MEMORANDUM

CC-26-142

Resolution 26-050, A Resolution of the City Council of Homer, Alaska, approving a lease agreement with the United States Coast Guard for the Pioneer Dock and associated Property, and authorizing the City Manager to negotiate, finalize and execute the Lease and related documents.

Item Type: Backup Memorandum

Prepared For: Mayor Lord and City Council

Date: July 22, 2026

From: Mark Bowman, Port Property Associate

Through: Melissa Jacobsen, City Manager

Background

Staff has conducted a detailed review of the City's leases with the U.S. Coast Guard (USCG), with particular focus on the new draft lease, HSCG89-26-1-0012. The lease number is likely to change. The new lease is proposed for a twenty (20) year term beginning August 1, 2026. The review identified several inconsistencies in the former lease, particularly related to changes in the leased premises that were adopted in 2010 but not reflected in the proposed documents. These changes have been corrected. As of the date of this memorandum, staff are negotiating a 2.9% fixed annual escalation and a provision requiring City approval before the USCG may abandon improvements at the end of the lease term or upon termination.

Premises

The Pioneer Dock Lease includes an annual rent payment of $4,680 that is contractually fixed for "the life of the dock." The former lease included a parcel used for parking 25 vehicles. In 2010, that parcel was exchanged for the current approximately 15,540 square feet of Lot 45-A to better align with USCG operations near Pioneer Dock and the existing warehouse lease (DTC89-03-L-J-DL-025). This change was not recorded in the former lease; however, the inaccuracies have been corrected in the new lease.

Financial Terms

While the $4,680 annual dock lease payment must remain unchanged under the original agreement, the $11,400 allocated annually for maintenance and repair is not tied to the "life of the dock" provision. Staff recommend increasing the maintenance and repair amount to reflect cumulative inflation since 2003, resulting in an adjusted annual amount of approximately $19,334.40. The proposed lease will also include a fixed annual escalation of 2.9% (the final amount is currently being negotiated).

Port and Harbor Advisory Commission Recommendation:

The Port and Harbor Advisory Commission's recommended adoption of the Pioneer Dock Lease as negotiated by the City Manager. The draft minutes from the June 24, 2026 meeting are as follows:

"C. Review of the USCG Pioneer Dock Lease

Commissioners discussed the staff memorandum requesting support for changes to the lease with the US Coast Guard.

HAGGERTY/DUDA MOVED TO RECOMMEND TO CITY COUNCIL THAT THEY ADOPT THE LEASE AS NEGOTIATED BY THE CITY MANAGER.

There was no discussion.

VOTE. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried."

Recommendation:

Approve Resolution 26-050

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

Lease Date:	Lease No:	Lease Name:
08/01/2026	**HSCG89-26-1-0012**	**AK Homer Pioneer Dock Mooring**

THIS LEASE entered into on this 01 day of August, 2026 by and between **City of Homer** ("Lessor"), whose principal place of business is located at **491 East Pioneer Avenue, Homer, Alaska, 99603-7624**, and whose interest in the property hereinafter described as that of **OWNER**, and the UNITED STATES OF AMERICA, acting by and through a duly authorized official of the Department of Homeland Security, United States Coast Guard ("Government"), by the authority found in 14 U.S.C. § 501(e), to use and occupy the Premises under the terms and conditions set forth herein.

WITNESSETH: The parties, for the consideration hereinafter mentioned, covenant and agree as follows:

PREMISES. Lessor hereby leases to the Government the following described Premises, being all or a portion of the property located at: **4688 Homer Spit Rd, Homer, AK 99603**. Leased space includes the space shown and depicted within Exhibit "A". Site to be used for Government Purposes.

- West Trestle portion of Pioneer Dock located at the northern side of the eastern terminus of the Homer Spit near the City of Homer, together with right of access thereto and all improvements, shore connections, and other appurtenances thereon (Collectively "Pioneer Dock"), and
- Parking for up to 25 vehicles on a portion of Lot 45-A, approximately 15,540 SQFT, adjacent to Lot 20 (Parcel 18103445 and 18103446).

1. TERM. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on **August 01, 2026** through **July 31, 2037**, subject to termination and renewal rights as may be hereinafter set forth. "Term" constitutes the period of time from the base year, including all option renewal years, through to the terminal year and expiration of the lease. Subject to the availability of funds, this Lease may, at the option of the Government, be renewed annually through **August 31, 2037**. The Government's option shall be deemed exercised and the lease renewed each year provided notice be given in writing to the Lessor at least thirty (30) days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during the renewal term unless otherwise agreed to by all the parties with a signed modification to this lease using a Supplemental Lease Agreement (SLA).

   This is a ☐ New Lease, ☒ Succeeding Lease (Prior lease # DTCG89-03-L-J-DL-034).

   a. HOLDOVER. In the event where the lease term has expired, the Government needs to remain on the Premises and a succeeding lease has not been executed, the Government and the Lessor will enter into a Standstill Agreement wherein the terms of the previously expired lease remain in effect for a period of time, not to exceed one year. Both parties will work toward executing the succeeding lease expeditiously to reduce the time of the holdover period.

2. The Lessor Shall furnish to the Government, as part of the rental consideration, the following:
   a. Dedicated, undisturbed, unlimited use of the dock surface and adjacent berthing space at the West Trestle of Pioneer Dock. The West Trestle of Pioneer Dock shall meet the requirements detailed in Exhibit "B", attached hereto and incorporated herein by this reference. The Government shall have the right, when required by elevated National or Homeland security or operational conditions, to close the dock security fencing to secure the West Trestle.
   b. Full and unobstructed access to shore tie connections as described in Exhibit "C", attached hereto and incorporated herein by this reference.
   c. Parking space, consisting of up to 25 vehicles, for exclusive use by the Government, together with right of access thereto. The parking areas and their access shall be lighted. The parking areas shall be well drained and have a surface that is suitable for normal vehicular traffic. Parking on dock is limited to government vehicles, government equipment, Commanding Officer and Executive Officer parking.

3. CONSIDERATION. The Government shall pay the Lessor annual rent of **$24,014.40**, at a monthly rate of **$2,0001.20**, payable in arrears. Rental payments for less than a month shall be prorated. Rent payments shall be paid by electronic funds transfer payable to: City **of Homer.** Any SLA shall be in writing and executed by duly authorized real estate contracting officer (RECO) on behalf of the Government and authorized representative on behalf of the Lessor.

a. RENTAL PAYMENTS: Rental payments shall be paid by: US Coast Guard Finance Center, Commanding Officer 1430A Kristina Way, Chesapeake, VA 23326. For help or assistance contact Customer Service at 800-564-5504 or 757-523-6940. Lease payments will be made from USCG accounts. All rents are subject to the U.S. Congress granting annual appropriations.

b. ~~LEASEHOLD IMPROVEMENTS: Government agrees to reimburse the Lessor for buildout costs of $___N/A______ within thirty (30) days post beneficial occupancy or completion, by way of one (1) lump sum payment~~.

c. RENT SCHEDULE: This lease may be renewed, at the option of the Government for nineteen (19) successive option years, as per the following rent schedule:

