

**KENAI AIRPORT COMMISSION  
REGULAR MEETING  
MAY 14, 2020 – 6:00 P.M.  
KENAI CITY HALL  
210 FIDALGO AVE., KENAI, AK 99611  
*\*Telephonic/Virtual Information Below\**  
<http://www.kenai.city>**

**1. CALL TO ORDER**

- a. Pledge of Allegiance
- b. Roll Call
- c. Agenda Approval

**2. SCHEDULED PUBLIC COMMENT *(Public comment limited to ten (10) minutes per speaker)***

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

**4. APPROVAL OF MEETING SUMMARY**

- a. March 12, 2020.....Pg. 3

**5. UNFINISHED BUSINESS – None.**

**6. NEW BUSINESS**

- a. **Discussion** – Float Plane Basin Fuel Pumps (Airport Manager)
- b. **Discussion/Recommendation** – Special Use Permit to Everts Air Fuel, Inc. ....Pg. 7
- c. **Discussion/Recommendation** – Special Use Permit to Crowley Fuels, LLC .....Pg. 17
- d. **Discussion/Recommendation** – Special Use Permit to United Parcel Service...Pg. 27
- e. **Discussion/Recommendation** – Special Use Permit to Empire Airlines .....Pg. 38
- f. **Discussion/Recommendation** – Special Use Permit to Weaver Brothers, Inc....Pg. 47
- g. **Discussion/Recommendation** – Second Amendment to Restaurant Concession Agreement.....Pg. 50
- h. **Discussion/Recommendation** – Resolution 2020-31 Conversion of Lease with State of Alaska, Division of Forestry .....Pg. 55
- i. **Discussion/Recommendation** – FY2021-2025 Capital Improvement Plan.....Pg. 89

**7. REPORTS**

- a. Airport Manager
- b. City Council Liaison .....Pg. 100

**8. NEXT MEETING ATTENDANCE NOTIFICATION – June 11, 2020**

**9. COMMISSIONER COMMENTS AND QUESTIONS**

**10. ADDITIONAL PUBLIC COMMENT**

**11. INFORMATION ITEMS**

- a. April 2020 Mid-Month Report.....Pg. 109
- b. Ordinance No. 3123-2020 CARES Act Grant .....Pg. 111

- c. Senator Micciche letter – Willie F. Card Nomination for Kenai Tower .....Pg. 114
- d. U.S. DOT Letter of April 30, 2020 – DBE and ACDBE Program Monitoring During COVID-19 Public Health Emergency Guidance .....Pg. 115
- e. April 2020 Enplanement Report.....Pg. 117

12. **ADJOURNMENT**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/86860780643>

**Meeting ID:** 868 6078 0643 **Password:** 673926

OR

**Dial in by your Location:** (253) 215-8782 or (301) 715-8592

**Meeting ID:** 868 6078 0643 **Password:** 673926

<p><b>**PLEASE CONTACT US IF YOU WILL NOT BE ABLE TO ATTEND THE MEETING**</b> <b>JACQUELYN -- 283-8231 OR, MARY -- 283-8281</b></p>
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**KENAI AIRPORT COMMISSION  
REGULAR MEETING  
MARCH 12, 2020 – 6:00 P.M.  
KENAI CITY COUNCIL CHAMBERS  
CHAIR GLENDA FEEKEN, PRESIDING**

**MEETING SUMMARY**

**1. CALL TO ORDER**

Chair Feeken called the meeting to order at 6:00 p.m.

**a. Pledge of Allegiance**

Chair Feeken led those assembled in the Pledge of Allegiance.

**b. Roll was confirmed as follows:**

Commissioners Present: G. Feeken, J. Bielefeld, P. Minelga, K. Dodge, J. Zirul, D. Pitts, D. Leichliter

Commissioners Absent:

Staff/Council Liaison Present: Airport Manager M. Bondurant, Airport Assistant E. Brincefield, Council Liaison T. Navarre

A quorum was present.

**c. Agenda Approval**

An addition to the packet was noted to include a memo from the Airport Manager for Item 6c.

**MOTION:**

Commissioner Minelga **MOVED** to approve the agenda with the noted revision and Commissioner Leichliter **SECONDED** the motion. There were no objections; **SO ORDERED**.

**2. SCHEDULED PUBLIC COMMENT – None.**

**3. UNSCHEDULED PUBLIC COMMENT – None.**

**4. APPROVAL OF MEETING SUMMARY**

a. January 9, 2020

**MOTION:**

Commissioner Minelga **MOVED** to approve the meeting summary of January 9, 2020 and Commissioner Zirul **SECONDED** the motion. There were no objections; **SO ORDERED**.

**5. UNFINISHED BUSINESS – None.**

## 6. NEW BUSINESS

### a. Discussion/Recommendation – On-Airport Fueling

The Commission Chair addressed that not all types of cards were accepted at the float plane basin and she would like that changed to accept all card types. The Airport Manager clarified that interchange rule was significantly higher for fleet cards, and information that was provided to Administration would be presented at the next Commission meeting.

The Commission further discussed options forward.

### b. Discussion/Recommendation – Special Use Permit for State of Alaska Department of Natural Resources/Division of Forestry

There was no objection to recommending Council approve the Special Use Permit to the State to Alaska Department of Natural Resources/Division of Forestry.

### c. Discussion/Recommendation – Land Lease Application by Schillings Rentals, LLC

The Airport Manager referenced the memos and application for the land lease of Lot 5A, Block 1, FBO Subdivision to Schilling Rentals, LLC.

## MOTION:

Commissioner Zirul **MOVED** to recommend Council approve the Land Lease Application by Schillings Rentals, LLC and Commissioner Minelga **SECONDED** the motion. There were no objections; **SO ORDERED**.

## 7. REPORTS

### a. Airport Manager – Bondurant reported on the following:

- Provided an update of the Kenai Municipal Airport project and the Fire Training Facility Project;
- Two new Aircraft Rescue and Firefighting (ARFF) trucks were being ordered for the Kenai Municipal Airport;
- The FY2021 budget was submitted to City Administration;
- She was working on the management agreement for the Fire Training Facility;
- The new Airline Operating Agreement would be worked on soon;
- The new terminal flight displays were now available online at the Airport Facebook page;
- Annual TSA Security Program inspection scheduled for March 16-17;
- Annual Wildlife Hazard Training planned for April 7;
- The 20<sup>th</sup> Annual Air Fair scheduled for June 13 might be canceled, depending on the status of the Coronavirus; and
- City of Kenai Department Heads met today to discuss possible impacts of the virus.

### b. City Council Liaison – Navarre reported on the March 4 City Council meeting actions.

## 8. NEXT MEETING ATTENDANCE NOTIFICATION – April 9, 2020

## 9. COMMISSIONER COMMENTS AND QUESTIONS

Commissioners welcomed new Commission member, Derek Leichliter.

Commissioner Pitts noted a call he received about a gate and fence in poor condition, and he commented about the terminal siding.

Commissioner Dodge expressed positively about the airport terminal progress.

Commissioner Minelga inquired about the Capital Improvement Plan and repair(s) of Willow Street and Airport Way, and expressed interest in seeing the T33 rehabilitation project continue. It was clarified that further information would be provided at the next Commission meeting.

## 10. ADDITIONAL PUBLIC COMMENT

## 11. INFORMATION ITEMS

- a. January 2020 Mid-Month Report
- b. February 2020 Mid-Month Report
- c. January 2020 Enplanements
- d. City of Kenai – Capital Improvements Plan (Draft)
- e. Airport Bulletin 1-2020 Security Awareness
- f. IEM – Kenai Municipal Airport Site Assessment
- g. FY18-FY19 Federal Contract Tower Annual Air Traffic Control Operations

## 12. ADJOURNMENT

### MOTION:

Commissioner Zirul **MOVED** to adjourn and Commissioner Bielefeld **SECONDED** the motion. There were no objections; **SO ORDERED**.

The meeting was adjourned at 7:09 p.m.

Meeting summary prepared and submitted by:

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Jacquelyn LaPlante  
Deputy City Clerk

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*“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  
**Through:** Mary Bondurant – Airport Manager  
**From:** Erica Brincefield - Assistant  
**Date:** April 30, 2020  
**Subject:** *Everts Air Fuel, Inc. - Special Use Permit*

Everts Air Fuel, Inc. is requesting renewal of the special use permit for aircraft loading and parking, 30,000 square feet. The special use permit will be effective for one year from July 1, 2020 to June 30, 2021.

The rate is based on the table below passed by City Council at the May 18, 2016 Council meeting.

<b>Apron Rate Increases to Arrive at Market in 6 years</b>	
Apron Lease Rate FY15 \$1.80s.f. x .08	\$ 0.144
FY2016	\$ 0.357
FY2017	\$ 0.528
FY2018	\$ 0.699
FY2019	\$ 0.870
FY2020	\$ 1.041
FY2021	\$ 1.210

The Airport has a valid certificate of insurance on file, Everts Air Fuel, Inc. has paid the special use permit application fee, and is current in all fees owed to the Airport.

***Does Commission recommend Council approve the Special Use Permit to Everts Air Fuel, Inc.?***

Attachment

## SPECIAL USE PERMIT – 2020

The CITY OF KENAI (City) grants to EVERTS AIR FUEL, INC. (Permittee), whose address is P.O. Box 60908, Fairbanks, AK 99706, a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 30,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2020 and ending on June 30, 2021. Regardless of the date of signature, this Permit shall be effective as of July 1, 2020.

3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. **Permit:** Permittee shall pay a monthly fee of \$3,025 plus applicable sales tax.

B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

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. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

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



Aircraft Loading and Parking. NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

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.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

**5. Airport Operations.** Permittee shall ensure that the Permittee, its employees, and 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. Radio Transmitting Equipment.** Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**9. 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 July 1, 2020. The effective date of the insurance shall be no later than July 1, 2020.

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.

**10. 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.

**11. 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.

**12. Fuel Spill Prevention and Response Plan.** Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the

discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within 50' of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

**13. Hazardous Substances and Materials.** Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

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

**19. 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.

**20. 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.

**21. Personalty.** 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 of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

**22. Termination; Default.** This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due

to a failure of Permittee to comply with condition or term 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.

**23. Landing Fees; Fee Schedule.** Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City’s comprehensive schedule of rates, charges and fees. Permittee shall make payment within 30 days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

**24. Impoundment.** At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within 90 days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three consecutive weeks not more than 30 days nor less than seven days before the time of the auction.

**25. Definitions.** As used in this Permit, “Permittee” means Everts Air Fuel, Inc. and where the context reasonably indicates, its officers, agents, and employees. “Airport” means the Kenai Municipal Airport.

**CITY OF KENAI**

**EVERTS AIR FUEL, INC.**

By: \_\_\_\_\_  
Paul Ostrander Date  
City Manager

By: \_\_\_\_\_  
Rob Everts Date  
Consultant

ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by Paul Ostrander, 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 \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by Rob Everts, Consultant, Everts Air Fuel, Inc., on behalf of the State of Alaska.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jamie Heinz, City Clerk

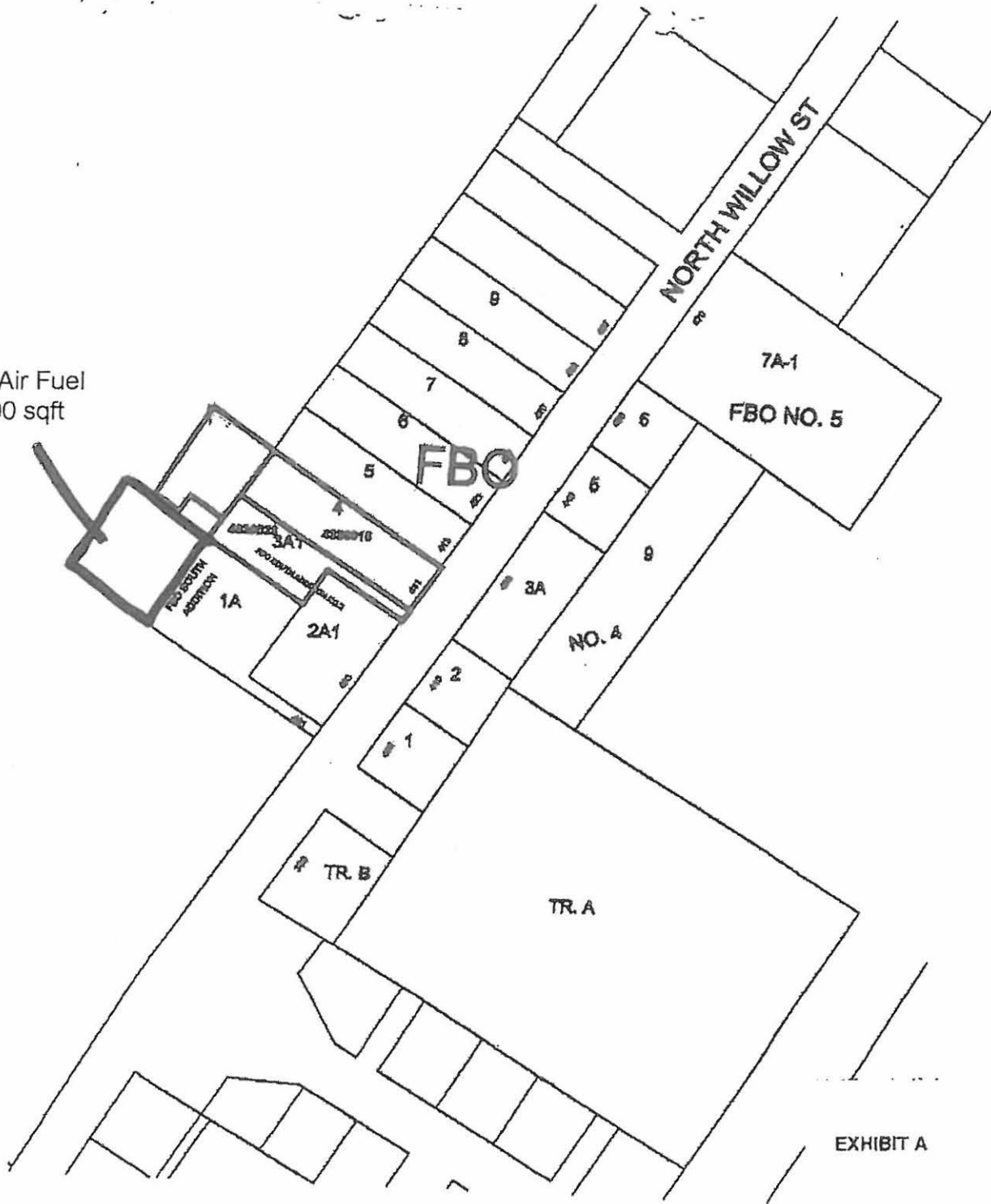
SEAL:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Scott M. Bloom, City Attorney

