of commencement or termination of this Lease, such taxes or assessments will be prorated between Landlord and Tenant.

3.05. Contest

Tenant has the right to contest any taxes or assessments that Tenant is obligated to pay under paragraphs 3.02 or 3.03 of this Lease. Such proceedings must, if instituted, be conducted promptly at Tenant's own expense and free from all expense to Landlord. Before instituting any such proceedings, Tenant must pay under protest any such taxes or assessments, or must furnish to Landlord a surety bond written by a company acceptable to Landlord or other security acceptable to Landlord, sufficient to cover the amount of such taxes or assessments, with interest for the period that such proceedings may reasonably be expected to take, and costs, securing the payment of such taxes or assessments, interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, Tenant must pay any such taxes or assessments at least thirty (30) days before the time when the Property or any part thereof, might be forfeited. The proceedings referred to in this paragraph 3.05 may include appropriate appeals from any order or judgments therein, but all such proceedings must be begun as soon as reasonably possible after the imposition or assessment of any such taxes or assessments and must be prosecuted to final adjudication promptly. In the event of any reduction, cancellation or discharge, Tenant must pay the amount that is finally levied or assessed against the Property or adjudicated to be due and payable, and if there is any refund payable by the governmental authority with respect thereto, Tenant will be entitled to receive and retain the same, subject, however, to apportionment as provided in paragraph 3.04 of this Lease. Landlord, at Landlord's option, may, but is not obligated to, at Landlord's own expense contest any such taxes or assessments that are not contested by Tenant as set forth above, and, unless Tenant promptly joins with Landlord therein, Landlord will be entitled to receive and retain any refund payable by any governmental authority with respect thereof.

3.06. Tenant to Pay Utility Charges

Tenant must pay or cause to be paid all charges for gas, oil, electricity, water, sewer, heat, snow removal, refuse removal and any and all other utilities or services used upon the Property throughout the term of this Lease, including any connection fees.

3.07. Tenant to Pay for City Services Related to the Property or to Tenant's Operations

(a) Tenant must pay for all services provided by the City of Homer that are related to the Property or to Tenant's operations, including but not limited to Port and Harbor services, whether incurred by Tenant, or any business entity owned in whole or in part by Tenant or by one or more partners of Tenant.

(b) Tenant must pay for wharfage, crane use, ice, and other Port and Harbor services at the rates published in the Port and Harbor of Homer Terminal Tariff, which is subject to change from time to time. In the event the City of Homer changes the method of establishing or publishing any or all such rates, then Tenant must pay for such services at the rates so established by such changed method. Tenant further agrees to provide the City of Homer with the necessary information to determine wharfage, crane use, ice and other Port and Harbor service charges, to keep written records of such information for not less than six years after such charges are due, and, upon request, to make such records available to the City of Homer for audit.

3.08. Additional Rent and Landlord's Right to Cure Tenant's Default

All costs and expenses that Tenant assumes or agrees to pay pursuant to this Lease will, at Landlord's election, be treated as additional rent, and in the event of nonpayment, Landlord will have all rights and remedies provided in this Lease in the case of nonpayment of rent or of a breach of condition, at Landlord's election. If Tenant defaults in making any payment required to be made by Tenant or defaults in performance of any term, covenant or condition of this Lease on the part of Tenant to be kept, performed or observed that involves the expenditure of money by Tenant, Landlord at Landlord's option may, but is not obligated to, make such payment, or, on behalf of Tenant, expend such sum as may be necessary to keep, perform or observe such term, covenant or condition, and any and all sums so expended by Landlord, with interest thereon at the legal rate of interest from the date of such expenditure until repaid, will be, and will be deemed to be, additional rent and must be repaid by Tenant to Landlord, on demand, provided, however, that no such payment or expenditure by Landlord will be deemed a waiver of Tenant's default, nor will it affect any remedy of Landlord by reason of such default.

3.09 Security Deposit

Upon execution of this Lease, Tenant must deposit with Landlord 10% of the Base Rent (i.e., the sum of \$535.50) as security for the performance of Tenant's obligations under this Lease. Landlord will invest the security deposit in an interest bearing account in Landlord's name, subject to Tenant's approval, which will not be unreasonably withheld. If Tenant is in default with respect to any covenant or condition of this Lease, including but not limited to the payment of rent, Landlord may apply all or any portion of the security deposit, including interest earned thereon, to the payment of any sum in default or any damages suffered by Landlord as result of the default, or any sum that Landlord may be required to incur by reason of Tenant's default. Tenant must upon demand deposit with Landlord the amount so applied so that Landlord will have the full deposit on hand at all times during the Term or Renewal Term of this Lease. If Tenant has fully complied with all of the covenants or conditions of the Lease, the Landlord will remit to the Tenant the security deposit, including any interest on deposit, within thirty days after the expiration or termination of this Lease. On each Annual Rent Adjustment Date and each Five Year Rent Adjustment Date, the principal amount of the security deposit will be adjusted to equal ten percent of the annual rent, after making the required adjustment under paragraph 3.01. Within 30 days of notification of the adjustment of the annual rent, Tenant must deposit with Landlord the amount of the increase in the security deposit.

4. GRANT OF SECURITY INTEREST

To secure Tenant's obligation for payment of rent and all other sums agreed to be paid by Tenant under this Lease, Tenant hereby grants to Landlord a lien and security interest in the following collateral: (1) all security deposits or other monies owing from Landlord to Tenant (as collateral in the possession of the secured party); (2) all insurance proceeds from any policy insuring the Property or improvements thereon against environmental contamination or pollution; (3) all compensation payable to Tenant as a result of eminent domain proceedings or a transfer in lieu thereof; and (4) all rents from Tenant's subletting of all or a part of the Property. Said lien and security interest will be in addition to Landlord's liens provided by law.

This Lease constitutes a security agreement under the Uniform Commercial Code as enacted in Alaska ("UCC"), and Landlord will have all rights and remedies afforded a secured party under the UCC. Tenant must execute, as debtor, such financing statement or statements as Landlord may now or hereafter reasonably request further evidencing said security interest.

5. USE AND CARE OF THE PROPERTY

5.01. Use

Tenant warrants that it has not entered into this Lease for purposes of speculation or for reserve for future uses, but rather to immediately and fully use and develop the Property. Except as otherwise provided herein, Tenant must use the Property for the following purposes:

Fishing charter business including fishing packages that offer overnight accommodations for charter clients, and the sale of fishing related items.

Tenant must use the Property for no other purposes without the Landlord's written consent, which consent will not be unreasonably withheld. Tenant's use must comply with the zoning code. Tenant must not use the Property for any unlawful purpose and must comply with all applicable statutes, laws and ordinances during the entire term of the lease and any extension or renewal thereof. If Tenant ceases to use the Property for the approved purposes, Landlord may, as one of its remedies, terminate this Lease upon thirty days written notice.

