March 11, 2021 AIRPORT COMMISSION MEETING ADDITIONAL MATERIAL/REVISIONS

REQUESTED REVISIONS TO THE AGENDA/PACKET:

ACTION	ITEM	REQUESTED BY
Add Item 11 to Information Items	Special Use Permit to Alaska Air Fuel Resolution No. 2021-15 Resolution No. 2021-16	Planning Director Planning Director Planning Director



MEMORANDUM

TO:

Mayor Brian Gabriel and Kenai City Council

THROUGH:

Paul Ostrander, City Manager

FROM:

Ryan Foster, Planning Director

DATE:

March 9, 2021

SUBJECT:

Special Use Permit to Alaska Air Fuel, Inc. for Office, Parking, and

Utilities

City Council approved a 45-year lease application from Alaska Air Fuel on September 2, 2020, for portion of Lot 5, FBO Subdivision No. 8 to be used as fixed base operator with a hangar and office space requiring a subdivision. A plat of this subdivision must be finalized and recorded in order to deliver Alaska Air Fuel a lease. The plat is scheduled for Planning and Zoning Commission consideration on March 10, 2021. If recommended for approval by the Planning and Zoning Commission, the plat is then sent to the Kenai Peninsula Borough for the final approval and recording process.

Alaska Air Fuel has submitted a Special Use Permit Application for office, parking, and utilities due to the unforeseen circumstances created by the subdivision of Lot 5. A Special Use Permit would allow Alaska Air Fuel to begin site clearing and access for office, parking, and utilities on April 1, 2021 in anticipation of entering into the approved lease once the subdivision is completed. The Special Use Permit would expire in one (1) year on March 31, 2022.

Thank you for your consideration.

Attachment:

Special Use Permit application dated March 8, 2021 from Alaska Air Fuel requesting use of a portion of Lot 5, FBO Subdivision No. 8 for office, parking, and utilities



City of Kenai Special Use Permit Application

VENA					Applica	ation Date:	3/8/202	21
		Applic	ant Info	ormation				
Name of Applicant:	John Sliv	winski D.B.A. Ala	aska A	ir Fuel, Inc.				
Mailing Address:	3700 W.	Aviation Ave.	City:	Wasilla	State:	AK	Zip Code:	99654
Phone Number(s):	Home Pho	ne: ()907-317	-5169	Work/ Message	Phone:	()907	-317-53	68
E-mail: (Optional)	alaskaaii	fuel@hotmail.co	om					
Name to Appear on	Permit:	Alaska Air Fuel	, Inc.					
Mailing Address:	above		City:		State:		Zip Code:	
Phone Number(s):	Home Pho	ne: () above		Work/ Message	Phone:	()	1	
E-mail: (Optional)	above			Lance of the second of the sec				
Type of Applicant:		(at least 18 years of ability Company (LLC	W 200	☐ Partnership ☐ Other	■ Corp	oration 🗆	Governmer	nt
	THE REAL PROPERTY.	Prope	rty Infor	mation				
Description of the pro		ess or activity intende	ed: Aviat		ce			
s the area to be used he same or similar p	d in front of o roducts or se	r immediately adjacer	nt to any	established bus	iness of	fering	DVC	B 110
Would the use under	this permit in			through excessi	ve noise	3	☐ YES	■ NO
f you answered yes t	o any of the a	above questions, plea	ise expl	ain:		Managarin ngay (bulantasa	2 120	
Vhat is the term requ	ested (not to	exceed one year)? O	ne year				***************************************	
Requested Starting Da	ate. April 1st,	2021						
ignature	pln +	Curich:		Date:	3/8/20	021		
rint Name	John Sliw		Т	itle:	Owner	r/Vp		
/	J Airport Rese			oplication Fee Rec uncil Action/Resolu				The second contract of



Lease Application from Alaska Air Fuel for a Portion of Parcel 04336043 525 North Willow St. Lot 5, FBO Subd. No. 8



SPECIAL USE PERMIT

The CITY OF KENAI (City), for the consideration, and pursuant to the conditions set out below, hereby grants to JOHN SLIWINSKI D/B/A ALASKA AIR FUEL, INC. (PERMITTEE), whose address is 3700 W. Aviation Avenue, Wasilla, AK 99654, the non-exclusive right to use 109,771± square feet of area as described below:

That portion of Lot 5, FBO Subdivision No. 8, as delineated as Lot 5A of the proposed plat of FBO Subdivision No. 10, which will be recorded in the Kenai Recording District, Third Judicial District, State of Alaska.