EXHIBIT A

Everts Air Fuel  
30,000 sqft







*“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  
**Through:** Mary Bondurant – Airport Manager  
**From:** Erica Brincefield - Assistant  
**Date:** April 30, 2020  
**Subject:** *Crowley Fuels LLC. - Special Use Permit*

Crowley Fuels LLC is requesting renewal of the special use permit for aviation fueling on apron fueling area, 35,000 square feet. The special use permit will be effective for one year from July 1, 2020 to June 30, 2021.

The rate is based on the table below passed by City Council at the May 18, 2016 Council meeting.

<b>Apron Rate Increases to Arrive at Market in 6 years</b>	
Apron Lease Rate FY15 \$1.80s.f. x .08	\$ 0.144
FY2016	\$ 0.357
FY2017	\$ 0.528
FY2018	\$ 0.699
FY2019	\$ 0.870
FY2020	\$ 1.041
FY2021	\$ 1.210

The Airport has a valid certificate of insurance on file, Crowley Fuels LLC has paid the special use permit application fee, and is current in all fees owed to the Airport.

***Does Commission recommend Council approve the Special Use Permit to Crowley Fuels LLC?***

Attachment

## SPECIAL USE PERMIT – 2020

The CITY OF KENAI (City) grants to CROWLEY FUELS LLC (Permittee), whose address is 201 Arctic Slope Ave., Anchorage, AK 99518, a Special Use Permit for the fueling area on the apron at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 35,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2020 and ending on June 30, 2021. Regardless of the date of signature, this Permit shall be effective as of July 1, 2020.

3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. **Permit:** Permittee shall pay a monthly fee of \$3,529.16 plus applicable sales tax.

B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of One Hundred Dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

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. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of 10% per annum, and penalty of 10% shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

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

Aviation Fueling on Apron Fueling Area. NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee’s use only and may not be transferred or assigned.

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.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

**5. Airport Operations.** Permittee shall ensure that the Permittee, its employees, and 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. Radio Transmitting Equipment.** Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**9. 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 thirty (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 July 1, 2020. The effective date of the insurance shall be no later than July 1, 2020.

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.

**10. 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.

**11. 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.

**12. Fuel Spill Prevention and Response Plan.** Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for

any damage caused by and costs associated with any spill, the cleanup of any spill, or the discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within 50' of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

**13. Hazardous Substances and Materials.** Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

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

**19. 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.

**20. 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.

**21. Personalty.** 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 of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

**22. Termination; Default.** This Permit may be terminated by either party hereto by giving 30 days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than 30 days, to protect public health and safety or due





ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by Paul Ostrander, 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 \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by Richard W. Meidel, Vice President, Crowley Fuels LLC, on behalf of the State of Alaska.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

SEAL:

APPROVED AS TO FORM:

\_\_\_\_\_  
Scott M. Bloom, City Attorney

EXHIBIT A

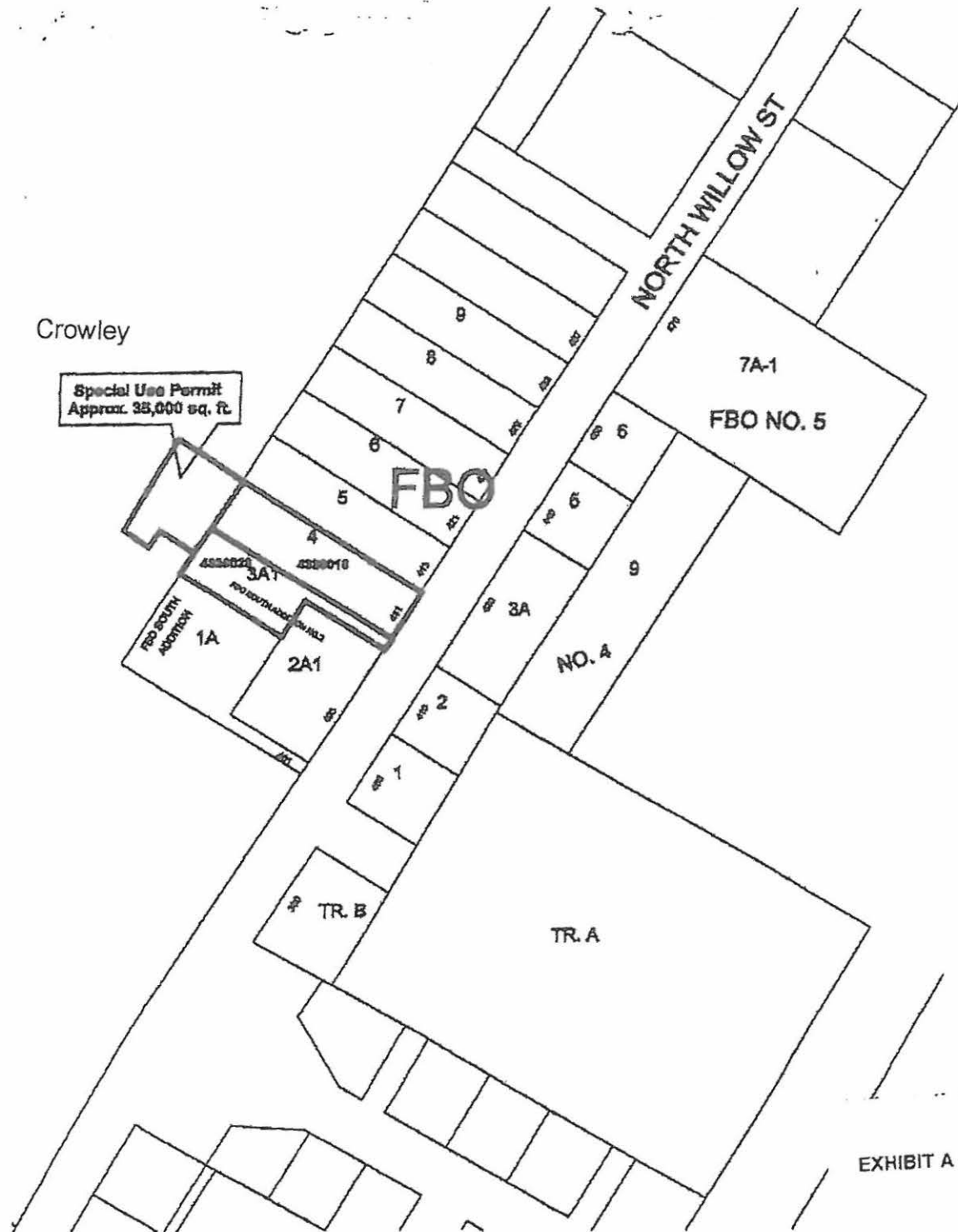


EXHIBIT A



*“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

**Through:** Mary Bondurant – Airport Manager

**From:** Erica Brincefield - Assistant

**Date:** April 30, 2020

**Subject:** *UPSCO United Parcel Service Co., Inc.. - Special Use Permit*

UPSCO United Parcel Service Co., Inc. is requesting renewal of the special use permit for aircraft loading and parking, 4,000 square feet. The special use permit will be effective for one year from July 1, 2020 to June 30, 2021.

The rate is based on the table below passed by City Council at the May 18, 2016 Council meeting.

<b>Apron Rate Increases to Arrive at Market in 6 years</b>	
Apron Lease Rate FY15 \$1.80s.f. x .08	\$ 0.144
FY2016	\$ 0.357
FY2017	\$ 0.528
FY2018	\$ 0.699
FY2019	\$ 0.870
FY2020	\$ 1.041
FY2021	\$ 1.210

The Airport has a valid certificate of insurance on file, UPSCO United Parcel Service Co., Inc. has paid the special use permit application fee, and is current in all fees owed to the Airport.

***Does Commission recommend Council approve the Special Use Permit to UPSCO United Parcel Service Co., Inc.?***

*Attachment*

## SPECIAL USE PERMIT 2020

The CITY OF KENAI (City) grants to UPSCO United Parcel Service Co., Inc. (Permittee), whose address is 6200 Lockheed Ave., Anchorage, AK 99502, a Special Use Permit to conduct aeronautical and/or aviation-related activities at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 4,000 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2020 and ending on June 30, 2021. Regardless of the date of signature, this Permit shall be effective as of July 1, 2020.

3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. **Permit:** Permittee shall pay a monthly fee of \$403.33 plus applicable sales tax.

B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of one hundred dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

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. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of ten percent (10%) per annum, and penalty of ten percent (10%) shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

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

Aircraft Loading and Parking. NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

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.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

**5. Airport Operations.** Permittee shall ensure that the Permittee, its employees, and 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. Radio Transmitting Equipment.** Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**9. 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 thirty (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 July 1, 2020. The effective date of the insurance shall be no later than July 1, 2020.

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.

**10. 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.

**11. 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.

**12. Fuel Spill Prevention and Response Plan.** Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the

discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within fifty feet (50') of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

**13. Hazardous Substances and Materials.** Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

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

**19. 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.

**20. 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.

**21. Personalty.** 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 \$25.00 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

**22. Termination; Default.** This Permit may be terminated by either party hereto by giving thirty (30) days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than thirty (30) days, to protect public health

and safety or due to a failure of Permittee to comply with condition or term 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.

**23. Landing Fees; Fee Schedule.** Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within thirty (30) days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten (10) days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

**24. Impoundment.** At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within ninety (90) days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three (3) consecutive weeks not more than thirty (30) days nor less than seven (7) days before the time of the auction.

**25. Definitions.** As used in this Permit, "Permittee" means UPSCO, United Parcel Service Co., Inc. and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.

**CITY OF KENAI**

**UPSCO**

By: \_\_\_\_\_  
Paul Ostrander                              Date  
City Manager

By: \_\_\_\_\_  
Robert Vey                                      Date  
Extended Centers Manager

ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by PAUL OSTRANDER, 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 \_\_\_\_\_, 2020, the foregoing instrument was acknowledged before me by Robert Vey, the Extended Centers Manager, on behalf of UPSCO, United Parcel Service Co., Inc.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

Approved as to Form:

  
\_\_\_\_\_  
Scott Bloom  
City Attorney





4,000 sqft  
UPS

Exhibit A



*"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  
**Through:** Mary Bondurant – Airport Manager  
**From:** Erica Brincefield - Assistant  
**Date:** May 20, 2020  
**Subject:** *Empire Airlines, Inc. - Special Use Permit*

Empire Airlines, Inc. is requesting renewal of the special use permit for aircraft parking, 11,250 square feet. The special use permit will be effective for one year from July 1, 2020 to June 30, 2021.

The rate is based on the table below passed by City Council at the May 18, 2016 Council meeting.

<b>Apron Rate Increases to Arrive at Market in 6 years</b>	
Apron Lease Rate FY15 \$1.80s.f. x .08	\$ 0.144
FY2016	\$ 0.357
FY2017	\$ 0.528
FY2018	\$ 0.699
FY2019	\$ 0.870
FY2020	\$ 1.041
FY2021	\$ 1.210

The Airport has a valid certificate of insurance on file, Empire Airlines, Inc. has paid the special use permit application fee, and is current in all fees owed to the Airport.

***Does Commission recommend Council approve the Special Use Permit to Empire Airlines, Inc.?***

Attachment

## SPECIAL USE PERMIT- 2020

The CITY OF KENAI (City) grants to EMPIRE AIRLINES, INC. (Permittee), whose address is 11559 N. Atlas Road, Hayden, ID 83835, a Special Use Permit for the purpose of aircraft parking at the Kenai Municipal Airport subject to the requirements and the conditions set forth below.

1. **Premises.** Permittee shall have the non-exclusive right to use 11,250 square feet as described in the attached Exhibit A for the uses identified in this Permit.