5.02. Care of the Property

Tenant at its own cost and expense must keep the Property and all buildings and improvements that at any time may be situated thereon in good condition and repair during the term of this Lease, ordinary wear and tear excepted. The Property must always be kept by Tenant neat, clean and free of litter.

5.03. Restoration or Removal of Damaged Buildings and Improvements

Except as provided in paragraph 6.02, in the event any buildings or improvements situated on the Property by Tenant are damaged or destroyed by fire, earthquake, tsunami, or other casualty, Tenant must at Tenant's expense restore the same to good and tenantable condition or must remove the same as soon as is reasonably possible, but in no event may the period of restoration exceed eighteen (18) months nor may the period of removal exceed forty-five (45) days.

5.04. Property Returned to Previous Condition

At the termination of this Lease, Tenant must remove all debris and return the Property clean and in as good order and condition as when the Tenant took possession, failing which Landlord may restore the Property to such condition and Tenant must pay the cost thereof on demand. This paragraph does not require the removal of buildings, improvements, or fixtures upon termination of the Lease, which are governed by other provisions of this Lease.

Tenant acknowledges that it took possession and has continuously occupied the Property prior to the Term of this Lease, commencing on August 31, 2007. The obligations created by this paragraph and other provisions of this Lease referring to the time of Tenant's possession or occupancy of the Property relate back to that date.

5.05. Access Rights of Landlord

Landlord, its agents, servants, or employees, have the right to enter into and upon the Property and all buildings or improvements situated thereon upon reasonable notice to Tenant and during normal business hours (defined as 9 a.m. to 5 p.m. Monday through Friday, except for holidays as defined in paragraphs 17.06 of this Lease) for the purpose of inspecting the Property and all buildings and improvements situated thereon for compliance with the terms of this Lease.

5.06. Nuisances Prohibited

Tenant must immediately remove from the Property any abandoned or junk vehicles, buildings, improvements, equipment, machinery or fixtures. Tenant must not permit any nuisance or public nuisance to exist or to be created or maintained on the Property. Tenant agrees that any nuisance or public nuisance, under the common law, statute, or as defined by the Homer City Code, or any other code or regulations incorporated therein or otherwise adopted by ordinance or resolution of the City of Homer, may, after fifteen (15) days written notice to Tenant, or after four (4) hours notice in writing, by telephone, facsimile, or in person to Tenant if Landlord makes a written finding that such nuisance or public nuisance constitutes a threat of imminent harm to public health, safety or welfare, be removed or abated by Landlord without Tenant's further permission, with use of force if necessary, and without incurring any civil or criminal liability therefor. All the costs of such removal must be paid by Tenant to Landlord as additional rent under the terms of this Lease. This paragraph may not be construed as any limitation on any other legal rights or remedies available to the City of Homer to abate any nuisance or to prosecute any violation of the Homer City Code.

5.07. Compliance with Laws

Tenant must comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting Tenant's activities on the Property or any buildings or other improvements that may be situated thereon.

5.08. Radio Interference

At Landlord's request, the Tenant must discontinue the use of any machine or device that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

5.09. Signs

Tenant may erect signs upon the Property that comply with state and local sign laws and ordinances. City Planning Department approval is required prior to the erection of any sign on the Property.

5.10 Garbage Disposal

Tenant is responsible for removing all garbage generated by Tenant's business to a Kenai Peninsula Borough solid waste facility or transfer station. Tenant must not use the Landlord's Homer Spit garbage disposal facilities.

6. IMPROVEMENTS

6.01. Ownership of Buildings and Improvements

(a) Any and all buildings, fixtures, and improvements of any nature whatsoever constructed or maintained on the Property by Tenant will be and remain the property of Tenant at all times during the Term and any Renewal Terms and may be removed or replaced by Tenant, subject, however, to the obligations concerning the Required Improvements set forth in paragraph 6.02.

(b) Upon the expiration or termination of the Lease, all buildings, improvements, and fixtures must remain upon the Property and must be surrendered with the Property to Landlord, unless Landlord elects to require the removal of any or all of such property. If Landlord requires that buildings, improvements, and fixtures, or any part of them, be removed, Tenant must remove the same at its expense and repair or pay Landlord the cost of repairing any damage resulting from such removal. Approximately 60 days prior to the Tenant's scheduled vacation of the Property, Landlord and Tenant will meet and Landlord will advise Tenant what items must be removed and what items must remain.

6.02. Required Improvements

(a) Tenant must, at Tenant's sole expense, construct certain Required improvements on the Property. Tenant must at all times during the Term and any Renewal Term keep and maintain the Required Improvements, or their equivalent of equal or greater value, as the minimum development on the Property. The Required Improvements are:

No construction of new Required Improvements is required. The Required Improvements are those existing improvements in place as of the commencement of this Lease, which Tenant must maintain in place.

Tenant's proposed site plan and floor plans for the Required Improvements are attached as **Exhibit C** and **Exhibit D**. Tenant must commence construction of the Required Improvements within one year of the date of commencement of the Term and Complete construction within one additional year. When Completed, the Required Improvements must have an appraised value of not less than \$ not applicable .

(b) Tenant warrants that it has not entered into this Lease for the purpose of speculation, but in order to fully develop the Property with such Required Improvements and to actually use the Property for Tenant's proposed operations. Tenant's promise to timely construct the Required Improvements and operate on the Property is a major and material consideration to Landlord in granting this Lease.

(c) In the event the Required Improvements are damaged or destroyed by fire, earthquake, tsunami or other casualty, Tenant must, at Tenant's expense, restore or replace the same to good and tenable condition as soon as is reasonably possible, but in no event may the period of restoration or replacement exceed 12 months. Modifications to the Required Improvements will be allowed only if approved by Landlord, whose approval will not be unreasonably withheld. If any damage or casualty to the Required Improvements occurs within three years of the end of the Term or any Renewal Term, Tenant may, in lieu of restoring or replacing the Required Improvements, terminate this Lease by giving written notice of termination to Landlord within 120 days after such damage or casualty.

6.03. Construction Prerequisites

(a) No construction on the Property, including but not limited to the Required Improvements, may be commenced unless the following events have occurred:

(i) Not less than 30 days prior to the intended start of construction, Tenant must submit to Landlord for its approval preliminary plans and specifications and an application for a City of Homer zoning permit. The preliminary plans and specifications must show the layout of proposed buildings and other improvements, ingress and egress, dimensions and locations of utilities, drainage plan, and any other information required for the zoning permit or other required permits. Tenant must also provide an engineer's or architect's estimate that, when constructed according to the preliminary plans and specifications, the Required Improvements will satisfy the minimum value requirement of paragraph 6.02. Landlord will not unreasonably disapprove preliminary plans and specifications. Approval or disapproval must be communicated in the manner provided for notices, and disapproval must be accompanied by specification of the grounds for disapproval.