- 1. **TERM.** This special use permit shall be for 12 months from April 1, 2021 to March 31, 2022.
- 2. **CANCELLATION.** Pursuant to requirements of the Federal Aviation Administration, the City reserves the right to cancel this special use permit on 90-days' notice, either delivered in person to the Permittee or by mail. Any or all personal property shall be removed at Permittee's expense upon cancellation or termination of this agreement.
- 3. **PERMIT FEES.** The Permittee shall be charged an annual permit fee of \$17,600.00 plus applicable sales tax.

The Permittee shall not use the parcels until starting monthly payments to the City for the permit fee.

Checks, bank drafts, or postal money orders shall be made payable to the City of Kenai and delivered to the City Hall, 210 Fidalgo Avenue, Kenai, Alaska 99611.

In addition to the permit fee specified above, the Permittee agrees to pay to the appropriate parties all levies, assessments, and charges as hereinafter provided:

- A. Sales tax nor enforced, or levied in the future, computed upon the permit fee payable in monthly installments whether said fee is paid on a monthly or yearly basis;
- B. All necessary licenses and permits; all lawful taxes and assessments which, during the term hereof may become a lien upon or which may be levied by the State, Borough, City, or by any other tax levying body, upon any taxable possessory right which Permittee may have in or to the Premises by reason of its use or occupancy or by reason of the terms of this Permit, provided however, that nothing herein contained shall prevent Permittee from contesting any increase in such tax or assessment through procedures provided by law.
- C. Interest at the rate of eight percent (8%) per annum and penalties of ten percent (10%) of any amount of money owed under this Special Use Permit which are not paid on or before the due date.

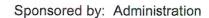
- D. Costs and expenses incident to this Special Use Permit, including but not limited to recording costs.
- 4. **USE.** The use by the Permittee of the Premises is limited to the purpose of an office, parking, and utilities due to the unforeseen circumstances created by the subdivision of Lot 5. A Special Use Permit would allow Alaska Air Fuel to begin site clearing and access for office, parking, and utilities on April 1, 2021 in anticipation of entering into the approved lease once the subdivision is completed. The Special Use Permit would expire in one (1) year on March 31, 2022. Use of the Premises is subject to the following conditions:
 - A. Permittee shall use the Premises only for the purpose of an office, parking and utilities.
 - B. At such time as the plat of FBO Subdivision No. 10 has been finalized and recorded, and a lease has been executed by the City of Kenai, Lessor, and Alaska Air Fuel, Inc., Lessee, the Special Use Permit shall be considered terminated.
 - C. The Permittee shall follow requirements of the City Fire Marshal and allow City staff to inspect the premises if requested.
 - 5. INSURANCE. Permittee shall secure and keep in force adequate insurance, as stated below, to protect City and Permittee. Where specific limits are stated, the limits are the minimum acceptable limits. If Permittee's insurance policy contains higher limits, the City is entitled to coverage to the extent of the higher limits.
 - A. General Liability or Commercial General Liability Insurance, including Premises, all operations, property damage, personal injury and death, broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. The policy must name the City as an additional insured.
 - B. Worker's Compensation Insurance with coverage for all employees engaged in work under this Permit or at the Premises as required by AS 23.30.045. Permittee is further responsible to provide Worker's Compensation Insurance for any subcontractor who directly or indirectly provides services to Permittee under this Permit.
 - C. Commercial Automobile Coverage with not less than \$1,000,000 combined single limit per occurrence. This insurance must cover all owned, hired, and non-owned motor vehicles the Permittee uses for snow moving and storage activities to, from, or on the Premises. The policy must name the City as an additional insured.
 - D. All insurance required must meet the following additional requirements:
 - All policies will be by a company/corporation currently rated "A-" or better by A.M. Best.
 - ii. Permittee shall submit to the City proof of continuous insurance coverage in the form of insurance policies, certificates, endorsements, or a

