

**KENAI AIRPORT COMMISSION
REGULAR MEETING
MARCH 14, 2024 – 6:00 PM
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
Telephonic/Virtual Information on Page 2
<http://www.kenai.city>**

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval

B. SCHEDULED PUBLIC COMMENTS *(Public comment limited to ten (10) minutes per speaker)*

C. UNSCHEDULED PUBLIC COMMENT *(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

D. APPROVAL OF MINUTES

1. January 11, 2024 **Pg. 3**
2. February 8, 2024..... **Pg. 7**

E. UNFINISHED BUSINESS

F. NEW BUSINESS

1. **Discussion/Recommendation** – Recommendations to Council for Changes to Kenai Municipal Code Chapter 21.20 Airport Commission, and Chapter 1.90 Standards for Boards, Commissions and Committees. **Pg. 9**
2. **Discussion/Recommendation** – Recommendation to Council to Change the Location of Airport Commission Regular Meetings to Kenai City Hall Council Chambers..... **Pg. 15**
3. **Discussion/Recommendation** – Recommending Council Enactment of Ordinance No. 3403-2024 - Amending Sections of Kenai Municipal Code Chapters 21.10- Leasing and Acquisition of Airport Reserve Lands, and 22.05-Disposition of City Lands, to Extend the Time Allowed for Private Development on City Leased Lots and Requiring Certain Financial Assurances Prior to Lease Execution..... **Pg. 16**
4. **Discussion/Recommendation** – Recommending Council Adoption of a Resolution Authorizing the City Manager to Enter into a Restaurant Concession Agreement for the Kenai Municipal Airport..... **Pg. 33**
5. **Discussion/Recommendation** – Recommending Council Adoption of a Resolution Authorizing the City Manager to Enter into a Bar and Lounge Concession Agreement for the Kenai Municipal Airport..... **Pg. 34**

G. REPORTS

1. Airport Manager **Pg. 35**
2. Commission Chair
3. City Council Liaison **Pg. 36**

H. ADDITIONAL PUBLIC COMMENT

- I. **NEXT MEETING ATTENDANCE NOTIFICATION** – April 11, 2024
- J. **COMMISSION QUESTIONS AND COMMENTS**
- K. **ADJOURNMENT**
- L. **INFORMATIONAL ITEMS**
 - 1. Memorandum of Agreement with Greatland Consulting and Training LLC for Use of the Alaska Regional Fire Training Facility.....**Pg. 42**
 - 2. Repair and Maintenance Services Contract for Security Guard Services at the Kenai Municipal Airport.....**Pg. 46**
 - 3. A Special Use Permit to Rebecca Boettcher, DBA: The Fishing Grounds, LLC for Operation of a Snack/Gift Shop Inside the Kenai Municipal Airport.....**Pg. 77**

Registration is required to join the meeting remotely through Zoom. Please use the link below to register:

<https://us02web.zoom.us/meeting/register/tZMvc--hrDliHtbeTi1EDuVtl7jiE0oFWUdc>

**KENAI AIRPORT COMMISSION – REGULAR MEETING
JANUARY 11, 2024 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR GLENDA FEEKEN, PRESIDING**

ACTION MINUTES

A. CALL TO ORDER

A Regular Meeting of the Airport Commission was held on January 11, 2024, in the Kenai City Council Chambers, Kenai, AK. Chair Feeken called the meeting to order at 6:13 p.m.

1. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Glenda Feeken, Chair
James Bielefeld
Joshua Daily

Paul Minelga, Vice Chair
Jacob Caldwell
James Zirul

A quorum was present.

Absent:

Dan Pitts

Also in attendance were:

Derek Ables, Airport Manager
Sarah Conley, Airport Administrative Assistant
Dave Swarner, Finance Director
Henry Knackstedt, City Council Liaison

3. Election of Chair and Vice Chair

MOTION:

Commissioner Bielefeld **MOVED** to re-appoint Glenda Feeken as Chair. Commissioner Daily **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED.**

MOTION:

Commissioner Zirul **MOVED** to re-appoint Paul Minelga as Vice Chair. Commissioner Daily **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED.**

4. Agenda Approval

Chair Feeken noted the following additions to the Packet:

Add Item F.4

Discussion/Recommendation – Recommending City Council Enactment of Ordinance No. 3390-2024 - Increasing Estimated Revenues and Appropriations in the Airport Fund to Purchase Air Service Development Professional Services at the Kenai Municipal Airport for Costs in Excess of Budgeted Amounts.

MOTION:

Commissioner Caldwell **MOVED** to approve the agenda with the requested laydown. Commissioner Daily **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED**.

B. SCHEDULED PUBLIC COMMENTS - None.

C. UNSCHEDULED PUBLIC COMMENTS - None.

D. APPROVAL OF ACTION MINUTES

1. December 14, 2023

MOTION:

Commissioner Daily **MOVED** to approve the December 14, 2023 Airport Commission action minutes. Commissioner Zirul **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED**.

E. UNFINISHED BUSINESS – None.

F. NEW BUSINESS

1. **Discussion/Recommendation** - Recommendations as Discussed During the Commission Review Work Session Held Immediately Prior.

Commissioner Caldwell stated that during the prior work session, the documents presented in the packet were reviewed and the Commission was given the opportunity to provide input and discuss concerns; it was noted that this feedback would be taken into consideration by Administration when drafting changes to bring back to the Commission at their next meeting for recommendation to Council.

2. **Discussion** - Schedule a Tour of the Alaska Regional Fire Training Center.

The Alaska Regional Fire Training Center Tour work session was scheduled for Saturday, January 27, 2024 at 12:00 p.m.

3. **Discussion/Recommendation** - First Amendment to Agreement with Tim's Janitorial for Janitorial Services at the Alaska Regional Fire Training Center.

MOTION:

Commissioner Bielefeld **MOVED** to recommend City Council approval of First Amendment to Agreement with Tim's Janitorial for Janitorial Services at the Alaska Regional Fire Training Center. Commissioner Caldwell **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet, and noted that the agreement will be month-to-month due to anticipation of using City of Kenai janitorial services in the future.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED**.

4. **Discussion/Recommendation** – Recommending City Council Enactment of Ordinance No. 3390-2024 - Increasing Estimated Revenues and Appropriations in the Airport Fund to Purchase Air Service Development Professional Services at the Kenai Municipal Airport for Costs in Excess of Budgeted Amounts.

MOTION:

Commissioner Bielefeld **MOVED** to recommend City Council enactment of Ordinance No. 3390-2024. Commissioner Zirul **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the laydown. City Manager Eubank clarified that this study would better represent Kenai Airport traveler data than the current FAA data.

Discussion ensued. Commissioners Feeken and Zirul spoke in support; Commissioners Bielefeld, Daily and Caldwell spoke in opposition.

VOTE:

YEA: Feeken, Minelga, Zirul

NAY: Bielefeld, Daily

ABSTAIN: Caldwell

ABSENT: Pitts

MOTION PASSED.

G. REPORTS

1. Airport Manager – Airport Manager Ables reported on the following:
 - Turnout at the Airport meet & greet event was good.
 - The Airport Security Plan was updated to reflect personnel changes.
 - Disadvantaged Business Enterprise goals have been updated.
 - Airport Manager and Assistant completed their Airport Security Plan training and were added to the Transportation Vetting Portal.
 - Avis won the 6th annual Christmas tree contest.
2. Finance Director – Finance Director Swarner introduced himself and noted he was available for questions.
3. Commission Chair – No report.
4. City Council Liaison – Council Member Knackstedt reported on the actions of the December 20, 2023 and January 3, 2024 City Council Meetings.

H. ADDITIONAL PUBLIC COMMENTS – None.

I. NEXT MEETING ATTENDANCE NOTIFICATION – February 8, 2024

Jacob Caldwell noted he would be absent.

J. COMMISSION QUESTIONS AND COMMENTS

K. ADJOURNMENT

L. INFORMATIONAL ITEMS

1. Admin Assistant Report: Vehicle Parking Revenue, Air Traffic Control Tower Counts, Air Carrier Enplanements

There being no further business before the Airport Commission, the meeting was adjourned at 7:09 p.m.

I certify the above represents accurate minutes of the Airport Commission meeting of January 11, 2024.

DRAFT

**KENAI AIRPORT COMMISSION – REGULAR MEETING
FEBRUARY 8, 2024 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR GLENDA FEEKEN, PRESIDING**

ACTION MINUTES

A. CALL TO ORDER

A Regular Meeting of the Airport Commission was held on February 8, 2024, in the Kenai City Council Chambers, Kenai, AK. Chair Feeken called the meeting to order at approximately 6:10 p.m.

1. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Glenda Feeken, Chair
Joshua Daily

Paul Minelga, Vice Chair

A quorum was not present.

Absent:

James Zirul
Jacob Caldwell

James Bielefeld
Dan Pitts

Also in attendance were:

Derek Ables, Airport Manager
Sarah Conley, Airport Administrative Assistant
Henry Knackstedt, City Council Liaison
Terry Eubank, City Manager
Shellie Saner, City Clerk

3. Agenda Approval

B. SCHEDULED PUBLIC COMMENTS - None.

C. UNSCHEDULED PUBLIC COMMENTS

D. APPROVAL OF MINUTES

1. January 11, 2024

E. UNFINISHED BUSINESS – None.

F. NEW BUSINESS

1. **Discussion/Recommendation** - Recommendations to Council for Changes to Kenai Municipal Code Chapter 21.20 Airport Commission, and Chapter 1.90 Standards for Boards, Commissions and Committees.
2. **Discussion/Recommendation** – Recommendation to Council to Change the Location of Airport Commission Regular Meetings to Kenai City Hall Council Chambers.

3. **Discussion/Recommendation** – Recommending Council Authorization of a Memorandum of Agreement with Greatland Consulting and Training LLC for Use of the Alaska Regional Fire Training Facility.
4. **Discussion/Recommendation** – Recommending Council Award a Repair and Maintenance Services Contract for Security Guard Services at the Kenai Municipal Airport.
5. **Discussion/Recommendation** – Recommending Council Award a Special Use Permit to Rebecca Boettcher, DBA: The Fishing Grounds, LLC for Operation of a Snack/Gift Shop Inside the Kenai Municipal Airport.
6. **Discussion** – Airport Budget Goals

G. REPORTS

1. Airport Manager
2. Commission Chair
3. City Council Liaison

H. ADDITIONAL PUBLIC COMMENTS

I. NEXT MEETING ATTENDANCE NOTIFICATION – March 14, 2024

J. COMMISSION QUESTIONS AND COMMENTS

K. ADJOURNMENT

L. INFORMATIONAL ITEMS

1. Administrative Assistant Report: Terminal Vehicle Parking Revenues, Tower Airport Operations Counts, Air Carrier Enplanements
2. Current Airport Agreements

Due to lack of a quorum, the meeting was adjourned at approximately 6:12 p.m.

I certify the above represents accurate minutes of the Airport Commission meeting of February 8, 2024.

Meghan Thibodeau
Deputy City Clerk



KENAI

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MEMORANDUM

TO: Airport Commission
FROM: Scott Bloom, City Attorney
DATE: January 31, 2024
SUBJECT: **Proposed Amendments to KMC Chapter 21.20 and KMC Chapter 1.90**

On January, 11, 2024 Terry Eubank, City Manager, Shellie Saner, City Clerk, and I met with your Commission in a work session to discuss possible code changes to KMC Chapter 21.20- Airport Commission and KMC Chapter 1.90- Standard Procedures for Board, Commissions and Committees, as well as other procedures (such as an annual work plan) with the goal of improving the efficiency of your commission and making sure your valuable time as a commissioner is used wisely.

Attached to this Memorandum in Attachment A are the code changes we discussed. The changes are shown in legislative format. Underlined words are new suggestions while words in all caps are suggested for removal. In addition, comments regarding each change are provided in red. These comments are for discussion purposes only for this Commission.

If the Commission wishes to recommend Council approve the proposed amendments to code, a motion will be needed. For example, "I move to recommend that the City Council adopt the proposed amendments to KMC Chapter 21.20 and Chapter 1.90 as provided in attachment A". After the main motion has been made and seconded the subject will be before the commission for discussion and additional amendments. If additional amendments are proposed they must be made in the form of a motion, be seconded and voted on. Once discussion is complete and no additional amendments are proposed, the main motion will be voted on. All proposed amendment(s) that are approved by a majority of the Commission will be forwarded by the Administration to the Council in the form of an Ordinance, the Ordinance will also likely include recommended changes from other City Commissions that are relevant to their code sections.

The Administration may also recommend moving code provisions pertaining to the Airport Commission into a different section of code, from KMC 21.20 into KMC 1.90, for organizational purposes only, but a final recommendation on this change is still in the works. It would not have any material effect on the Commission.

Thank you for your consideration.

Chapter 21.20 AIRPORT COMMISSION

Sections:

21.20.005 Purpose

21.20.010 Duties and powers.

21.20.020 Qualifications.

21.20.030 Membership.

21.20.005 Purpose

The purpose of the Airport Commission is to advise the Council and administration on issues involving the Airport and lands held for the benefit of the Airport. This proposed new section of code is intended just to clearly state the purpose of the commission.

21.20.010 Duties and powers.

The Commission shall:

(a) [DEVELOP, ADOPT, ALTER OR REVISE, SUBJECT TO APPROVAL BY THE CITY COUNCIL, A] Review and provide recommendations on the master plan for the airport development . This may include: As discussed previously, these changes reflect that the commission itself is not independently responsible for any master plans, but that the Commission's role to provide recommendations on such plans as they are developed.

- (1) Development of type, location and sequence of all airport terminal facilities;
- (2) Development and use of all airport [AERONAUTICAL] lands. This change reflects current practice as discussed.

[(B) OBSERVE, OVERSEE AND GUIDE IN AN ADVISORY CAPACITY, ANY MATTERS RELATING TO USE OF AIRPORT RUNWAYS, AIRPORT TERMINAL, AND AIRPORT AERONAUTICAL LANDS.] This change would delete this paragraph and the new language in the paragraph below is expanded as a catchall.

[[c] b) Act in an advisory capacity to the Council and the [AIRPORT MANAGER] Administration on matters affecting the airport. This new language expands this section a little as a catchall.

([d] c) Make recommendations to the City Manager on the airport budget.

([e] d) Submit annually to the City Manager and Council, not less than ninety days prior to the beginning of the budget year, a list of recommended capital improvements, which in the opinion of the Commission, are necessary or desirable to be constructed during the forthcoming five-year period. Such list shall be arranged in order of preference, with recommendations as to which projects are recommended for construction in which year. This new section reflects input on a capital plan similar to other commissions.

21.20.020 Qualifications.

Members of the Airport Commission will conform to the requirements of the City of Kenai Boards, Commissions, and Committees Standard Procedures as established by KMC [1.90](#), except that members of the Airport Commission need not be residents of the City of Kenai.