(ii) Tenant must prepare final working plans and specifications substantially conforming to preliminary plans previously approved by Landlord, submit them to the appropriate governmental agencies for approval, and deliver to Landlord one complete set as approved by the governmental agencies. Changes from the preliminary plans will be considered to be within the scope of the preliminary plans if they are not substantial or if they are made to comply with suggestions, requests, or requirements of a governmental agency or official in connection with the application for permit or approval.

(iii) Not less than five days prior to the commencement of any construction, Tenant must give written notice of intent to commence construction and furnish to Landlord proof that all applicable federal, state, and local permits have been obtained or applications therefor have been submitted to the appropriate governmental agency.

(iv) Not less than five days prior to the commencement of any construction, Tenant must furnish to Landlord current certificates of insurance in the amounts and for the purposes specified in paragraphs 11.01 through 11.04 of this Lease.

(v) Not less than five days prior to the commencement of any construction, Tenant must deliver to Landlord satisfactory proof that workers' compensation insurance has been procured to cover all persons employed in connection with the construction. Upon notice to Tenant of any deficiency in workers' compensation coverage, such deficiency must be cured immediately, and no work will be performed on the project

until Tenant has provided Landlord satisfactory proof that proper workers' compensation insurance is in place.

(b) On Completion of the improvements, Tenant must give Landlord notice of all changes in plans or specifications made during the course of the work. Landlord acknowledges that it is common practice in the construction industry to make numerous changes during the course of construction on substantial projects. Changes that do not substantially alter plans and specifications previously approved by Landlord do not constitute a breach of Tenant's obligations, but Tenant must nevertheless give Landlord notice of such changes.

(c) At any time and from time to time, Tenant may, but is not obligated to, construct or otherwise make new improvements on any part or all of the Property and to demolish, remove, replace, alter, relocate, reconstruct, or add to existing improvements in whole or in part; provided that Tenant is not then in default under any condition or provision of this Lease and provided further the Required Improvements, or their equivalent of equal or greater value, are always maintained on the Property. All salvage will belong to Tenant. Once any work is begun, Tenant must with reasonable diligence prosecute to completion all construction of improvements, additions, alterations, or other work.

6.04. As-Built Survey

Within thirty (30) days after Completion of construction of any improvements on the Property involving construction, alteration, addition, removal or demolition of the foundation, structure, utility services, ingress and egress, or any major changes of all or any part of any structure or improvement on the Property, Tenant must provide Landlord with three (3) copies of an as-built survey of the Property prepared by a registered professional surveyor, showing the location of all improvements on the Property, including underground utilities, pipelines, and pre-existing improvements.

6.05 Definitions

As used in this Article 6 of this Lease, the following terms and phrases will have the meanings given here, unless the context requires otherwise:

"Complete" and "Completion" mean that construction is finished and the improvement is fully operational and ready for occupancy or use for its intended purpose, including, but not limited to, the receipt of any applicable certificate of occupancy and other applicable permits, licenses, certificates, or inspection reports necessary to the improvement's legally authorized use. The existence of a contractor's punch list of items to be performed to finish the project will not prevent the construction from being Complete if the improvement otherwise meets the requirements of this definition.

"Excusable Delay" means delay due to strikes, act of God, inability to obtain labor or materials, governmental requirements, such as laws and requirements of any governmental authority having jurisdiction over the improvements or over any permits or licenses needed for Tenant's proposed operations, removal of Hazardous Materials discovered at any time after the Commencement Date, enemy action, civil commotion, fire, unusual inclement weather, unavoidable casualty or similar causes beyond the reasonable control of Tenant.

6.06 Extensions of Time for Completion of Required Improvements

An extension of the time to Complete the Required Improvements will be granted for the period of time of any Excusable Delay (as defined in paragraph 6.05); provided Tenant has commenced construction in a timely manner and is proceeding diligently to complete construction.

7. RESERVED

8. RESTRICTIONS ON TRANSFER

8.01. Assignment or Sublease Without Consent Generally Prohibited

Tenant must not voluntarily assign, encumber or sublease its interest in this Lease or in the Property without first obtaining Landlord's consent. Any assignment, encumbrance or sublease without Landlord's consent will be voidable and, at Landlord's election, will constitute a default. Any request for Landlord's consent must be made to Landlord in writing at least thirty (30) days prior to the proposed effective date of the assignment, encumbrance or sublease. No consent to any assignment, encumbrance or sublease will constitute a further waiver of the provisions of this paragraph. Any assignment effected pursuant to this paragraph 8.01 must require the assignee to assume the Tenant's obligations hereunder. An assignment will not release the Tenant from liability hereunder unless specifically so provided in writing and approved by Landlord. Tenant must promptly deliver to Landlord a copy of any instrument or must promptly notify Landlord of any unwritten agreement, that assigns, encumbers or subleases the Property. Landlord's consent to assign, encumber or sublease the Property will not be withheld unreasonably.

8.02. Change of Ownership

If Tenant is a partnership or limited liability company a withdrawal or change, voluntary, involuntary or by operation of law, of any partner(s) or member(s) owning twenty-five percent (25%) or more of the entity, or the dissolution of the entity, will be deemed a voluntary assignment under paragraph 8.01. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of twenty-five percent (25%) of the value of the assets of Tenant, will be deemed a voluntary assignment under paragraph 8.01. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least twenty-five percent (25%) of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for the election of directors. As to a corporation the stock of which is traded through an exchange or over the counter, a sale or other transfer of a controlling percentage of the capital stock of such a Tenant corporation will not be deemed to be a voluntary assignment.

8.03. Costs of Landlord's Consent to be Borne by Tenant

Tenant must pay Landlord's reasonable costs, including attorney's fees, and the expenses of due diligence inquiries, incurred by Landlord in connection with any request by Tenant for Landlord to consent to any assignment or subletting by Tenant.

8.04. Additional Rent For Sublease.

If Landlord gives its written consent, Tenant may sublet all or a portion of the Property. If any rent accrues to Tenant as the result of such sublease that exceeds the pro rata share of rent then being paid by Tenant for the portion of the Property being sublet, then 25% of such excess rent must be paid by Tenant to Landlord as additional rent.

9. PROHIBITION OF LIENS

Tenant must not suffer or permit any liens, including without limitation, mechanic's or materialmen's liens, to be recorded against the Property. If any such liens are recorded against the Property, Tenant must cause the same to be removed, or, in the alternative, if Tenant in good faith desires to contest the same, Tenant will be privileged to do so, but in such case Tenant hereby agrees to indemnify and save Landlord harmless from all liability for damages occasioned thereby and must, in the event of a judgment or foreclosure of such liens, cause the same to be discharged and removed prior to any attempt at execution of such judgment. Nothing contained in this Lease may be construed to be a waiver of the provisions of AS 09.38.015(c), as may be amended from time to time.