2. **Term.** The term of this Permit shall be for 1 year commencing on July 1, 2020 and ending on June 30, 2021. Regardless of the date of signature, this Permit shall be effective as of July 1, 2020.

3. **Permit Fees.** Permittee shall pay the following fees for the privileges extended to Permittee under this Permit:

A. **Permit:** Permittee shall pay a monthly fee of \$1,134.37 plus applicable sales tax.

B. **Proximity Card for Gate Access:** In addition to the general permit fee, Permittee shall pay a deposit of one hundred dollars (\$100.00) for the use of each proximity card issued to Permittee by City to allow for gate access to the Airport to conduct the uses permitted hereunder. City shall refund this deposit to Permittee when the card is returned to City. City may exercise a right of offset to apply the deposit to any outstanding balance due to City from Permittee at the termination of this Permit.

C. **Other Fees:** City may assess additional fees for aviation or aviation support activities and uses not defined in this Permit. If a fee has not been established for those activities or services, a fee will be established by the Airport Manager.

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. All permit fees are payable in advance of each month unless otherwise provided. In the event of delinquency, interest at the rate of ten percent (10%) per annum, and penalty of ten percent (10%) shall also be due (KMC 1.75.010). Interest shall accrue from the date due until the date paid in full. Failure to timely make payments is grounds for termination of this Permit. (See ¶ 22, Termination)

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

Aircraft Parking. NOTE: This permit does not guarantee the exclusive use of the area identified in Exhibit A. City reserves the right to re-assign Permittee, upon reasonable notice, to other areas as airport needs may require.

Permittee shall have the right of ingress and egress to the Airport using only designated gate access locations (which may require a proximity card) for the use of the Premises. This Permit, and any access rights allowed hereunder, are for Permittee's use only and may not be transferred or assigned.

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.

No person may repair an aircraft, aircraft engine, propeller, or apparatus in an area of the Airport other than that specifically designated for that purpose by the Airport Manager or designated representative. The Airport Manager or designated representative reserves the right to designate reasonable areas where aircraft owners may perform services on their own aircraft.

5. **Airport Operations.** Permittee shall ensure that the Permittee, its employees, and 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. Radio Transmitting Equipment.** Permittee shall discontinue the use of any machine or device which interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

**9. 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 thirty (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 July 1, 2020. The effective date of the insurance shall be no later than July 1, 2020.

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.

**10. 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.

**11. 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.

**12. Fuel Spill Prevention and Response Plan.** Areas of the Apron have been seal coated to protect asphalt from adverse effects of petroleum product spills. The City requires that Permittee provide adequate absorbent materials and tools available on the Premises and at the airport in order to maintain a fuel spill and response capability. Permittee shall be liable for any damage caused by and costs associated with any spill, the cleanup of any spill, or the discharge of petroleum products or hazardous materials due to Permittee's use of the Apron and/or use of the Airport.

Permittee shall provide to City an acceptable fuel spill prevention and response plan and will maintain fuel spill and response capability. Permittee further agrees to have a copy of the fuel spill prevention and response plan located in the Permittee's fuel dispensing equipment at all times. Permittee must comply with the Airport's Storm Water Pollution Prevention Plan as appropriate to Permittee's activities.

Permittee shall not store any personal property, solid waste, petroleum products, Hazardous Material as defined by 14 CFR § 171.8, hazardous waste (ignitable, corrosive, reactive, or toxic) or any hazardous substance on any portion of the Airport. Permittee is aware that there are significant penalties for improperly disposing of the Hazardous Materials and other waste and for submitting false information regarding Hazardous Materials, including the possibility of fine and imprisonment for knowing violations.

Permittee shall immediately remove the material in the event of spillage or dripping of gasoline, oil, grease, or any other material which may be unsightly or detrimental to the pavement or surface in or on any area of the Airport.

Permittee may not construct or install any above-ground or underground fuel storage tanks or dispensing systems at the Airport.

No person shall smoke on an aircraft-parking ramp, inside an aircraft hangar, or within fifty feet (50') of any aircraft fuel facility or fuel truck.

Permittee is subject to FAA Advisory Circular 150/5230-4 Aircraft Fuel Storage, Handling, and Dispensing on Airports, the National Fire Protection Associations' "Standard for Aircraft Fueling Servicing" in NFPA 407 (1996 version), and the current version of the International Fire Codes. All inspections of fuel facilities, by City or other regulating entities to which Permittee is subject, shall be conducted to assure compliance with the fire safety practices listed in these referenced documents.

**13. Hazardous Substances and Materials.** Permittee shall conform and be subject to the requirements of 14 CFR § 139.321 regarding the handling and storage of hazardous substances and materials.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

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

**19. 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.

**20. 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.

**21. Personalty.** 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 \$25.00 per day. The City of Kenai is not responsible for any damage to or theft of any personalty of Permittee or of its customers.

**22. Termination; Default.** This Permit may be terminated by either party hereto by giving thirty (30) days advance written notice to the other party. City may terminate the Permit immediately, or upon notice shorter than thirty (30) days, to protect public health and safety or due to a failure of Permittee to comply with condition or term 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.

**23. Landing Fees; Fee Schedule.** Timely payment of landing fees and other required Airport fees is a condition of this Permit and, as such, failure to timely pay landing and other airport fees is grounds for termination. Without limiting the foregoing, Permittee shall pay landing fees for aircraft landings as set out in the City's comprehensive schedule of rates, charges and fees. Permittee shall make payment within thirty (30) days following the end of each month and without demand or invoicing from City. Permittee shall also provide Airport Administration with monthly certified gross take-off weight reports within ten (10) days following the end of each month for landings for the preceding month. Airport landing fees shall be paid at the Airport Administration Building, 305 North Willow Street, Suite 200, Kenai, AK 99611.

**24. Impoundment.** At the discretion of the Airport Manager, City may impound any aircraft parked on the Premises after termination of this Permit. Impoundment may be accomplished by affixing a seal to the door of the aircraft or the moving of the aircraft for impoundment purposes. Inconvenience or damage that may result from such movement will be at the risk of Permittee. An impoundment fee plus a towage fee shall be charged on each aircraft impounded. In addition, a daily storage fee shall be charged for each day the aircraft remains impounded. Any impounded aircraft that is not redeemed within ninety (90) days after impoundment shall be considered abandoned and shall be subject to sale at public auction. Notice of any auction shall be published. Publication shall be in a newspaper of general circulation in that area for at least once during each of three (3) consecutive weeks not more than thirty (30) days nor less than seven (7) days before the time of the auction.

**25. Definitions.** As used in this Permit, "Permittee" means Empire Airlines, Inc. and where the context reasonably indicates, its officers, agents, and employees. "Airport" means the Kenai Municipal Airport.





# KENAI

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

## MEMORANDUM

**TO:** Airport Commission  
**THROUGH:** Mary Bondurant, Airport Manager  
**FROM:** Elizabeth Appleby, City Planner  
**DATE:** May 6, 2020  
**SUBJECT:** **Action Approval for Special Use Permit to Weaver Brothers, Inc.**

---

James H. Doyle, Individually, d/b/a Weaver Brothers, Inc. has requested to use three adjacent City-owned parcels along Coral Street for storage of truck trailers for one-year from June 21, 2020 to June 20, 2021. Weaver Brothers, Inc. requested the same use on these parcels from June 20, 2019 to June 20, 2020. The Kenai City Council approved of this use at their meeting on June 19, 2020 and trucks are currently being stored on the parcels. This use is similar to the use of two parcels under a five-year lease from the City by Weaver Brothers for truck storage across Coral Street and allows for a temporary expansion of their business. The attached map shows the location of the three adjacent parcels requested for a special use permit. The application submitted to the City is also attached to this memorandum.

The three adjacent parcels total 67,083 square feet of City property. The Coral Street Airport Zone of the City was appraised at a rate of \$0.50 per square foot and the CPI adjustment for the past year is 1.39%. The annual permit fee would be \$2,720.62 for all three lots based on \$0.50 per square foot, 67,083 total square feet to be used, CPI adjustment of 1.39%, and an 8% of fair market value annual special use permit rate.

The parcels are within the Airport Light Industrial (ALI) Zone of the City and within the Airport Reserve. Pursuant to requirements of the Federal Aviation Administration, the City would reserve the right to cancel this special use permit on 90-days' notice.

The recommendation of the Airport Commission will be provided to City Council as part of their decision process for the special use permit. If City Council approves, City Administration would execute a special use permit for truck trailer storage for 12 months to James H. Doyle, Individually, d/b/a Weaver Brothers, Inc. **What is the recommendation of the Airport Commission to City Council for the special use permit request?**



**City of Kenai  
Special Use Permit  
Application**

Application Date: 4/20/2020

**Applicant Information**

Name of Applicant:	JAMES H. DOYLE, INDIVIDUALLY, D/B/A WEAVER BROTHERS, INC						
Mailing Address:	PO Box 2229	City:	Kenai	State:	Alaska	Zip Code:	99611
Phone Number(s):	Home Phone: (907) 283-3729		Work/ Message Phone: (907) 283-7638				
E-mail: (Optional)	kevind@wbialaska.com						
Name to Appear on Permit:	James Doyle						
Mailing Address:	PO Box 2229	City:	Kenai	State:	Alaska	Zip Code:	99611
Phone Number(s):	Home Phone: (907) 283-7957		Work/ Message Phone: (907) 283 7638				
E-mail: (Optional)	kevind@wbialaska.com						
Type of Applicant:	<input checked="" type="checkbox"/> Individual (at least 18 years of age) <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Government <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Other _____						

**Property Information**

Legal or physical description of the property: 415 CORAL STREET KENAI, ALASKA  
425 CORAL STREET KENAI, ALASKA  
435 CORAL STREET KENAI, ALASKA

Description of the proposed business or activity intended: Trailer storage

Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location?  YES  NO

Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances?  YES  NO

If you answered yes to any of the above questions, please explain:

What is the term requested (not to exceed one year)? 1 year

Requested Starting Date: June 20, 2020

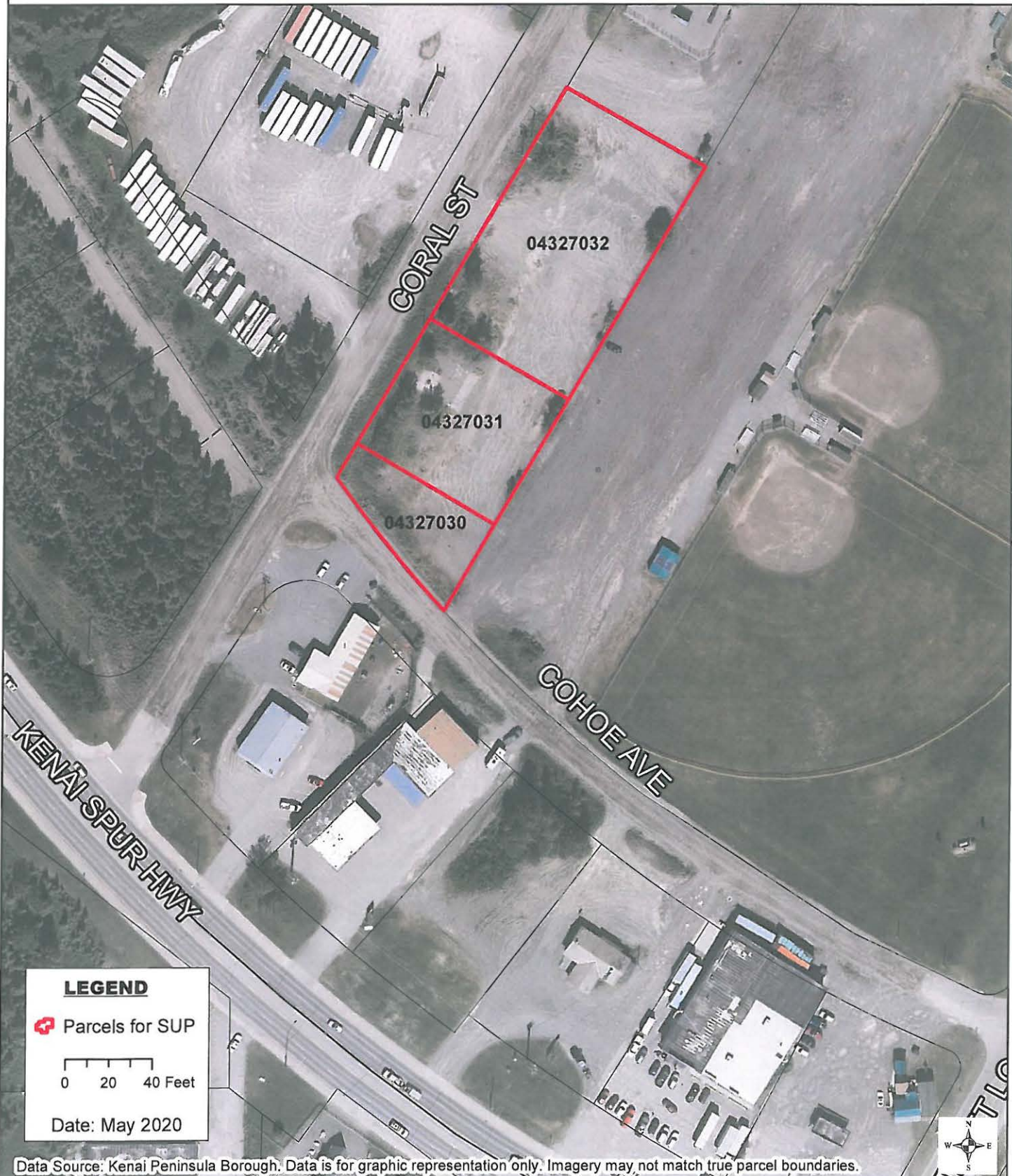
Signature:	<u>James H. Doyle</u>	Date:	<u>4-21-20</u>
Print Name:	<u>James H. Doyle</u>	Title:	<u>President</u>

For City Use Only:	Date Application Fee Received:	<u>4-24-2020</u>
<input type="checkbox"/> General Fund	City Council Action/Resolution:	_____
<input checked="" type="checkbox"/> Airport Fund	Account Number:	_____
<input checked="" type="checkbox"/> Airport Reserve Land		
<input type="checkbox"/> Outside Airport Reserve		





**Special Use Permit Application**  
**Parcels 04327030, 04327031, 04327032**  
**415, 425, 435 Coral Street**  
**Lots 1, 2, 3, Block 3, Gusty Suidivision No. 4**



Data Source: Kenai Peninsula Borough. Data is for graphic representation only. Imagery may not match true parcel boundaries.