21.20.030 Membership.

The Commission shall comprise of seven (7) members who shall be chosen so as to represent broadly the following areas:

- (a) One member, fixed base operator (FBO).
- (b) One member, lessee of airport aeronautical lands or terminal facility.
- (c) One member, with expertise in Federal Aviation Administration functions.
- (d) One member, representing the Civil Air Patrol.
- (e) Three members, at-large, representing the business and professional community.
- (f) One non-voting member, representing ad hoc member of the Kenai City Council.

Chapter 1.90**STANDARD PROCEDURES FOR BOARDS, COMMISSIONS AND COMMITTEES**

Sections:

- 1.90.010** **Creation.**
- 1.90.020** **Duties.**
- 1.90.030** **Qualifications.**
- 1.90.040** **Terms.**
- 1.90.050** **Proceedings.**
- 1.90.060** **Specific requirements of boards, commissions and committees.**

1.90.010 **Creation.**

All boards, commissions and committees created by the Council of the City of Kenai, [SHALL] unless otherwise specified, will consist of seven [(7)] members who shall be nominated by the Mayor and confirmed by the City Council from applications submitted to the City Clerk. A chair and vice-chair shall be selected annually and shall be elected from and by the appointed members. At the organizational meeting of Council, or as soon thereafter as practicable, the Mayor, after consultation with Council, shall nominate Council Members as a council liaison to any board, commission or committee. After confirmation by Council, the council liaison may attend all meetings of the board, commission or committee. A council liaison is not a member of, and shall have no voting power or any other rights of membership on, the board, commission or committee. The Mayor and other Council Members may attend meetings of boards, commissions or committees when serving as an alternate for the Council liaison, or in their capacity as elected officials. City administrative staff shall attend and supply staff support to all meetings of boards, commissions and committees. **This change is just to reflect that the Council on Aging can have a different number of members.**

1.90.020 **Duties.**

- (a) Members of boards, commissions and committees shall be required to establish policies relating to their respective organization. They shall act in an advisory capacity to City Council and administration unless otherwise specified in the City Code. **This change reflects that commission advise administration and not just the City Council.**

(b) If the board, commission or committee has income stated within the City of Kenai annual budget, said board, commission or committee shall work with the City Manager to establish expenses projected for the year for approval by the City Council.

1.90.030 Qualifications.

(a) A member of a board, commission or committee must be a resident of the City of Kenai, unless the board, commission or committee is specifically exempted by Council from this requirement. The member cannot be an officer or employee of the City of Kenai. If any member should move his or her residence from the corporate limits of the City of Kenai (if applicable), is an officer or employee of the City of Kenai, or shall be elected or appointed as an officer or employee of the City of Kenai, the service of such member shall terminate immediately. He or she should be aware that he or she will serve without salary, but will be reimbursed for all reasonable expenses incurred in connection with this service, only after approval by Council.

(b) The Beautification Committee, and Harbor, Library, and Parks and Recreation Commissions may at the discretion of the Council have up to two (2) non-resident members each.

(c) The Planning and Zoning Commission may have up to one member that is not a resident of the City if they have a controlling ownership interest in a business physically located in the City. This provision specifically does not create a designated seat for a non-resident.

1.90.040 Terms.

(a) A member of a board, commission or committee shall serve for a term of three (3) years, unless the board, commission or committee is specifically exempted by Council from this requirement. At renewal date, the Mayor, with consent of the Council, can reappoint the member or recommend a replacement.

(b) The terms of the initial board, commission or committee member shall be staggered so that three (3) members will be appointed for one (1) year; two (2) members will be appointed for two (2) years; and two (2) members will be appointed for three (3) years. Terms shall commence on January 1st of each year.

1.90.050 Proceedings.

(a) All boards, commissions and committees will have regularly scheduled meetings which shall be open to the public. Exceptions to the meeting requirements shall be established by Council. Permanent records or minutes shall be kept of all proceedings and such minutes shall record the vote of each member upon every question. Every decision or finding shall immediately be filed in the office of the City Clerk and shall be a public record open to inspection by any person. All acts of boards, commissions and committees are subject to the paramount authority of the City Council.

(b) If the commission, committee or board member shall be absent, without the body excusing the absence for good cause, from more than one-half of all the meetings of his or her committee, commission or board, regular and special, held within any period of three (3) consecutive calendar months, he or she shall thereupon cease to hold the seat. A commission, committee or board member may not have more than three (3) excused absences during a twelve (12) month calendar year.

(c) In all matters of parliamentary procedure, the most current edition of Robert's Rules of Order Newly Revised shall be applicable and govern all meetings, unless as specified in KMC [1.15.060](#), motions; KMC [1.15.100](#), speaking; and KMC [1.15.110](#), voting.

(d) The responsibility of insuring that all members of boards, commissions and committees receive a copy of the Standard Procedures of Boards, Commissions and Committees lies with the City Clerk.

1.90.060 Specific requirements of boards, commissions and committees.

Requirements of boards, commissions and committees as set forth in KMC [1.90](#) are general requirements and shall be followed to the extent that they do not conflict with specific requirements found in code sections specifically pertaining to individual boards, commissions and committees.



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Chair Feeken and Airport Commission Members
FROM: Derek Ables, Airport Manager
DATE: January 31, 2024
SUBJECT: **Airport Commission Regular Meeting Location Change to City Hall**

At the March 9, 2023 Airport Commission meeting, your commission recommended changes to the City Council Policy 20.020 Commissions, Committees and Council on Aging Procedures. One of the recommended changes was moving the location of Airport Commission regular meetings from City Hall Council Chambers to the Airport Terminal Conference Room, as requested by the Airport Manager at that time.

With the change of Airport management, the technical capabilities of the Airport Terminal Conference Room have been reassessed and we have found City Hall Council Chambers to be better suited for holding our commission meetings. The Airport Commission has been meeting regularly in Council Chambers since July of 2023, so staff is recommending that the policy be updated to reflect the commission's current practices.

The following motion is requested:

Motion

I move to recommend that the City Council amend Policy 20.020 to change the location of Airport Commission regular meetings to Kenai City Hall Council Chambers.

Thank you for your consideration.



"Serving the Greater Kenai Peninsula"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission

From: Derek Ables - Airport Manager

Date: March 3, 2024

Subject: - AMENDING SECTIONS OF KENAI MUNICIPAL CODE CHAPTERS 21.10- LEASING AND ACQUISITION OF AIRPORT RESERVE LANDS, AND 22.05- DISPOSITION OF CITY LANDS, TO EXTEND THE TIME ALLOWED FOR PRIVATE DEVELOPMENT ON CITY LEASED LOTS AND REQUIRING CERTAIN FINANCIAL ASSURANCES PRIOR TO LEASE EXECUTION.

The City Council adopted Ordinance 2998-2018 and 3072-2019 which simplified the application process and encouraged growth. Since then there has been an increase in lease applications and new leases of Airport Reserve lands. Along with this there have been more requests for extensions for completing construction.

The Airport and City are proposing amendments to the leasing policy that extends the initial term for development from two years to three years. There would also be options for two-year extensions provided the applicants can show progress such as a building permit, invoices for materials, or construction contracts. Lessees would also be required to show financial capability to complete projects. This amendment has been discussed with existing leaseholders who have received an extension.

Does Commission recommend Council approve Ordinance 3403-2024?



KENAI

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MEMORANDUM

TO: Mayor Gabriel and Council Members
FROM: Scott Bloom
DATE: February 29, 2024
SUBJECT: **Airport Lands Sectional Analysis**

This memo provides a sectional analysis for the code changes in Ordinance 3403-2024.

Section 1. The changes to 21.10.040, which lays out what information is required in lease applications for airport reserve lands, include a change to subsection (b)(3) indicating construction of improvements on leased property ordinarily must be completed in 3 years or less, instead of 2 years or less. Additionally, a new subsection (b) (5) is added to require that evidence of the lessee's financial ability to complete the project must be provided to administration as part of the lease application package, and that this financial information will be kept confidential as allowed by relevant law.

Section 2. This section amends 21.10.060, which describes the process for reviewing lease applications for lands on the airport reserve, subsection (b), to describe the process for reviewing the financial capability of the proposed lessee to complete the proposed projects. The amendment also provides that this financial information will not be shared publicly. The changes provide that the financial resources of the lessee will be checked administratively by the City Manager, and will not be a part of the decision-making process of applicable advisory bodies or the City Council, in order to protect the lessee's financial information. Essentially in order for an application to be deemed complete by administration and forwarded to the advisory bodies and Council, the City Manager will need to determine that financial information provided is sufficient.

Section 3. This section amends 21.10.070(a) (c) and (d), applying the same financial resources check, and improvement construction timeline of 3 years, instead of 2 years, to lease extensions and renewals on airport reserve lands, similar to new lease applications.

Section 4. This section amends 21.20.080(g)(1) and (5) to again state that construction must ordinarily be completed in 3 years (36 months) but that two, one-year extensions can be granted by the Council, for a total of five years to complete construction on airport reserve lands. The first one-year extension requires the lessee to show good cause and progress, such as a building permit, proof of purchase of materials, or construction contracts with a third party, and evidence that they still have the financial capability to complete the project. The second one-year extension can be granted by Council if the same criteria of the first extension are met, and the lessee provides a financial guarantee to complete the project.

Section 5. This section amends 22.05.025(b), making the same amendments to the initial lease application requirements for lands outside the airport reserve, as within the airport reserve, regarding financial resources of the lessee to complete the project and changing the timeline to complete construction from 2 years to 3.

Section 6. This section amends 22.05.040(b) regarding lands outside the airport in the same respects as lands on the reserve for the lease review process by administration, advisory bodies and Council.

Section 7. This section amends 22.05.045, which guides the process for lease extensions and renewals outside the airport reserve, to include similar language regarding financial resources of the lessee to complete the project and describing that new improvements must be ordinarily completed in 3 years.

Section 8. This section amends 22.05.055(f) to again change the ordinary timeline for completion of construction of improvements on a leased lot outside the airport reserve from 2 to 3 years, and provide the same opportunity for two, one-year extensions as described above for leases on the airport reserve as in Section 4.





**CITY OF KENAI
ORDINANCE NO. 3403-2024**

AN ORDINANCE AMENDING SECTIONS OF KENAI MUNICIPAL CODE CHAPTERS 21.10- LEASING AND ACQUISITION OF AIRPORT RESERVE LANDS, AND 22.05-DISPOSITION OF CITY LANDS, TO EXTEND THE TIME ALLOWED FOR PRIVATE DEVELOPMENT ON CITY LEASED LOTS AND REQUIRING CERTAIN FINANCIAL ASSURANCES PRIOR TO LEASE EXECUTION.

WHEREAS, Ordinance 2998-2018, and 3072-2019(Substitute) respectively amended the City's land leasing program for Airport Reserve and Non-Airport Reserve lands owned by the City; and,

WHEREAS, since these two ordinances became effective the local and national economies have undergone significant change; and,

WHEREAS, additionally the City's leasing policies expressed in these Ordinances have been tested by the market; and,

WHEREAS, due to economic changes and the City's recent experience with developments on leased parcels it is in the best interest of the City to extend the initial term for development of improvements from 2 years to 3 years with the opportunity for two additional one-year extensions if certain conditions are met; and,

WHEREAS, similarly it is in the best interest of the City to require prospective lessee's provide reasonable evidence to the City that they have the financial capabilities to complete the improvements proposed on respective lease lots; and,

WHEREAS, at its regular meeting on March 14, 2024 the Airport Commission recommended the City Council _____ this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. Amendment of Section 21.10.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.040-Initial lease application, is hereby amended as follows:

21.10.040 Initial lease application.

- (a) All applications for lease of lands must be submitted to the City on an approved application form provided by the City. Applications will be dated on receipt and payment of the nonrefundable application fee as set forth in the City's schedule of fees adopted by the City Council.
- (b) The application form must include the following information:
 - (1) The purpose of the proposed lease;
 - (2) The use, nature, type and estimated cost of improvements to be constructed;
 - (3) The dates construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years); and
 - (4) A comprehensive description of the proposed business or activity intended.

(5) Evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.

- (c) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to any new appraisal, engineering services, surveying and consulting costs, unless in the sole discretion of the City Council, the City Council determines that the subdivision serves other airport purposes. If the Council determines that other airport purposes are served by the subdivision, the City Council may choose in its sole discretion that the City will share in the subdivision costs with the applicant in whatever amount the City Council determines is reasonable given the benefit to the airport.
- (d) Anytime during the processing of a lease application, the City may request, and the applicant must supply, any clarification or additional information that the City reasonably determines is necessary for the City to make a final decision on the application.

Section 2. Amendment of Section 21.10.060 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.060-Lease Application review, is hereby amended as follows:

21.10.060 Lease application review.

- (a) Applications shall be reviewed by City staff for:
 - (1) Application completeness;
 - (2) Conformance with municipal ordinances;
 - (3) Conformance with the airport layout plan, airport master plan, Federal Aviation Administration regulations applicable to the airport, airport improvement projects, airport sponsor grant assurances to the Federal Aviation Administration, and airport regulations and operations; and
 - (4) Conformance with the comprehensive plan.
- (b) Based on the initial review and staff recommendation for action, if the City Manager determines the application is complete and the applicant has reasonable financial means to complete the proposed improvements, the application shall be referred to the Airport Commission and the Planning and Zoning Commission for review and comment, together with the City Manager's recommendation for approval or rejection. For protection of private financial information, documentation showing the applicant has reasonable financial resources to complete the proposed improvement will be redacted or withheld from the application when published and provided to the Airport, Planning Commission and City Council.
- (c) Notice of applications for new leases, renewals or extensions must be published in a newspaper of general circulation within the City. The notice must contain the name of the applicant, a brief description of the land and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).
- (d) The recommendations of the City Manager, Airport Commission and Planning and Zoning Commission shall be brought to the City Council. The decision whether or not to lease land or authorize a lease extension or renewal rests in the sole discretion of the City Council.
- (e) The City Council may waive provisions of this chapter to lease property or interests in real property with the United States, the state of Alaska or an Alaska political subdivision when in the judgment of the City Council it is advantageous to the City to do so.

- (f) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease shall not be entered into until the deficiencies are cured.

Section 3. Amendment of Section 21.10.070 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.070-Application for lease amendment, extension or renewal, is hereby amended as follows:

21.10.070 Application for lease amendment, extension or renewal.

- (a) A request from an existing lessee for a lease amendment, extension or renewal of the lease must be submitted to the City on an application form provided by the City. Applications must be complete and dated on receipt and payment of the nonrefundable application fee as set forth in the City's schedule of fees adopted by the City Council. All applications proposing new improvements must include evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.
- (b) An application for an amendment must include the following information:
 - (1) The purpose of the proposed amendment;
 - (2) The proposed change in use or activity; and
 - (3) A comprehensive description of the proposed business, if applicable.
- (c) An application for a lease extension must include the following information:
 - (1) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (2) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years).
- (d) An application for a lease renewal must include the following information:
 - (1) For a lease renewal of an existing lease:
 - (i) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (ii) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years).
 - (2) For a lease renewal of an expiring lease:
 - (i) A professional estimate of the remaining useful life of the principal improvement on the property, paid for by the applicant; or
 - (ii) A market value appraisal of the principal improvement on the property, paid for by the applicant; or
 - (iii) The purchase price of improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction; and
 - (iv) The use, nature, type and estimated cost of additional improvements to be constructed, if applicable.
 - (v) The dates new construction is estimated to commence and be completed (ordinarily a maximum of [TWO (2)] three years) if applicable.