10. INDEMNITY

10.01. Indemnity Generally

Tenant agrees to protect, indemnify and hold Landlord harmless from and against any and all liability arising from acts or omissions of any person and of any nature whatsoever occurring on the Property during the Term or during Tenant's possession of the Property, or arising out of or relating to the Tenant's use of the Property, causing injury to, or death of persons, or loss of, or damage to, property, and from any expense, including attorneys fees, incidental to the defense of and by Landlord therefrom, excepting only liability arising from the sole negligence of Landlord. If any action or proceeding is brought against Landlord by reason of any such occurrences, Landlord will promptly notify Tenant in writing of such action or proceeding.

10.02. Indemnity For Emergency Service Costs

Without limiting the generality of paragraph 10.01, in the event of a major fire or other emergency, Tenant must reimburse Landlord for the cost of providing fire fighting and other emergency service to Tenant or the Property, or elsewhere if the fire or emergency requiring response arises from or is related to the use of the Property or Tenant's operations. For purposes of this paragraph, a major fire or other emergency is one that requires more than five hours of effort by the Homer Department of Public Safety or its successors.

11. INSURANCE

11.01. Liability Insurance

(a) Tenant must procure and at all times maintain, at its expense, public liability insurance covering Tenant's operations and the Property in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence to protect against liability for bodily

injury, death or property damage that might arise from the construction, occupancy or use of the Property and the operations conducted on, from, or related to it. Such insurance must include coverage for comprehensive general liability; bodily injury and property damage liability; premises and operations liability, including underground, products and completed operations; broad form property damage liability; blanket contractual liability; personal injury liability; and comprehensive automobile liability including without limitation bodily injury and property damage and all owned, hired, and non-owned automobiles. Such insurance policy or policies must be additionally endorsed to provide sudden and accidental pollution coverage for claims or losses arising out of activities or events taking place on the Property or arising out of Tenant's operations, wherever conducted in the City of Homer.

(b) Based on the authorized uses of the Property stated in paragraph 5.01, environmental insurance is not required. However, if Tenant uses the Property, with or without authorization from the Landlord, for purposes other than those stated in paragraph 5.01, then if Landlord so elects, and within ten days after Landlord gives notice of such election, Tenant must procure and at all times thereafter maintain, at its expense, environmental remediation and environmental impairment liability insurance, including sudden and accidental coverage and gradual pollution coverage. Such coverage must also include clean-up cost coverage associated with any activity by Tenant or others on, from, or related to the Property. Tenant must maintain limits of liability in the amount stated by Landlord in its notice to Tenant, but in no event less than ONE MILLION DOLLARS (\$1,000,000.00) for any one accident or occurrence. Environmental impairment liability insurance must extend to loss arising as a result of: (i) liability of others assumed by Tenant under contract or agreement; (ii) clean-up operations; (iii) activities performed by or on behalf of Tenant while Tenant has care, custody, possession, or control of vessels, equipment, people, supplies, products or materials for which Tenant performs services or upon which Tenant performs actions; and (iv) the work or services or products furnished, used or handled in connection with Tenant's operations contemplated under this Lease.

11.02. Worker's Compensation and Employer's Liability Insurance

Tenant must procure and at all times during the term of this Lease maintain, at its expense, Worker's Compensation Insurance as required by statute and Employer's Liability Insurance.

11.03. Named Insured, Notice to Landlord, and Waiver of Subrogation

All insurance policies required to be maintained by Tenant under paragraph 11.01 must name Landlord, and its officers, employees and agents, as additional insured, but they must not contain any exclusion from coverage for Tenant's liability for damages or loss incurred by Landlord because of Landlord's status as an additional insured. All policies issued under paragraph 11.01 must contain a waiver of any subrogation rights any insurer might have against Landlord. All policies issued under paragraphs 11.01 or 11.02 must contain an agreement by the insurers to provide at least thirty (30) days prior written notice to Landlord of cancellation, expiration or substantial changes in policy conditions and coverage. Tenant must furnish insurance certificates and copies of all such insurance policies to Landlord promptly after the issuance thereof.

11.04. Fire and Extended Coverage Insurance; Builder's Risk Insurance

(a) Except as provided in subparagraphs 11.04(b) and (c), Tenant may at its own expense and in its own name obtain insurance against loss or damage by fire and such other risks as it determines to cover buildings, equipment, inventory, fixtures, personal property and improvements made to the Property by Tenant subsequent to Tenant's taking possession of the Property under this Lease.

(b) Tenant must procure and at all times maintain, in its own name and at its expense, physical property damage insurance covering the Required Improvements described in paragraph 6.02 in an amount not less than 90% of the replacement cost of the Required Improvements. Such insurance must afford coverage for damages resulting from, at a minimum (i) fire, (ii) perils covered by extended coverage insurance, and (iii) explosion of steam and pressure boilers and similar apparatus located on the Property.

(c) During construction of the Required Improvements and during any subsequent restorations, alterations, or changes in the Required Improvements at a cost in excess of \$250,000 per job, Tenant must procure and maintain builder's all risk insurance in an amount reasonably satisfactory to Landlord.

11.05 Required Endorsements and Authorization

In addition to, and without limiting the requirements of paragraphs 11.01 through 11.04, Tenant must at all times maintain and give to the Landlord, for Landlord's benefit, current insurance endorsements substantially in the form of **Exhibit E** and **Exhibit F**. Tenant must also grant Landlord permission to obtain copies of insurance policies from all insurers providing required coverage to Tenant by executing and delivering to Landlord an authorization substantially in the form of **Exhibit G**. Tenant must, from time to time, execute and deliver to Landlord such additional authorizations (Exhibit G) that Landlord may request.

12. CONDEMNATION

12.01. Condemnation

In the event the Property, or any part thereof or interest therein, is taken for public purposes by condemnation as a result of any action or proceeding in eminent domain, or is transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease will be as provided in this Article 12.

12.02. Total Taking

If all of the Property is taken or so transferred, this Lease and all the right title and interest thereunder of Tenant will cease on the date title to the Property vests in the condemning authority.

12.03. Partial Taking - Termination of Lease

In the event the taking or transfer of part of the Property leaves the remainder of the Property in such location, or in such form, shape or reduced size, or so inaccessible as to be not effectively and practicably usable in the opinion of the Tenant for the purpose of

operation thereon of Tenant's business, then this Lease and all of the right, title and interest thereunder of Tenant will cease on the date title to the Property vests in the condemning authority, and the condemning authority enters into possession.

12.04. Partial Taking - Continuation of Lease

In the event the taking or transfer of a part of the Property leaves the remainder of the Property in such location and in such form, shape or size, or so accessible as to be effectively and practicably usable in the opinion of Tenant for the purpose of operation thereon of Tenant's business, this Lease will terminate and end as to the portion of the Property so taken or transferred as of the date title to such portion vests in the condemning authority and the condemning authority enters into possession, but will continue in full force and effect as to the portion of the Property not so taken or transferred. If there is a partial taking and this Lease is not terminated, then the annual rent payable under this Lease will abate for the portion of the Property taken in the proportion that such portion bears to all of the Property.