LEASE TERM	Start	End	ANNUAL RENT	MONTHLY RENT
Base Year	8/1/2026	7/31/2027	$ 24,014.40	$ 2,001.20
Option Year 1	8/1/2027	7/31/2028	$ 24,014.40	$ 2,001.20
Option Year 2	8/1/2028	7/31/2029	$ 24,014.40	$ 2,001.20
Option Year 3	8/1/2029	7/31/2030	$ 24,014.40	$ 2,001.20
Option Year 4	8/1/2030	7/31/2031	$ 24,014.40	$ 2,001.20
Option Year 5	8/1/2031	7/31/2032	$ 24,014.40	$ 2,001.20
Option Year 6	8/1/2032	7/31/2033	$ 24,014.40	$ 2,001.20
Option Year 7	8/1/2033	7/31/2034	$ 24,014.40	$ 2,001.20
Option Year 8	8/1/2034	7/31/2035	$ 24,014.40	$ 2,001.20
Option Year 9	8/1/2035	7/31/2036	$ 24,014.40	$ 2,001.20
Option Year 10	8/1/2036	7/31/2037	$ 24,014.40	$ 2,001.20
Option Year 11	8/1/2037	7/31/2038	$ 24,014.40	$ 2,001.20
Option Year 12	8/1/2038	7/31/2039	$ 24,014.40	$ 2,001.20
Option Year 13	8/1/2039	7/31/2040	$ 24,014.40	$ 2,001.20
Option Year 14	8/1/2040	7/31/2041	$ 24,014.40	$ 2,001.20
Option Year 15	8/1/2041	7/31/2042	$ 24,014.40	$ 2,001.20
Option Year 16	8/1/2042	7/31/2043	$ 24,014.40	$ 2,001.20
Option Year 17	8/1/2043	7/31/2044	$ 24,014.40	$ 2,001.20
Option Year 18	8/1/2044	7/31/2045	$ 24,014.40	$ 2,001.20
Option Year 19	8/1/2045	7/31/2046	$ 24,014.40	$ 2,001.20

d. ELECTRONIC FUNDS TRANSFER. The Government will make payments under this lease by electronic funds transfer (EFT) in accordance with the provisions of the General Clauses. Rent shall be payable using the EFT information contained in the System for Award Management (SAM). After award, but no later than 30 days before the first payment, the Lessor shall designate a financial institution for receipt of funds. In the event the EFT information changes, the Lessor shall be responsible for updating the information in SAM.

a) During the performance of this contract, in the event the Lessor elects to designate a different financial institution for the receipt of any payment made using EFT procedures, notification of such change and the required information specified in Paragraph 3, above must be received by the appropriate Government official no later than thirty (30) days prior to the date such change is to become effective.

b) The documents furnishing the information required in this clause must be dated and contain the signature, title, and telephone number of the Lessor or an authorized representative designated by the Lessor, as well as the Lessor's name and lease number.

c) Lessor's failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

d) **Lessor is responsible for keeping current enrollment in Systems for Awards Management (SAM).** To remain active, vendors must update or renew their registration annually. If the Lessor's SAM enrollment expires, the Government will cease making payments under this Lease until the Lessor renews the SAM registration. This will apply to all payments that the Government is required to make under this Lease, and no interest shall accrue as the result of such non-payment. Lessor may access SAM registration electronically at www.sam.gov.

4. The following are attached and made a part hereof:

   a. Exhibit A. Premises (Drawing entitled Homer Dock Lease USCGC ASPEN MOORINGS HOMER ALASKA)
   b. Exhibit B, Dock Requirements (As established by May 2001 Cooperative Agreement)
   c. Exhibit C, Shore Tie Requirements (As established by May 2001 Cooperative Agreement)
   d. The General Clauses (GSA Form 3517A); and
   e. Representations and Certifications (GSA Form 3518)
   f. Exhibit D, Description of Alterations and Provision for Payment.

5. TERMINATION: The Government may terminate this lease without cause, at any time by giving at least thirty (30) days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. The effective date of termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. Notice shall be given to the points of contact provided by the lessor. No rent shall accrue after the effective date of termination.

6. LEASEHOLD IMPROVEMENTS: A leasehold improvement is defined as any new improvement, addition, or alteration to leased property to adapt the property for the specific use of the Coast Guard.

   The Government shall have the right during the term of this lease to install, operate, maintain, repair and replace upon the Premises, any equipment and signs necessary for, or related or ancillary to, the performance of any Government mission or activity. Title to all property which the Government may place upon or attach to the leased premises shall be and will remain the property of the Government, and the property of the Government may be removed or otherwise disposed of by the Government in accordance with applicable law. Upon termination of this lease and for thirty (30) days after the termination, the Lessor shall permit the Government all reasonable access to the Premises for the purpose of removing or otherwise disposing of said equipment.

   a. TENANT IMPROVEMENTS. Tenant improvements are defined as lessor-approved improvements to the premises that build out a property for the specific use of the Government. Tenant improvements will be abandoned at the discretion of the Government upon the early termination or expiration of the lease. If the property is abandoned by the Government, then the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith. The Government will not be responsible for restoring the Premises to the condition existing at the time of the signing of the lease. ~~Lessor shall furnish tenant improvements to the Government, as part of the rental consideration, to provide, build out, the described leasehold improvements. See attached Exhibit "__"~~

   b. COAST GUARD IMPROVEMENTS. Coast Guard improvements are defined as any temporary or permanent structure, apparatus, and/or equipment constructed by or for the Government on lessor's property for the specific use of the Coast Guard. Coast Guard improvements will remain the property of the Government throughout the duration of the lease. Upon lease expiration or early termination, the Government may either abandon improvements in place, or remove them.

      i. ABANDONMENT. Lessor shall have no right to require the Government to restore the Premises upon expiration or upon early termination of the lease, and waives all claims against the Government for damages, or restoration arising from or related to: the Government's normal and customary use of the Premises (normal wear and tear) during the term of the Lease (including any extensions thereof), as well as any initial or subsequent improvements to the Premises regardless of whether such improvements are performed by the Lessor or by the Government. At its sole option, the Government may abandon property on the Premises following expiration or earlier termination of the lease, in which case the improvement will become the property of the Lessor, and the Government will be relieved of any liability in connection therewith. If the Government makes the decision to remove the improvements, but the Lessor requests to keep the improvements, then the Government shall negotiate the terms of abandonment at that time.

7. ELECTRIC VEHICLE CHARGING: In the event the Government elects to install up to two (2) wall mounted electric vehicle charging stations, Government is permitted the exclusive use of the two (2) parking spaces for the duration of the Lease for Government's electric vehicle parking and charging in a location to be determined by the Lessor. Government may provide up to two (2) wall mounted electric vehicle charging stations for Government's exclusive use via utility connected stations to Government's electrical meter. All expenses, including but not limited to the cost of electricity for vehicle charging station(s) shall be the responsibility of the

Government at Government's sole cost and expense. Government also has the option to abandon the equipment in place upon the termination of this Lease. Lessor shall have no obligation to enforce any parking rights and the use of the electric vehicle charger(s).

8. INGRESS/EGRESS. The Government, its contractors, agents and other duly assigned personnel, shall always have the right of ingress and egress (including, but not limited to vehicular and pedestrian), with necessary equipment, to the Premises and other necessary areas under the Lessor's control, access to which is necessary for the Government's full use of the Premises. Lessor further agrees to maintain said ingress and egress so that the ingress/egress is traversable in a safe manner.

9. TENANTABLE CONDITION. The Lessor shall maintain the Premises and all equipment, fixtures, and appurtenances furnished by the Lessor under the lease ("Lessor's Equipment"), in good repair and tenantable condition. Upon request of the Government Representative, the Lessor shall provide written documentation that the Lessor's Equipment is maintained, tested, and operational. The Lessor may at reasonable times, and with the approval of the authorized Government representative in charge, enter and inspect the Lessor's Equipment and make any and all necessary repairs and or replacements. Failure by the Lessor to maintain the Lessor's Equipment in good repair and tenantable condition may result in immediate termination as determined by the Government.