- (e) Applications for amendment, extension or renewal shall be processed in accordance with the lease application review provisions of this chapter. The City has no obligation to amend, renew or extend a lease and may decline to do so upon making specific findings as to why a lease renewal, extension, or amendment is not in the best interest of the City.

Section 4. Amendment of Section 21.10.070 of Kenai Municipal Code: That Kenai Municipal Code, Section 21.10.070-Application for lease amendment, extension or renewal, is hereby amended as follows:

21.10.080 Length of lease term.

- (a) The length of term for an initial lease shall be based on the amount of investment the applicant proposes to make in the construction of new permanent improvements on the premises as provided in the application. The City Council may offer a shorter lease term, if the City Council makes specific findings that a shorter lease term is in the best interest of the City.
- (b) The maximum term of an initial lease shall be determined according to the following term table:

Term Table

Applicant's Investment/Value	Maximum Term of Years
\$7,500	5
15,000	6
22,500	7
30,000	8
37,500	9
45,000	10
52,500	11
60,000	12
67,500	13
75,000	14
82,500	15
90,000	16
97,500	17
105,000	18
112,500	19

Applicant's Investment/Value	Maximum Term of Years
120,000	20
127,500	21
135,000	22
142,500	23
150,000	24
157,500	25
165,000	26
172,500	27
180,000	28
187,500	29
195,000	30
202,500	31
210,000	32
217,500	33
225,000	34
232,500	35
240,000	36
247,500	37
255,000	38
262,500	39
270,000	40
277,500	41
285,000	42
292,000	43

Applicant's Investment/Value	Maximum Term of Years
300,000	44
307,500	45

- (c) The length of term for a lease extension shall be determined according to the term table and based on the total amount of the investment provided in the initial lease application and the estimated cost of additional permanent improvements as provided in the application for lease extension and provided no extension shall extend a lease term past forty-five (45) years.
- (d) The length of term for a lease renewal of an existing lease shall be determined according to the term table and based on the total amount of the investment provided in the initial lease application and the estimated cost of additional permanent improvements as provided in the application. The renewal term of an existing lease pursuant to a transaction between the current lessee and a new buyer and prospective lessee will be determined by the purchase price of permanent improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction, and the proposed additional permanent improvements, if any. The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (e) The length of term for a lease renewal of an expiring lease shall be determined according to a professional estimate of the remaining useful life of the principal improvement on the property, paid for by the applicant or the term table and based on the following:
 - (1) The purchase price of real property improvements, as certified by the current lessee and the proposed purchaser, to be in the bill of sale, to be executed at closing of the transaction; or
 - (2) A market value appraisal of the principal improvement on the property, paid for by the applicant; and
 - (3) The estimated cost of any additional investment the applicant proposes to make in the construction of permanent improvements on the premises as provided in the application.
 - (4) The term for renewal of an expiring lease cannot exceed forty-five (45) years.
- (f) Before the City approves or extends the term of a lease, permit, concession, or other interest for any use of a premises that the City has determined in writing will be needed for airport development in the future, the City will first estimate when the premises will likely be needed for airport development. A term or a term extension for use of those premises may not run beyond the time that the City estimates the premises will become needed for airport development and is subject to further extension only to the extent that need does not arise or is otherwise satisfied or deferred by the City.
- (g) If the initial lease, term extension, or lease renewal granted to the applicant requires construction of permanent improvements, the lease or term extension shall be subject to the following conditions:
 - (1) The lessee to complete the proposed permanent improvements within a reasonable period of time set by the City, considering the cost and nature of the improvements; provided, however, that the time allowed shall not [ORDINARILY] exceed [TWENTY-FOUR (24)] 36 months after the effective date of the lease, renewal, or extension unless additional time is approved as provided in subsection 5 below.
 - (2) The lessee to provide a performance bond, deposit, personal guarantee, or other security if the City Council determines security is necessary or prudent to ensure the applicant's

completion of the permanent improvements required in the lease, renewal, or extension. The City Council shall determine the form and amount of the security according to the best interest of the City, after a recommendation by the City Manager considering the nature and scope of the proposed improvements and the financial responsibility of the applicant.

- (3) At no expense to the City, the lessee must obtain and keep in force during the term of the lease, insurance of the type and limits required by the City for the activities on the premises.
- (4) Within thirty (30) days after completion of the permanent improvements, the lessee shall submit to the City written documentation that the improvements have been completed as required. The City Manager shall make a report to the City Council of completion as soon as reasonably practical.
- (5) If the [APPLICANT] lessee shows good cause to the City Council, and evidence of progress towards completion of the proposed improvements, including but not limited to a building permit, invoices for site specific building materials, or third party contracts for construction, as well as updated financial information as required in KMC 21.20.040(B)(5) and the City Council determines the action is in the best interest of the City, the City Council may grant an extension of the time [ALLOWED] initially not to exceed 12 months to complete permanent improvements by resolution that is sufficient to allow for the completion of the permanent improvements or for submission of documentation that the permanent improvements have been completed. A final twelve month extension may be granted by separate resolution of Council if the lessee meets the same criteria for the first twelve month extension and provides a performance bond, deposit, personal guarantee or other security interest sufficient to cover the remained of the unfinished work on the proposed improvements and Council determines the final extension is in the best interest of the City. [NO EXTENSION OR COMBINATION OF EXTENSIONS GRANTED SHALL EXCEED TWELVE (12) MONTHS OR CAUSE THE TOTAL TIME ALLOWED TO COMPLETE PERMANENT IMPROVEMENTS TO EXCEED THIRTY-SIX (36) MONTHS.]
- (6) If, within the time required, the applicant fails to complete the required permanent improvements, the City shall:
 - (i) If the application is for a new lease or lease renewal, execute the forfeiture of the performance bond, deposit, personal guarantee, or other security posted by the applicant under subsection (g)(2) of this section to the extent necessary to reimburse the City for all costs and damages, including administrative and legal costs, arising from the applicant's failure to complete the required improvements, and initiate cancellation of the lease or reduce the term of the lease to a period consistent with the portion of the improvements substantially completed in a timely manner according to the best interests of the City.
 - (ii) If the application is for a lease extension, the City shall terminate the amendment extending the term of the lease or reduce the term of the extension at the City's sole discretion.

Section 5. Amendment of Section 22.05.025 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.025-Initial lease application, is hereby amended as follows:

22.05.025 Initial lease application.

- (a) All applications for lease of lands must be submitted to the City Manager or designee on an application form provided by the City. Applications will be dated on receipt and must include payment of the nonrefundable application fee as set forth in the City's schedule of fees approved by the City Council.

- (b) The application form must include the following information:
- (1) The purpose of the proposed lease;
 - (2) The use, nature, type, and estimated cost of improvements to be constructed;
 - (3) The dates construction is estimated to commence and be completed. Construction must be completed within [TWO (2)] 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council;
 - (4) Evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law.
 - ~~(4)5~~ A comprehensive description of the proposed business or activity intended;
 - ~~(5)6~~ Whether the applicant requests a lease with an option to purchase; and
 - ~~(6)7~~ How the proposed lease meets the intent of this chapter.
- (c) Applications which propose a subdivision shall require the applicant to be responsible for all costs associated with the subdivision, including but not limited to any new appraisal, engineering services, surveying and consulting costs unless, in the sole discretion of the City Council, it is determined that the subdivision serves other City purposes.
- (1) If the Council determines that other City purposes are served by the subdivision, the City Council may choose in its sole discretion to share in the subdivision costs with the applicant in an amount the City Council determines is reasonable given the benefit to the City.
 - (2) If the Council does not make a determination that other City purposes are served by the subdivision, the applicant must submit a deposit to cover the estimated costs associated with the subdivision.
 - (3) If the City enters into a lease with the applicant, any unused balance of the deposit made to cover costs associated with subdivision will apply to the rent payable under the lease.
 - (4) If the City's costs exceed the amount of any deposit made to cover costs associated with subdivision, the applicant must pay the shortage to the City as a condition of the lease.
 - (5) If the application is rejected or if the applicant withdraws the application or fails to sign a lease offered to the applicant, the City will return any unused deposit balance to the applicant.
- (d) Applications for lands which have not been appraised within one (1) year of the requested starting date of the lease require the applicant to be responsible for all costs associated with appraisal. The cost of the appraisal shall be credited or refunded to the lessee once development is completed as required by the lease, extension or renewal.
- (e) Applications which result in a lease agreement with the City require the lessee to be responsible for all recording costs and any other fees associated with execution of the lease including a preliminary commitment for title insurance and fifty percent (50%) of the required costs associated with a sale of leased land in which the lease contains an option to purchase once the minimum development requirements have been met.
- (f) Anytime during the processing of a lease application, the City may request, and the applicant must supply, any clarification or additional information that the City reasonably determines is necessary for the City to make a final decision on the application.

Section 6. Amendment of Section 22.05.040 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.040-Lease application review, is hereby amended as follows:

22.05.040 Lease application review.

- (a) Applications shall be reviewed by City staff for application completeness and conformance with City ordinances.
- (b) Based on the initial review, if the City Manager determines the application is complete and the applicant has reasonable financial means to complete the proposed improvements, the application shall be referred to the Planning and Zoning Commission and any other applicable commissions for review and comment, together with the City Manager's recommendation for approval or rejection. The recommendation may include a recommendation for a subdivision to reduce or enlarge a parcel to meet the intended development or use. For protection of private financial information, documentation showing the applicant has reasonable financial resources to complete the proposed improvement will be redacted or withheld from the application when published and provided to the Planning Commission, other applicable commission and City Council.
- (c) Notice of complete applications for new leases, renewals or extensions shall be published in a newspaper of general circulation within the City and posted on the property. The notice must contain the name of the applicant, a brief description of the land, whether the applicant requests a lease with an option to purchase, and the date upon which any competing applications must be submitted (thirty (30) days from the date of publication).
- (d) The recommendations of the City Manager, Planning and Zoning Commission, and any other applicable commissions shall be provided to the City Council. The City Council shall determine whether the lease, renewal, amendment or extension is consistent with the intent of this chapter and in the best interest of the City. The decision whether or not to lease land or authorize a lease extension, renewal, amendment or assignment rests in the sole discretion of the City Council.
- (e) If the applicant is in default of any charges, fees, rents, taxes, or other sums due and payable to the City or the applicant is in default of a requirement of any lease or contract with the City a lease shall not be entered into until the deficiencies are remedied.

Section 7. Amendment of Section 22.05.045 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.045-Application for lease amendment, assignment, extension or renewal, is hereby amended as follows:

22.05.045 Application for lease amendment, assignment, extension or renewal.

- (a) A request from an existing lessee for a lease amendment, assignment, extension or renewal of the lease must be submitted to the City Manager or designee on an application form provided by the City. Applications must be complete and dated on receipt and include payment of the nonrefundable application fee and applicable deposit as set forth in the City's schedule of fees adopted by the City Council. All applications proposing new improvements must include evidence showing the applicant has reasonable financial resources to complete the proposed improvement, such as a liquidity verification letter or other document from a financial institution. This information may be provided separately from other application material and will be kept confidentially by City administration as allowed by law. Construction must be completed within 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council;
- (b) An application for an amendment must include the following information:
 - (1) The purpose of the proposed amendment;
 - (2) The proposed change in use or activity, if any;
 - (3) A comprehensive description of the proposed business or activity, if applicable; and
 - (4) How the proposed amendment meets the intent of this chapter.

- (c) An application for a lease assignment must include the following:
 - (1) The name of the individual or legal entity to which the lessee requests to assign the lease.
- (d) An application for a lease extension must include the following information:
 - (1) The use, nature, type and estimated cost of additional improvements to be constructed;
 - (2) The dates new construction is estimated to commence and be completed; and
 - (3) How the proposed lease extension meets the intent of this chapter.
- (e) An application for a lease renewal must include the following information:
 - (1) For a lease renewal of an existing lease:
 - (i) The use, nature, type and estimated cost of additional investment in the construction of new permanent improvements;
 - (ii) The dates new construction is estimated to commence and be completed;
 - (iii) If the renewal is pursuant to a transaction between the current lessee and a new buyer and prospective lessee, the estimated purchase price of real property improvements on the premises as certified by the current lessee and proposed purchaser in a bill of sale or purchase agreement dated within one (1) year of the requested starting date of the renewal; and
 - (iv) How the proposed lease renewal meets the intent of this chapter.
 - (2) For a lease renewal of an expiring lease:
 - (i) A fair market value appraisal of the existing principal improvement on the property, paid for by the applicant, and the estimated cost of any additional investment in the construction of permanent improvements on the premises, if applicable;
 - (ii) If the renewal is pursuant to a transaction between the current lessee and a new buyer and prospective lessee, the estimated purchase price of existing real property improvements, as certified by the current lessee and the proposed purchaser in a bill of sale or purchase agreement dated within one (1) year of the requested starting date of the renewal, and the estimated cost of any additional investment in the construction of permanent improvements on the premises, if applicable;
 - (iii) If the renewal is based on a professional estimate of the remaining useful life of the real property improvements on the premises, the estimated value dated within one (1) year of the requested starting date of the renewal and how it was determined;
 - (iv) The use, nature, type and estimated cost of any additional improvements to be constructed, if applicable;
 - (v) The dates any new construction is estimated to commence and be completed; and
 - (vi) How the proposed lease meets the intent of this chapter.
- (f) Applications for amendment, assignment, extension or renewal shall be processed in accordance with the lease application review provisions of this chapter, except that applications for assignment shall not be referred to the Planning and Zoning Commission. The City has no obligation to amend, assign, renew or extend a lease and may decline to do so upon making specific findings as to why a lease amendment, assignment, renewal, or extension is not in the best interest of the City.

Section 8. Amendment of Section 22.05.055 of Kenai Municipal Code: That Kenai Municipal Code, Section 22.05.055-Length of lease term, is hereby amended as follows:

22.05.055 Length of lease term.

- (a) The length of term for an initial lease shall be based on the amount of investment the applicant proposes to make in the construction of new permanent improvements on the premises as provided in the application. The City Council may offer a shorter lease term, if the City Council makes specific findings that a shorter lease term is in the best interest of the City.
- (b) The maximum term of a lease shall be determined according to the following term table and cannot exceed forty-five (45) years:

Term Table

APPLICANT'S INVESTMENT/VALUE	MAXIMUM TERM OF YEARS
\$7,500	5
15,000	6
22,500	7
30,000	8
37,500	9
45,000	10
52,500	11
60,000	12
67,500	13
75,000	14
82,500	15
90,000	16
97,500	17
105,000	18
112,500	19
120,000	20
127,500	21
135,000	22
142,500	23

APPLICANT'S INVESTMENT/VALUE	MAXIMUM TERM OF YEARS
150,000	24
157,500	25
165,000	26
172,500	27
180,000	28
187,500	29
195,000	30
202,500	31
210,000	32
217,500	33
225,000	34
232,500	35
240,000	36
247,500	37
255,000	38
262,500	39
270,000	40
277,500	41
285,000	42
292,500	43
300,000	44
307,500	45

(c) *Lease Extension.* The length of term for a lease extension shall be determined based on the remaining term of the initial lease and the estimated cost of new investment the applicant proposes to make in the construction of new permanent improvements on the premises according to the term table and provided no extension shall extend a lease term past forty-five (45) years.