12.05. Compensation

If any compensation is payable as a result of eminent domain proceedings or a transfer in lieu thereof, Landlord and Tenant may each make a claim against the condemning or taking authority for the amount of any just compensation due to each of them, respectively. Tenant must make no claim against Landlord for damages for termination of the leasehold or interference with Tenant's business, even if Landlord is the condemning or taking authority. Neither Tenant nor Landlord will have any rights in or to any award made to the other by the condemning authority; provided, that in the event of a single award to Landlord that includes specific damages for loss of Tenant's leasehold interest separately awarded in the eminent domain proceeding and not as a part of the damages recoverable by Landlord, Landlord will transmit such separately awarded damages to Tenant.

13. DEFAULT

13.01. Default

Each of the following events will be deemed an event of default by the Tenant under this Lease and a breach of the terms, covenants and conditions of this Lease:

(a) A default in the payment of the rent and additional sums due under this Lease, or any part thereof, for a period of ten (10) days from the due date for the payment of such rent or additional sums.

(b) A default in the performance of any other term, covenant or condition on the part of the Tenant to be kept, performed or observed for a period of fifteen (15) days after Landlord gives to Tenant a written notice specifying the particular default or defaults; provided, however, that any default on the part of Tenant in the performance of work or acts required to be done, or conditions to be modified, will be deemed to be cured if steps are taken promptly (and in no event later than thirty (30) days after such notice has been given) by Tenant to rectify the same and are prosecuted to completion with diligence and continuity.

(c) The use of the Property or buildings and improvements thereon for purposes other than those enumerated herein, to which Landlord has not given its written consent.

(d) The abandonment of the Property by Tenant. If the Property is deserted or Tenant does not use the Property for the purposes stated in paragraph 5.01 for 12 months or more, it will be deemed abandoned, even if Tenant continues to pay rent.

(e) Tenant making an assignment for the benefit of creditors, filing a petition in bankruptcy, petitioning or applying to any tribunal for the appointment of a custodian, receiver, or any trustee for it or a substantial part of its assets, or commencing any proceedings under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or the filing of any such petition or application, or the commencing of any such proceeding against it, in which an order for relief is entered or that remains undismissed for a period of 30 days or more; or Tenant by any act or omission indicating its consent to, approval of, or acquiescence in any such petition, application, or proceeding or order for relief or the appointment of a custodian, receiver, or any trustee for it or any substantial part of any of its properties, or the suffering of any such custodianship, receivership, or trusteeship to continue undischarged for a period of 30 days or more.

(f) Tenant being generally unable to pay its debts as such debts become due.

(g) Tenant having concealed, removed, or permitted to be concealed or removed, any part of its property, with intent to hinder, delay, or defraud its creditors or any of them, or making or suffering a transfer of any of its property that may be fraudulent under any bankruptcy, fraudulent conveyance, or similar law; or suffering or permitting, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint that is not vacated within 30 days from the date thereof.

13.02. Landlord's Remedies

In the event of any default by Tenant as recited in paragraph 13.01 of this Lease, Landlord will have all of the below-enumerated rights and remedies, all in addition to any rights and remedies that Landlord may be given by statute, common law or otherwise. All rights of Landlord are cumulative, and none will exclude any other right or remedy. Landlord's rights and remedies include the following:

(a) Landlord may declare the term of this lease ended by written notice to Tenant. Upon such termination of this Lease, Tenant must surrender possession and vacate the Property immediately, and deliver possession thereof to Landlord, and Tenant hereby grants to Landlord full and free license to enter into and upon the Property in such event with or without process of law and to repossess Landlord of the Property and to expel or remove Tenant and any others who may be occupying or within the Property and to remove any and all property therefrom, using such force as may be necessary, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without relinquishing Landlord's right to rent or any other right given to Landlord hereunder or by operation of law.

(b) Landlord may by written notice declare Tenant's right to possession of the Property terminated without terminating this Lease. Upon such termination of Tenant's right to possession, Landlord will have all the rights to repossess the Property and remove Tenant and Tenant's property that are enumerated in paragraph 13.02 (a).

(c) Landlord may relet the Property in whole or in part for any period equal to or greater or less than the remainder of the Term or Renewal Term, as applicable, for any sum that Landlord may deem reasonable, except as provided in (e) of this paragraph.

(d) Landlord may collect any and all rents due or to become due from subtenants or other occupants of the Property.

(e) Landlord may recover, whether this Lease be terminated or not, from Tenant, damages provided for below consisting of items (i), and (ii), or, at Landlord's election in lieu of (ii), item (iii):

(i) actual attorney's fees and other expenses incurred by Landlord by reason of the breach or default by Tenant; and

(ii) an amount equal to the amount of all rent and additional sums reserved under this Lease, less the net rent, if any, collected by Landlord on reletting the Property, that shall be due and payable by Tenant to Landlord on the several days on which the rent and additional sums reserved in this Lease would have become due and payable; that is to say, upon each of such days Tenant must pay to Landlord the amount of deficiency then existing. Such net rent collected on reletting by Landlord will be computed by deducting from the gross rent collected all expenses incurred by Landlord in connection with the reletting of the Property, or any part thereof, including broker's commission and the cost of renovating or remodeling the Property or the buildings or improvements thereon, provided, however, Landlord must take diligent effort in reletting the Property to obtain a rental rate as close to or above that required of Tenant under this Lease or else Landlord will not have access to the remedy set out in this subparagraph 13.02(e)(ii); or

(iii) an amount to be due immediately on breach, equal to the difference between the rent and the fair and reasonable rental value of the Property for the same period. In the computation of such damages the difference between any installment of rent thereafter becoming due and the fair and reasonable value of the Property for the period for which such installment was payable will be discounted to the date of such breach at the rate of eight percent (8%) per year.

(f) Reentry or reletting of the Property, or any part thereof, will not be deemed a termination of this Lease, unless expressly declared to be so by Landlord.

(g) If this Lease is deemed terminated, Tenant's liabilities will survive and Tenant will be liable for damages as provided in this paragraph 13.02.

13.03. Assignment of Rents to Landlord

Tenant immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under the Lease, all rent from any subletting of all or a part of the Property as permitted by this Lease, and Landlord, as assignee and attorney-in-fact for Tenant or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligation under this Lease, except that, until the occurrence of an act of default by Tenant, Tenant will have the right to collect such rent.

14. RESERVED

15. REMOVAL OF TRADE FIXTURES, EQUIPMENT, AND MACHINERY UPON EXPIRATION OR TERMINATION OF LEASE

15.01. Removal Upon Expiration

Trade fixtures, machinery, equipment, and other items of personal property owned by Tenant will be considered Tenant's property at all times during this Lease and must be removed by Tenant at its own expense from the Property upon the expiration of the Term or Renewal Term of this Lease, unless Landlord gives written consent to allow such property to remain on the Property. If the removal of Tenant's trade fixtures, machinery, equipment and other items of personal property causes injury or damage to the Property, including buildings or improvements that will remain on the Property, Tenant must repair such injury or damage or pay Landlord the full amount to repair the same. In the event Tenant, without Landlord's written consent, fails to remove such property on or before the expiration of this Lease, the Landlord may, at its election, immediately (i) declare all or any part of the property abandoned, in which case title to such property will vest in Landlord, or (ii) to the extent Landlord does not elect to declare it abandoned and take title to such property, Landlord may, in any manner that it sees fit, remove, store, destroy, or otherwise dispose of the property at the Tenant's expense and without liability to Tenant for any loss, damage, value, or other compensation claimed by Tenant as a consequence.