10. REPAIR AND MAINTENANCE: The Lessor shall be responsible for repair and maintenance of the Premises, including the pier, camels, building(s), and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition. Provided however that Government will be responsible for maintenance of the winch system, floating bollards and fixed pedestal crane, which is further detailed in Exhibit D, Description of Alterations and Provision for Payment.

11. GSA GENERAL CLAUSES: This lease incorporates the applicable clauses in GSA Form 3517A, 3517B and 3517D ("General Clauses"), and GSAR clauses with the same force and affect as if they were given in full text. Upon request, the Government will make the full text available or can be found at [3517b (gsa.gov)](). Read through these clauses before executing this lease.

12. FOREIGN OWNERSHIP AND FINANCING: The provisions of GSAR 552.270-33 Foreign Ownership and Financing Representation for High-Security Lease Space (JUN 2021) and GSAR 552.270-34 Access Limitations for High-Security Leased Space (JUN 2021) are incorporated herein by reference when the lease is for a high-security leased space FCL Level III, IV or V. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the System for Award Management (SAM) for purposes of "All Awards" (See FAR 52.232-33) and complete all required representations and certifications within SAM (See paragraph 3(b)). In addition, for leases FSL III, IV or V, the Transferee must also complete 552.270-33 Foreign Ownership and Financing Representation for High Security Leased Space form. If applicable, the representation must be completed annually and attached as an exhibit to this lease.

13. GREEN LEASE REQUIREMENTS: ENERGY INDEPENDENCE AND SECURITY ACT (OCT 2023) will be followed and complied to by the Lessor, when applicable. The Energy Independence and Security Act (EISA) establishes requirements for Government leases relating to energy efficiency standards and potential cost-effective energy efficiency and conservation improvements. As per Executive Order 14057, for leases that are 25,000 rentable square feet (RSF) or greater and where the Federal Government occupies 75% or more of the total building, the Lessor shall annually report building performance information for energy consumption, greenhouse gas emissions, and water usage. The Lessor shall report the required information in the Environmental Protection Agency (EPA) Portfolio Manager Tool, or any successor tool. All required disclosure information shall be reported for each year of the lease, beginning with the first full calendar year of the lease term. All disclosure data for the previous full calendar year must be reported no later than March 31st of the following year.

14. LESSOR'S TAX IDENTIFICATION. All leases must include either a nine-digit Federal Tax Identification number or a Social Security Number.
    Name of Lessor as listed in SAM.GOV registration: **City of Homer**
    UEID Number: **QPAPRFMET7Q1** CAGE ID: **1X3A0**
    Lessor is subject to GSA guidance/clauses in place at the time of the execution of the lease.
    We recommend that the Lessor print out the provisions on the date of the contract for more information.

15. COMPLIANCE WITH APPLICABLE LAW. The Lessor shall comply with all Federal, State and local laws applicable to the Lessor as owner or lessor, or both, of the Premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. The Government will comply with all Federal, state and local laws applicable to and enforceable against it as a tenant under this lease, provided that nothing in this lease shall be construed as a waiver of any sovereign immunity of the Government. This lease shall be governed by Federal law. The State law referred to in this paragraph is the law of the State where the property is located.

16. CHANGE OF OWNERSHIP/ NOVATION (OCT 2021). If during the term of the lease, title to the Property is transferred or the Lessor changes its legal name, the Lessor and its successor shall comply with the requirements of FAR Subpart 42.12. If title is transferred, the Lessor shall notify Government, in writing, within five (5) days of any transfer of ownership of the described property, change in Payee or payment mailing address. Request must include the current deed and supporting documentation. If

the only change is the Lessor's name, then this will be documented in an SLA, and the Government's and the Lessor's respective rights and obligations remain unaffected. If title to the Property is transferred, then this constitutes a novation. In a novation, where the rights and obligations under the Lease are transferred to the new owner, an SLA will be used to document the change. In addition to all documents required by FAR 42.1204, the Government may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer, and to determine whether the transfer of the Lease is in the Government's interest.

17. SUCCESSORS BOUND. The Lease shall bind and inure to the benefit of the parties, and their respective heirs, executors, administrators, and successors.

18. INSURANCE. The Government is a self-insured entity.

19. INDEMNIFICATION. The Government, in the manner and to the extent provided by the Federal Tort Claims Act, 28 U.S.C. §§ 2671-2680, and the Anti-Deficiency Act, 31 U.S.C. § 1341, shall be liable for, and shall hold the Lessor harmless from claims for damage or loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, employees and agents in the use of the leased premises.

20. Anti-Deficiency Act, 31 U.S.C. § 1341. Nothing in this lease shall constitute an obligation of funds of the United States in advance of an appropriation thereof.

21. TAXES AND ASSESSMENTS. The Federal government is not subject to taxes based on the Supremacy Clause of the U.S. Constitution, therefore the Government is not responsible or liable for any state and local taxes, including real property taxes, personal property taxes, personal taxes, or any other assessments levied or assessed relating to the Premises.

22. WARRANTY. Lessor expressly warrants the suitability of the Premises for the Government's intended use or purpose.

23. SUBLETTING/ASSIGNMENT. Government may sublet or assign the Premises, upon written agreement from the Lessor.

24. LIENS. Government shall not be responsible for any liens, claims, or encumbrances of any type that may be placed upon Premises. The Government will not allow any liens to attach to the Premises resulting from its activities.

25. INTEGRATED AGREEMENT. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the lease.

26. SEVERABILITY. If any term or provision of this lease is held invalid or unenforceable, the remainder of this lease shall not be affected thereby and each term and/or provision hereof shall be valid and enforced to the fullest extent permitted by law.

27. DISPUTES (DEC 1998). This contract is subject to the Contract Disputes Act, 41 U.S.C. §§ 601-613. Except as provided in the Act, all disputes arising under or relating to this contract shall be resolved under this clause.

28. ADMINISTRATION. Administration of subject lease will be carried out at the offices listed below. If any changes relating to the sale of the property, or name and address of the Lessor are made, the Government shall be notified immediately in writing by the Lessor. Written notices shall be sent by certified or registered mail, express or overnight mail or other comparable service, or delivered by hand. Said notice shall be effective on the date delivery is accepted or refused.

For the Government:	For the Lessor:
UNITED STATES OF AMERICA DEPARTMENT OF HOMELAND SECURITY UNITED STATES COAST GUARD	Owner/Business Name: **City of Homer**
Commander, United States Coast Guard Civil Engineering Unit Oakland ATTN: Real Estate Contracting Officer Steven Heimes	• Business Address: **491 East Pioneer Ave.** **Homer, Alaska 99603** **United States**
Phone Number: 402-215-6967	Phone Number: 907-
Email Address: steven.p.heimes2@uscg.mil	Email Address:

29. LESSOR'S' AUTHORITY TO BIND: The Lessor affirms and warrants that the Lessor owns and or possesses the Premises, has the authority to sign this lease, and such lease is and will be effective for and bind all heirs, assignors, executors, administrators, and successors and to the Lessor for the described property.

30. GOVERMENT'S AUTHORITY TO BIND: The undersigned employee of the Government hereby attests that said employee has the authority to enter this Lease (or sublease) on behalf of the United States Government, acting by and through the United States Coast Guard. The undersigned has no interest, direct or indirect in the property contained in this Lease. The undersigned executes this Lease in compliance with all known statutes, regulations, Executive Orders, management and budget circulars, Commandant Instructions, and policies.