- (d) *Lease Renewal for an Existing Lease.* A renewal for an existing lease requires the construction of new permanent improvements, and the length of term for a lease renewal for an existing lease shall be determined as follows:
- (1) Based on the remaining term of the initial lease according to the term table and the estimated cost of new investment the applicant proposes to make in the construction of new permanent improvements on the premises according to the term table; or
 - (2) Pursuant to a transaction between the current lessee and a new buyer and prospective lessee and based on the purchase price of existing real property improvements on the premises, as certified by the current lessee and the proposed purchaser in the bill of sale or purchase agreement, to be executed at closing of the transaction and the estimated cost of new investment in the construction of new permanent improvements on the premises according to the term table.
 - (3) The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (e) *Lease Renewal for an Expiring Lease.* The length of term for a lease renewal of an expiring lease shall be determined as follows:
- (1) The purchase price of existing real property improvements on the premises, as certified by the current lessee and the proposed purchaser in the bill of sale or purchase agreement, to be executed at closing of the transaction and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table; or
 - (2) A professional estimate of the remaining useful life of the real property improvements on the premises, paid for by the applicant, and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table; or
 - (3) A fair market value appraisal of the existing real property improvements on the premises, paid for by the applicant, and the estimated cost of any new investment in the construction of new permanent improvements on the premises according to the term table.
 - (4) The term for renewal of an existing lease cannot exceed forty-five (45) years.
- (f) If the initial lease, term extension, or lease renewal granted to the applicant requires construction of new permanent improvements, the lease or term extension shall be subject to the following conditions:
- (1) The lessee to complete the proposed permanent improvements within [TWO (2)] 3 years except in special circumstances that require a longer period of time and which must be approved by the City Council[,] in the initial lease or unless additional time is approved after the lease is executed as provided in subsection 5 below.
 - (2) The lessee to provide a performance bond, deposit, personal guarantee, or other security if the City Council determines security is necessary or prudent to ensure the applicant's completion of the permanent improvements required in the lease, renewal, or extension. The City Council shall determine the form and amount of the security according to the best interest of the City, after a recommendation by the City Manager considering the nature and scope of the proposed improvements and the financial responsibility of the applicant.
 - (3) At no expense to the City, the lessee must obtain and keep in force, during the term of the lease, insurance of the type and limits required by the City for the activities on the premises.
 - (4) Within thirty (30) days after completion of the permanent improvements, the lessee shall submit to the City written documentation that the improvements have been completed as required. The City Manager shall make a report to the City Council of completion as soon as reasonably practical.

- (5) If the [APPLICANT] lessee shows good cause and evidence of progress towards completion of the proposed improvements, including but not limited to building permits, invoices for site specific building materials, or third party contracts for construction, as well as updated financial information as required in KMC 22.05.25(b)(4) and the City Council determines the action is in the best interest of the City, the City Council may grant an extension of the time initially not to exceed 12 months [ALLOWED] to complete permanent improvements by resolution that is sufficient to allow for the completion of the permanent improvements or for submission of documentation that the permanent improvements have been completed. A final twelve-month extension may be granted by separate resolution of Council if the lessee meets the same criteria for the first twelve-month extension and provides a performance bond, deposit, personal guarantee or other security interest sufficient to cover the remained of the unfinished work on the proposed improvements and Council determines the final extension is in the best interest of the City.
- (6) If, within the time required, the applicant fails to complete the required permanent improvements, the City shall:
 - (i) If the application is for a new lease or lease renewal, execute the forfeiture of the performance bond, deposit, personal guarantee, or other security posted by the applicant under subsection (f)(2) of this section to the extent necessary to reimburse the City for all costs and damages, including administrative and legal costs, arising from the applicant’s failure to complete the required improvements, and/or initiate cancellation of the lease or reduce the term of the lease to a period consistent with the portion of the improvements substantially completed in a timely manner according to the best interest of the City.
 - (ii) If the application is for a lease extension, the City shall terminate the amendment extending the term of the lease or reduce the term of the extension at the City’s sole discretion.

Section 9. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 10. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect 30 days after enactment.

ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 20TH DAY OF MARCH, 2024.

Brian Gabriel Sr., Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Introduced:	March 6, 2024
Enacted:	March 20, 2024
Effective:	April 19, 2024



“Serving the Greater Kenai Peninsula”

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission
From: Derek Ables - Airport Manager
Date: March 7, 2024
Subject: - Lease for Restaurant Concession at the Kenai Municipal Airport.

Proposals for Restaurant were due on March 1, 2024. The proposals will be reviewed and evaluated. A laydown memo with a recommendation will be provided at the commission meeting on March 14, 2024.



“Serving the Greater Kenai Peninsula”

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TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission
From: Derek Ables - Airport Manager
Date: March 7, 2024
Subject: - Lease for Bar/Lounge Concession at the Kenai Municipal Airport.

Proposals for the bar/lounge were due on March 1, 2024. The proposals will be reviewed and evaluated. A laydown memo with a recommendation will be provided at the commission meeting on March 14th, 2024.



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Airport Commission
FROM: Derek Ables, Airport Manager
DATE: March 5, 2024
SUBJECT: **Airport Mid-month Report February 2024**

Alaska Regional Fire Training Facility – The Airport Operations and Management met with Alpine Metal Tech to inspect the props at the facility. The safety issues were corrected and it is available for training. Public works also came out and assisted with their steam truck to open up drains. The Airport is getting a quote on maintaining and inspecting the props annually.

Airport Leakage Study- The Airport met with Volaire to finalize plans for the leakage study. Volaire has been very responsive and we are moving forward with the study. The overall response from people that visit the airport office has been excitement.

In-house Activities

- The RFP process took place throughout February for the Restaurant and Bar. A meeting was held for potential lessees, and Airport staff reached out to local businesses to propose.
- Airport Operations began working with the Airport tenants to schedule ramp driver training. This will increase the safety on the airport, reiterate the rules, and hopefully prevent accidents from occurring.
- The Airport, Public works, HDL, and Finance met the FAA at our monthly meeting to discuss deadlines for grants and environmental documents for \$54,000,000 in projects scheduled through 2027.



Kenai City Council - Regular Meeting

February 21, 2024 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

****Telephonic/Virtual Information on Page 3****

Action Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

All items listed with an asterisk () are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

B. SCHEDULED ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker*)

1. John Williams, CIRCAC Reappointment

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

E. PUBLIC HEARINGS

1. **ENACTED AS AMENDED UNANIMOUSLY. Ordinance No. 3391-2024** - Amending the Imagine Kenai 2030 Comprehensive Plan Land Use Plan Map for Certain Parcels from Industrial to Mixed-Use. (Knackstedt)
2. **POSTPONED TO MARCH 20, 2024. Ordinance No. 3392-2024** - Amending the Kenai Zoning Code to Add a New Zoning District, Working Waterfront (WW) and Amending the Official Zoning Map for Certain Parcels from Heavy Industrial (IH) to Working Waterfront (WW) or Conservation (C) Zoning District. (Knackstedt)
3. **ENACTED UNANIMOUSLY. Ordinance No. 3393-2024** - Accepting and Appropriating Donations to the Kenai Animal Shelter for the Care of Animals. (Administration)
4. **ENACTED UNANIMOUSLY. Ordinance No. 3394-2024** - Increasing Estimated Revenues and Appropriations in the General Fund to Provide Supplemental Funding to the Street Lights Repair and Maintenance Operational Budget. (Administration)
5. **FAILED TO ENACT. Ordinance No. 3395-2024** - Increasing Estimated Revenues and Appropriations in the General Fund for Radio Advertising and Approving Council Policy 20.030-Radio Advertising for Public Meetings and Elections. (Douthit)

6. **ENACTED UNANIMOUSLY. Ordinance No. 3396-2024** - Amending Kenai Municipal Code 4.31.015 - Local Amendments to the 2009 International Fuel Gas Code for Housekeeping Purposes. (Administration)
7. **ENACTED UNANIMOUSLY. Ordinance No. 3397-2024** - Increasing Estimated Revenues and Appropriations in the Water Sewer Capital Project Fund for the Cemetery Creek Culvert Replacement Project and Accepting a Donation from the Kenai Foundation in Support of the Project. (Administration)
8. **ENACTED AS AMENDED UNANIMOUSLY. Ordinance No. 3398-2024** - Amending Kenai Municipal Code Title 6 - Elections, to Enhance Consistency, Promote Efficiencies and Make Housekeeping Changes. (City Clerk)
9. **ENACTED UNANIMOUSLY. Ordinance No. 3399-2024** - Awarding a Service Contract for Airport Security Guard Services at The Kenai Municipal Airport and Increasing Estimated Revenues and Appropriations in the Airport Fund for Costs in Excess of Budgeted Amounts. (Administration) *[KMC 1.15.070(d)]*
 1. Motion for Introduction
 2. Motion for Second Reading (Requires a Unanimous Vote)
 3. Motion for Enactment (Requires Five Affirmative Votes)

F. MINUTES

1. *Regular Meeting of February 7, 2024. (City Clerk)

G. UNFINISHED BUSINESS

1. **POSTPONED TO MARCH 6, 2024. Resolution No. 2024-05** - Amending the Employee Classification Plan by Reclassifying the Public Works Building Official/Manager to a Building Official and Adjusting the Range for this Class. (Administration) *[At the 02/07/24 Council Meeting, this item was postponed to 02/21/24]*

H. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)
2. ***Action/Approval** - Authorizing a Memorandum of Agreement with Greatland Consulting and Training LLC. for Use of the Alaska Regional Fire Training Facility. (Administration)
3. ***Action/Approval** - Special Use Permit to Rebecca Boettcher, DBA: The Fishing Grounds, LLC for Operation of a Snack/Gift Shop Inside the Kenai Municipal Airport. (Administration)
4. ***Action/Approval** - Confirmation of Mayoral Nomination of John Williams for Appointment as City of Kenai Representative to the Cook Inlet Regional Citizens Advisory Council Board. (Mayor Gabriel)
5. ***Action/Approval** - Non-Objection to the Renewal of a Limited Marijuana Cultivation Facility License for Grateful Bud LLC, DBA Grateful Bud LLC - License No. 16474. (City Clerk)
6. ***Ordinance No. 3400-2024** - Increasing Estimated Revenues and Appropriations in the Airport Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's Airport Fund. (Administration)
7. ***Ordinance No. 3401-2024** - Increasing Estimated Revenues and Appropriations in the General Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's General Fund. (Administration)

8. **APPROVED UNANIMOUSLY. Action/Approval** - Special Use Permit to Nilchil Solutions, LLC for an Off-Premise Sign on City-Owned Property Described as Tract B, Gusty Subdivision Addition No. 2 Located at 11631 Kenai Spur Highway. (Administration)
9. **SCHEDULED FOR APRIL 3, 2024 @ 4:30 P.M. Discussion/Action** - Scheduling a Work Session for the Purpose of Discussing the Emergency Services Facility Improvements as Presented in the CIP Plan. (Administration)

I. COMMISSION / COMMITTEE REPORTS

1. Council on Aging
2. Airport Commission
3. Harbor Commission
4. Parks and Recreation Commission
5. Planning and Zoning Commission
6. Beautification Committee

J. REPORT OF THE MAYOR

K. ADMINISTRATION REPORTS

1. City Manager
2. City Attorney
3. City Clerk

L. ADDITIONAL PUBLIC COMMENTS

1. Citizens Comments (*Public comments limited to five (5) minutes per speaker*)
2. Council Comments

M. EXECUTIVE SESSION

N. PENDING ITEMS

O. ADJOURNMENT

P. INFORMATION ITEMS

The agenda and supporting documents are posted on the City's website at www.kenai.city. Copies of resolutions and ordinances are available at the City Clerk's Office or outside the Council Chamber prior to the meeting. For additional information, please contact the City Clerk's Office at 907-283-8231.

Registration is required to join the meeting remotely through Zoom. Please use the link below to register:

<https://us02web.zoom.us/meeting/register/tZcpdeuuqD4tH9wI8B9r7IU7fz6tyl1FS9Bl>



Kenai City Council - Regular Meeting

March 06, 2024 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

****Telephonic/Virtual Information on Page 2****

Action Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

All items listed with an asterisk () are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

B. SCHEDULED ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker*)

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

E. PUBLIC HEARINGS

1. **ENACTED WITHOUT OBJECTION. Ordinance No. 3400-2024** - Increasing Estimated Revenues and Appropriations in the Airport Land Sale Permanent Fund to Transfer Earnings in Excess of Budgeted Amounts to the City's Airport Fund. (Administration)
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F. MINUTES

1. *Regular Meeting of February 21, 2024. (City Clerk)

G. UNFINISHED BUSINESS

1. **ADOPTED WITHOUT OBJECTION. Resolution No. 2024-05** - Amending the Employee Classification Plan by Reclassifying the Public Works Building Official/Manager to a Building Official and Adjusting the Range for this Class. (Administration) [*On 02/07/24 Postponed to 02/21/24; On 02/21/24 Postponed to 03/06/24*]

H. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)

2. ***Ordinance No. 3402-2024** - Accepting and Appropriating a Donation to the Kenai Community Library for Library Materials, Programming, Furniture and Shelving. (Administration)
3. ***Ordinance No. 3403-2024** - Amending Sections of Kenai Municipal Code Chapters 21.10 - Leasing and Acquisition of Airport Reserve Lands, and 22.05 - Disposition of City Lands, to Extend the Time Allowed for Private Development on City Leased Lots and Requiring Certain Financial Assurances Prior to Lease Execution. (Administration)

I. COMMISSION / COMMITTEE REPORTS

1. Council on Aging
2. Airport Commission
3. Harbor Commission
4. Parks and Recreation Commission
5. Planning and Zoning Commission
6. Beautification Committee

J. REPORT OF THE MAYOR

1. Mayor Recognition - Thanking Bob Peters for 30-Years of Service to the City of Kenai.

K. ADMINISTRATION REPORTS

1. City Manager
2. City Attorney
3. City Clerk

L. ADDITIONAL PUBLIC COMMENTS

1. Citizens Comments (*Public comments limited to five (5) minutes per speaker*)
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M. EXECUTIVE SESSION

N. PENDING ITEMS

1. **Ordinance No. 3392-2024** - Amending the Kenai Zoning Code to Add a New Zoning District, Working Waterfront (WW) and Amending the Official Zoning Map for Certain Parcels from Heavy Industrial (IH) to Working Waterfront (WW) or Conservation (C) Zoning District. (Knackstedt) [*On 02/21/24 this item was postponed to 03/20/24.*]

O. ADJOURNMENT

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Memorandum of Agreement

between

The City of Kenai

And

Greatland Consulting and Training LLC
1461 Northview Dr. Unit I-7
Anchorage, Alaska 99504

This Memorandum of Agreement between the City of Kenai (hereinafter referred to as the "Airport"), and Greatland Consulting and Training LLC (hereinafter referred to as "GCT").