*"Serving the Greater Kenai Peninsula"*

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611  
TELEPHONE 907-283-8281

FAX 907-283-3737

# Memo

**To:** Airport Commission  
**Through:** Mary Bondurant - Airport Manager  
**From:** Erica Brincefield – Assistant  
**Date:** May 7, 2020  
**Subject:** Second Amendment to Restaurant Concession Agreement

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On August 1, 2018 the City of Kenai entered into an Agreement for a Restaurant Concession with Situla LLC (d/b/a Brother's Café) from August 1, 2018 through June 30, 2020 with the option to extend for an additional three (3) one-year terms if the City and concessionaire mutually agree in writing.

The Concessionaire requests to renew under the same terms and conditions. The Airport has a current Certificate of Insurance on file.

Attached for your review and recommendation is the Second Amendment to Agreement for Restaurant Concession Agreement which shall be effective July 1, 2020.

**Does Commission recommend Council approve the Second Amendment to Agreement for Restaurant Concession with Situla LLC (d/b/a Brother's Café)?**

Attachment

**SECOND AMENDMENT TO CITY OF KENAI  
KENAI MUNICIPAL AIRPORT  
RESTAURANT CONCESSION AGREEMENT**

**James Hamilton and Zachary Hamilton**, Co-Owners (Concessionaire), Situla LLC (d/b/a/ Brother's Cafe, 1510 Kittiwake CT, Kenai, Alaska 99611, and the **CITY OF KENAI**, a municipal corporation, organized and existing under the laws of the State of Alaska (City), 210 Fidalgo Avenue, Suite 200, Kenai, Alaska 99611, entered into a contract for restaurant concession services at the Kenai Airport, beginning August 2, 2018.

Whereas: on August 1, 2018, the Kenai City Council adopted Resolution 2018-42, authorizing the City Manager to enter into a restaurant concession agreement with Concessionaire; and,

Whereas: on March 6, 2019, the Kenai City Council adopted Resolution 2019-14, authorizing the City Manager to amend the Agreement with Concessionaire to reflect a temporary adjustment to the fees and payments due; and,

Whereas: pursuant to Article II of the Agreement, the City and Concessionaire mutually agree to extend the Agreement for the first successive one-year term.

Now, therefore, the City of Kenai and Concessionaire agree as follows:

1. Pursuant to Article II of the Restaurant Concession Agreement for the Kenai Municipal Airport, this Agreement is extended for the first one-year term extension beginning on July 1, 2020 and ending on June 30, 2021.
2. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

**LESSOR:**

CITY OF KENAI

\_\_\_\_\_  
Paul Ostrander, City Manager

**CONCESSIONAIRE:**

Situla LLC (d/b/a/ Brother's Café)

Situla LLC (d/b/a/ Brother's Café)

\_\_\_\_\_  
James Hamilton – Co-Owner

\_\_\_\_\_  
Zachary Hamilton – Co-Owner

STATE OF ALASKA            )  
  )ss  
THIRD JUDICIAL DISTRICT    )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, James Hamilton, Co-Owner, Situla LLC (d/b/a/ Brother's Café), being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said Corporation.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 )ss  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, Zachary Hamilton, Co-Owner, Situla LLC (d/b/a/ Brother's Café), being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said Corporation.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 )ss  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, personally appeared before me, **PAUL OSTRANDER**, known to me and to me known to be the City Manager of the City of Kenai, Alaska, and who acknowledged before me that the foregoing instrument was freely and voluntarily executed on behalf of the City of Kenai, for the uses and purposes set forth and with full authority of the City of Kenai to do so.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

Approved by Kenai City Council on \_\_\_\_\_

Approved as to lease form by City Attorney \_\_\_\_\_

Approved by Finance Director \_\_\_\_\_

Approved by City Manager \_\_\_\_\_

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Sponsored by: Administration

**CITY OF KENAI**

**RESOLUTION NO. 2020-31**

A RESOLUTION OF THE CITY OF KENAI, ALASKA, APPROVING A CONVERSION OF A LEASE OF AIRPORT RESERVE LANDS DESCRIBED AS LOT 4, FBO SUBDIVISION NO. 7, WITH THE STATE OF ALASKA, DIVISION OF FORESTRY ON A NON STANDARD LEASE FORM.

WHEREAS, in 2004, the State of Alaska, Department of Natural Resources, Division of Forestry entered in to a lease with the City for Airport Reserve land described as Lot 4, FBO SUBDIVISION No. 7, according to the official plat thereof, filed under Plat No. 2001-34, Seward Meridian, Kenai Recording District, State of Alaska; and,

WHEREAS, the 18-year lease is utilized by Division of Forestry for fire response and as a tanker reloading base; and,

WHEREAS, Kenai Municipal Code Chapter 21.10- Leasing and Acquisition of Airport Reserve Lands, was repealed and reenacted in 2018 to encourage growth, development and a thriving aviation community; and,

WHEREAS, the Kenai City Council approved a new standard lease form reflecting the 2018 Code changes to Title 21 and offered existing lessees the opportunity to request a conversion of their leases to the new form for a time period of two years; and,

WHEREAS, the Division of Forestry would like to convert to the new lease form, but is unable to execute the new standard lease form because of two indemnification requirements the State asserts it may not agree to that were not included in the original lease; and,

WHEREAS, Division of Forestry through the State of Alaska has provided a letter of self-insurance that technically deviates from the insurance requirements in the approved lease form and requires modification to the insurance terms in the standard lease form; and,

WHEREAS, the State of Alaska has supplied the City with a letter of self-insurance; and,

WHEREAS, Kenai Municipal Code Section 21.10.140- Form of Lease, allows for a lease form that deviates from the standard form if the City Manager believes it is in the best interest of the City, the lease is approved to form by the City Attorney, and the lease is approved by resolution; and,

WHEREAS, at its regular meeting of May 14, 2020, the Airport Commission recommended the City Council \_\_\_\_\_this resolution.

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

**Section 1.** That the attached non-standard lease form converting the City's lease with the State of Alaska, Department of Natural Resources, Division of Forestry for Airport Reserve land described as Lot 4, FBO SUBDIVISION No. 7, according to the official plat thereof, filed under Plat No. 2001-34, Seward Meridian, Kenai Recording District, State of Alaska is approved.

**Section 2.** That the City Manager believes the non-standard lease form is in the best interest of the City.

**Section 3.** That the City Attorney approves of the lease form.

**Section 4.** That this resolution takes effect immediately upon passage.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 20th day of May, 2020.

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BRIAN GABRIEL, SR., MAYOR

ATTEST:

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Jamie Heinz, CMC, City Clerk





# KENAI

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

## MEMORANDUM

**TO:** Airport Commission

**THROUGH:** Mary Bondurant, Airport Manager

**FROM:** Elizabeth Appleby, City Planner

**DATE:** May 14, 2020

**SUBJECT:** **Recommendation for Lease Conversion**

---

The attached proposed lease conversion between the City of Kenai and the State of Alaska Department of Natural Resources, Division of Forestry, deviates from the City's standard lease form to remove lease clauses related to indemnification. The Division of Forestry has requested to convert to the new lease form as an option allowed to all existing lessees when the new standard lease form for Airport lands was adopted with Resolution No. 2018-10 and changes were made with Ordinance No. 2998-2018 to Title 21, City Airport Reserve Lands. However, but the State of Alaska is unable to execute the new standard lease form because of two indemnification requirements the State asserts it may not agree to that were not included in the original lease. The Division of Forestry through the State of Alaska has provided a letter of self-insurance that technically deviates from the insurance requirements in the standard lease form and requires modification to the insurance terms in the standard lease form. The letter of self-insurance comparatively fulfills the standard lease clauses for indemnification included in the standard lease form. This letter is attached for reference.

Kenai Municipal Code Section 21.10.140- Form of Lease, allows for a lease form that deviates from the standard form if the City Manager believes it is in the best interest of the City, the lease is approved to form by the City Attorney, and the lease is approved by resolution of the City Council. It is in the best interest of the City to deviate from the standard lease form in this conversion for the indemnification language because of the unique case of a self-insured program of the State of Alaska and because the benefits of a stable and competitive lease environment with standard lease formats will still be achieved with all of the other standard lease clauses not related to indemnification that are part of this lease conversion following the conversion option available to existing lessees with Resolution No. 2018-10.

A map of the parcel is also attached to this memorandum. The parcel is within the Airport Light Industrial (IH) Zone of the City and within the Airport Reserve.

The recommendation of the Airport Commission will be provided to City Council as part of their decision process for the non standard lease conversion.

**What is the recommendation of the Airport Commission to City Council for the State of Alaska Department of Natural Resources, Division of Forestry, lease conversion using a form that deviates from the standard lease form?**



**KENAI MUNICIPAL AIRPORT  
CONVERSION OF LEASE OF AIRPORT RESERVE LANDS**

THIS CONVERSION OF LEASE AGREEMENT is entered into between the CITY OF KENAI (Lessor) whose address is 210 Fidalgo Avenue, Kenai, Alaska 99611 and STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF FORESTRY (Lessee) whose address is 550 W. Seventh Avenue., Suite 1970, Anchorage, Alaska 99501, and converts the Lease Agreement with the Lessor entered into on June 16, 2004 to this new Lease Form. While the Commencement date and length of the Lease remain the same, all other terms, conditions, rights, and obligations of this New Lease Form supersede the terms, conditions, rights, and obligations of the prior Lease form entered into on June 16, 2004 and any amendments thereto. This converted Lease becomes effective upon the last date of signature by the parties below.

**DEFINITIONS**

For the purposes of this Lease the following terms are defined in KMC 21.10.020 (effective as of the date of execution of the lease) as follows:

1. Airport – the Kenai Municipal Airport, including all the runways, taxiways, aprons, water lanes, water taxiways, and all City-owned real estate located within the boundaries of the Airport Reserve as defined in KMC Chapter 21.05, Airport Administration and Operation.
2. Airport Manager – the official to whom the City Manager of the City has delegated the authority and responsibility of managing and directing the activities of the Airport. “Airport Manager” includes that person’s authorized representative.
3. City – the City of Kenai, its elected officials, officers, employees or agents.
4. City Manager – the official to whom the Kenai City Council has delegated the responsibility of managing and directing all activities of the City.
5. Contamination – the unpermitted presence of any released Hazardous Substance.
6. Environmental Law – any applicable federal, state, or local statute, law, regulation, ordinance, code, permit, order, decision, judgment of any governmental entity relating to environmental matters, including littering and dumping.
7. FAA – the abbreviation for the Federal Aviation Administration.
8. Hazardous Substance – any substance that is defined under an Environmental Law as hazardous waste, Hazardous Substance, hazardous material, toxic, pollutant, contaminant, petroleum, petroleum product, or oil.

9. KMC – the abbreviation for the Kenai Municipal Code.
10. Permanent Improvement – a fixed addition or change to land that is not temporary or portable, including a building, building addition, gravel fill, pavement, retaining wall, storage tank, well, and remediation of contamination for what the lessee is not responsible

**ARTICLE I  
PREMISES LEASED**

A. PREMISES: In consideration of Lessee’s payment of the rents and performance of all the covenants of this Lease, the City leases to the Lessee, and the Lessee leases from the City, the following described property (“Premises”) in the Kenai Recording District, Third Judicial District, State of Alaska and located on the Airport; to wit:

***Lot 4, FBO SUBDIVISION NO. 7, according to the official plat thereof,  
filed under Plat No. 2001-34, Seward Meridian, Kenai Recording District,  
Third Judicial District, State of Alaska.***

B. NO WARRANTY: Except as may be provided in this Lease, the City makes no specific warranties, expressed or implied, concerning the condition of the Premises including, survey, soils, wetlands, access, and suitability or profitability for any use including those authorized by this Lease, its environmental condition, or the presence or absence of Hazardous Substances in, on, and under the surface. The Lessee takes the Premises on an “as is” basis and without warranty, subject to any and all of the covenants, terms, and conditions affecting the City’s title to the Premises.