(SPACE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below.

LESSOR

PRINT NAME:	SIGNATURE:
PRINT NAME:	SIGNATURE:

IN PRESENCE OF

PRINT NAME:	SIGNATURE:

PRINT NAME:	SIGNATURE:

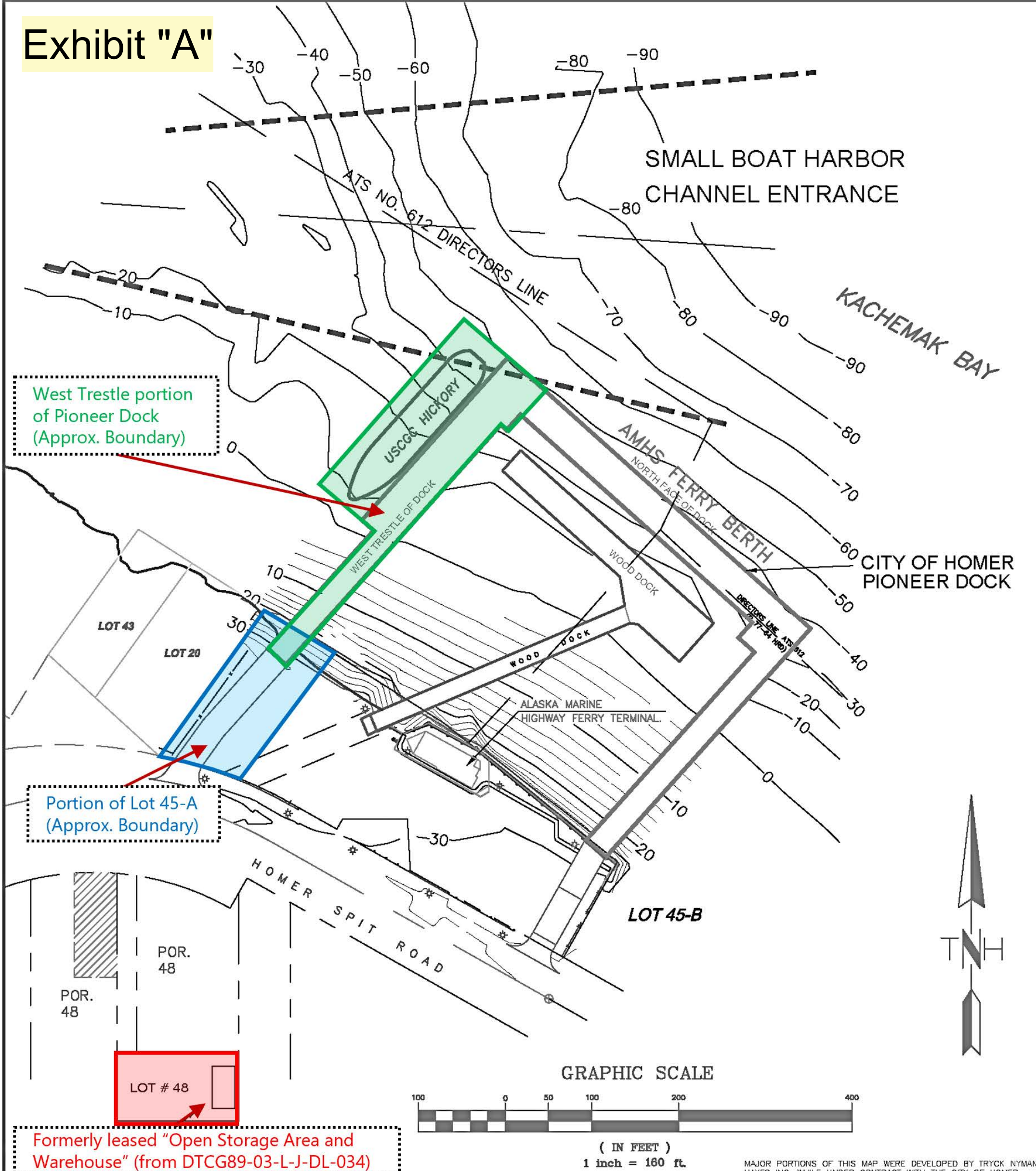
UNITED STATES OF AMERICA

PRINT NAME: Steven P. Heimes	SIGNATURE:
OFFICIAL TITLE OF SIGNER:	

FOR GOVERNMENT USE ONLY:

SUID/RPUID(S): 37849/46740 – Pier Space & 848718 – Parking Lot

Exhibit "A"



LOCATION AND SIZE OF FEATURES SHOWN ON THIS MAP ARE APPROXIMATE

A/E PROJECT NO:
CAD FILE NAME:
DESIGNED BY:
DRAWN BY:
EDITED BY:
CHECKED BY:

ENGINEERING SUPPORT FOR THE LAST FRONTIER
UNITED STATES COAST GUARD
CIVIL ENGINEERING UNIT
JUNEAU, ALASKA

SHEET TITLE

HOMER DOCK LEASE
USCGC HICKORY MOORINGS
HOMER ALASKA

CIVIL ENGINEERING UNIT
JUNEAU
JUNEAU, ALASKA 99801

SHEET 1 OF 1

05/09/01

COOPERATIVE AGREEMENT BETWEEN THE UNITED STATES COAST GUARD AND THE CITY OF HOMER

I. Introduction

1. **Parties**. The parties to this Agreement are the United States Coast Guard (USCG) and the City of Homer, Alaska.

2. **Authority**. This Agreement is authorized under the provisions of Public Law 106-346 and 31 U.S.C. § 6305, regarding cooperative agreements with state and local governments.

3. **Purpose**. The purpose of this Agreement is:

   (a) to set forth terms by which the USCG will provide funding to the City of Homer so that the latter may carry out an effort in support of a USCG mission; and

   (b) to establish terms by which the United States Coast Guard will utilize the facility once completed.

II. Determinations

1. The City of Homer, Alaska plans to construct a new city dock. The Coast Guard utilizes a portion of this dock for its buoy tender.

2. The funding for this project is subject to the terms and conditions set forth below.

III. Terms and Conditions

1. Responsibility of the City of Homer

   (a) It will be the responsibility of the City of Homer to comply with the attached, incorporated Statement of Work dated 9 April 2001. The City of Homer shall obtain the design and construction effort, obtain the necessary environmental and permitting approvals, and obtain any other supplies and services that may be needed to effect the construction of this new dock. The USCG will not be required to obtain, or assist in obtaining, the needed design and construction effort, nor will the USCG be required to obtain or assist in obtaining any other needed supplies and services necessary to effect the construction of the facility. The City of Homer shall also prepare, for USCG use, appropriate documents for public involvement and environmental analysis and documentation under the National Environmental Policy Act, the Endangered Species Act, the National Marine Mammal Protection Act, the National Historic Preservation Act, the Coastal Zone Management Act, the Clean Water Act and other federal and state environmental laws, regulations, and executive orders.

   (b) It will be the responsibility of the City of Homer to insure that the new dock adequately meets the needs of the USCG:

      (1) The Coast Guard vessel will be provided the same dedicated berthing space alongside the dock each time they moor in Homer. The Coast Guard vessel will be allowed to remain at this berth undisturbed, with no limit to cutter stay. Berthing must be available upon arrival; and

      (2) the City of Homer will honor the financial terms and conditions of the Coast Guard leases, as described in the Statement of Work.