PURPOSE

The purpose of this agreement is to allow the Airport, and GCT to work cooperatively to ensure the Alaska Regional Aircraft Fire Training Center (Fire Training Center) remains viable to meet required Federal Aviation Regulations for Aircraft Rescue Firefighting at certificated airports in Alaska. The Airport is the owner of the Fire Training Center and is responsible for the operation and maintenance in accordance with FAA grant assurances.

OBJECTIVES

- Ensure certificated airports in Alaska are able to complete initial and annual recurrent ARFF training.
- Operate and maintain the Fire Training Center in accordance with FAA grant assurances.
- Formalize policies and procedures surrounding the use of the Fire Training Center.
- Establish rates and fees to ensure the operation of Fire Training Center is sustainable.
- Encourage other stakeholders to utilize the Fire Training Center in conjunction with GCT.

WITNESSETH:

WHEREAS, it is the purpose of the Alaska Regional Aircraft Fire Training Center to provide the facilities required for certificated airports in Alaska to meet initial and annual recurrent training requirements under applicable Federal Aviation Regulations; and,

WHEREAS, GCT has been awarded a contract by the State of Alaska, Statewide Aviation Division to provide Aircraft Rescue Firefighting training for the employees of State operated airports; and,

WHEREAS, it is mutually beneficial for the Airport and GCT to enter into a cooperative agreement that facilitates Aircraft Rescue Firefighting training at the Fire Training Center.

NOW THEREFORE. In consideration of the mutual benefits which will accrue to the Airport and GCT, the parties agree as follows:

- I. AUTHORIZATION: The Airport, and GCT agree to work cooperatively in operation of the Fire Training Center to facilitate ARFF training requirements set forth by Federal Regulations for certificated airports for the Calendar year 2024.
- II. AIRPORT, AND GCT RESPONSIBILITIES: For the periods set forth above, the
 - a. Airport will:
 - A. When no preexisting scheduling conflicts exist, provide GCT use of the Alaska Fire Training Center training room(s), ARFF training props, ARFF vehicles, ARFF training prop controls, and breathing air containment fill station.
 - B. Maintain the facility, including props in good working order. Airport is not responsible for any training delays or lost profits due to prop or other facility equipment breakdowns. GCT and Airport understand and acknowledge that prop repairs often require service from out-of-state personnel with limited availability.
 - C. Establish rates & fees for use of the Alaska Fire Training Center that ensure operation and maintenance of the Fire Training Center is sustainable.
 - b. GCT will:
 - A. Schedule use of the Fire Training Center with Airport Administration.
 - B. Provide for, or contract with qualified instructors approved by the Airport for ARFF training.
 - C. Provide prompt notice to the Airport of needed maintenance to the Alaska Fire Training Center facility, ARFF training props and controls, ARFF vehicles, and breathing air containment fill station.
 - D. Ensure all trainees are equipped with all necessary Personal Protection Equipment.
 - E. Assume responsibility for any damage to Fire Training Center property (real and personal), caused by its officers, employees, contractors, customers or agents, and that occurs during the course of training activities and notify the Airport of any damage as soon as practicably feasible.
 - F. Provide certified activity reports of all training activities on a form provided by the Airport with the payment of all rates and fees.
 - G. Pay established rates & fees for use of the Alaska Fire Training Center that ensure operation and maintenance of the Fire Training Center is sustainable no later than 30 days upon the completion of the training.
 - H. Pay for actual costs of all ARFF training consumables, to include but not limited to: propane, nitrogen, training smoke oil, vehicle fuel, etc.

Season	Course	Min. # of Students	Rate per Student*
May - September	Annual Live Fire/Refresher	8	400.00
	40 hour Basic ARFF	8	600.00
	40 hour Advanced ARFF	8	600.00
October - April	Annual Live Fire/Refresher	12	400.00
	40 hour Basic ARFF	12	600.00
	40 hour Advanced ARFF	12	600.00

*Rate includes use of training classroom, ARFF training props, and ARFF vehicles. Rate excludes the cost of fuels and ancillary consumables required to operate training props and equipment (Propane, Nitrogen, Training Smoke Oil, Fuel, etc.)

III. PERIOD OF PERFORMANCE

The period of performance for this agreement is for the Calendar Year 2024. While the Airport and GCT reserve the right to terminate this Agreement, at any time upon thirty days written notice without the necessity of any legal process, the Airport and GCT agree to hold a meeting prior to termination discussing the reasons for termination.

IV. CONTACTS

- A. For the Airport: Derek Ables, Airport Manager, Kenai Municipal Airport, 305 N. Willow Street, Suite 200, Kenai, AK 99611, dables@kenai.city, 907.283.8282.
- B. For GCT: Bob Lee, Owner/Operator, Greatland Consulting and Training LLC, 1461 Northview Dr. Unit I-7, Anchorage, Alaska 99504, bobleekconsulting@gmail.com, 907.297.9141.

V. SPECIAL PROVISIONS

- A. The scope and other terms of the agreement may be modified at any time by mutual consent of the signatory parties.
- B. Subject to Section II.(b)(E) above, the parties to this agreement agree to be responsible for damages to their own property and injuries to their own employees/volunteers, except for damages/injuries caused by the other party, their agents, contractors, or officers.
- C. This MOA may be modified or amended as necessary upon written consent of all parties or may be terminated by either party with a 30-day written notice to all other parties.

VI. INSURANCE

GCT, independently or through its contractors shall obtain and maintain insurance, in amounts not less than those listed below, by insurance companies with acceptable industry ratings, so long as such company is not barred from insuring City assets. All policies or endorsements shall, where possible, name the City as an

additional insured or a loss payee as appropriate. Contractor may not commence to perform under this Agreement until all required insurance is in full force and effect and approved by the City.

Contractor shall provide the City with certificates of insurance within thirty (30) days of the effective date of this Agreement. The insurance shall be provided by a carrier rated "A-" or better by A.M. Best.

Comprehensive general liability: combined single limit (death, bodily injury and property damage (rented or leased property coverage)) \$1.5 million

Professional liability: \$1 million

Worker's Compensation: statutory minimum

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Agreement to be executed as of the date of last signature below.

CITY OF KENAI




Terry Eubank, City Manager

DATE

2/22/24

GREATLAND CONSULTING AND TRAINING LLC



Bob Lee, Owner/Operator

DATE

JAN 25, 2024



**CITY OF KENAI
ORDINANCE NO. 3399-2024**

AN ORDINANCE AWARDING A SERVICE CONTRACT FOR AIRPORT SECURITY GUARD SERVICES AT THE KENAI MUNICIPAL AIRPORT AND INCREASING ESTIMATED REVENUES AND APPROPRIATIONS IN THE AIRPORT FUND FOR COSTS IN EXCESS OF BUDGETED AMOUNTS.

WHEREAS, the City contracts for security guard services at the Kenai Municipal Airport; and,

WHEREAS, on December 30, 2023, the City solicited proposals for Airport Security Guard Services for a contract term beginning February 28, 2024; and,

WHEREAS, three responsive proposals were received on February 1, 2024, and evaluated based on responsiveness, experience, capability, references, and price per hour; and,

WHEREAS, the summary of proposal points received from the four evaluators are as follows:

Guardian Security Systems, Inc.	328
Security Services Northwest, Inc.	244
ACE Consulting Company, LLC	258

; and,

WHEREAS, Guardian Security Systems, Inc. is the successful Proposer receiving the highest points overall; and,

WHEREAS, the City Administration has determined that award to Guardian Security Systems is in the best interest of the City; and,

WHEREAS, additional funds in the amount of \$8,000 will be needed to carry through the remainder of the fiscal year; and,

WHEREAS, the need for additional funds stem primarily from an increase in the security contract from \$32.91 per hour to \$46.00 per hour; and,

WHEREAS, the additional funds will allow security services to continue uninterrupted through June 30, 2024.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, AS FOLLOWS:

Section 1. That the City Manager is authorized to execute an agreement with Guardian Security Systems, Inc. for Security Guard Services at the Kenai Municipal Airport in the amount of \$84,200 for the period of February 29, 2024 and ending February 28, 2025.

Section 2. That the estimated revenues and appropriations be increased as follows:

Airport Fund:

Increase Estimated Revenues –	
Appropriation of Fund Balance	<u>\$8,000</u>


Increase Appropriations –
Airport Terminal
Repair and Maintenance Services \$8,000

Section 3. That the City Manager is authorized to execute a change order and increase purchase order #126942 to Guardian Security Systems Inc. by \$8,000 for a revised total purchase order of \$69,000.

Section 4. Severability: That if any part or provision of this ordinance or application thereof to any person or circumstances is adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in all controversy in which this judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this title or application thereof to other persons or circumstances. The City Council hereby declares that it would have enacted the remainder of this ordinance even without such part, provision, or application.

Section 5. Effective Date: That pursuant to KMC 1.15.070(f), this ordinance shall take effect immediately upon enactment.

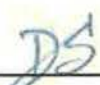
ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, THIS 21ST DAY OF FEBRUARY, 2024.



Brian Gabriel Sr., Mayor

ATTEST:


Michelle M. Saner, MMC, City Clerk

Approved by Finance:  _____

Introduced: February 21, 2024
Enacted: February 21, 2024
Effective: February 21, 2024



KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | www.kenai.city

MEMORANDUM

TO: Mayor Gabriel and Council Members

THROUGH: Terry Eubank, City Manager

FROM: Derek Ables, Airport Manager

DATE: February 9, 2024

SUBJECT: **Ordinance 3399-2024 - Increasing Estimated Revenues and Appropriations in the Airport Fund and Awarding a Service Contract for Security Guard Services at the Kenai Municipal Airport.**

This memo requests Council's approval to award a contract for security guard services to Guardian Security Systems Inc. for \$84,200, at the Kenai Municipal Airport. The City also has a current contract with Guardian Security Systems Inc. currently that expires on February 28, 2024.

After a new solicitation Guardian Security Systems, Inc. emerged as the successful proposer, receiving the highest overall points for the Airport Security Guard Services Contract. Evaluation criteria encompassed responsiveness, experience, capability, references, and pricing per hour. Guardian Security Systems, Inc. scored 328 points, followed by ACE Consulting Company, LLC at 258, and Security Services Northwest, Inc. at 244 points.

The Airport Administration conducted a thorough assessment and determined that awarding the contract to Guardian Security Systems, Inc. is in the best interest of the City. This contract will create an increase in expenses. The rate per hour will increase from \$32.91 per hour to \$46.00 per hour.

The Department is also requesting an additional \$8,000 through this ordinance to allow security services to continue uninterrupted through June 30th, 2024 due to the increase in costs.

Awarding the contract and providing the requested funds now is in the best interest of the City. Council's approval is respectfully requested.

Attachments- Agreement, Exhibit A

AGREEMENT FOR AIRPORT SECURITY GUARD SERVICES

THIS AGREEMENT is made this ___ day of _____ 2024, by and between the CITY OF KENAI (Owner or City), 210 Fidalgo Avenue, Kenai, AK 99611-7794, and Guardian Security Systems, Inc. (Contractor), ADDRESS 2600 Seward highway, Anchorage, Alaska, 99503.

WHEREAS, Owner desires to contract for security guard services for the Kenai Municipal Airport (Facilities); and,

WHEREAS, Owner and Contractor agree to the terms and conditions under which Contractor shall provide such services and both Owner and Contractor desire to contract for the provision of such services by Contractor.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Term.** The term of this Agreement shall begin on February 29, 2024, and end on February 28, 2025.
2. **Extension.** This Agreement may be extended for four successive one-year terms by mutual written consent of Owner and Contractor.
3. **Facility and Services.**
 - A. Contractor shall provide the services described in Sections 2 and 3 included in the Instruction to Proposers attached hereto as Exhibit A and incorporated herein by reference. Contractor shall provide and perform for Owner the services described in this Agreement seven days per week.

4. **Payment.** In exchange for performance of security guard services provided hereunder, Owner shall pay Contractor for services rendered at the rate of **\$46.00** per hour. Owner guarantees a minimum payment of that rate for 35 hours per week, provided Contractor actually provides those services. Contractor is expected to perform all security services as set forth above in those 35 hours per week. If Owner adds patrolled service areas, Owner shall authorize an adjustment in the number of hours in writing, subject to the minimum guarantee.

Invoices for services performed by Contractor must be received by Owner no later than five working days following the end of the month during which Contractor performed the services. Invoices must be sent to: Airport Administrative Office, 305 N. Willow St. Ste. 200, Kenai, AK 99611. Payment will be due from Owner to Contractor within thirty days after Contractor has submitted Contractor's invoice for services to Owner.

5. **Administrator; Designated Representative.** The Airport Manager will act as Contract Administrator (Administrator) to act on the City's behalf. Contractor is responsible for prompt attention to any defective work pointed out by the Administrator. At the request of the Administrator, Contractor shall meet with the Administrator at least twice each calendar month to conduct an inspection of the Facility and to discuss performance.

Contractor must supply Owner with the contact name and telephone number of Contractor's designated representative in writing on or before February 29, 2024. Contractor is responsible for the performance of the services required under this Agreement, and for the direct supervision of Contractor's personnel, through its designated representative. Such representative shall, in turn, be available at all reasonable times to report and confer with the

Owner with respect to the services. Contractor must provide Owner with a telephone and/or an answering service number through which Owner can contact the designated representative 24 hours per day. Should the designated representative be away from the City of Kenai or be otherwise unable to respond to Owner, Contractor shall designate a new or temporary representative who shall be empowered to act for Contractor and provide Owner with this contact information.

6. Independent Contractor; No Agency. Contractor's relationship with Owner is that of an independent contractor with the authority to control and direct the performance of details of the services that are the subject of this Agreement. Nothing contained in this Agreement may be construed to create an agency, partnership, joint venture, or employee-employer relationship between Owner and Contractor. Contractor is not the agent of Owner and Contractor is not authorized to make any representation, contract, or commitment on behalf of Owner.

7. Contractor's Personnel Payment and Supervision.

A. All personnel furnished by Contractor must be employees of Contractor. Contractor must pay all taxes, salaries, and expenses of each employee, including but not limited to payment of all federal social security taxes, federal and state unemployment taxes, and any payroll taxes relating to such employees.

B. The manner in which the services contracted for hereunder are to be performed are determined by the Contractor. Contractor agrees that the services provided under this Agreement must only be performed by qualified, careful, and efficient employees in strict conformity with the best practices and highest applicable standards.