**ARTICLE II  
RIGHTS AND USES**

A. AUTHORIZED USES:

1. USE OF PREMISES: The City authorizes the Lessee to use the Premises for the following purposes only:

*Air Tanker Re-load Base for Fire Response*

2. CONTINUOUS OPERATIONS: Unless the City approves otherwise in writing, the Lessee will operate on the Premises on a continuous basis, uninterrupted by any period of closure over 15 consecutive days. The Lessee will give the City written notice before closing the Lessee’s business on the Premises for more than 10 consecutive days. The notice must state the reason for the closure and the date on which the Lessee will re-open for business. This provision does not apply to any period during which the Lessee is unable to operate its business as a result of an act or directive of the City, or as a result of a closure of the Airport or loss of the Lessee’s buildings on the Premises due to fire or natural disaster.

B. RIGHTS RESERVED TO THE CITY:

1. RIGHT TO GRANT TO OTHERS: The City reserves the right to grant to others any rights and privileges not specifically granted to the Lessee on an exclusive basis. The rights and privileges granted to the Lessee in this Lease are the only rights and privileges granted to the Lessee by this Lease.
2. EASEMENTS: The City reserves the right to make grants to third parties or reserve to the City easements or rights of way through, on, or above the Premises. The City will not grant or reserve any easement or right of way that unreasonably interferes with the Lessee's authorized uses of the Premises.
3. INGRESS, EGRESS AND INSPECTION: The City reserves the right of ingress to and egress from the Premises and the right to enter any part of the Premises, including buildings, for the purpose of inspection or environmental testing at any time. Except in the case of an emergency, all inspections and environmental testing will be coordinated with the Lessee to minimize interference with the Lessee's authorized uses of the Premises.
4. RIGHT OF FLIGHT: There is hereby reserved to the City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight will include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation on the Airport.

C. PROHIBITED USES: Unless specifically authorized by this Lease or an amendment to this Lease, the following are prohibited:

1. Any use of the Premises other than those authorized in this Lease.
2. Any use of the Premises that is in violation of a City Ordinance or an Airport regulation.
3. The outside storage on the Premises of junk, salvage aircraft or vehicle parts, non-operational support equipment, unused or damaged equipment or material, or solid waste or debris unless allowed pursuant to a conditional use permit under KMC 14.20.
4. The disposal on the Premises or the Airport of waste materials generated by the Lessee, including any Hazardous Substance, slash, overburden, and construction waste.
5. The stripping, wasting, or removing any material from the Premises without the prior written approval of the City.
6. Erecting structures or allowing growth of natural objects that would constitute

an obstruction to air navigation, or allowing any activity on the Premises that would interfere with or be a hazard to the flight of aircraft, or interfere with air navigation or communication facilities, serving the Airport.

7. Any use or activity that is prohibited by applicable law or regulation.

### **ARTICLE III TERM & HOLDOVER**

A. **TERM:** The initial term of this Lease is for eighteen (18) years, from the 1<sup>st</sup> day of December, 2003, to the 30th day of June 2021.

B. **HOLDOVER:** If the Lessee holds over and remains in possession of the Premises after the expiration, cancellation or termination of this Lease, the holding over will not operate as an extension of the term of this Lease, but only creates a month-to-month tenancy, regardless of any rent payments accepted by the City. The Lessee's obligations for performance under this Lease will continue during the month-to-month tenancy. The City or Lessee may terminate the Lessee's holdover with ten days' advance written notice.

### **ARTICLE IV RENTS AND FEES**

A. **RENT:** The initial rent for the Premises is \$18,816.00 per year, as established by the City pursuant KMC 21.10.090 and as subject to annual adjustment on July 1 of each year under Article V of this Lease, plus applicable sales tax. The rent shall be payable annually in advance of the first day of each year of the term of this Lease. All payments required by this Lease must be made in U.S. dollars. If the annual rent exceeds \$2,400, the Lessee may, upon written notice to the City, choose to pay the rent in equal monthly installments, payable in advance on or before the anniversary date of the term of this Lease and thereafter at monthly intervals. No conversion of the payment schedule from annual to monthly shall result in the City receiving less rent than it would have received had the conversion not taken place.

1. **Rent Credit:** A rent credit may be applied for a maximum of five years of lease payments as provided in KMC 21.10.100 (as effective at the time this lease is executed). Once the work is completed and value determined, a credit will be applied to the lease payments, prorated as necessary for the successive five years.

B. **RENT PRORATED:** Rental for any period less than one year shall be prorated on the basis of the rent payable under this Lease in last full year previous to the prorating.

C. **ADDITIONAL RENT:** In addition to the rent specified in (a) of this Article, Lessee agrees to pay to the appropriate parties all levies, assessments, and charges as follows:

1. Taxes pertaining to the leasehold interest of the Lessee.

2. Sales tax now enforced or levied in the future, computed upon rent payable in monthly installments whether the Lessee pays rent under this Lease on a monthly or annual basis.
3. All taxes and assessments levied in the future by the City, as if Lessee was the legal owner of record of the Premises.

D. **PAYMENTS:** The Lessee shall make checks, bank drafts, or postal money orders payable to the City of Kenai and deliver payments to City of Kenai, Finance Department, 210 Fidalgo Avenue, Suite 200, Kenai, Alaska 99611-7794 or any other address the City may designate in writing to the Lessee.

E. **INTEREST:** Beginning the day after payment is due, all unpaid rents, charges, and fees required under this Lease will accrue interest at the rate of eight percent (8.0%) per annum. Interest on disputed amounts will not be charged to the Lessee if the dispute is resolved in the Lessee's favor.

F. **LATE PAYMENT PENALTY:** In addition to any interest payable under Provision (E) of this Article, each time the Lessee fails to pay any rent or fee by the date required in this Lease, the City will charge, and the Lessee shall pay, an administrative penalty of ten percent (10.0%) of the amount due and unpaid.

G. **COURTESY BILLINGS:** Lessee acknowledges that any billing statement issued by the City is provided only as a courtesy. The Lessee is obligated to pay all rents and fees when due, regardless of whether or not the Lessee receives a billing statement from the City.

H. **LIEN AGAINST LESSEE:** Any rent, charge, fee, or other consideration which is due and unpaid at the expiration, termination, or cancellation of this Lease will be a lien against the Lessee's property, real or personal.

I. **PAYMENT OF CITY'S COSTS:** The Lessee will pay all reasonable actual expenses, costs, and attorney fees City may incur, with or without formal action, to enforce, defend, or protect this Lease or City's rights under this Lease, including any expense incurred with respect to environmental compliance, bankruptcy or any proceeding that involves the Lessee, the Lease, the Premises, or improvements or personal property on the Premises. The Lessee will make payment within 30 days of the date of each notice from City of any amounts payable under this provision.

J. **PAYMENT FOR SPECIAL SERVICES:** Lessee agrees to pay the City a reasonable fee for any special services or facilities the City agrees to perform, which the City is not otherwise obligated by this Lease to provide and which the Lessee requests from the City in writing.

**ARTICLE V  
ADJUSTMENT OF RENT AND FEES**

A. **RENT OR FEE ADJUSTMENT:** The City shall adjust rent or fees payable by the Lessee under Article IV or other provisions of this lease on July 1 of each year of the lease as

proved in KMC 21.10.090 (as effective at the time this lease is executed) and shall make any other adjustments to rent as allowed for in KMC 21.10.090.

No rent or fee change shall be effective until 30 days after the date of the City's written notice to the Lessee. If the Lessee believes that any changed rent exceeds the fair market rent for the Premises, the Lessee may appeal a rent change to the City as provided in KMC 21.10.090.

**ARTICLE VI  
ASSIGNMENT & SUBLETTING**

A. **INVALID WITHOUT CITY'S CONSENT:** The Lessee may not assign, sublet, or grant a security interest in, by grant or implication, the whole or any part of this Lease, the Premises, or any improvement on the Premises without the written consent of the City. Any proposed assignment, sublease, or security interest must be written and must be submitted to the City bearing the original, notarized signature of all parties. The Lessee may submit unsigned draft documents for the City's conceptual review. However, the City's conceptual approval of a draft document may not be construed as the City's consent to any assignment, sublease, or security interest. All provisions in this Lease extend to and bind the assignees and sub-lessees of the Lessee.

B. **NO WAIVER OF CONSENT:** The City's consent to one assignment, sublease, or security interest will not waive the requirement for the Lessee to obtain the City's consent to any other assignment, sublease, or security interest.

C. **ASSIGNEE / LESSEE OBLIGATIONS:** An assignment must include a provision stating that the assignee accepts responsibility for all of the assignor's (Lessee's) obligations under this Lease, including environmental liability and responsibility. However, unless the City specifically releases the Lessee in writing, the City may hold the Lessee responsible for performing any obligation under this lease which an assignee fails to perform.

D. **OCCUPANCY BEFORE CITY CONSENT:** An assignee or sub-lessee may not occupy the Premises before the City consents to the assignment or sublease in writing.

E. **CONFLICT OF PROVISIONS:** In the event of a conflict between this Lease and an assignment or a sublease, the terms of this Lease control.

F. **LESSEE NOT RELIEVED OF OBLIGATIONS:** The City's consent to any sublease does not relieve or otherwise alter the Lessee's obligations under this Lease.

G. **SECURITY ASSIGNMENTS AND FINANCING:**

1. Subject to the requirements of (A) of this Article VI, the Lessee may assign a security interest in this Lease. The security interest may be in the form of a mortgage, deed of trust, assignment or other appropriate instrument, provided
  - a. the security interest pertains only to the Lessee's leasehold interest;



- b. the security interest does not pertain to or create any interest in City's title to the Premises; and
  - c. the documents providing for the security interest are acceptable to the City.
2. If the assignment of a security interest to which the City has consented shall be held by an established lending or financial institution, including a bank, an established insurance company and qualified pension or profit sharing trust, and the lending institution acquires the Lessee's interest in this Lease as a result of a foreclosure action or other remedy of the secured party, or through any transfer in lieu of foreclosure, or through settlement of or arising out of any pending or contemplated foreclosure action, the lending institution may transfer its interest in this Lease to a nominee or a wholly owned subsidiary corporation with the prior written consent of the City, provided, the transferee assumes all of the covenants and conditions required to be performed by the Lessee (including payment of any monies owed by Lessee to the City under the lease). In the event of such a transfer, the lending institution shall be relieved of any further liability under this Lessee.
  3. A holder of a security interest in this Lease consented to by the City shall have, and be subrogated to, any and all rights of the Lessee with respect to the curing of any default of this Lease by Lessee.
  4. A holder of a security interest consented to by the City that takes possession of this Lease shall not be released from the obligations and liabilities of this Lease unless the holder assigns its leasehold estate to an assignee who is financially capable and otherwise qualified to undertake to perform and observe the conditions of this Lease and the City consents to the assignment. The City's consent will not be unreasonably withheld.

**ARTICLE VII  
MAINTENANCE, SNOW REMOVAL & UTILITIES**

**A. MAINTENANCE:**

1. At no cost to the City, the Lessee will keep the Premises and all improvements on the Premises clean, neat and presentable, as reasonably determined by the City.
2. At no cost to the City, the Lessee will provide for all maintenance and services at the Premises as may be necessary to facilitate the Lessee's compliance with this Lease and the Lessee's use of the Premises.
3. The Lessee shall comply with all regulations or ordinances of the City that are promulgated for the promotion of sanitation. At no cost to the City, the Lessee shall keep the Premises in a clean and sanitary condition, and control activities on the Premises to prevent the pollution of water.

4. The Lessee agrees to comply with all decisions and directions of the City's Airport Manager regarding maintenance and operation of the Airport, and the use of the Airport by the Lessee.

**B. SNOW REMOVAL:**

1. At no cost to the City, the Lessee is responsible for snow removal on the Premises. The Lessee shall dispose of snow in an off-Premises location approved in writing by the City or provide suitable snow storage within the boundaries of the Premises in accordance with all applicable federal and state laws. At the request of the Airport Manager, the Lessee shall submit a snow removal plan for the Premises to the Manager for review. Upon approval of the Lessee's plan by the Airport Manager, the Lessee shall conduct all snow removal operations on the Premises in accordance with the approved plan.
2. Lessee shall not deposit snow on an apron, taxiway, safety area, or other aircraft-maneuvering surface provided for common use by others without the prior written of the Airport Manager.
3. Lessee agrees to not allow an accumulation of snow on the Premises that would cause interference with adjoining leaseholders or other users of the Airport.

**C. UTILITIES:** Unless specifically provided otherwise in this Lease, the Lessee shall, at no cost to the City, provide for all utilities at the Premises necessary to facilitate the Lessee's use of the Premises.

**ARTICLE VIII  
OPERATIONS**

**A. OPERATIONS ON THE AIRPORT:** The Lessee will ensure that the Lessee, its employees, guests, contractors, sub-lessees, and vendors that perform any activity or function authorized under this Lease shall do so in a manner that ensures the safety of people, the protection of public health and the environment, and the safety and integrity of the Airport and the Premises.