2. Responsibility of the USCG.

   (a) The USCG will provide the amount of $5,787,240 in acquisition, construction and improvement funds from FY 2001 to support the new city dock. This agreement in no way makes the USCG responsible for costs above and beyond the stated amount of $5,787,240 nor does it require or authorize the USCG to make additional payments of any kind.

(b) It will be the responsibility of the USCG to provide the City of Homer with the necessary information to ensure that the new city dock accommodates the type of USCG vessel that will use this dock.

3. Limitation.

(a) The City of Homer shall utilize the USCG funding exclusively for the purposes of constructing a new city dock.

(b) If, for any reason whatsoever, the new city dock construction is not undertaken by 30 April 2003, then the City of Homer agrees to return the funds to the USCG by 30 May 2003.

4. Payment. The USCG shall, upon signing of this agreement, effect payment of $5,787,240 to the City of Homer per congressional FY01 DOT appropriation.

5. Points of Contact.

USCG:	Captain Robert L. Lachowsky Chief, Shore Division Maintenance and Logistics Command Pacific Coast Guard Island Alameda, CA 94501-5100 (510) 437-3512 rlachowsky@d11.uscg.mil
City of Homer	Ronald Wm. Drathman City Manager 491 E. Pioneer Ave. Homer, AK 99603 (907) 235 -8121 CityManager@ci.homer.ak.us

6. Savings Provisions. Nothing in this Agreement is intended to conflict with current laws, regulations, or directives of the United States Coast Guard or Department of Transportation or the City of Homer. If a term of this agreement is inconsistent with such authority, then that term shall be invalid, but the remaining terms and conditions of this agreement shall remain in full force and effect.

VI. Execution of the Agreement

1. Authority of the Representatives of Each Party. The parties warrant that the officials representing them are duly authorized to sign this agreement of behalf of the USCG and the City of Homer, respectively.

2. Effective Date. This agreement becomes effective on the date both parties have signed the agreement.

3. Modification. This agreement may be modified upon the mutual written consent of the parties.

**COOPERATIVE AGREEMENT BETWEEN
THE UNITED STATES COAST GUARD AND
THE CITY OF HOMER**

4. Termination. The terms of this agreement, as modified with the consent of both parties, and with exception of the leases, will terminate upon completion of the new city dock project or upon return of the funding, whichever comes first.

CITY OF HOMER, ~~OWNER~~

By: R. Drathman

Ronald Wm. Drathman
City Manager

Dated: 5.9.01

UNITED STATES COAST GUARD

By: Robert J. Lachowsky

Captain Robert L. Lachowsky
Chief, Civil Engineering Division
Maintenance and Logistics Command Pacific

Dated: 5-24-01

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

This is to certify that on this 9th day of May 2001, before me, the undersigned, a notary public in and for the State of Alaska duly commissioned and sworn as such, personally appeared the City Manager of the City of Homer named in the foregoing instrument, and he acknowledged to me that he had in his official capacity aforesaid executed the foregoing instrument as the free act and deed of said City Manager for the uses and purposes therein stated.

Witness my hand and official seal on the day and year first above written.

Mary L. Calhoun

NOTARY PUBLIC in and for Alaska
My commission expires: 10-14-2003

This is to certify that on this 24th day of May 2001, before me, the undersigned, a notary public in and for the State of California duly commissioned and sworn as such, personally appeared Captain Robert L. Lachowsky, Chief , Civil Engineering Division, Maintenance and Logistics Command Pacific, USCG, named in the foregoing instrument, and he acknowledged to me that he had in his official capacity aforesaid executed the foregoing instrument for the uses and purposes therein stated.

Witness my hand and official seal on the day and year first above written.

NOTARY PUBLIC in and for California
My commission expires: Jan. 22, 2003

KHARI D. LANE
Comm. # 1208806
NOTARY PUBLIC - CALIFORNIA
Alameda County
My Comm. Expires Jan. 22, 2003

Exhibit "B"

STATEMENT OF WORK BETWEEN THE UNITED STATES COAST GUARD AND THE CITY OF HOMER

I. **Introduction**. This **Statement of Work (SOW)** constitutes the requirements for the engineering and construction effort for the new dock located in Homer, Alaska for the purpose of accommodating dedicated berthing space for U.S. Coast Guard vessels, as described below. It is expressly incorporated into, and is a part of, the Cooperative Agreement executed between the **United States Coast Guard** and the **City of Homer, Alaska**

II. **Requirements**. In order to accomplish the mission of the U.S. Coast Guard, the construction of the new dock shall accomplish the following.

1.0 Dock requirements.

1.1 Shall be able to accommodate a 225-foot ship, with 25 feet clearance on each end, for a total of 275 feet of well-fendered pier space.

1.2 Shall have a minimum clear water depth of 16 feet at tide elevation –5.6 Mean Lower Low Water (MLLW).

1.3 Shall provide reasonable accommodations for safe continuous access to ship at 01 deck near quarterdeck (frame 70) at high tide and 03 deck near Pilot House (frame 65) for all other tide conditions via brow and browstand combination or accomodation ladder arrangement. Accommodations shall not interfere with mooring lines or buoy handling.

1.4 Shall have sufficient fender walls and energy absorption systems for the prevalent sea conditions. Fenders shall allow ship to moor out approximately 10 feet from dock face to prevent damage to ship's superstructure during low tide periods.

1.5 Shall have 6 single bit bollards, rated at 80 tons, located at 50 foot intervals.

1.6 Shall be designed to handle vertical load equivalent to AASHTO truck loading HS-20. All pathways from the buoy storage yard to the ship shall be capable of supporting a 45-ton forklift (96K lb. front axle load). The dock shall be clearly marked with applicable loading limits.

1.7 Shall be well lighted for security and safety. Clear markings denoting the position of dock-side utility services along the wall will be required to assist the cutter position itself properly during mooring evolutions.

Exhibit "C"

2.0 Shore Tie Requirements

2.1 **Water**. The dock shall have the capability of delivering 1, 500 gallons per day of potable water at 55 – 65 psig. via a standard NPSH or NPT 1½ inch fitting. Connection point is at ship's buoy deck (frame 54).

2.1.1 The dock shall also have the capability of providing 600 gpm of firefighting at a minimum of 100 psi via a 2-1/2 inch Navy firehose/fittings.

2.2 **Electrical Power.** The dock shall have (2) each services of 3 phase, 450 volt, 60 Hz electrical power shore tie cables with a minimum of two 400 amp breakers.

2.2.1 Shall have a central, above ground, immovable junction box with plug receptacles for a standard electrical shore tie.
2.2.2 Shall use standard Military Specification (MILSPEC) hardware; i.e.; MIL-C-24368/2.
2.2.3 Shall have shunt trip breakers located above deck within 20 feet of the shore tie receptacle.
2.2.4 Shore tie receptacles shall be located above deck on the outboard side of the dock within 10 feet of the moored ship's electrical shore tie (fantail – frame 95).

2.3 **Sewage**. The dock shall be capable of transporting 500 gallons of sewage per day.

2.3.1 Standard 4-inch female camlock connection is required.
2.3.2 Hard rubber hoses are required. (shipboard connection is located at aft of amidships.)
2.3.2 Ship's sewage pump rating is 150 gpm at 20 ft of head.

2.4 **Telephone**. Shall provide 12 solid copper pairs.

2.4.1 Shall provide 2 each Russelstoll SKR12G receptacles with 45 degree elbows on a weathertight stainless box above deck on the outboard side of the dock within 10 feet of the moored ship's telephone shore tie the quarterdeck (frame 68).