C. It is the Contractor's duty to train its employees in order to provide the services required. Contractor will furnish the Administrator a list of the names, addresses and telephone numbers of Contractor's employees working under this Agreement and shall provide Owner with updates of this list as information changes.

D. Owner may require removal from the Facility those employees of Contractor whose presence is deemed incompetent, insubordinate or otherwise objectionable, or whose continued employment and presence at the Facility is contrary to the public interest or inconsistent with the best interest of Owner.

8. Insurance.

A. Throughout the term of this Agreement Contractor shall, at its own expense, secure and keep in force insurance as stated below.

i. Comprehensive general liability insurance, including premises, all operations, property damage, personal injury and death, broad-form contractual coverage with a per occurrence limit of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit.

ii. Worker's Compensation insurance with coverage for all employees engaged in work under this Agreement as required by AS 23.30.045.

iii. Comprehensive automobile liability insurance covering all owned, hired, and non-owned vehicles with coverage limits not less than \$250,000 combined single limit per occurrence.

Where specific limits are stated, the limits are the minimum acceptable limits. If Contractor's insurance policy contains higher limits, Owner is entitled to coverage to the extent of the higher limits.

B. All insurance required by this paragraph 8 shall meet the following requirements:

i. for comprehensive general liability and automobile liability insurance, name the City of Kenai as an additional insured; and,

- ii. for worker's compensation insurance, general liability and automobile liability insurance include a waiver of subrogation so that the insurer waives all rights of subrogation against the City of Kenai for payments made under the policy; and,
- iii. provide Owner with at least 30 days' notice before any termination, cancellation, or material change in insurance coverage is effective; and,
- iv. be issued by a company/corporation currently rated "A-" or better by A.M. Best.

C. Contractor must submit to Owner proof of 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. The effective date of the insurance will be no later than the effective date of this Agreement.

D. The indemnification and insurance coverage requirements stated in this paragraph 8 and in paragraph 9, below, do not relieve Contractor of any other obligation under this Agreement.

E. Owner may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Agreement. Owner will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Contractor shall submit to Owner evidence of insurance coverage that meets the requirements of Owner.

9. Indemnification. The contractor shall indemnify, defend, and hold harmless the contracting agency from and against any claim of, or liability for, negligent acts, errors, and omissions of the Contractor under this agreement. The contractor is not required to indemnify, defend, or hold harmless the contracting agency for a claim of, or liability for, the

independent negligent acts, errors, and omissions of the contracting agency. If there is a claim of, or liability for, a joint negligent act, error, or omission of the contractor and the contracting agency, the indemnification, defense, and hold harmless obligations of this provision shall be apportioned on a comparative fault basis. In this provision, “consultant” and “contracting agency” include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, “independent negligent acts, errors, and omissions” means negligence other than in the contracting agency’s selection, administration, monitoring, or controlling of the contractor, or in approving or accepting the contractor’s work.

Following are definitions for terms in the above clause:

- (1) “contractor” means a person who contracts with a public agency to provide professional services;
- (2) “professional services” means professional, technical, or consultant’s services that are predominantly intellectual in character, result in the production of a report or the completion of a task, and include analysis, evaluation, prediction, planning, or recommendation;
- (3) “public agency” means a department, institution, board, commission, division, authority, public corporation, committee, school district, political subdivision, or other administrative unit of a municipality, of a political subdivision, or of the executive or legislative branch of state government, including the University of Alaska, the Alaska Aerospace Development Corporation, the Alaska Housing Finance Corporation, the Alaska Industrial Development and Export Authority, the Alaska Energy Authority, the Alaska Railroad Corporation, and a regional educational attendance area.

10. Complaints; Charges. If the Administrator provides complaints regarding security guard services to Contractor's designated representative, Contractor shall act on the complaint within twenty-four hours, or if urgent, on the same day the complaint is delivered to Contractor. If the deficiencies are not corrected in the Agreement for Services allotted time, Owner will arrange to have the work done and all charges will be deducted from Contractor's monthly payment.

11. Termination.

A. Termination for Cause. The obligation to provide further services under this Agreement may be terminated for cause by either party upon fifteen days' written notice in the event of substantial failure by the other party to perform in accordance with the term thereof through no fault of the terminating party. The nonperforming party shall be given a fifteen calendar day cure period to show progress (satisfactory to the terminating party) after the written notice of intent to terminate.

In the event of any termination, Contractor will be paid for all services properly rendered up to the date of termination. Upon any termination, Contractor must promptly discontinue all services affected (unless a termination notice from Owner directs otherwise). In the event of termination for cause by Owner, Owner has the right of set-off from any payment due Contractor, of all expenses, costs, and damages, including professional and legal expenses necessary to provide the services.

B. Termination Without Cause. Owner retains the exclusive right to cancel, stop, or re-schedule any or all services associated with this Agreement upon thirty (30) days' written notice to Contractor. Owner reserves the right to terminate this Agreement for

reasons of convenience or if the services are no longer needed with the same termination conditions stated in subsection (A) immediately above except the fifteen (15) day cure period stated above.

Contractor may terminate this Agreement at any time upon thirty (30) days' written notice to Owner. Termination of this Agreement by Contractor without cause shall cause Contractor to be liable to Owner for any increased costs of procuring replacement services as well as for any other damages provided by law.

12. Costs on Default. In the event that either party defaults in the performance of any of its obligations under this Agreement and an action is brought for the enforcement thereof, the defaulting party must pay the other all the costs and expenses incurred therefore, including actual, reasonable attorney's fees. No right or remedy herein conferred upon or reserved to Owner is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

13. Licensing. Contractor must obtain and maintain all necessary licenses and permits, pay all taxes lawfully imposed on its business, and pay any other fee or charge assessed under any applicable public statute, regulation, or ordinance. Said licensing includes, but is not limited to, obtaining state and borough business licenses and tax certificates, and, where applicable to Contractor, paying all taxes and filing all documents necessary to maintain Contractor's status as a corporate entity in good standing in the State of Alaska.

14. Visitors. Contractor may not permit there to be children, friends, or other

unauthorized persons at the Facility while the services are being performed by Contractor.

15. Assignment and Subcontract. Contractor may not assign or transfer this Agreement without the prior written approval of the Owner. Further, Contractor may not subcontract and/or transfer any part of the services or work to be performed without prior written approval of the Owner. Any such assignment or transfer or subcontracting of services without the consent of Owner constitutes default on the part of Contractor.

16. No Discrimination. The Contractor will undertake a nondiscrimination program required by 14 CFR, Part 152, Subpart E, to insure that no person will be excluded from participating in any employment activity covered by 14 CFR, Part 152, Subpart E, on the grounds of race, creed, color, national origin, or sex. The Contractor may not exclude any person on these grounds from participating in or receiving the services or benefits of any program or activity covered by the Subpart. The Contractor further understands that it will require its covered sub organizations to provide assurances to the City that they will also undertake nondiscrimination programs and require assurances from their sub organizations, as required by 14 CFR, Part 152, Subpart E.

CIVIL RIGHTS – TITLE VI ASSURANCE

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein Incorporated by reference and made a part of this contract.

2. Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national

origin in the selection and retention of sub-contractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential sub-contractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a sub-contractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the

interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Kenai Municipal Airport pursuant to the provisions of the Airport Improvement Program grant assurances.

A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above nondiscrimination covenants, Kenai Municipal Airport will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued. *

C. With respect to deeds, in the event of breach of any of the above nondiscrimination covenants, Kenai Municipal Airport will there upon revert to and vest in and become the absolute property of Kenai Municipal Airport and its assigns.
*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC §2000d *et seq.*, 78 stat.252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC §4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and concessionaires, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP

persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 *et seq*).

A. Affirmative Action: The Contractor will undertake any affirmative action program required by 14 CFR, Part 152 (Airport Aid Program), subpart E (Nondiscrimination in Airport Aid Program), and the American Disabilities Act of 1990 to ensure that no person shall, on the grounds of race, creed, color, national origin, age, sex, handicap, marital status, change in marital status, pregnancy, or parenthood be excluded from participating in any employment, contracting, or leasing activities covered by 14 CFR Part 152, subpart E or the American Disabilities Act of 1990. Contractor assures that no person shall be excluded on these grounds, from participating in or receiving the services or benefits of any program or activity covered by said subpart or act. Contractor assures that I will require its covered organizations provide assurances to state that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, subpart E or the American Disabilities Act of 1990, to the same effect.

Contract shall comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR Part 152, subpart E, the American Disabilities Act of 1990, a part of the affirmative action program, and by any federal, state, or local agency or court, including those resulting from a conciliation agreement, consent decree, court order, or similar mechanism. Contractor shall use state or local affirmative actions plans in lieu of any affirmative action plan or steps required by 14 CFR 152.409. Contractor shall obtain a

similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFR Part 152, subpart E. Copies of CFR Part 152, subpart E, and the American Disabilities Act of 1990 are available from the City.

17. Assumption of Risk. Contractor must provide all proper safeguards and assume all risks incurred in performing its services hereunder.

18. No Waiver. If Owner does not insist in any one or more instances on the strict performance by Contractor of any provision or article under this Agreement, it is not a waiver or relinquishment for the future, but the provision or article will continue in full force. An Owner waiver of any provision or article in this Agreement cannot be enforced nor relied on unless the waiver is in writing and signed on behalf of Owner.

19. Integration and Modification. This Agreement contains the entire agreement of the parties. All negotiations, statements, representations, warranties, and assurances, whether oral or written, which are in any way related to the subject matter of this Agreement or the performance of either party hereto, are merged and integrated into the terms of this Agreement. This Agreement may not be modified or amended except by a writing signed by both parties hereto.

20. Applicable Law/Venue. In any dispute between the parties, the laws of the State of Alaska will govern. If any such dispute results in a lawsuit, the parties may only bring the lawsuit before the courts of the State of Alaska in the Third Judicial District at Kenai.

21. Rules of Interpretation. Headings of paragraphs herein are solely for convenience of reference and shall not affect meaning, construction, or effect of this Agreement. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa. Unless the context otherwise indicates, the use of the neuter, masculine, or feminine gender shall include the others as well.

22. Notices. Any and all notices required or permitted under this Agreement, unless specified otherwise, shall be in writing and hand-delivered or mailed by certified mail, return receipt requested, to the following addresses:

Owner: Kenai Municipal Airport
305 N. Willow St. Ste. 200
Kenai, AK 99611

Contractor: Guardian Security Systems, Inc.
2600 Seward Highway
Anchorage, AK 99503

Either party may change its address for notice by giving notice as provided herein to the other party. Notice is effective upon hand delivery or deposit, postage prepaid, in the United States mail.

23. Authority. By signing this Agreement Contractor represents that it has read this Agreement and it agrees to be bound by the terms and conditions herein and that the person signing this Agreement is duly authorized by the organization to bind the organization hereunder.

24. Effective Date. This Agreement is not effective until signed by the City Manager of City of Kenai and the Contractor.

IN WITNESS WHEREOF, the parties hereto have executed this agreement for Services the day and year set forth below.

CITY OF KENAI

By: _____
Terry Eubank
City Manager

GUARDIAN SECURITY SYSTEMS, INC.

By: _____
Michael Heath
Vice President

DRAFT

STATE OF ALASKA)

)ss

THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by Terry Eubank, City Manager of the City of Kenai, an Alaska municipal corporation, on behalf of the City.

Notary Public for Alaska

My Commission Expires: _____

CORPORATION CONTRACTOR NOTARY:

STATE OF ALASKA)

)ss

THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by Michael Heath, Vice President of Guardian Security Systems, Inc., an Alaskan Corporation, on behalf of the corporation.

Notary Public for Alaska

My Commission Expires: _____

Approved as to form:

Scott Bloom
City Attorney

SECURITY GUARD SERVICES INSTRUCTION TO PROPOSERS

1. GENERAL

These instructions specify the form and procedures for the submission of a complete and acceptable proposal. To obtain addenda in a timely manner, you should be on the City of Kenai's plan holder's list. Downloading project specifications and drawings from the City website or other online plans rooms does not place you on the City's plan holder's list. To be added to the plan holder's list, please contact the Airport Administration by phone (907) 283-8281 or by email at sconley@kenai.city.

Contract Name: Kenai Municipal Airport Security Guard Services

Non-mandatory Pre-Proposal Meeting Date: January 12, 2024 at 2:00pm

Last Day for Questions: January 22, 2024 by 5:00pm

Proposal Due Date and Time: February 1, 2024 before 10:00am

2. OBJECTIVE

The City is seeking proposals from qualified entities to provide professional unarmed security guard services at the Airport. The City's objective is to ensure the highest quality of Security Guard and Security Supervisor personnel at the Airport in order to maintain a high standard of security services at the Airport. The Contractor shall:

- A. Provide Security Guard and Security Supervisors to control the ingress and egress of persons and vehicles through various permanent and temporary gates at the Kenai Airport; and
- B. Provide an acceptable level of Airport security guard services under a schedule set forth by the Airport Manager or designated representative.

3. SCOPE OF WORK

Subject to the terms and conditions of the Agreement, the Contractor shall provide a **minimum of 35 hours per week**.

- A. The Security Supervisor shall provide a minimum of five (5) hours of security guard service per day, seven (7) days a week, including holidays. The security services currently required are as follows:
 - i. Provide one (1) patrol service of airport property between the hours of 8pm & 12 midnight to include a walk-through of the terminal for visibility and to insure the patrol time on-site is a minimum of 30 minutes (vary the time of this patrol)
 - ii. Return to terminal after the last flight of the day to ensure all passengers are accommodated/assisted with their transportation needs. When all passengers, air carrier, rental car personnel, and bar patrons have departed, lock and secure the terminal.

- iii. Check short-term parking lot – take an inventory of vehicles and note license plate number, make and model of vehicle on guard log.
- iv. Patrol airport perimeter, closing and/or reporting any open gates on the guard log.
- v. Return to terminal and inventory short-term parking lot on guard log. Place payment reminders for vehicles in 2 hr. parking and document vehicle color/ make/ model/ license plate in guard log to be turned Airport Manager's office. If the parking lot is empty, note that on guard log.
- vi. Monday through Friday, at 3:30 am., sweep terminal for unauthorized activity or personnel, unlock terminal and provide security for arriving employees and passengers. Time is subject to change on weekends based on flight operations.
- vii. Provide information and assistance to employees and traveling public as appropriate.

The Airport Manager may adjust the time schedule of security or require additional security guard service. The Contractor should expect some variance in patrol requirements due to seasonal variations of air carrier schedules and holidays.