**B. LESSEE'S CONTROL AND RESPONSIBILITY:**

1. The Lessee will assume full control and sole responsibility as between Lessee and City for the activities of the Lessee, the Lessee's personnel and employees, and anyone else acting by, on behalf of, or under the authority of the Lessee on the Airport, including the Premises.
2. The Lessee will immediately notify the City of any condition, problem, malfunction or other occurrence that threatens the safety of people or the Airport, harm to public health or the environment, or the safety or integrity of the Premises.

C. RADIO INTERFERENCE: The Lessee will discontinue the use of any machine or device that interferes with any government-operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

D. WILDLIFE: The Lessee acknowledges that a concentration of birds or other wildlife on an airport constitutes a significant hazard to aircraft operations. The Lessee agrees to keep the Premises clean of fish slime, fish waste, or any other material that might attract birds or other wildlife. The Lessee accepts full responsibility to maintain the Premises, control operations, and take all reasonable measures to prevent a concentration of birds or other wildlife on the Premises.

E. PARKING: The Lessee will provide adequate vehicle, equipment, and aircraft parking space on the Premises for Lessee's business or activities, or confine parking to such other places on the Airport as may be approved or designated in writing by the Airport Manager.

**ARTICLE IX  
ENVIRONMENTAL PROVISIONS**

A. HAZARDOUS SUBSTANCE:

1. The lessee will conduct its business and/or operation on the Premises in compliance with all environmental laws and permits. If hazardous substances are handled on the Premises, the Lessee agrees to have properly trained personnel and adequate procedures for safely storing, dispensing, and otherwise handling Hazardous Substances in accordance with all applicable federal, state and local laws.
2. Lessee will promptly give the City notice of proceeding to abate or settle matters relating to the presence of a Hazardous Substance on the Premises or from Lessee's operations on the Airport. The Lessee will allow the City to participate in any such proceedings.

B. REMEDIATION:

1. In the event of a Hazardous Substance spill on the Premises, the Lessee will immediately notify the City and the Alaska Department of Environmental Conservation and act, promptly, at its sole expense, to contain the spill, repair, any damage, absorb and clean up the spill area, and restore the Premises to a condition satisfactory to the City and otherwise comply with the applicable portions of any environmental law.
2. In addition to any notices required by this Lease, the Lessee will immediately notify and copy the City in writing of any of the following:

- a. Any permit, enforcement, clean up, lien, removal or other governmental or regulatory action instituted, completed, or threatened pursuant to an Environmental Law.
  - b. Any claim made or threatened by any person against the Lessee or arising from the Lessee's operations authorized by this Lease, relating to damage, contribution, compensation, loss or injury resulting, from, or claimed to result from any Hazardous Substances in, on, or under the Airport; or
  - c. Any report made by, or on behalf of, the Lessee to any environmental agency arising out of or in connection with any Hazardous Substances in, on, or removed from the Premises, including any complaints, notices, warnings, or asserted violations.
3. Remediation and restoration of the contaminated area must meet all applicable state and federal regulations and must meet the requirements of all governing regulatory authorities.

C. ENVIRONMENTAL AUDIT: The Lessee will provide the City with all investigative data, test results, reports, and any other information gathered or analyzed as part of or in relation to any Environmental Assessment, characterization or audit on the Premises or the Airport that Lessee performs or causes to be performed after the starting date of this Lease. The Lessee will submit the data, result, report or information to the City within 60 days following the date on which it becomes available to the Lessee.

D. RELEASE OF LESSEE: The City releases the Lessee from liability to the City for Contamination and the presence of Hazardous Substances that existed prior to the commencement date of this lease unless caused or materially contributed to by the Lessee.

E. SURVIVAL OF OBLIGATIONS: The obligations and duties of the City and Lessee under Article IX of this lease shall survive the cancellation, termination or expiration of this lease.

## **ARTICLE X INSURANCE**

B. INSURANCE: At no expense to the City, the Lessee will obtain and keep in force during the term of this Lease, insurance of the type and limits required by this provision or demonstrate to the City that its self insurance policy provides equal or better coverage. Where specific limits are set, they will be the minimum acceptable limits. If the Lessee's policy contains higher limits, the City will be entitled to coverage to the extent of the higher limits. At the time insurance is obtained by the Lessee, all insurance shall be by a company/corporation rated "A-" or better by A.M. Best. The following policies of insurance are required with the following minimum amounts:

1. Commercial General Liability, including Premises, all operations, property damage, products and completed operations, and personal injury and death,

broad-form contractual, with a per-occurrence limit of not less than \$1,000,000 combined single limit. If this lease authorizes the Lessee to engage in the sale or the commercial dispensing or storage of aviation fuel, the policy must not exclude of Lessee's fuel handling activities. This policy must name the City as an additional insured.

2. 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 used by the Lessee.
3. Workers Compensation Insurance. The Lessee will provide and maintain, for all employees, coverage as required under AS 23.30.045, and, where applicable, any other statutory obligations. The policy must waive subrogation against the City.
4. The Lessee will provide the City with proof of insurance coverage in the form of an insurance policy or a certificate of insurance, together with proof that the premiums have been paid, showing the types and monetary limits of coverage secured. All insurance required by this provision must provide that the City be notified at least 30 days prior to any termination, cancellation, or material change in the insurance coverage.
5. If the Lessee's insurance coverage lapses or is canceled, Lessee will immediately, upon written notice by the City, halt all operations on the Airport, including the Premises. The Lessee will not resume operations until the City receives evidence that the Lessee has obtained current insurance coverage meeting the requirements of this Lease.
6. The City may, at intervals of not less than five years from the beginning date of the term of this Lease and upon written notice to Lessee, revise the insurance requirements required under this Lease. City's determination to revise the insurance requirements will be based on the risks relative to the Lessee's operations, any insurance guidelines adopted by the City, and any applicable law.
7. If the Lessee subleases all or any portion of the Premises under the provisions of this Lease, the Lessee will require the sub-lessee to provide to the insurance coverage required of the Lessee under this Article X.

## **ARTICLE XI LAWS & TAXES**

A. **COMPLIANCE WITH LAW:** Lessee shall comply with all applicable laws, ordinances, and regulations of public authorities now or hereafter in any manner affecting the Airport, the Premises or the sidewalks, alleys, streets, and ways adjacent to the Premises, or any buildings, structures, fixtures and improvements or the use thereof, whether or not any such laws, ordinances, and regulations which may be hereafter enacted involve a change of policy on the

part of the governmental body enacting the same. Lessee agrees to hold City financially harmless:

1. From the consequences of any violation of such laws, ordinances, and/or regulations; and
2. From all claims for damages on account of injuries, death, or property damage resulting from such violation.

B. **UNLAWFUL ACTIVITY:** The Lessee shall not permit any unlawful use, occupation, business, or trade to be conducted on the Premises contrary to any law, ordinance, or regulation, including zoning ordinances, rules and regulations.

C. **LICENSES AND PERMITS:** The Lessee will obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises, and pay other fees and charges assessed under applicable law. Nothing in this Lease prevents the Lessee from challenging any taxes or special assessments to the appropriate authority.

D. **LITIGATION:** The Kenai municipal code, including regulations promulgated thereunder, and the laws of the State of Alaska will govern in any dispute between the Lessee and City. If a dispute continues after exhaustion of administration remedies, any lawsuit must be brought in the courts of the State of Alaska, in Kenai, Alaska.

E. **LESSEE TO PAY TAXES:** Lessee shall pay all lawful taxes and assessments which, during the term of this Lease may become a lien upon or which may be levied by the State, Borough, City, or any other tax levying body, upon any taxable possessory right which Lessee may have in or to the Premises or improvements on the Premises by reason of its use or occupancy or the terms of this Lease provided, however, that nothing in this provision shall prevent Lessee from contesting any increase in a tax or assessment under any applicable law, ordinance, or regulation.

F. **PARTIAL INVALIDITY:** If any term, provision, condition, or part of this Lease is declared by a court of competent jurisdiction to be invalid or unconstitutional, the remaining terms, provisions, conditions, or parts shall continue in full force and effect as though the declaration had not been made.

## **ARTICLE XII LEASE TERMINATION**

A. **CANCELLATION:** The City may, after 30 days' written notice to the Lessee, cancel this Lease and recover possession of the Premises if any of the following violations occur, unless the violation is cured within the 30 days:

1. The Lessee fails to pay when due the rents, additional rents, charges, or other sums specified in this Lease, including any increases made under this Lease.

2. The Lessee's check for payment of any sum due under this Lease is returned for insufficient funds.
3. The Lessee uses or authorizes the use of the Premises for any purpose not authorized by this Lease.
4. The Lessee fails to fully perform and comply with any provision in this Lease.
5. The Lessee violates a provision of Kenai Municipal Code applicable to this Lessee.
6. The court enters a judgment of insolvency against the Lessee.
7. A trustee or receiver is appointed for the Lessee's assets in a proceeding brought by or against the Lessee, or the Lessee files a voluntary petition in bankruptcy.
8. Failure by the Lessee to comply with any land development or permanent improvement construction required by this Lease.

B. ENTRY AND RE-ENTRY: In the event that the Lease should be terminated in accordance with this Article XII, or by summary proceedings or otherwise, or upon the Lessee's abandonment of the Premises or a portion of the Premises, the City or its agents, servants, or representatives may, immediately or any time thereafter, re-enter, and resume possession of the Premises or portion thereof, and remove all persons and property therefrom, without being liable for any damages therefore. No re-entry by the City shall be deemed an acceptance of a surrender of the Lease.

C. CONTINUING OBLIGATIONS UNTIL PREMISES VACATED: The Lessee will continue to pay City rent after the expiration, termination, or cancellation of this lease and to abide by the lease obligations, including providing proof of insurance coverage, through the date Lessee relinquishes possession of and completely vacates the Premises. City will consider the Premises completely vacated if the Lessee has

1. Remediated any environmental contamination for which the Lessee is responsible;
2. Restored the Premises to a neat and clean physical condition acceptable to the City.

D. REASONABLE CURE:

1. In the case of a violation that cannot be reasonably cured within 30 days, a notice of cancellation issued by the City to the Lessee under this Article is stayed if, within the 30-day notice period, the Lessee begins and continues expeditious action to cure the violation. The City will determine if a violation cannot be reasonably cured within 30 days and what constitutes expeditious action.

2. In the case where, in City's sole determination, Lessee's violation is considered an imminent threat to the airport, public health or safety, or the environment, City will direct the Lessee to stop the activity immediately and may reduce the period to cure the violation, or the City may correct the violation pursuant to (E) of this Article.

E. RIGHT OF CITY TO PERFORM:

1. If, after 30 days following notice the Lessee fails or refuses to perform any action required by this Lease, the City will have the right, but not the obligation, to perform any or all such actions required by this Lease at the sole expense of the Lessee. The City will not take action if the Lessee begins and continues expeditious action to perform any action required by this Lease that cannot be reasonably completed within 30 days. The City will, at its sole discretion, determine what constitutes expeditious action and if an action cannot be reasonably performed in 30 days. The City will submit to the Lessee an invoice for the expenses incurred by the City in the performance by the City of any required action. The Lessee will pay the amount of each invoice within 30 days from issuance.
2. If Lessee fails or refuses to perform any action that has been deemed an imminent threat the City will have the right, but not the obligation, to perform any or all such actions required to expeditiously correct the imminent threat. Lessee shall reimburse the City for any cost, including legal fees and administrative costs reasonably incurred by the City in acting to correct the imminent threat violation.

F. WAIVER: A waiver by the City of any default by the Lessee of any provision of this Lease will not operate as a waiver of any subsequent default. If the City waives a default, the City is not required to provide notice to the Lessee to restore or revive any term or condition under this Lease. The waiver by the City of any provision in this Lease cannot be enforced or relied upon unless the waiver is in writing and signed on behalf of the City. The City's failure to insist upon the strict performance by the Lessee of any provision in this Lease is not a waiver or relinquishment for the future, and the provision will continue in full force.

G. AIRPORT CLOSURE:

1. If the City closes the airport to aircraft operations for sixty days or less, this Lease will remain in full force and effect without adjustment
2. If the City closes the Airport to aircraft operations for more than sixty days, but not permanently, and this Lease is for aviation or direct aviation support uses, the Lessee may, upon written notice to the City, either terminate the Lease or retain the Lease and receive a fifty (50%) percent rent reduction or credit for that portion of the closure that exceeds sixty days.
3. If the City permanently closes the Airport to aircraft operations and



- a. this Lease is for aviation or direct aviation support uses, the Lessee may terminate this agreement by written notice to the City; or
- b. this Lease is for non-aviation uses, the Lessee may request in writing to have the Lease terminated. The City will consider the Lessee's request in light of the City's best interest and either terminate the Lease, or deny the Lessee's request in writing.

H. **DISASTERS:** The Lessee or City may cancel this lease upon written notice to the other party if:

1. the Premises becomes unusable through no fault of either party and performance under this lease becomes impossible; or
2. the Airport becomes unusable through no fault of either party and the performance under this lease becomes impossible.

If the Lessee elects in writing that it will continue to operate after notice from City to Lessee that the Airport has become unusable, the Lessee's obligations under the Lease will continue, but City shall be under no obligation to continue to perform.

Causes for termination of the lease under this provision (G) include acts of God, the public enemy, and the United States.