- combination thereof, and signed by a person authorized by the insurer to bind coverage on its behalf.
- iii. Permittee shall request a waiver of subrogation against City from Permittee's insurer and the waiver of subrogation, where possible, shall be provided at no cost to City.
- iv. Provide the City with notification at least 30 days before any termination, cancellation, or material change in insurance coverage of any policy required hereunder.
- v. Evidence of insurance coverage must be submitted to City by April 1, 2021. The effective date of the insurance shall be no later than April 1, 2021.
- vi. This insurance shall be primary and exclusive of any other insurance carried by the City of Kenai. This insurance shall be without limitation on the time within which the resulting loss, damage, or injury is actually sustained.
- 6. INDEMNITY, DEFEND, AND HOLD HARMLESS AGREEMENT. The Permittee shall fully indemnify, hold harmless, and defend the City of Kenai, its officers, agents, employees, and volunteers at its own expense from and against any and all actions, damages, costs, liability, claims, losses, judgments, penalties, including reasonable Attorney's fees of or for liability for any wrongful or negligent acts, errors, or omissions of the Permittee, its officers, agents or employees, or any subcontractor under this Permit. The Permittee shall not be required to defend or indemnify the City for any claims of or liability for any wrongful or negligent act, error, or omission solely due to the independent negligence of the City. If there is a claim of or liability for the joint negligence of the Permittee and the independent negligence of the City, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. Apportionment shall be established upon final determination of the percentage of fault. If any such determination is by settlement, the percentage of fault attributed to each party for purposes of this indemnification provision shall only be binding upon the parties included in the settlement agreement. "Permittee" and "City" as used in this article include the employees. agents, officers, directors, and other contractors who are directly responsible, respectively. for each party. The term "independent negligence of the City" is negligence other than in the City's selection, administration, monitoring, or controlling of the Permittee.
- 7. **PERMITTEE'S OBLIGATION TO PREVENT AND REMOVE LIENS.** Permittee will not permit any liens, including mechanic's, laborer's, construction, supplier's, mining, or any other liens obtainable or available under existing law, to stand against the Premises or improvements on the Premises for any labor or material furnished to Permittee or to any related entity or claimed entity. The Permittee shall have the right to provide a bond as contemplated by State of Alaska law and contest the validity or amount of any such lien or claimed lien. Upon the final determination of the lien or claim for lien, the Permittee will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Permittee's own expense.

- 8. **PERSONALTY.** Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit. Personal property placed or used upon the Premises and not removed upon termination of this Permit will be removed and/or impounded by the City. Property removed or impounded by the City may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus a storage fee of \$25 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or its customers.
- FORBEARANCE. Failure to insist upon a strict compliance with the terms, conditions, and/or any requirement herein contained, or referred to, shall not constitute or be construed as a waiver or relinquishment of the right to exercise such terms, conditions, or requirements.
- 10. **TERMINATION, DEFAULT.** This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. The City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety. The City may also terminate this Permit immediately, or upon notice shorter than 30 days, due to a failure of Permittee to comply with conditions and terms of this Permit, which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period to correct the violation or breach.
- 11. NO DISCRIMINATION. Permittee will not discriminate on the grounds of race, color, religion, national origin, ancestry, age, or sex against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or State law. Permittee recognizes the right of the City to take any action necessary to enforce this requirement.
- 12. **ASSIGNMENT.** Permittee may not assign, by grant or implication, the whole any part of this Permit, the Premises, or any improvement on the Premises without the written consent of the City. Unless the City specifically releases the Permittee in writing, the City may hold the Permittee responsible for performing any obligation under this permit which an assignee fails to perform.
- 13. **ASSUMPTION OF RISK.** Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on the Premises and its exercise of the privileges granted in this Permit.
- 14. **NO JOINT VENTURE.** The City shall not be construed or held to be a partner or joint venturer of Permittee in the conduct of its business or activities on the Premises.
- 15. **SURVIVAL.** The obligations and duties of Permittee under paragraphs 5 and 6 of this Permit shall survive the cancellation, termination, or expiration of this Permit.
- 16. **AUTHORITY.** By signing this Permit, Permittee represents that is has read this agreements and consents to be bound by the terms and conditions herein and that the person signing this Permit is duly authorized by the business to bind the business hereunder.

ALASKA AIR FUEL, INC.		CITY OF KENAI	
Ву:		Ву:	
John Sliwinski Dat Vice-President	e:	Paul Ostrander City Manager	Date:
	ACKNOW	LEDGMENTS	
STATE OF ALASKA)) ss		
THIRD JUDICIAL DISTRICT) 55		
THIS IS TO CERTIFY that on this acknowledged before me by Paul O home rule municipality, on behalf of	strander, C	of, 2021, the foregoing the Manager of the City of Kenai	ng instrument was , Alaska, an Alaska
	No	otary Public for Alaska	
		/ Commission Expires:	
STATE OF ALASKA	,		
) ss		
THIRD JUDICIAL DISTRICT)		
THIS IS TO CERTIFY that on this _ acknowledged before me by John S he corporation.			
		tary Public for Alaska	
	My	Commission Expires:	

ATTEST:
Jamie Heinz, MMC, City Clerk
SEAL:
APPROVED AS TO FORM:
Scott M. Bloom, City Attorney





CITY OF KENAI

RESOLUTION NO. 2021-15

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA APPROVING DEVELOPMENT INCENTIVES PER KENAI MUNICIPAL CODE 21.10.100. FOR A LEASE OF AIRPORT RESERVE LANDS BETWEEN THE CITY OF KENAI AND ALASKA AIR FUEL, INC. ON 2.52± ACRE PORTION OF LOT 5, FBO SUBDIVISION NO. 8.