- B. The Contractor shall identify a single point of contact and an alternate point of contact through which all information concerning security service is channeled to and communicated to the Airport Manager.
- C. Provide a 24-hour contact phone number and an email address.
- D. The Contractor shall ensure that all Security Guards and/or Security Supervisors are familiar with Kenai Municipal Code (KMC) Airport Regulations and Airport rules and procedures before they are allowed to staff a shift at the Airport. If the City, Airport Manager or FAA mandates any significant changes in rules, regulations and procedures, the Airport will provide the Contractor and its' employees with educational updates.
- E. The Contractor shall ensure that Security Guards and/or Security Supervisors submit a written shift report in a form acceptable to the Airport Manager for every shift worked at the end of each shift to the Airport Manager's office. The written report should be left at the Administrative Office each day at shift's end.
- F. The Contractor agrees to be readily available to address complaints about Contractor's personnel or concerns of the Airport Manager regarding the services provided in the Agreement in an appropriate and expedient manner. Security Guards and Supervisors working at the airport will be required to deal with tenants and the traveling public in a professional and courteous manner.
- G. The Contractor's vehicles shall be marked with the Contractor's name on both sides of the vehicles.

- H. The Contractor shall provide complete uniforms that its employees must wear while providing services under the Agreement.
- I. The Airport Manager retains the right to conduct periodic testing or observation of personnel to ensure conduct is professional and training requirements are met.
- J. All Airport assigned Security Guards and/or Security Supervisors must meet or satisfy the following minimum requirements:
 - 1. Be properly licensed under guidelines set forth by the State of Alaska and carry such license at all times while providing service under the Agreement;
 - 2. Possess good communication skills, in English, both written and oral;
 - 3. Possess a high school diploma or equivalent;
 - 4. Be 18 years of age or older;
 - 5. Be a United States citizen;
 - 6. Pass an NCIC FBI background check.
 - 7. Be properly uniformed, badged, and equipped while providing services; and
 - 8. Pass an initial chemical test and analysis for the illegal use or abuse of drugs, alcohol, contraband substances and marijuana.

Documentation of compliance with the above minimum requirements for each Airport assigned Security Guard and Security Supervisor must be included in the personnel records of each employee and are to be kept and maintained on file at the Contractor's office.

4. PROPOSER QUALIFICATIONS

All Proposers must prepare a Statement of Qualifications that describes, in detail, the organization of the Proposer's firm or business and pertinent security guard services experience (see Section 3, entitled "Scope of Work"). Each Proposer shall submit a listing of clients for which the Proposer provides comparable services. The listing shall provide names, contact people, addresses, and telephone numbers of those clients. Proposers must also address the following in its Statement of Qualifications:

- 1. Documentation of knowledge and capabilities in regard to Airport security guard services.
- 2. Resumes of key personnel and relevant experience.
- 3. Knowledge of airport security practices and regulations, including experience working on an airport.
- 4. Any additional information the Proposer believes is relevant in assessing the qualifications, experience, and ability of the Proposer.

A Proposer's representations concerning their qualifications will be construed as a covenant under the Agreement. Should it appear that the Proposer has made a material misrepresentation, the City shall have the right to terminate the Agreement for the Contractor's breach, and the City may then

pursue such remedies as provided in the Agreement documents or as provided by state statute, City code, or as appropriate.

Any final determination that a Proposer is non-responsible will be made by the City Manager. Such determination will be made in writing to the Proposer setting forth the reasons for such determination.

5. CONDITIONS AFFECTING THE WORK

The Proposer shall examine carefully the site(s) of the proposed work and the proposal documents before submitting a proposal. The submission of a proposal shall be an admission that the Proposer has made such examination and is satisfied as to the conditions to be encountered in performing the work and as to the requirements and accuracy of the proposal documents.

The City assumes no responsibility for any understanding or representations concerning conditions made by any of its officers, agents, or employees prior to the execution of this Agreement, unless such understanding or representations are expressly stated in the proposal documents or Addenda.

The Proposer shall include in their proposal, sufficient sums to cover all items required by the Agreement and the conditions of the site(s), and shall rely entirely upon their own examination in making their proposal. The submission of a proposal shall be taken as prima facie evidence of compliance with this paragraph.

If information or documentation required for submitting an accurate and complete proposal is absent from these documents, the Proposer is required to notify Airport Administration by facsimile (907) 283-3737, or by e-mail to sconley@kenai.city.

6. LICENSING

Alaska State Statutes requires that all businesses wishing to engage in business in Alaska obtain license(s). All Proposers are required to furnish with their proposal, the applicable, current licenses required to perform the work. Applicable licenses may include the following: Contractor's License, Specialty Contractor License, and Alaska Business License. Failure to submit license(s) with the proposal may result in rejection of the Contractor's proposal.

7. TAX COMPLIANCE CERTIFICATE

No agreement will be awarded to any individual or entity that is in violation of the tax laws of the City of Kenai or the Kenai Peninsula Borough unless the violation is cured within ten business days of notice. The Tax Compliance Certificate must be signed by the Proposer only and submitted with the proposal. The City will obtain verification of tax compliance from the Kenai Peninsula Borough for the successful proposer. Proposals submitted without a completed Tax Compliance Certificate may be considered non-responsive.

8. INTERPRETATION OR CORRECTIONS OF PROPOSAL DOCUMENTS

Proposers shall notify the Airport Administration promptly of any error, omission, or inconsistency that may be discovered during examination of the proposal documents and the proposed work site(s). Requests from Proposers for interpretation or clarification of the proposal documents shall be made in writing to Airport Administration and shall arrive no later than the time and date specified in Section 1 of these Instructions to Proposers. Questions may be faxed to (907) 283-3737 or emailed to sconley@kenai.city. The subject line of the email or fax must include the name of the project.

Oral questions may be presented at a pre-proposal meeting if one is provided for in Section 1 of these Instructions to Proposers. Interpretations, corrections, or changes, if any, to the proposal documents shall be made by Addendum. Proposers shall not rely upon interpretations, corrections, and changes made in any other manner, including orally, at the pre-proposal meeting. Interpretations, corrections, and changes shall not be binding unless included in an Addendum. All Addenda issued during the time of proposal shall become part of the Agreement Documents. Questions or requests for clarifications shall be directed to Airport Administration. Only written interpretations or corrections by Addendum shall be binding, and no other forms of interpretation or correction will be binding on the City of Kenai.

It is the Proposer's sole responsibility to ascertain that they have received all Addenda issued by the City of Kenai. Addenda will be issued electronically and/or by facsimile. All Addenda must be acknowledged in the space provided on the Proposal Form. If no Addenda have been issued, write or type "zero" or "N/A" on the Proposal Form in the space provided.

9. PREPARATION AND SUBMISSION OF PROPOSALS

- Proposals must be received at the Airport Administrative Office prior to the time and date specified in Section 1 of these Instructions to Proposers.
- Proposals must be submitted on the Proposal Form furnished and should be sealed in a separate envelope clearly marked with the proposer's and RFP name. Proposals must be completed in ink or by typewriter, and must be manually signed by an authorized person. If erasures or other changes appear on the forms, the person signing the proposal must initial each erasure or change in ink.
- Proposals shall specify a unit or lump sum price, typed or written in ink in figures. In case of error in the extension of prices, the unit price will govern. Proposals may be rejected if they show any omissions, alteration of the forms, additions not called for, conditional or alternate proposals not called for, qualified proposal, or irregularities of any kind.
- It is expressly agreed that the quantities shown in the Proposal Form, whether for a "Unit Price Proposal" or in connection with a "Lump Sum Proposal" on the Proposal Form are approximate only for use as a basis for comparison of proposals and are not to be taken to be either representations or warranties. The City does not expressly, nor by implication, agree that the actual amount of work will correspond therewith.
- The Proposal Form invites proposals on definite plans and specifications. Only the amounts and information asked for on the Proposal Form will be considered as the

proposal. Each Proposer shall propose upon the work exactly as specified and as requested on the Proposal Form, and Proposers shall propose upon all alternates as indicated.

- One (1) complete proposal package shall be completely sealed in an envelope clearly marked with the Proposer's company name, and the "Project Name" and "Proposal Due Date" specified in Section 1 of these Instructions to Proposers. A complete proposal package shall include the following documents:
 - Statement of Qualification
 - Proposal Form (sealed in separate envelope)
 - Tax Compliance Certificate
 - Applicable Licenses
 - Non-Collusion Affidavit

- Proposals received without all the required documents may be considered non-responsive.
- Proposals received after the proposal due date and time will be considered non-responsive and will not be accepted.
- No responsibility shall be attached to the City for the premature opening of, or the failure to open a proposal not properly addressed and identified.
- Please note that overnight delivery from the Lower 48 States is generally not available. Prospective Proposers should anticipate a minimum of two to three days delivery time for express, priority or expedited delivery services.

10. MODIFICATION OF PROPOSALS

Proposal modifications will be accepted by the City at sconley@kenai.city and binding upon the Proposer where the modification:

- is received at the Airport Administrative Office prior to the time and date specified in Section 1 of these Instructions to Proposers.
- is signed by the same individual who signed the original proposal.

Should there be more than one proposal modification from a Proposer, only the last modification received prior to the deadline shall be applied to the proposal. All earlier modifications shall be disregarded.

Any modification which fails to meet any requirement of this section shall be rejected, and the proposal shall be considered as if no modification had been attempted.

It is the Proposer's responsibility to confirm the City's receipt of any proposal modification.

11. WITHDRAWAL OF PROPOSAL

At any time prior to scheduled closing time for receipt of proposals, any Proposer may withdraw their proposal, either personally or by written request.

After the scheduled closing time for receipt of proposals, no Proposer will be permitted to withdraw their proposal unless Notice of Award is delayed for a period exceeding forty-five (45) days.

A proposal may not be withdrawn after opening without the written consent of the City.

12. ACCEPTANCE – REJECTION OF PROPOSAL

The City reserves the right to reject any or all proposals, to waive minor irregularities in any proposal or in the proposing procedure, and to accept any proposal presented which meets or exceeds said specifications and which is deemed to be in the best interest of the City. However, the requirements for timeliness and manual signatures shall not be waived. The City is not obligated to accept the lowest proposal and is not responsible for proposal preparation costs.

13. EXECUTION OF AGREEMENTS

The successful Proposer shall be required to execute an Agreement for the work within (7) days after receiving the Notice of Award and Agreement documents from City; if Contractor does not return executed copies within this time, then, at the option of City, the proposal may be rejected.

14. AWARD OF AGREEMENT

It is the intent of the City to award the proposal to the lowest, qualified, responsive and responsible Proposer. Unless otherwise stated in the proposal documents, the Agreement, if awarded, shall be awarded to the responsible Proposer who submits the lowest responsive proposal. When proposal documents contain a base proposal and alternates, only the total of the base proposal and the alternates to be awarded shall be used to determine the low Proposer.

The amount of the Agreement shall be the total sum of the amounts computed from the estimated quantities and unit prices and/or the lump sum awarded by the City and specified in the Agreement.

On all proposals, Notice of Award or rejection will be given within forty-five (45) days of proposal opening. The notice will be in writing and signed by the Airport Manager. A Notice of Intent to Award, and no other act of the City of Kenai or its representatives, constitutes an acceptance of a proposal. The acceptance of a proposal shall bind the successful Proposer to execute the Agreement.

15. APPEAL PROCEDURE

KMC 7.15.120 Appeal procedures.

(a) Any party submitting a proposal for a contract with the City and who believes that they are adversely affected by the City's relevant ordinances, regulations, procurement process, or by any acts of the City in connection with the award of a City contract, may file a protest appeal with the City Clerk. All protest appeals must be to the City within five (5) calendar days of the issuance of the City's notice of its intent to award the contract. The appeal must be hand delivered, delivered by mail, or by facsimile and must comply with all requirements of this section. If the fifth day is a City-recognized holiday or a weekend, the deadline for appeal shall be the next work day. It is up to the protester to choose a method of delivery to assure timely receipt by the City.

(b) Rejection of Appeal. The Clerk shall reject an untimely or incomplete appeal. Such rejection shall be final and may be appealed to the Superior Court pursuant to the Court Rules of Appellate Procedure.

(c) The protest appeal must be in writing and shall include the following information:

(1) The name, address, e-mail, and telephone (and facsimile if available) numbers of the protester;

(2) The signature of the protester or the protester's representative;

(3) Identification of the contracting agency and the solicitation or contract at issue;

(4) A statement of the legal and factual grounds of the protest, including copies of relevant documents; and

(5) The form of relief requested.

(d) Stay of Award. If a timely and complete protest appeal is filed, the award of the contract shall be stayed until all administrative remedies have been exhausted, unless the City Manager

determines in writing that award of the contract pending resolution of the appeal is in the best interests of the City.

(e) Notice and Response. Notice of the stay and protest appeal shall be delivered to any party who may be adversely affected by the City Manager's decision by facsimile, first class mail or in person within three (3) business days of receipt of a properly filed appeal.

(f) City Manager Decision. The City Manager shall issue a written decision to the appellant within ten (10) business days of the date the appeal is filed. If multiple appeals have been filed, they may be consolidated for purposes of the decision. Copies of the appeal and decision shall be provided to any interested party requesting one. The decision may include any lawful action, including without limitation an amendment of all or any part of the recommended award. For good cause shown, the City Manager may extend the date for the decision for such additional period as may be necessary.

(g) If the City Manager sustains a protest in whole or in part, the City Manager shall implement an appropriate remedy. In determining an appropriate remedy, the City Manager shall consider the circumstances surrounding the solicitation or procurement including the seriousness of the procurement deficiencies, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent the procurement has been accomplished, costs to the agency and other impacts on the agency of a proposed remedy, and the urgency of the procurement to the welfare of the City.

(h) Notwithstanding subsections (a) and (b) immediately above, if the City Manager sustains a proposal protest appeal in whole or part, the protester's damages shall not exceed the reasonable proposal preparation costs.

(i) Appeal to Superior Court. Appeals may be taken from the written decision of the City Manager within thirty (30) days of the date of the decision pursuant to Part VI of the Alaska Rules of Appellate Procedure.

(Ord. 2852-2015)

16. COMPLIANCE OR ACCEPTED ALTERNATES TO SPECIFICATIONS

Proposer hereby agrees that the material offered will meet all the requirements of the specifications in this solicitation unless alternates have been deemed acceptable by the City. Manufacturer's names, trade names, brand names, model and catalog numbers used in these specifications are for the purpose of describing and establishing general quality levels. Such references are not intended to be restrictive. Alternates will be approved via addenda, and only via addenda. Request for alternates must be submitted no later than the Last Day for Questions in the Advertisement for Proposals. An alternate must be requested via email sent to the addresses in section 1 with an explanation giving in detail the extent of the alternate, the reason for which it is requested, and why the City should approve the alternate. Provide as much detail as possible. If multiple models or options are provided with your submittal data clearly indicate which you are requesting. The City of Kenai will be the sole judge of whether an alternative is acceptable to the items specified.