2.4.2 Telecommunications Demark: A telecommunications demark shall be provided in conjunction with the local utility company. The demark location along with the ships mooring location shall determine the scope of the job. A demark extending to points on the pier shall also meet these requirements.

2.4.3 Joint Use of Underground Facilities: Joint use of underground facilities is acceptable as long as it does not impede the ability to facilitate future changes in the Coast Guard's telecommunications requirements.

2.4.4 Pathway Distribution Design: A distribution system for pathways shall allow for cable to be distributed from the demark to all potential mooring locations. It may consist of boxes, manholes, and pull-boxes. The system design shall avoid the use of underground splices and maintain NEC fill limit with an expected 50% growth in cable use. A system that is incorporated into the pier construction is preferred to a surface-mounted conduit system on the pier.

2.4.5 In order to support initial phone and cable requirements and to allow for future expansion requirements, a minimum of two 4 inch conduits or their equivalent shall be installed between all potential termination points. One conduit will be utilized as the primary service run and the second will be designed as a spare to facilitate repairs or new service pulls. Additional pathways shall be installed as necessary in order to maintain fill ratios and other service requirements. Areas subject to vehicular traffic shall have pathways encased in concrete.

2.4.6 Installations shall terminate near each CG-specific junction box.

2.5 **Cable TV**. The dock shall have one dedicated line (commercial service) for the Coast Guard. Provide a mounting location for the ship's current satellite dish and a pathway and cable for the satellite dish signal to the ship.

2.6 **Trash Disposal**. The dock shall have dedicated space for a maximum of 18 cubic yards of trash receptacle(s) located in the vicinity of the Coast Guard's dedicated dock space. The Coast Guard shall continue to maintain financial and contracting responsibility for this service.

3.0. Shore Support Facility Requirements

3.1 Cutter Support Team (CST) space: existing shoreside lease shall be decreased from $4,320/year to $1/year. This new lease rate will be in effect beginning 1 October 2001 and shall remain in effect for the life of the dock. This lease currently provides for Coast Guard use of a 44' x 21' metal warehouse. Coast Guard shall be allowed to modify lease, at no additional cost, to provide for future construction of approximately 3600 gross square foot CST facility. Existing Lot #48 (attached as Figure 1 attachment) provides the Coast Guard with 16,000 square feet of space for future construction. Construction of new building shall be at Coast Guard expense.

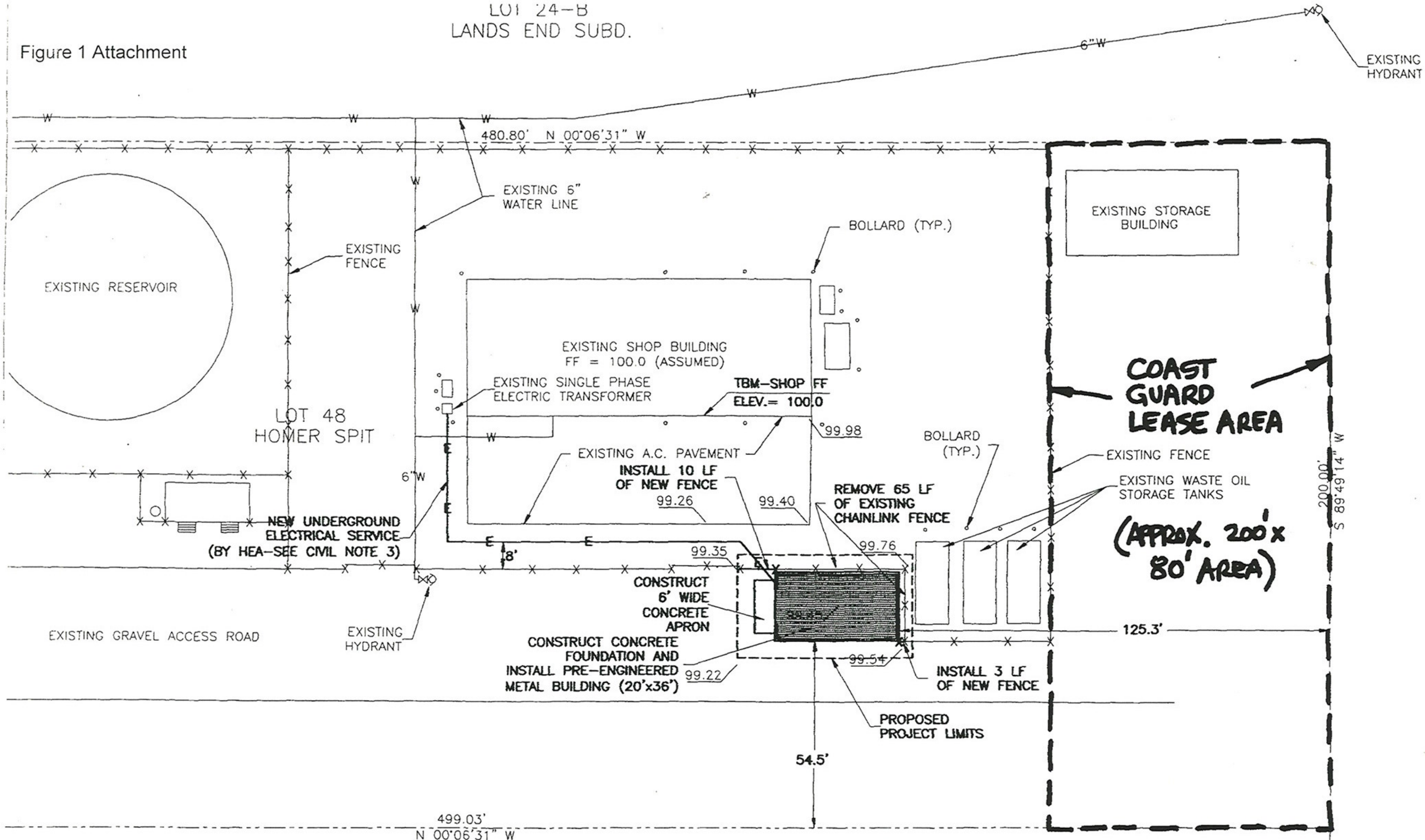
4.0 Berthing Availability Requirements.

4.1. Coast Guard vessels shall be provided the same dedicated berthing space in the same location with full and unobstructed access to previously described shore connections each time they dock in Homer.

4.2. Coast Guard vessels shall be allowed to remain at this berth undisturbed, with no limit to cutter stay.

4.3. Coast Guard shall continue to pay current dock lease costs ($4,680/year) for the life of the dock. This lease includes approximately 2400 square feet of shoreside storage space adjacent to the metal warehouse (see paragraph 3.1) and parking for up to 25 vehicles.

Figure 1 Attachment



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CIVIL SITE PLAN

LOT 49
HOMER SPIT

GENERAL CIVIL NOTES:

1) THE CONTRACTOR SHALL PROVIDE ALL LABOR, MATERIALS AND EQUIPMENT NECESSARY TO INSTALL NEW CONCRETE FOUNDATION; ERECT CITY FURNISHED PRE-ENGINEERED METAL BUILDING; AND CONSTRUCT ELECTRICAL IMPROVEMENTS AS SHOWN ON THESE DRAWINGS AND AS DIRECTED BY THE PUBLIC WORKS INSPECTOR. THIS WORK INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, ALL EXCAVATION AND BACKFILL FOR THE FOUNDATION; FORM WORK AND CONCRETE PLACEMENT; FURNISHING AND PLACING REINFORCEMENT AND ANCHOR BOLTS; ERECTION AND ASSEMBLY OF THE METAL BUILDING; PROVIDING NEW CONCRETE APRON; REMOVAL AND REINSTALLATION OF CHAIN LINK FENCE; AND INSTALLATION OF INTERNAL ELECTRICAL IMPROVEMENTS.