WHEREAS, the Kenai City Council approved a 45-year lease application from Alaska Air Fuel on September 2, 2020, for portion of Lot 5, FBO Subdivision No. 8 to be used as fixed base operator with a hangar and office space; and,

WHEREAS, Alaska Air Fuel submitted an application for temporary development incentives that meets the requirements of Kenai Municipal Code 21.10.100, Temporary Development Incentives on March 1, 2021; and,

WHEREAS, Alaska Air Fuel has provided an estimated value of \$600,000 for the following eligible work activities: clearing and grubbing, unclassified excavation, classified excavation, and utility extensions; and,

WHEREAS, Kenai Municipal Code 21.10.100 requires Council approval of temporary development incentives; and,

WHEREAS, the project will enhance public safety and quality of life while providing economic development on property leased from the City within the Kenai Municipal Airport Reserve.

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

Section 1. That temporary development incentives with an estimated value of \$600,000 for the following eligible work activities: clearing and grubbing, unclassified excavation, classified excavation, and utility extensions is conditionally approved. Upon completion of the eligible work in conformance with applicable City ordinances, rent credit may be applied towards rent for a maximum of five (5) years.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 17th day of March, 2021.

BRIAN	GABRIEL	SR.,	MAYOR	

Resolution No. 2021-15 Page 2 of 2	
ATTEST:	
Jamie Heinz, CMC, City Clerk	



City of Kenai

Strengt .	Lease Developmen Applicatio		entive				
KÈNAI, ALASKA				Applica	ation Date:		
	Applicar	it Info	ormation				
Name of Applicant:	ALASKA AIR FUEL, INC.						
Mailing Address:	3700 W. AVIATION	City:	ANCHORAGE	State:	AK	Zip Code:	99515
Phone Number(s):	Home Phone: 907-317-5368	-	Work/ Message	Phone:			
E-mail: (Optional)	ALASKAAIRFUEL@HOTMAIL.COM						
	Lease I	Infor	nation	160			BUST
maximum of five lease, extension, commercial deve years to receive the value of site preparemises. Example and grubbing, under any development of the scope of work, provided to the completion of the series of the series of the completion of the series of the series of the completion of the series of the series of the completion of the series of the series of the completion of the series of t	ease credit toward rent for a se years, an applicant for a new or renewal must complete lopment on the property within two he credit, which is based on the aration work on the leased les of eligible work include: clearing classified excavation, classified fill utility extensions. Identation The value of the work, including a epared by a qualified engineer in Alaska must be provided to the prior to work being performed. The estimate must be provided to the prior to work being performed to	the a	Description of properties of p	Existing New La operty: FICES, ork to be Clearing Unclass Classifie Utility E: Other: of work: ate: JU etion date Scope of Other:	e completed g and grubb ified Excav ed Excavati xtensions \$600,000 NE 1ST, 20 te: AUGUS f work	ANCE FACI i: oing ation on	023
Signature:	John K. Sheering		Date:	3/1/2	021		
rint Name:	JOHN K. SLIWINSKI		Title: (OWN	ER		
or City Use Only			pplication Received				

Amount of Credit Applied:

☐ Outside Airport Reserve

☐ Airport Fund



MEMORANDUM

TO:

Mayor Brian Gabriel and Kenai City Council

THROUGH:

Paul Ostrander, City Manager

FROM:

Ryan Foster, Planning Director

DATE:

March 9, 2021

SUBJECT:

Resolution No. 2021-15 - Approving Development Incentives for a

Lease to Alaska Air Fuel

City Council approved a 45-year lease application from Alaska Air Fuel on September 2, 2020, for portion of Lot 5, FBO Subdivision No. 8 to be used as fixed base operator with a hangar and office space. A lease has not been delivered to Alaska Air Fuel yet, due to requiring the subdivision of Lot 5, FBO Subdivision No. 8 to be finalized and recorded by the Kenai Peninsula Borough before a lease can be delivered. Kenai Municipal Code 21.10.100 requires Council approval of temporary development incentives.