15.02. Removal After Early Termination

In the event this Lease terminates for any reason before the scheduled expiration of the Term or Renewal Term, as applicable, Tenant must within one month after such early termination date remove Tenant's trade fixtures, machinery, equipment and other items of personal property, unless Landlord gives written consent to allow such personal property to remain on the Property. If the removal of Tenant's trade fixtures, machinery, equipment and other items of personal property causes injury or damage to the Property, including buildings or improvements that will remain on the Property, Tenant must repair such injury or damage or pay Landlord the full amount to repair the same. On or before the end of such one month period, Tenant may extend the time for removal of such personal property for an additional one month upon written notice to Landlord accompanied by payment of compensation for the entire two month period following the early termination date at a rate equal to 125% of the monthly rental rate in effect on the early termination date (i.e., monthly rental rate x 125% x 2 months). Acceptance of such compensation will not extend the term of the Lease nor create a month-to-month tenancy. In the event Tenant fails to remove such property within one month after the early termination of this Lease, or within two months if Tenant elects to extend by giving timely notice and paying compensation, the Landlord may, at its election, immediately (a) declare all or any part of the property abandoned, in which case title to such property will vest in Landlord, or (b) to the extent Landlord does not elect to declare abandoned and take title to such property, Landlord may, in any manner that it sees fit, remove, store, destroy, or otherwise dispose of the property at the Tenant's expense and without liability to Tenant for any loss, damage, value, or other compensation claimed by Tenant as a consequence.

16. HAZARDOUS MATERIALS

16.01. Use of Hazardous Materials on the Property

(a) Tenant must not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property by Tenant or its authorized representatives, customers, invitees or sublessees, except for such Hazardous Material as is necessary or useful to Tenant's lawful use of the Property.

(b) Any Hazardous Material permitted on the Property as provided in this paragraph, and all containers therefor, must be handled, used, kept, stored and disposed of in a manner that complies with all laws or regulations applicable to any such Hazardous Material. Such Hazardous Material must be handled only by properly trained personnel.

(c) Tenant must not discharge, leak or emit, or permit to be discharged, leaked or emitted, any material into the atmosphere, ground, sewer system or any body of water, if such material (as reasonably determined by the Landlord, or any governmental authority) does or may, pollute or contaminate the same, or may adversely affect (i) the health, welfare or safety of persons, whether located on the Property or elsewhere, or (ii) the condition, use or enjoyment of the Property or any other real or personal property.

(d) If any discharge, leak, spill, emission, or pollution of any type occurs upon or from the Property during the Lease term or any holdover, Tenant will immediately notify Landlord and all appropriate federal, state, and local authorities, and will act immediately to contain the spill, repair any damage, absorb and clean up the spill area and restore the Property to comply with the applicable portions of any federal, state, or local law or regulation then in effect.

(e) Tenant hereby agrees that it will be fully liable for all costs and expenses related to the handling, use, storage, and disposal of Hazardous Material brought or kept on the Property by the Tenant, its authorized representatives, customers, invitees and sublessees, and the Tenant must give immediate notice to the Landlord of any violation or potential violation of the provisions of subparagraphs 16.01 (a), (b), (c) and (d).

16.02. Indemnification of Landlord

Any other provisions of the Lease to the contrary notwithstanding, Tenant must defend, indemnify and hold harmless Landlord and its authorized representatives, from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney, consultant and expert fees, court costs and litigation expenses) of whatever kind of nature, known or unknown, contingent or otherwise, arising out of or in any way related to: (a) the presence, disposal, release, or threatened release of any such Hazardous Material that is on, from, or affecting the Property, soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any bodily injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Material; and/or (d) any violation of any laws applicable thereto. However, this paragraph will apply only if the acts or omissions giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses: (i) occur in whole or in part during the Term of this Lease or during any time of Tenant's possession or occupancy of the Property prior to or after the term

of this Lease; or (ii) are proximately caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Property by Tenant or its employees, agents, customers, invitees or contractors. The provisions of this paragraph will be in addition to any other obligations and liabilities Tenant may have to Landlord at law or equity and will survive the termination of this Lease.

16.03. Hazardous Material Defined

"Hazardous Material" is any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Alaska, or the United States government. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substance" pursuant to local, state or federal law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder. "Hazardous Material" also includes, but is not restricted to, asbestos, polychlorobiphenyls ("PCB's") and petroleum and petroleum products.

17. GENERAL PROVISIONS

17.01. Estoppel Certificates

Either party must at any time and from time to time upon not less than thirty (30) days prior written request by the other party, execute, acknowledge and deliver to such party, or to its designee, a statement in writing certifying that this Lease is unamended and in full force and effect (or, if there has been any amendment thereof, that the same is in full force and effect as amended and stating the amendment or amendments), that there are no defaults existing, (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates to which the rent and other charges have been paid in advance. The cost of preparing an estoppel certificate, including the cost of conducting due diligence investigation and attorney's fees, must be paid by the requesting party.

17.02. Conditions and Covenants

All the provisions of this Lease will be deemed as running with the land, and will be construed to be "conditions" as well as "covenants," as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

17.03. No Waiver of Breach

No failure by either Landlord or Tenant to insist upon the strict performance by the other of any term, covenant or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, will constitute a waiver of any such breach or of such terms, covenants or conditions. No waiver of any breach will affect or alter this Lease, but each and every term, covenant and condition of this Lease will continue in full force and effect with respect to any other then existing or subsequent breach.

17.04. Attorney's Fees

(a) If Landlord is involuntarily made a party defendant to any litigation concerning this Lease or the Property by reason of any act or omission of Tenant, or if Landlord is made a party to any litigation brought by or against Tenant without any fault on the part of Landlord, then Tenant must pay the amounts reasonably incurred and expended by Landlord, including the reasonable fees of Landlord's agents and attorneys and all expenses incurred in defense of such litigation.

(b) In the event of litigation between Landlord and Tenant concerning enforcement of any right or obligation under this Lease, the non-prevailing party must reimburse the prevailing party for the attorney's fees reasonably incurred and expended by the prevailing party in the litigation.

17.05. Time of Essence

Time is of the essence of the Lease and of each provision.

17.06. Computation of Time

The time in which any act provided by this Lease is to be done is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday or a holiday, and then it is also excluded. The term "holiday" will mean all holidays as defined by the statutes of Alaska.