2) ALL CIVIL SITE CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF HOMER STANDARD CONSTRUCTION SPECIFICATIONS, 2000 EDITION, UNLESS OTHERWISE NOTED.

3) THE CITY OF HOMER IS RESPONSIBLE FOR COORDINATING THE INSTALLATION OF THE NEW ELECTRICAL SERVICE TO THE BUILDING.

4) THE CITY OF HOMER WILL BE RESPONSIBLE FOR OBTAINING A BUILDING PERMIT

Exhibit "D"

Exhibit D
DTCG89-03-L-J-DL-034

Description of Alterations and Provision for Payment

1. LESSOR shall make the following alterations to City of Homer Pioneer Dock, West Trestle. LESSOR shall contract for engineering study and design, equipment, materials, labor and installation of electrically powered, manually operated, deck mounted, constant tension mooring winches supplemented with floating bollards, camels and fender relocations.

a. Mooring Winches: Two electrically powered, manually operated, constant tension mooring winches:

1. **Winch Equipment**. Shall provide mooring line winches subject to the following requirements:
   a. There shall be 2 double-drum winches for tending the ship's fore and aft breast lines. Each drum on the winch will be independently operable. The winches will also be used to pull the ship fore and aft in the berth.
   b. Shall be electrically powered using shore power. Shore power electrical systems shall be upgraded such that they are sufficient to handle the additional load required to support the winches.
   c. Shall use wire rope on the winch drums.
   d. Shall provide a durable fairlead for each winch to direct the wire rope or fiber mooring line over the edge of the pier and around the fenders. Additional fairleads shall be installed to allow the proper mooring line angles when the ship is shifted 50 feet aft in its berth.
   e. Winches, wire rope or Kevlar/Spectra rope, and fair leads shall be for use in an unsheltered marine setting and be resistant to the local elements such as rain, wind, snow, ice, sand, silt, and salt water.
   f. Winch line pay in speeds shall be 5 feet per minute (fpm) and 10 fpm. Winch line pay out speeds shall be 5 fpm and 10 fpm.

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g. Pay in line pull tensions at the 5 fpm speed shall meet or exceed a tension force of 40,000 lbs.
h. The winch shall be capable of holding a specified tension as set on the winch control panel.
i. Each winch fairlead shall be mounted on the pier deck near the mooring bollard it is intended to replace. Original mooring bollards shall remain in place for use in the event of an equipment failure or power outage.

2. **Winch Control**. Shall provide a locally operable control panel for each winch subject to the following requirements:
   a. A control panel shall be provided for each winch.
   b. Control panel shall be ruggedized for use in an outdoor marine industrial setting and be resistant to the local elements such as rain, wind, snow, ice, sand, silt, and salt water.
   c. Control panel labels shall have a font style and size easily readable by able-bodied seamen.
   d. Control panel buttons, knobs, switches, indicators and labels shall be easily visible for use at night under harsh unsheltered conditions using a suitable self illumination system.
   e. Control panel shall contain the minimum of the following controls:
      (1) Pay In Fast (10 fpm)
      (2) Pay In Slow (5 fpm)
      (3) Pay Out Slow (5 fpm)
      (4) Pay Out Fast (10 fpm)
      (5) Cable Tension Adjustment
      (6) Both Automatic and Manual modes shall be available
      (7) Key operated lock out switch (all winch control panels shall be keyed alike)
      (8) Emergency Power Shutdown Switch
   f. Control panel shall indicate the approximate line pull tension in pounds at all times.
   g. A pendant station control panel shall be provided for each winch and semi-portable and connected to the winch via a durable control cable that allows the operator to stand at the edge of the pier while controlling the winch. There shall be a control panel docking station on each winch for easy enclosed and lockable stowage of the control panel while not

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in use. The pendant station control panel shall provide at a minimum fast/slow pay in/out controls.

h. The effective weight of each pendant station control panel shall be no more than 3 lbs.

3. **Electrical Isolation**. The wire rope mooring lines shall provide a durable means to electrically isolate the ship from the pier. Each winch shall be clearly marked with the following notice: "FAILURE TO MAINTAIN PROPER ELECTRICAL ISOLATION BETWEEN THE WINCH AND THE SHIP MAY CAUSE HULL COATING FAILURE AND ACCELERATE HULL AND PROPULSION EQUIPMENT CORROSION."
4. **Electrical Service**. There shall be one metering system for both the mooring winch electrical service and GOVERNMENT electrical shore tie service.
5. **Length of Service**. The winch system, its controls, and electrical power distribution shall be designed and constructed using parts and materials of a quality suitable to give it a minimum serviceable life of 20 years. Suitable numbers of spare parts for unique items and items subject to breakage (such as control panels) shall be provided.
6. **Future Retrofits**. The mooring winch system shall be designed and outfitted to be potentially retrofitted to a fully automated tensioning mooring system. The winch system electrical service shall be designed to allow it to be retrofitted to be powered using ship's power during commercial power outages. The LESSOR shall provide the GOVERNMENT with cost estimates to make each of the above retrofits NLT 1 October 2003.
7. **Pedestal Crane (Davit)**. Two-ton electric hydraulic pedestal crane with 35-foot arm. Mount the base plate of crane to deck of concrete dock, install crane and all related rigging and appurtenances, and provide electrical service. Pedestal crane shall be located approximately twelve (12) feet seaward on the pier from the location shown on City's contract drawings.

b. Floating Bollards: Provide five floating bollards one each at the following dock bents: 'L', 'I', 'G', 'C', and 'A'.

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1. **Purpose**. The floating bollards will be used to tend the ships four-fore/aft spring lines. They will also be used to temporarily breast the ship to the dock at low tides.
2. **Configuration**. Provide floating bollards in the spaces between adjacent vertical fender assemblies. Shall be positioned such that loaded spring lines will not hang up or chafe on the existing vertical fenders
3. **Mooring Line Attachment**. The mooring line attachment points shall be located a minimum 14'-6" above the water line in a normal, unloaded, free floating condition. Shall provide three each 13'-0" galvanized wire rope pendants evenly spaced the radial third points.
4. **Materials & Length of Service**. Shall be made of welded, hot dipped galvanized steel and composite material of sufficient strength and durability to allow it a minimum serviceable life of 10 years.
5. **Capacity**. The floating bollards shall be capable of sustaining a 100 kip line pull and remain fully functional.
6. **Displacement**. Shall have sufficient weight such that it will overcome uplift forces caused by wave action, and floating ice buildup.
7. **Buoyancy**. Shall have sufficient buoyancy such that it will overcome sinking forces caused by marine growth accumulations.
8. **Marine Growth**. Shall be designed and constructed to minimize the amount of marine growth and to simplify periodic cleaning operations. Use of anti-fouling materials and coatings is highly encouraged.

c. Camel Log: Provide a camel log to fend ship at least 3 feet outboard from the existing vertical fenders at the following dock bents: 'K', 'H', 'E', 'B', and 'A'.

1. **Configuration**. Shall fend the ship a minimum of 3 feet outboard from the existing UHMW padded vertical fenders and shall extend the full length of the slip. The camel/fender system shall afford at a minimum of a 10-foot fendoff from the dock face.