This resolution approves development incentives for this lease. A Development Incentive Application was received on March 1, 2021 for an estimated value of \$600,000 for the following eligible work activities: clearing and grubbing, unclassified excavation, classified excavation, and utility extensions. If approved by Council, the applicant will still need to provide an estimate of the value of the work, including a scope of work, prepared by a qualified engineer licensed to work in Alaska to the City and accepted prior to work being performed. In addition, a certification from a qualified engineer that the accepted scope of work has been completed must be provided to the City and accepted at the completion of the site preparation work in order for the credit to be applied towards rent for a maximum of five years. The annual rent for the first year of the lease is \$17,600.

Thank you for your consideration.

Attachment:

City of Kenai Lease Development Incentive Application received March 1, 2021 from Alaska Air Fuel.

Sponsored by: Administration



CITY OF KENAI

RESOLUTION NO. 2021-16

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA APPROVING AN APPLICATION EXTENSION UNTIL OCTOBER 8, 2021 PER KENAI MUNICIPAL CODE 21.10.050 FOR ALASKA AIR FUEL, INC. FOR A 2.52± ACRE PORTION OF LOT 5, FBO SUBDIVISION NO. 8.

WHEREAS, the Kenai City Council approved of a 45-year lease application from Alaska Air Fuel for a portion of Lot 5, FBO Subdivision No. 8 to be used as fixed base operator with a hangar and office space requiring a subdivision; and,

WHEREAS, a plat of the subdivision of Lot 5, FBO Subdivision No. 8 must be finalized and recorded in order to lease execution; and,

WHEREAS, a plat is scheduled for Planning and Zoning Commission consideration on March 10, 2021; and,

WHEREAS, if recommended for approval by the Planning and Zoning Commission, the plat will then go to the Kenai Peninsula Borough for the final approval and recording process; and,

WHEREAS, Alaska Air Fuel has requested an application extension due to the length of time needed for the subdivision of Lot 5; and,

WHEREAS, Kenai Municipal Code 21.10.050 requires Council approval of application extensions for a period not to exceed six (6) months; and,

WHEREAS, the project will enhance public safety and quality of life while providing economic development on property leased from the City within the Kenai Municipal Airport Reserve; and,

WHEREAS, the granting of an application extension to Alaska Air Fuel is from April 8, 2021 to October 8, 2021 and is in the best interest of the City.

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

Section 1. That the application period for Alaska Air Fuel lease for a portion of Lot 5, FBO Subdivision No. 8 be extended from April 8, 2021 to October 8, 2021.

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

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 17th day of March, 2021.

ATTEST:	BRIAN GABRIEL SR., MAYOR
Jamie Heinz, CMC, City Clerk	

Resolution No. 2021-16 Page 2 of 2



MEMORANDUM

TO:

Mayor Brian Gabriel and Kenai City Council

THROUGH:

Paul Ostrander, City Manager

FROM:

Rvan Foster, Planning Director

DATE:

March 9, 2021

SUBJECT:

Resolution No. 2021-16 - Approving Application Extension for a Lease

to Alaska Air Fuel

City Council approved a 45-year lease application from Alaska Air Fuel on September 2, 2020, for a portion of Lot 5, FBO Subdivision No. 8 to be used as fixed base operator with a hangar and office space requiring a subdivision. A plat of this subdivision must be finalized and recorded in order to deliver Alaska Air Fuel a lease. The plat is scheduled for Planning and Zoning Commission consideration on March 10, 2021. If recommended for approval by the Planning and Zoning Commission, the plat is then sent to the Kenai Peninsula Borough for the final approval and recording process. Per Kenai Municipal Code 21.10.050, applications shall expire twelve (12) months after the date the application has been made if the City and the applicant have not, by that time, entered into a lease, unless the City Council for good cause grants an extension for a period not to exceed six (6) months.

Alaska Air Fuel has requested a six-month application extension allowed by Kenai Municipal Code due to the unforeseen circumstances created by the subdivision of Lot 5. If City Council approves, Resolution 2021-16 would extend the application period for Alaska Air Fuel from April 8, 2021 to October 8, 2021.

Thank you for your consideration.

Attachment:

Email dated March 1, 2021 from Alaska Air Fuel requesting an extension for a lease application.

From: Alaska Air Fuel
To: Ryan Foster

Subject: Application for Dev. Incentives

Date: Monday, March 1, 2021 5:22:53 PM

Attachments: City of Kenai.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Ryan,

Thank-you for taking the time to hear me out on our phone call. Please find here the completed Lease Development Incentive App.

Additionally, we'd like to hereby request an extension on the application for the airport lease, as per our telephone conversation.

Appreciate your help. Have a good evening.

John Sliwinski Alaska Air Fuel, Inc. 907-317-5368