I. **NATIONAL EMERGENCY:** If the federal government declares a national emergency, neither party may hold the other liable for any inability to perform any part of this Lease as a result of the national emergency.

J. **SURRENDER ON TERMINATION:** Except as provided otherwise in this Article XII, Lessee shall, on the last day of the term of this Lease (including any extension or renewal thereof) or upon any earlier termination of this Lease, surrender and deliver up the premises into the possession and use of City without fraud or delay in good order, condition, and repair, except for reasonable wear and tear since the last necessary repair, replacement, restoration or renewal, free and clear of all lettings and occupancies unless expressly permitted by the City in writing, and free and clear of all liens and encumbrances other than those created by and for loans to City.

K. **OWNERSHIP AND DISPOSITION OF IMPROVEMENTS:**

1. **Ownership of Permanent Improvements:** Permanent improvements on the Premises, excluding Site Development Materials, constructed, placed, or purchased by the Lessee remain the Lessee's property as long as this Lease remains in effect, including any period of extension or holdover with the consent of the Lessor.

2. Disposition of Site Development Materials: The Lessee acknowledges that, once placed by the Lessee, the removal from the Premises of Site Development Materials can damage the Premises, adversely affect surface water drainage patterns, and destabilize adjacent structures. When placed on the Premises by the Lessee, Site Development Materials, including building pads, parking areas, driveways, and similar structures:
  - a. become a part of the realty and the property of the City of Kenai;
  - b. unless otherwise directed by the Lessor, must be maintained by the Lessee throughout the term of this Lease, including any extensions and periods of holdover; and
  - c. may not be removed by the Lessee without the prior written approval of the Lessor.
  
3. Disposition of Personal Property and Permanent Improvements Other Than Site Development Materials:
  - a. Unless the Lessor otherwise directs as provided below, when this Lease expires, terminates, or is cancelled and is neither extended nor followed by a successive lease, the departing Lessee may do one or more of the following:
    - i. remove Lessee-owned Permanent Improvements from the Premises, remediate any Contamination for which the Lessee is responsible, and restore the Premises to a clean and neat physical condition acceptable to the Lessor within 60 days after the expiration, cancellation, or termination date of this Lease;
    - ii. with written approval from the Lessor, sell Lessee-owned Permanent Improvements to the succeeding lessee, remove all personal property, remediate, any Contamination for which the Lessee is responsible and leave the Premises in a clean and neat physical condition acceptable to the Lessor within 60 days after notice from the Lessor that the Lessor has approved an application for a lease of the Premises by another person or such longer period specified in the notice, but in no event more than 180 days after the expiration, termination, or cancellation date of this Lease;
    - iii. elect to have the Lessor sell Lessee-owned Permanent Improvements at public auction as provided below, remediate any Contamination for which the Lessee is responsible, and restore the premises to a clean and neat physical condition acceptable to the Lessor. If the Lessor sells Permanent

Improvements under this Paragraph for removal from the Premises, the departing Lessee's obligation under this Paragraph continues until the Premises are remediated and restored to a clean and neat physical condition acceptable to the Lessor after the improvements have been removed.

- b. If the departing Lessee elects to have the Lessor sell Lessee-owned Permanent Improvements at public auction per this Section, the Lessee shall, within 30 days after the expiration, cancellation, or termination of this Lease:
  - i. submit to the Lessor a written request and authorization to sell the Permanent Improvements by public auction;
  - ii. provide to the Lessor an executed conveyance document transferring clear title to the Permanent Improvements to the successful bidder at the public auction, along with authorization to the Lessor, as agent for the Lessee for purposes of the sale only, to endorse the name of the successful bidder on the conveyance document upon receipt of payment of the successful bid price; and
  - iii. before the date of the public auction, remove all personal property, remediate any Contamination for which the Lessee is responsible and leave the Premises in a neat and clean physical condition acceptable to the Lessor.
- c. When selling Lessee-owned Permanent Improvements at public auction for the departing Lessee, the Lessor will establish the terms and conditions of the sale. The Lessor shall pay the Lessee any proceeds of the sale of the Permanent Improvements, less the administrative costs of the public auction and any financial obligation the Lessee owes to the Lessor under this Lease. Payment will be made within a reasonable time after the Lessor completes the sale transaction and receives the proceeds, but not to exceed 60 days. If all or a portion of the Permanent Improvements do not sell at public auction, the Lessee will remove those Permanent Improvements, remediate any Contamination for which the Lessee is responsible and restore the Premises to a clean and neat physical condition acceptable to the Lessor within 60 days after the auction.
- d. If the Lessee shows good cause to the Lessor and if it is not inconsistent with the best interest of the City of Kenai, the Lessor will grant an extension of time that is sufficient to allow the Lessee to remove or sell Lessee-owned Permanent Improvements, remediate any Contamination for which the Lessee is responsible and to restore the

Premises to a clean and neat physical condition acceptable to the Lessor.

- e. The Lessor will, by written notice, direct the departing Lessee to remove Lessee-owned Permanent Improvements from the Premises, to remediate, consistent with applicable law, any Contamination for which the Lessee is responsible and to restore the Premises to a clean and neat physical condition acceptable to the Lessor if the Lessor determines in writing:
  - i. that the continued presence of the Permanent Improvements on the Premises are not consistent with any written Airport program or plan required for compliance with applicable federal, state, or local law;
  - ii. that the continued presence of the Permanent Improvements on the Premises is not in the best interest of the City of Kenai; or
  - iii. that the Permanent Improvements present a hazard to public health or safety.
- f. The departing Lessee to whom the Lessor has issued direction under Paragraph e of this Section shall comply with the Lessor's direction within 60 days after issuance of the direction and at no cost to the Lessor. If the departing Lessee shows good cause to the Lessor, continues to work diligently to comply with Lessor's direction, and if it is not inconsistent with the best interest of the City of Kenai, the Lessor will allow in writing a longer period that is sufficient to allow the Lessee to comply with the Lessor's direction. A departing Lessee who fails to comply with a direction issued by the Lessor under Paragraph e of this Section, shall, within 30 days of being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by the Lessor, including legal fees and administrative costs, to enforce the Lessor's direction or to remove and dispose of unremoved Lessee-owned improvements, remediate any Contamination for which the Lessee is responsible and restore the Premises.
- g. If the departing Lessee does not timely remove or sell the Lessee-owned Permanent Improvements on the Premises in accordance with the requirements of this Section, any remaining Permanent Improvements and any remaining personal property of the departing Lessee will be considered permanently abandoned. The Lessor may sell, lease, demolish, dispose of, remove, or retain the abandoned property for Airport use as the Lessor determines is in the best interest of the City of Kenai. The departing Lessee shall, within 30 days after being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by

the Lessor, including legal and administrative costs, to demolish, remove, dispose, clear title to, or sell the abandoned property and to remediate and restore the Premises.

- h. After the expiration, termination, or cancellation of the Lease, including any holdover, the departing Lessee loses all right to occupy or use the premises without the express or implied consent of the Lessor. Except as the Lessor notifies the departing Lessee otherwise in writing, the Lessor consents to the departing Lessee's continued use and occupancy of the Premises to diligently accomplish the requirements of this Section. Until the departing Lessee relinquishes possession of and completely vacates the Premises and notifies the Lessor in writing that it has relinquished and vacated the Premises, the departing Lessee shall perform the following as if the lease were still in effect,
  - i. pay rent to the Lessor;
  - ii. maintain the premises;
  - iii. provide the Lessor with evidence of each insurance coverage, if any, required under the Lease; and
  - iv. cease using the premises other than to diligently accomplish the requirements of this Section, and to comply with the other requirements of the Lease.
- i. A departing Lessee will not be considered to have relinquished possession and completely vacated the Premises until
  - i. the departing Lessee has:
    - (a) remediated, consistent with applicable law, any Contamination for which the Lessee is responsible; and
    - (b) restored the Premises to a clean and neat physical condition acceptable to the Lessor; and
  - ii. either
    - (a) removed all of the Lessee's Permanent Improvements and personal property from the premises or sold the Permanent Improvements and personal property to a succeeding Lessee under the provisions of this Lease; or

- (b) transferred title to the Lessee's Permanent Improvements and personal property that remain on the premises to the Lessor.

**ARTICLE XIII  
GENERAL COVENANTS**

A. **USE OF THE AIRPORT:** Except as provided herein, any regular use of Airport lands or facilities without the written consent of the City is prohibited. This prohibition shall not apply to use of areas designated by the City for specified public uses, such as passenger terminals, automobile parking areas, and streets.

B. **COSTS AND EXPENSES:** Costs and expenses incident to this lease, including but not limited to recording costs, shall be paid by Lessee.

C. **CARE OF THE PREMISES:** The Lessee shall keep the Premises clean and in good order at the Lessee's own expense, allowing no damage, waste, nor destruction thereof, nor removing any material therefrom, without written permission of the City. At the expiration of the term fixed, or any earlier termination of the Lease, the Lessee will peaceably and quietly quit and surrender the premises to the City.

D. **CONSTRUCTION APPROVAL AND STANDARDS:** Any building construction on the Premises by the Lessee must be compatible with its surroundings and consistent with the uses authorized under this Lease, as determined by the City. The Lessee must obtain the City's written approval before placing fill material, beginning any land development, or constructing or demolishing any improvements on the Premises, and before beginning any alterations, modifications, or renovation of existing structures on the Premises. The Lessee must submit to the City detailed drawings of the proposed development, alteration, modification, or renovation, together with specifications or any other information the City reasonably requires. Further, the Lessee will submit to City evidence of the Lessee's compliance with Federal Aviation Administration regulation 14 CFR Part 77.

E. **LEASE SUBORDINATE TO AIRPORT FINANCING REQUIREMENTS:** Lessee agrees that City may modify this Lease to meet revised requirements for Federal or State grants, or to conform to the requirements of any revenue bond covenant. However, the modification shall not act to reduce the rights or privileges granted the Lessee by this Lease, nor act to cause the Lessee financial loss.

F. **RIGHT TO ENJOYMENT AND PEACEABLE POSSESSION:** City hereby agrees and covenants that the Lessee, upon paying rent and performing other covenants, terms, and conditions of this Lease, shall have the right to quietly and peacefully hold, use, occupy, and enjoy the Premises, except that the following shall not construed as a denial of the right of quiet or peaceable possession:

- 1. Any inconvenience caused by public works projects in or about the Premises; and

2. Any other entries by the City on the Premises reserved or authorized under other provisions of this Lease.

G. **NO PARTNERSHIP OR JOINT VENTURE CREATED:** It is expressly understood that the City shall not be construed or held to be a partner or joint venture of Lessee in the conduct of the Lessee's activities or business on the Premises. The relationship between the City and the Lessee is, and shall at all times remain, strictly that of landlord and tenant, respectively.

H. **DISCRIMINATION:** The Lessee will not discriminate on the grounds of race, color, religion, national origin, ancestry, age, or sex against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. The Lessee recognizes the right of the City to take any action necessary to enforce this provision, including actions required pursuant to any federal or state law.

I. **AFFIRMATIVE ACTION:** If required by 14 CFR Part 152, subpart E, the Lessee will undertake an affirmative action program to insure that no person will be excluded from participating in any employment activities offered by the Lessee on the grounds of race, creed, color, national origin, or sex. No person may be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by subpart E. The Lessee further agrees that it will require its sub-organization(s) provide assurance to the City to the same effect that they will also undertake affirmative action programs and require assurances from their sub-organization(s) as required by 14 CFR, Part 152, subpart E. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to title 49, code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

J. **INTEGRATION, MERGER, AND MODIFICATION:** This Lease sets out all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Premises whether oral or written. No modification or amendment of this Lease is effective unless in writing and signed on behalf of the City and the Lessee.

K. **RIGHT TO ADOPT RULES:** City reserves the right to adopt, amend, and enforce reasonable rules and regulations governing the Airport, including the Premises. The City shall not be liable to Lessee for any diminution or deprivation of possession, or of Lessee's rights under this Lease, on account of the exercise of the City's authority reserved under this provision. Furthermore, the Lessee shall not be entitled to terminate the whole or any portion of the leasehold estate created under this Lease, by reason of the exercise of the City's authority reserved under this provision, unless the exercise thereof so interferes with Lessee's use and occupancy of the Premises as to constitute a termination, in whole or in part, of this Lease by operation of law under the laws of the State of Alaska and of the United States made applicable to the states.

L. **LESSEE'S OBLIGATION TO PREVENT AND REMOVE LIENS:** Lessee will not permit any liens including, but not limited to, mechanics', laborers', or materialmen's liens obtainable or available under the then existing laws, to stand against the Premises or improvements on the Premises for any labor or material furnished to Lessee or claimed to have been furnished to Lessee or to the Lessee's agents, contractors, or sub-lessees, in connection with work of

any character performed or claimed to have been performed on the Premises or improvements by or at the direction or sufferance of Lessee. Provided, however, the Lessee shall have the right to provide a bond as contemplated by Alaska law and contest the validity or amount of any such lien or claimed lien. Upon a final determination of the lien or claim for lien, the Lessee will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Lessee's own expense.

M. CONDEMNATION: In the event the Premises or any part thereof shall be condemned and taken for a public or a quasi-public use, then upon payment of any award or compensation arising from the condemnation or taking, the City and the Lessee shall make a good faith effort to agree upon

1. the division of the proceeds;
2. the abatement in rent payable during the term or any extension of the term of this Lease; and
3. other adjustments as the parties may agree upon as being just and equitable under all the circumstances.