17.07. Successors in Interest

Each and all of the terms, covenants and conditions in this Lease will inure to the benefit of and will be binding upon the successors in interest of Landlord and Tenant.

17.08. Entire Agreement

This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease, and no other agreement, statement of promise made by any party that is not contained in the Lease will be binding or valid.

17.09. Governing Law and Venue

This Lease will be governed by, construed and enforced in accordance with the laws of the State of Alaska. Any action or suit arising between the parties in relation to or in connection with this Lease, or for the breach thereof, must be brought in the Third Judicial District of the State of Alaska.

17.10. Partial Invalidity

If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will remain in full force and effect and will in no way be affected, impaired or invalidated, unless such provisions are considered by Tenant to be integral to Tenant's use of the Property for the purposes stated herein in which case Tenant will have the authority to terminate this Lease upon thirty (30) days written notice to Landlord.

17.11. Relationship of Parties

Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant and neither the method of computation of rent, nor any other provision contained in this Lease nor any acts of the parties, shall be deemed to create any relationship between Landlord and Tenant other than the relationship of Landlord and Tenant.

17.12. Interpretation

The language in all parts of this Lease must in all cases be simply construed according to its fair meaning and not for or against Landlord or Tenant as both Landlord and Tenant have had opportunity for the assistance of attorneys in drafting and reviewing this Lease.

17.13. Number and Gender

In this Lease, the neuter gender includes the masculine and the feminine, and the singular number includes the plural; the word "person" includes corporation, partnership, firm or association wherever the context so requires.

17.14. Mandatory and Permissive

"Shall," "must," "will," and "agrees" are mandatory; "may" is permissive.

17.15. Captions

Captions of the paragraphs of this Lease are for convenience and reference only, and the words contained therein will in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

17.16. Amendment

This Lease is not subject to amendment except in writing executed by all parties hereto.

17.17. Delivery of Notices - Method and Time

All notices, demands or requests from one party to another must be delivered in person or be sent by (i) mail, certified or registered, postage prepaid, or (ii) facsimile transmission (accompanied by reasonable evidence of receipt of the transmission and with a confirmation copy mailed by first class mail no later than the day after transmission) to the addresses stated in paragraph 17.18 and will be deemed to have been given at the time of delivery or, if mailed, three (3) days after the date of mailing.

17.18. Notices

All notices, demands and requests from Tenant to Landlord must be given to Landlord at the following address:

City Manager

City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603
Facsimile: (907) 235-3148

All notices, demands or requests from Landlord to Tenant must be given to Tenant at the following address:

David and Diane Morris
Alaska High Hopes Charters & Co.
dba Bob's Trophy Charters
P. O. Box 2478
Homer, AK 99603
Facsimile: _____

17.19. Change of Address or Agent

Each party may, from time to time, to designate a different address or different agent for service of process by notice given in conformity with paragraph 17.17.

17.20. Multi-Party Tenant

If Tenant is comprised of more than one natural person or legal entity, the obligations under this Lease imposed upon Tenant are joint and several obligations of all such persons and entities. All notices, payments, and agreements given or made by, with, or to any one of such persons or entities will be deemed to have been given or made by, with, or to all of them, unless expressly agreed otherwise by Landlord in writing.

18. SPECIAL PROVISIONS

18.01. Prior Lease

Landlord and Tenant are parties to a Lease Agreement affecting the Property dated **September 1992** and recorded in the records of the Homer Recording District at **Book 218**, commencing at **Pages 001** (the "Former Lease"). This Lease amends and supercedes the Former Lease effective as of **March _____, 2008** and on and after that date the Former Lease shall have no force or effect, except that it shall remain in effect as to events, rights, obligations, or remedies arising or accruing under the Former Lease prior to the effective date of this Lease.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates hereinbelow set forth.

Landlord:

CITY OF HOMER,

Date: 4/16/08

By: 
Walt Wrede,
City Manager

Tenant:

Date: 4-8-08

By David Morris
DAVID MORRIS (name)
PRESIDENT (title)

Date: _____

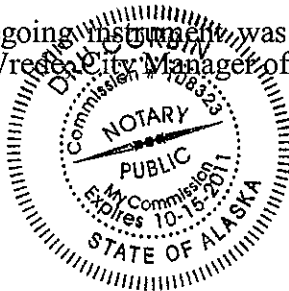
By _____

(name)
(title)

ACKNOWLEDGMENTS

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me on _____, 2008, by Walt Wrede, City Manager of the City of Homer, on behalf of the City of Homer.



Dru Corbin
Dru Corbin, Administrative Assistant
My Term Expires: 10-15-2011

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me on _____, 2008, by _____, as _____ (title) of _____ (name of entity), a state of _____ (state) _____ (type of entity) on behalf of _____ (name of entity).

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)

EXHIBIT A

**SCHEDULE OF ORGANIZATION, OWNERS,
PERCENTAGE OF OWNERSHIP**

Tenant, Alaska High Hopes Charter & Co. dba Bob's Trophy Charters, is a _____ organized under the laws of the state of _____. Attached to this exhibit is a certificate issued by that state certifying that Tenant is in good standing and describing its legal organization. If Tenant is a foreign entity authorized to conduct business in Alaska, its certificate of authority is also attached

The _____ (specify whether shareholders, partners, members, etc.) and their percentage of ownership are as follows:

Name _____ %

Address: _____

Name _____ %

Address: _____

Name _____ %

Address: _____

Name _____ %

Address: _____

TOTAL 100 %

EXHIBIT B

**CONFORMED COPY OF RESOLUTION AUTHORIZING LEASE
AND AUTHORIZING SIGNERS TO SIGN LEASE AGREEMENT ON
BEHALF OF TENANT**

6

6

EXHIBIT C
SITE PLANS

6

6

EXHIBIT D
FLOOR PLANS

EXHIBIT E

GENERAL LIABILITY INSURANCE ENDORSEMENT

City of Homer ("City")
491 East Pioneer Ave.
Homer, Alaska 99603-7624

Attn.: City Manager

A. POLICY INFORMATION

- 1. Insurance company _____; Policy no. _____
- 2. Policy term (from) _____ to _____
Endorsement effective date: _____
- 3. Named insured _____
- 4. Address of named insured _____
- 5. Policy is: _____ claims made _____ occurrence
- 6. If claims made: Retroactive date: _____ Is tail coverage afforded? _____
- 7. Limit of liability any one occurrence: \$ _____ Aggregate: \$ _____
- 8. Deductible or self-insured retention (nil unless otherwise specified):
\$ _____

B. POLICY AMENDMENTS

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **INSURED.** The City, its elected or appointed officials, employees and volunteers are included as insured with regard to damages and defense of claims arising from: (a) activities performed by or on behalf of the named insured; (b) products and completed operations of the named insured; or (c) premises owned, leased or used by named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its elected or appointed officials, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its elected or appointed officials, employees or volunteers shall be excess of this insurance and shall not contribute with it.