17. AWARD PROCEDURES

The award of this contract will be based on certain objective and subjective considerations listed below:

1. Responsiveness to Request for Proposal – Adequacy, completeness, and quality of response to the RFP.

Maximum points available are **33**

2. Proposer's experience & capability - As outlined in the Statement of Qualifications.

Maximum points available are **33**

3. Contract Cost – Standard Guard price per hour

$$\frac{\text{Lowest Price}}{\text{Proposal Price}} \times 34 =$$

Maximum points available are **34**

Total points available are **100**

Evaluation of proposals will be conducted by an evaluation committee of qualified City Staff, or other persons selected by the City. The committee will evaluate all responsive proposals based upon the information and references contained in the proposals submitted. The committee will score and rank all responsive proposals.

SECURITY SERVICES RFP EVALUATION FORM

Proposer _____

Criteria	Score	Justification
<p>Responsiveness to Request for Proposal – Understanding the scope of services to be provided, completeness and compliance with all other requirements including instructions, provisions, terms and conditions of this solicitation. Possible 33 Points</p>		
<p>Proposer’s experience, capability & references – Experience, qualifications, and past performance of the proposer including their ability to meet requirements of the RFP which includes previous/current contracts of similar size, duties, and scope, background in airport security; Stability of Proposer to include local/national, length of time in security business; Abilities, qualifications and experience of persons assigned to the performance of the contract; Methods of training, employment screening, and security guard qualification requirements Possible 33 Points</p>		
<p>Standard Guard Price Per Hour - The lowest offered price per hour will receive 34 points.</p>		
Total Score		

Selection Committee Member: _____

Date: _____

SPECIAL USE PERMIT 2024

The CITY OF KENAI (City) grants to Rebecca Boettcher with The Fishing Grounds, LLC (Permittee), whose address is 48585 Wendy Ln, Soldotna, AK 99669 a Special Use Permit (Permit) for a snack/gift shop inside the Kenai Municipal Airport terminal building subject to the requirements and the conditions set forth below.

- 1. Premises.** Permittee shall have the exclusive right to use suite 120, the area described in the attached diagram (Exhibit A) for the uses identified in this Permit.
- 2. Term.** The term of this Permit shall be for twelve months commencing on May 1, 2024 and ending on April 30, 2025. Regardless of the date of signature, this Permit shall be effective as of May 1, 2024.
- 3. Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit: In-terminal Concession Certified Activity Report attached. (Exhibit B)

Permittee shall pay fifteen (15) percent of gross sales, plus applicable sales tax.

Payment shall be directed to City of Kenai, ATTN: Finance Department, 210 Fidalgo Avenue, Kenai, AK 99611 and a courtesy notice of payment provided to Airport Administration at 305 North Willow Street, Suite 200, Kenai, AK 99611. Failure to timely make the payment is grounds for termination of this Permit.

- 4. Use.** City authorizes Permittee's exclusive use of the Premises for the following purpose(s):

Office space, Suite 120, consisting of approximately 341 square feet, located on the first floor, terminal building, Kenai Municipal Airport, and as more particularly set forth on Exhibit A to this Permit (the Premises).

Permittee is authorized to use the Premises for the following purposes only:

Snack/gift shop

Use of the Premises by Permittee is subject to the reasonable administrative actions of the City of Kenai for the protection and maintenance of the Premises and of adjacent and contiguous lands or facilities and is further subject to the following conditions:

Permittee acknowledges that the use granted herein is subject to the Kenai Municipal Code and municipal regulations governing the Kenai Municipal Airport and as those laws and regulations may be amended from time to time.

Solicitation of donations or operation of a business or other commercial enterprise not contemplated by this Permit is prohibited without the written consent of City.

5. Airport Operations. Permittee shall ensure that the Permittee, its employees, their guests, and anyone else acting by, on behalf of, or under the authority of Permittee on the Airport, that perform any repairs or activities authorized under this Permit act in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Airport and any premises on the Airport. Permittee shall employ qualified personnel and maintain equipment sufficient for the purposes of this provision. The Permittee shall immediately notify City of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of any premises on the Airport.

6. Inspection. The Federal Aviation Administration (FAA) and/or City shall have the right and authority to inspect, at any time for any purpose whatsoever, the Premises as well as any and all equipment used by the Permittee under this Permit.

7. Coordination with Airport Management. Permittee shall coordinate all activities on the Airport with Airport Management, or a designated representative, and shall abide by all reasonable decisions and directives of the Airport Management regarding general use of the Airport by Permittee.

8. 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, City is entitled to coverage to the extent of the higher limits.

A. 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 include an endorsement under which the insurer extends coverage to Permittee's fuel handling activities. 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 on the Airport. The policy must name the City as an additional insured.

D. All insurance required must meet the following additional requirements:

- i. 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 May 1, 2024. The effective date of the insurance shall be no later than May 1, 2024.

City may increase the amount or revise the type of required insurance on written demand without requiring amendments to this Permit. City will base any increase or revision on reasonable and justifiable grounds. Within two weeks of the written demand, Permittee shall submit to City evidence of insurance coverage that meets the requirements of the City.

9. Assumption of Risk. Permittee assumes full control and sole responsibility as between Permittee and City for the activities of Permittee, its personnel, employees, and persons acting on behalf of or under the authority of the Permittee anywhere on the Airport. Permittee shall provide all proper safeguards and shall assume all risks incurred in its activities on and access to the Kenai Municipal Airport and its exercise of the privileges granted in this Permit.

10. Indemnity, Defend, and Hold Harmless Agreement. Permittee agrees to fully indemnify, defend, and hold harmless, the City of Kenai, its officers, agents, employees, and volunteers from and against all actions, damages, costs, liability, claims, losses, judgments, penalties, and expenses of every type and description, including any fees and/or costs reasonably incurred by the City's staff attorneys and outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of the Permittee in connection with or arising from or out of Permittee's activities on or use of the Premises, Permittee's access to the Kenai Municipal Airport, and/or Permittee's exercise of the privileges granted in this Permit. This shall be a continuing obligation and shall remain in effect after termination of this Permit.

11. No Discrimination. Permittee shall not discriminate against any person because of the person's race, creed, color national origin, sex, age, or handicap. Permittee recognizes the right of City to take any action necessary to enforce this requirement of the Permit. Permittee will furnish services provided under this Permit on a reasonable, and not unjustly discriminatory, basis to all users of the Airport and shall charge reasonable, and not unjustly discriminatory, prices for each product or service provided at the Airport.

12. Licenses and Permits. Permittee shall obtain and maintain all required federal, state, and local licenses, certificates, and other documents required for its operations under the Permit. Permittee shall provide proof of compliance to City upon request by the City.

13. Compliance with Law/Grant Assurances. This Permit, and Permittee's activities conducted under this Permit, is subject to all executive orders, policies and operational guidelines and all applicable requirements of federal, state, and City statutes, ordinances, and regulations in effect during the term of this Permit. Further, Permittee shall comply with all applicable requirements imposed on the Airport by federal law to ensure that the Airport's eligibility for federal money or for participation in federal aviation programs is not jeopardized. This Permit is subordinate to the City's grant assurances and federal obligations.

14. No Exclusivity. The privileges granted under this Permit are not exclusive to Permittee. City has the right to grant to others any right or privilege on the Airport.

15. Assignment. The privileges granted under this Permit are personal to Permittee and may not be assigned by Permittee.

16. No Joint Venture. 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 or elsewhere at the Kenai Municipal Airport.

17. No Waiver. Failure to insist upon a strict compliance with the terms, conditions, and requirements 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.

18. Personal Property. Permittee shall remove any and all personal property, including all vehicles, from the Premises at the termination of this Permit (or any renewal thereof). Personal property placed or used upon the Premises will be removed and/or impounded by the City, if not removed upon termination of this Permit and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges of \$25 per day. The City is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

19. Termination; Default. This Permit may be terminated by either party hereto by giving fourteen (14) days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than fourteen (14) days, to protect public health and safety or due to a failure of Permittee to comply with conditions or terms of this Permit which failure remains uncured after notice by City to Permittee providing Permittee with a reasonable time period under the circumstances to correct the violation or breach.

20. Definitions. As used in this Permit, "Permittee" means Rebecca Boettcher with The Fishing Grounds, LLC, and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.

18. Janitorial and Cleaning Services. Permittee will provide, at its own expense, the day-to-day janitorial cleaning services and supplies necessary to maintain the premises in a clean, neat, and sanitary condition.

19. Security. Permittee will adhere to all applicable responsibilities of the federal airport security program set out in Federal Aviation Regulations Part 107 and the Airport Master Security Program. Permittee will procure any required identification badges should it be necessary to access the premises or Permittee's operations authorized under this Permit.

20. Smoking. Neither the Permittee employees, nor customers may smoke in or around the terminal except in designated smoking areas.

21. Employee Parking. Employees may use non-exclusive employee vehicle parking spaces at no charge. All employees must register their vehicle(s) in the Airport Manager’s office to receive a vehicle-parking permit to park while on the job. Permittee shall be held accountable for Permittee’s employees’ use of designated vehicle parking facilities and assure that employees comply with all Airport directives.

22. Signs. Permittee may, after consent by the Airport Manager, install signs at its premises identifying its business. Permittee will request the Airport Manager’s advance written approval before installation of any signage.

CITY OF KENAI

By: _____
Terry Eubank Date

REBECCA BOETTCHER, THE FISHING GROUNDS, LLC

By: _____
Rebecca Boettcher Date

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2024, the foregoing instrument was acknowledged before me by Terry Eubank, City Manager, of the City of Kenai, an Alaska municipal corporation, on behalf of the City.

Notary Public for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2024, the foregoing instrument was acknowledged before me by Rebecca Boettcher, Owner, The Fishing Grounds, LLC.

Notary Public for Alaska
My Commission Expires: _____

Approved as to form:

Scott Bloom
City Attorney

DRAFT

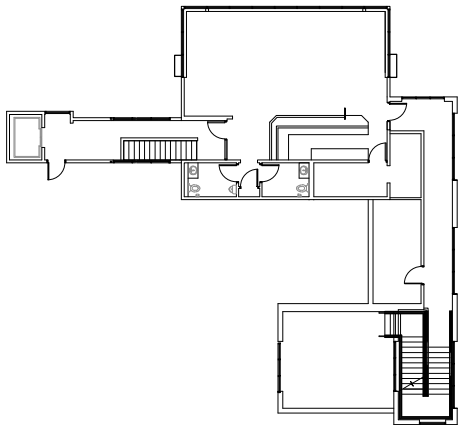
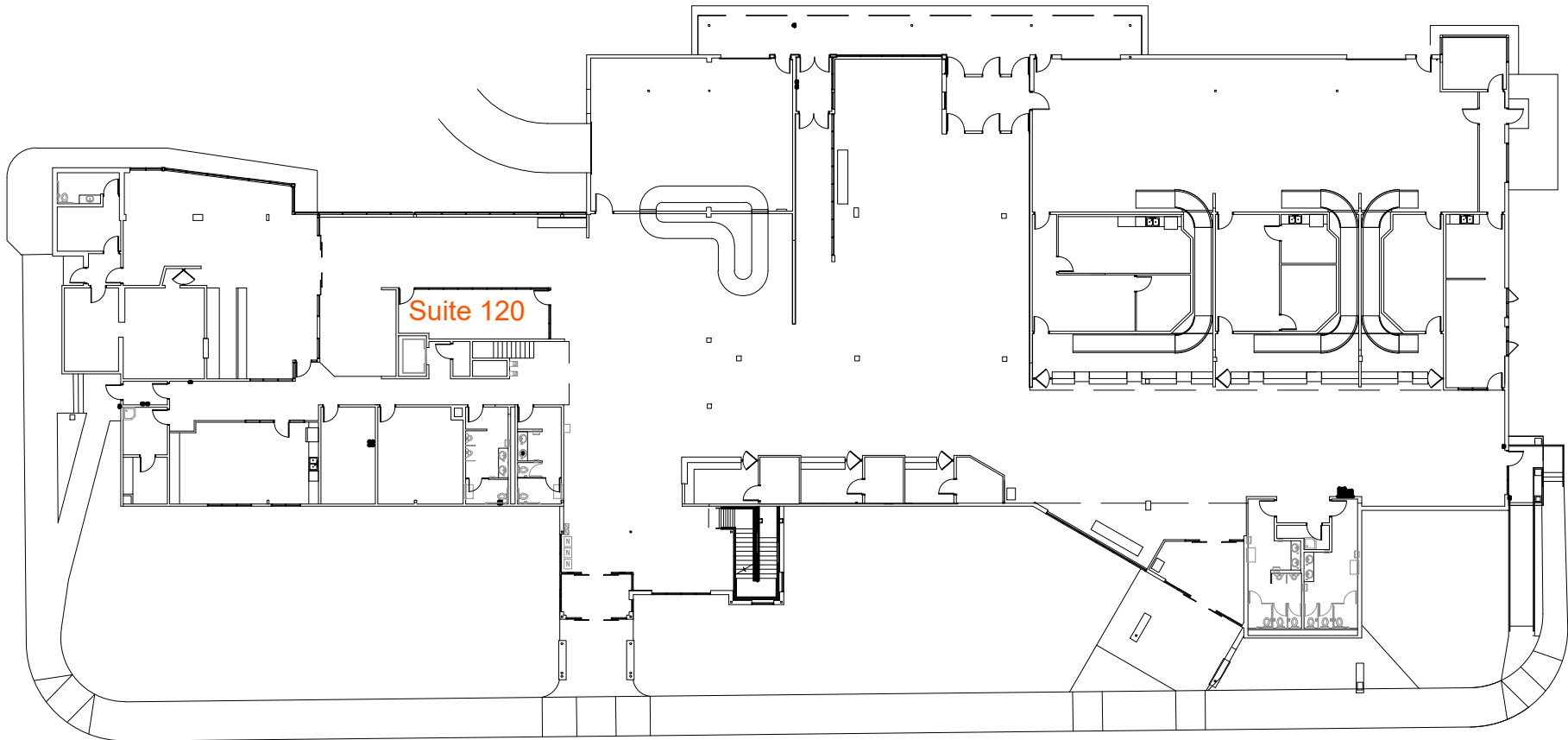


Exhibit A

THIS DRAWING IS NOT TO SCALE

WINCE-CORTHELL-BRYSON

KENAI MUNICIPAL AIRPORT
KENAI, ALASKA

JOB NO:

REVISED: Plotted: 11/06/19

**Kenai Municipal Airport
THE FISHING GROUNDS, LLC
Certified Activity Report**

For the Month of _____, **20**____ **Date prepared** _____

Monthly Sales: \$ _____

The Concessionaire will pay the City of Kenai the percentage fee (15%):

Monthly Gross Sales: \$ _____ x **15%** = \$ _____ \$ _____

Subtotal: \$ _____

Sales Tax: (6% or \$30 whichever is less) \$ _____

Total Amount Due: (Must be paid by the 15th of the month) \$ _____

**Remit to: Kenai Municipal Airport
Suite 200
305 North Willow Street
Kenai, AK 99611**

Other Information:

Gross Sales Attributed to a DBE: \$ _____

Certification:

I hereby certify that the above is a true statement from the records of the following business:

Business: The Fishing Grounds LLC
Address: 48585 Wendy Lane, Soldotna, Alaska 99669

Name: _____

Signature: _____ Date: _____