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2. **Materials & Length of Service**. Shall be made of wood or composite material of sufficient strength and durability to allow it a minimum serviceable life of 10 years.
3. **Wearing Surface**. Shall have a surface that meets the industry standard for being non-marring to the berthed ship.
4. **Anchorage**. Shall have sufficient anchorage to keep the log in position both laterally and longitudinally while the ship is moored and while absent.
5. **Displacement**. Shall have sufficient weight such that it will overcome uplift forces caused by wave action, floating ice buildup, and ship-fender friction during tide ebb.
6. **Buoyancy**. Shall have sufficient buoyancy such that it will overcome sinking forces caused by marine growth accumulations and ship-fender friction during tide flow.
7. **Marine Growth**. Shall be designed and constructed to minimize the amount of marine growth and to simplify periodic cleaning operations. Use of anti-fouling materials and coatings is highly encouraged.

d. Fender Relocations: The existing vertical fenders shall be relocated or removed as necessary to allow correct positioning of the floating bollards and to keep the fenders from interfering with spring line attached to the floating bollards.

1. ADDITIONAL TECHNICAL REQUIREMENTS

a. **Weekly Construction Updates**. During construction of these Alterations, the LESSOR shall provide the GOVERNMENT with weekly construction updates. During construction the LESSOR shall provide the government with the following by 12:00 noon each Thursday:

1. All major work items complete.
2. All major work items in progress, percent complete, and projected completion date.
3. State condition of contractor's work schedule: On-time, Delayed by X number of days. Ahead by X number of days.
4. If the contractor's work schedule delayed, describe the reason for the delay.

b. **O&M Manuals**. LESSOR shall provide to GOVERNMENT three copies of the operations and maintenance manuals which covers the camels;

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floating bollards; and all portions of the winch system, its controls, and electrical power distribution upon final acceptance of work.

c. **As-Built Drawings**. LESSOR shall provide to GOVERNMENT complete and accurate as-built drawings of all alteration systems in both hardcopy and electronic (AutoCAD 2002) form 90 days following final acceptance of work.

2. SCHEDULE OF WORK. No pile driving, installation of fenders or any other work that would interfere with installation of new turbochargers on CGC HICKORY shall be performed from October 3, 2003 through October 20, 2003, which is the period scheduled for the dockside installation of the turbochargers. Pile driving, installation of camels, relocation of fenders and any other work that would interfere with CGC HICKORY being moored at the Pioneer Dock, West Trestle shall be completed when the cutter is scheduled to be away from Homer to the maximum extent possible. These "away" periods tentatively are scheduled from August 5, 2003 to September 18, 2003, from September 22, 2003 to September 24, 2003, from September 29, 2003 to October 1, 2003, and from October 27, 2003 to November 20, 2003. This schedule may change slightly, and the schedule for the Alterations work that would interfere must be coordinated closely with the United States Coast Guard. All work shall be completed by November 15, 2003.

4. GOVERNMENT will compensate LESSOR for its actual costs approved for payment by LESSOR to third parties or as otherwise set out below to accomplish these alterations. LESSOR must submit proof of its actual payment to third parties within fifteen (15) days after its receipt of GOVERNMENT payment. This payment is for fair and reasonable costs actually expended and will not exceed One million four hundred seventy-three thousand dollars. ($1,473,000.00). The GOVERNMENT will pay this compensation as follows:

a. Upon execution of this Lease and submission of approved invoices, not to exceed One hundred ten thousand dollars ($110,000.00), for third party engineering study and design. The GOVERNMENT acknowledges that it has accepted the 100% design drawings.

b. Upon delivery of winch equipment to LESSOR, inspection and approval by LESSOR and GOVERNMENT, and submission of City

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approved invoices, not to exceed Four hundred thirty two thousand, six hundred thirty five dollars ($432,635.00) if two level wind winch systems are provided, and not to exceed Three hundred ninety two thousand, six hundred thirty five dollars $392,635.00 if no level wind winch systems are provided.

c. For all work described in LESSOR's "installation contract" (entitled City of Homer, Alaska, Pioneer Dock, USCG Berth Modifications to be awarded to B. West Construction in the amount of $832,722.50), not to exceed Seven hundred eighty two thousand, seven hundred twenty-two dollars and fifty cents ($782,722.50). This represents the contract award amount of $832,722.50 less $50,000.00 for the 2-ton pedestal crane (winch), which LESSOR will pay for. This $50,000.00 is not included in compensation to be paid by GOVERNMENT to LESSOR, and shall not be included in invoices submitted to GOVERNMENT.

a. LESSOR may submit approved invoices to GOVERNMENT no more frequently that once a month for work performed under the "installation contract." The GOVERNMENT will approve the last monthly invoice for payment by GOVERNMENT only after both LESSOR and GOVERNMENT have inspected and made final acceptance of the alterations.

b. After completion of LESSOR's installation, GOVERNMENT inspection and acceptance of alterations, and submission of LESSOR's invoice detailing City of Homer contract administration costs, not to exceed Ten thousand dollars ($10,000.00). The City's invoice shall be supported with appropriate timesheet and direct cost detail. Copies of timesheets and direct cost receipts are not required.

c. After LESSOR's installation of all piles and submission of LESSOR'S INVOICE, fourteen thousand five hundred fifty dollars ($14,550.00), to compensate LESSOR (City of Homer) for city furnished piles.

d. The balance of not to exceed One hundred twenty three thousand sixty dollars and fifty cents ($123,060.50) represents a reserve for contingencies and change work. If no level wind winches systems are provided, this amount shall be increased by $40,000.00 to $163,060.50. GOVERNMENT will pay this compensation only if there has been advance written approval

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by Commanding Officer, Coast Guard Civil Engineering Unit Juneau or his designee. It is available for the following identified potential contingencies and change work:

1. Winch spare parts to be delivered to GOVERNMENT.
2. Pedestal crane (davit) cost in excess of cost of $50,000 that may result from upgrade from 25-foot to 35-foot arm.

It is also available for as yet unidentified contingencies and change work, providing there has been advance written approval of Commanding Officer, Civil Engineering Unit Juneau or his designee.

e. GSAR 552.232-75, PROMPT PAYMENT (Sept 1999) a) (2) is modified to provide that the payment due date for all payments under this paragraph- 4) is changed to require payment by GOVERNMENT as soon as possible after approval of invoice by GOVERNMENT consistent with normal processing procedures. However, no prompt payment interest penalty shall accrue prior to the 30th day.

i. Total payments will not exceed One million four hundred seventy three dollars ($1,473,00.00).

5. ACCOUNTING DATA.

a. Winches, floating bollards, fender relocations 2/6/6B/033/00/0/160217 (Not to exceed $1,290.000)

b. Camel: 2/6/301/133/43/0/43/15252/2553 (Not to exceed $183,000.00)

6. OWNERSHIP AND MAINTENANCE.

a. GOVERNMENT will own the winch system and floating bollards as personal property and will be responsible for their maintenance. In the event that the lease is discontinued, the GOVERNMENT may at its option remove the floating bollards and the winch system, including electrical conduit and wiring up to the electrical distribution cabinet located onshore.

b. LESSOR will be responsible for maintenance of the camels. $11,400 of the annual rent included in the total annual rent of $16,080.00

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provided for in this lease is in recognition of the LESSOR's cost to provide this maintenance. In the event that the lease is discontinued, the GOVERNMENT may at its option remove the camels.

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