3. SCOPE OF COVERAGE. The policy: (a) if primary, affords coverage at least as broad as forms currently in use as approved by the State of Alaska Division of Insurance; and (b) if excess, affords coverage which is at least as broad as the primary insurance forms reference in the preceding subpart (a).

4. SEVERABILITY OF INTEREST. The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the Company's limit of liability.

5. PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its elected or appointed officials, employees or volunteers.

6. CANCELLATION NOTICE. The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail return receipt requested has been given to the City. Such notice shall be addressed as shown in the heading of this endorsement.

C. SIGNATURE OF INSURER OR ITS AUTHORIZED REPRESENTATIVE:

I, _____ (print/type name), _____ (title) warrant that I have authority to bind the below-named insurance company and, by my signature hereon, do so bind this company.

Signature: _____
(original signature required on endorsement furnished to the City)

Company _____

Address _____

Phone _____

Fax _____

EXHIBIT F

WORKERS' COMPENSATION/EMPLOYERS LIABILITY ENDORSEMENT

City of Homer ("City")
491 East Pioneer Ave.
Homer, Alaska 99603-7624

A. POLICY INFORMATION

- 1. Insurance company: _____ ("Company");
Policy No. _____
- 2. Effective date of this endorsement: _____
- 3. Named insured: _____
- 4. Employer's liability limit (Coverage B): _____

B. POLICY AMENDMENTS

In consideration of the policy premium and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **CANCELLATION NOTICE.** The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Such notice shall be sent to the address given in the heading of this endorsement.

2. **WAIVER OF SUBROGATION.** The Company agrees to waive all rights of the subrogation against the City, its elected or appointed officials, agents and employees for losses paid under the terms of this policy which arise from work performed by the named insured for the City.

C. SIGNATURE OF INSURER OR ITS AUTHORIZED REPRESENTATIVE

I, _____ (print/type name), _____ (title)
warrant that I have authority to bind the below-named insurance company and, by my signature hereon, do so bind this company.

Signature: _____
(original signature required on endorsement furnished to the City)

Company _____
Address _____

Phone _____ Fax _____

EXHIBIT G

PERMISSION TO OBTAIN INSURANCE POLICIES

The City of Homer is hereby granted permission to request and obtain copies of _____ ("Tenant") insurance policies from Tenant's broker and/or insurer, _____. Tenant requests the broker/insurer to provide the City of Homer with information about and copies of all of Tenant's insurance policies providing the type of coverage required by the Lease between Tenant and the City of Homer.

It is understood that the Tenant may revoke this permission at any time by written notice to City of Homer and to Tenant's broker and/or insurer; however, such revocation will constitute a default of Tenant's lease from the City of Homer.

Date: _____

TENANT NAME

By: _____ (printed name)
_____ (title)

By: _____ (printed name)
_____ (title)

EXHIBIT H
LEGAL DESCRIPTION EXHIBIT

LEASE RENEWAL AND AMENDMENT

This Lease Renewal and Amendment is made and entered into effective as of this 18th day of July, 2012 between the **CITY OF HOMER** ("Landlord"), whose mailing address is 491 East Pioneer Avenue, Homer, Alaska 99603, and **DAVID MORRIS and DIANE MORRIS dba BOB'S TROPHY CHARTERS** ("Tenant"), whose mailing address is P.O. Box 2478, Homer, Alaska 99603, and affects the Lease Agreement entered into between Landlord and Tenant on March, 2008.

1. Leased Premises

Subject to the terms, covenants, conditions, rights and obligations set forth in this Lease, Landlord leases to Tenant and Tenant leases from Landlord the following described property:

Tract 1-B Fishing Hole Subdivision No. 2, Homer Recording District, State of Alaska
Also known as Kenai Peninsula Borough Tax Parcel No. 181-031-18.

2. Renewal

The tenant has exercised its renewal option under the Contract.

This renewal term of the Contract shall commence as of April 1, 2013 and end on March 31, 2018.

3. Contract Remains in Effect

Every other provision of the Contract remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Contract Renewal to be duly executed as of the day and year first above written.

CITY OF HOMER

Date: AUG. 7, 2012

By: Walt Wrede

Walt Wrede, City Manager

BOB'S TROPHY CHARTERS

Date: 8-7-12

By: David Morris

David Morris, Owner

Date: 8-7-12

By: Diane Morris

Diane Morris, Owner

#2251

RECEIVED

AUG 09 2012

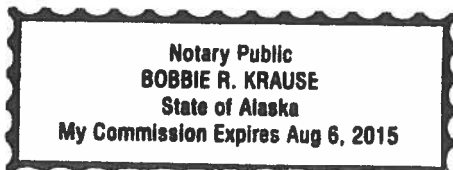
PORT & HARBOR

STATE OF ALASKA)
) ss.

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 7th day of August, 2012, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared **Walt Wrede**, known to me to be the City Manager of the City of Homer, and he acknowledged to me that he was authorized to execute the foregoing document by authority granted him by the City of Homer for the uses and purposes therein set forth.

WITNESS my hand and notary seal the day and year first hereinabove written.



Bobbie R Krause
Notary Public in and for Alaska
My Commission Expires: 08/06/15

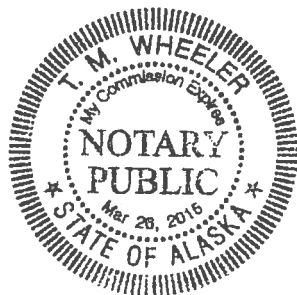
STATE OF ALASKA)

) ss.

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 7th day of August, 2012, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared **David Morris**, known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that being duly authorized to do so he executed the foregoing document as the free and voluntary act and deed of Sportsman's Supply for the uses and purposes therein set forth.

WITNESS my hand and notary seal the day and year first hereinabove written.



T. M. Wheeler
Notary Public in and for Alaska
My Commission Expires: 3/28/2016

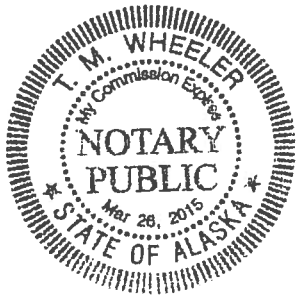
STATE OF ALASKA)

) ss.

THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 17th day of August, 2012, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared ***Diane Morris***, known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that being duly authorized to do so he executed the foregoing document as the free and voluntary act and deed of Sportsman's Supply for the uses and purposes therein set forth.

WITNESS my hand and notary seal the day and year first hereinabove written.



T. M. Wheeler

Notary Public in and for Alaska

My Commission Expires: 3/26/2015

COMMENTS OF THE AUDIENCE
COMMENTS OF THE CITY ATTORNEY
COMMENTS OF THE CITY CLERK
COMMENTS OF THE CITY MANAGER
COMMENTS OF THE MAYOR
COMMENTS OF THE CITY COUNCIL
ADJOURNMENT