If, within thirty days after the award has been paid into Court, the City and Lessee are unable to agree upon what division, abatement in rent, and other adjustments as are just and equitable, the dispute shall be determined by arbitration.

N. SUCCESSORS IN INTEREST: This Lease shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto, subject to such specific limitations on assignment as are provided for in this Lease.

O. NOTICES:

1. Any notices required by this Lease must be in writing and must be delivered personally or mailed by certified or registered mail in a prepaid envelope. A mailed notice
  - a. must be addressed to the respective party at the address written on the first page of this Lease or to the latest address designated in accordance with (2) of this Provision (O); and
  - b. shall be deemed delivered on the date it is deposited in a U.S. general or branch post office.
2. The City or the Lessee may, from time to time, designate a new address at which they will receive notices by providing the other party with written notice at least 15 days prior to the effective date of the change. An address change notice must be delivered according to the procedure set out in (1) of this Provision (O).



P. RETENTION OF RENTAL: In the event the City terminates this Lease because of any breach by the Lessee, the City shall retain any unused balance of the rental payment last made by the Lessee City as partial or total liquidated damages for the breach.

Q. FIRE PROTECTION: The Lessee will take all reasonable precautions to prevent, and take all necessary action to suppress destructive or uncontrolled fires and comply with all laws, regulations, and rules promulgated and enforced by the City for fire protection on the Airport.

R. PERSONAL USE OF MATERIALS: No interest in coal, oil, gas or any other mineral, or in any deposit of stone or gravel valuable for extraction or utilization is included in the Premises or in the rights granted by this lease. The Lessee shall not sell or remove from the Premises for use elsewhere any timber, stone, gravel, peat moss, topsoil or any other material valuable for building or commercial purposes.

S. APPROVAL OF OTHER AUTHORITIES: The granting of this lease by the City does not relieve the Lessee of the responsibility to obtain any license or permit as may be required by federal, state, or local law.

T. EXECUTION BY THE PARTIES: This Lease is of no effect unless signed by the Lessee, or a duly authorized representative of Lessee, and an authorized representative of the City.

U. CAPTIONS: The captions of the provisions of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of any provision.

V. RIGHTS OF CONSTRUCTION: This Lease is intended to make public property available for private use, while at all times protecting the public interest to the greatest extent possible. Following the rule that transfers of interest in public property are to be strictly construed in favor of the public property landlord, all rights granted to the Lessee under this Lease will be strictly construed, and all rights of the City and the protections of the public interest will be liberally construed.

W. LESSEE ACKNOWLEDGEMENT: The Lessee acknowledges that the Lessee has read this Lease and fully understands its terms, that the Lessee has been fully advised or has had the opportunity of advice by separate legal counsel, and voluntarily executes this Lease. Lessee also acknowledges and agrees that the rule of interpretation under which a document is construed against the drafter will not apply to this Lease.

X. APPROVAL BY LESSOR: Any approval required of the Lessor by this Lease will not be unreasonably withheld. The Lessor's approval does not waive the Lessee's legal responsibility or liability to comply with all applicable federal and state laws and regulations.

**ARTICLE XIV  
SURVEY, IMPROVEMENTS AND PERFORMANCE BOND**

A. SURVEY: The Lessee is solely responsible, at its sole expense, to confirm or establish the physical location of the boundaries of the Premises prior to beginning any construction thereon, including clearing grubbing, back-filling and environmental sampling. Any survey of

the Premises shall be performed by a Land Surveyor registered in the State of Alaska. The Lessee shall furnish the City with a copy of the plat of any survey performed on the Premises by, or on behalf of, the Lessee.

B. IMPROVEMENTS:

1. **REQUIRED IMPROVEMENTS:** At no cost to the City, Lessee agrees to complete land development and construction of Permanent Improvements including **NON-APPLICABLE** by no later than **NON-APPLICABLE**, with an aggregate cost of at least \$ **NON-APPLICABLE**, excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the City written evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$ **NON-APPLICABLE**.

The evidence of cost must be submitted to the City within sixty days of the completion of the development and improvements, but by no later than **NON-APPLICABLE**.

- a. Costs considered toward the aggregate cost of permanent improvements include building construction, design, labor, materials, materials shipping, permits, equipment, soil testing, environmental baseline report, and environmental assessment directly related to the construction; premises and as-built surveys; site preparation, including excavation, geotextile fabric, filling, grading, fill material, gravel, and pavement, remediation of environmental contamination (unless Lessee caused or Materially Contributed To the Contamination); and utility connection costs.
  - b. The cost of Permanent Improvements excludes:
    1. work performed by the City and not reimbursed by the Lessee;  
and
    2. work performed by the Lessee and reimbursed by the City.
2. **NON-APPLICABLE FAILURE TO COMPLETE IMPROVEMENTS:** If the Lessee fails to complete the required construction within the time allowed under (b)(1) of this Article, including any extensions granted, the City will execute against and the Lessee will forfeit, any bond or other guarantee given by the Lessee and, as applicable, City will:
    - a. initiate cancellation of the lease; or
    - b. reduce the term of the lease to a period that is consistent with the portion of the required construction timely completed.

3. APPEARANCE: When completed, all improvements on the Premises must be neat, presentable, and compatible with the authorized use of the Premises under this Lease, as determined by the City.
4. CITY APPROVAL REQUIRED: The Lessee must first obtain the City's written approval before beginning any land development, construction or demolition of any improvements on the Premises, or before beginning any alterations, modifications, or renovation of existing structures on the Premises. The Lessee must submit to the City detailed drawings of the proposed development, alteration, modification, or renovation. Further, the Lessee will submit to City evidence of the Lessee's compliance with the FAA regulation 14 CFR Part 77.
5. CITY APPROVAL WITHHELD: The City's approval of any construction, alteration, modification, or renovation will not be withheld unless
  - a. the Lessee fails to demonstrate adequate financial resources to complete the project;
  - b. the project plans, specifications, and agency approvals are incomplete;
  - c. the proposed project would result in a violation of an applicable ordinance, regulation, or law;
  - d. the proposed project would interfere with or is incompatible with the safety, security, maintenance, or operation of the airport;
  - e. the proposed project is inconsistent with the Airport Master Plan;
  - f. the proposed project is inconsistent with the terms of the lease, zoning ordinances, or the City's Comprehensive Plan;
  - g. the project plans do not make sufficient provision for drainage, aircraft, vehicle, and equipment parking, or for snow storage; or
  - h. the proposed project does not conform to generally recognized engineering principles or applicable fire or building codes.
6. DEMOLITION: Prior to any demolition of any structure(s) on the Premises, Lessee will deliver to City a written scope of work that, at a minimum, lists the structure(s) that are to be demolished and the timeframe for demolition and removal of the debris from the Airport. City will review Lessee's scope for demolition and issue Lessee written approval for the work to be done.
7. BUILDING SETBACK: No building or other permanent structure may be constructed or placed within twenty feet of any lot of the Premises without City's prior written approval. In addition, no building or other permanent structure may

be constructed or placed within twenty feet of any boundary line of the Premises which fronts on a landing strip, taxiway, or apron.

8. **AS-BUILT DRAWINGS:** Within sixty days after completion of construction or placement of improvements upon the Premises, the Lessee will deliver to the City a copy of an as-built drawing, acceptable to the City, showing the location and dimensions of the improvements, giving distances to all Premises' boundaries. If the Lessee constructs underground improvements, the Lessee will appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between such markers will be subject to approval of the City.
9. **AIRPORT SECURITY FENCING:** If any construction by the Lessee requires a realignment or alteration of an existing security fence on the Premises or boundary of the Premises, the Lessee agrees to realign or alter the fence in a manner approved in writing by the Airport Manager. Anytime the fence must be breached to allow the Lessee to complete improvement construction or fence modifications, the Lessee shall, at the Lessee's sole expense place temporary barriers to maintain the security of the Airport, as determined by the Airport Manager. If damage occurs to a security fence on the Premises or boundary of the Premises in connection with the Lessee's use or occupation of the Premises, the Lessee shall promptly repair the fence to the satisfaction of the Airport Manager.
10. **DAMAGE TO IMPROVEMENTS:** If Lessee's improvements on the Premises are damaged or destroyed, Lessee will cause the improvements to be repaired or rebuilt, and restored to normal function within two years following the damage or destruction. If the Lessee fails to timely rebuild or restore the improvements, the City may, at its sole discretion, either reduce the term of this Lease commensurate with the estimated value of the Lessee's remaining, fully functional improvements on the Premises, or cancel this Lease.
11. **DAMAGE NEAR EXPIRATION:** If Lessee's improvements are damaged to the extent that more than 50% of the space is unusable and the damage occurs within five years of the expiration of the term of this Lease, Lessee may remove the damaged improvements, restore the Premises and terminate this Lease.

C. **PERFORMANCE BOND (Optional):** Prior to beginning the construction of permanent improvements required under (1) of this Article, the Lessee shall submit to the City a performance bond, deposit, or other security in the amount of \$ **NON-APPLICABLE**. The form of the bond or other security shall be subject to the City's approval.

D. **SURRENDER ON TERMINATION:** Lessee shall, on the last day of the term of this Lease or upon any earlier termination of this Lease, surrender and deliver upon the premises into the possession and use of City without fraud or delay in good order, condition, and repair, except for reasonable wear and tear since the last necessary repair, replacement, restoration or renewal, free and clear of all lettings and occupancies unless expressly permitted by the City in writing, and free and clear of all liens and encumbrances other than those created by

and for loans to City. Upon the end of the term of this Lease, including any extension or renewal, or any earlier termination thereof, title to the buildings, improvements and building equipment shall automatically vest in City without requirement of any deed, conveyance, or bill of sale thereon. However, if City should require any such document in confirmation hereof, Lessee shall execute, acknowledge, and deliver the same and shall pay any charge, tax, and fee asserted or imposed by any and all governmental unites in connection herewith.

E. NOTICE OF CONSTRUCTION: The Lessee agrees to notify the City in writing three days prior to commencing any construction project valued in excess of \$1,000.00 on the Premises. The Lessee agrees to assist in the posting of a notice of non-responsibility and maintenance of the notice on the Premises during construction. Lessee agrees that in the event the Lessee fails to notify the City as required by this Provision (f), the Lessee shall indemnify the City against any materialmen's liens as defined in AS 34.35.050 which arise as a result of construction on the premises.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, the day and year stated in the individual acknowledgments below.

LESSEE:  
  
State of Alaska, Division of Forestry  
  
By: \_\_\_\_\_  
RASHAAD ESTERS Date  
State of Alaska Contracting Officer

LESSOR:  
  
City of Kenai  
  
By: \_\_\_\_\_  
PAUL OSTRANDER Date  
City Manager

ACKNOWLEDGMENTS

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, Rashaad Esters, Contracting Officer with the State of Alaska, being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

STATE OF ALASKA )  
 ) ss.

THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2020, Paul Ostrander, City Manager of the City of Kenai, Alaska, being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said City.

\_\_\_\_\_  
Notary Public for Alaska  
My Commission Expires: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jamie Heinz, City Clerk

After Recording, Return to:  
City of Kenai  
210 Fidalgo Ave.  
Kenai, AK 99611

SEAL:

Approved as to Lease Form:

\_\_\_\_\_  
Scott Bloom, City Attorney



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

## Department of Administration

DIVISION OF RISK MANAGEMENT  
Scott Jordan, Director

P.O. Box 110218  
Juneau, Alaska 99811-0218  
Main: 907.465.2180  
Fax: 907.465.3690

March 11, 2020

City of Kenai  
210 Fidalgo Avenue  
Kenai, AK 99611

### CERTIFICATE OF SELF-INSURANCE

To Whom It May Concern:

The State of Alaska and its agencies are covered for property and liability exposures through major worldwide insurance programs with large self-insured retentions. Losses that fall within these self-insured (deductible) levels, including those for which we are contractually liable, are covered by the financial resources of the State and are administered under the self-insured claims program handled by this office. Workers' Compensation coverage is also provided through the State of Alaska self-insured program (authorized by AS 23.30.090) and includes waiver of subrogation.

This letter is to advise you that the liability insurance coverages stipulated in your Kenai Municipal Airport use agreement for the lease by the Department of Natural Resources, Division of Forestry, fall within the deductible levels of the State's excess insurance program and are covered under the State's self-insured program.

Given the State of Alaska self-insures the liability insurance protection you are requesting evidence for, we are unable to produce a standard certificate of insurance that you would commonly receive from other lessees. The State of Alaska, through this office will provide comprehensive general liability insurance coverage through our program of self-insurance for the activities and operations of the Department of Natural Resources, Division of Forestry on your premises.

If you have any questions or need further clarification of the State's self-insurance program, you may email me [Sheri.Gray@alaska.gov](mailto:Sheri.Gray@alaska.gov) or call (907) 465-5724.

Sincerely,

*Sheri Gray*

Sheri Gray  
Risk Manager



**Leased Parcel to ADNR-Div. of Forestry**  
**525 N. Willow St.**  
**Parcel 04336040**  
**Lot 4, FBO Subd. No. 7**



Data Source: Kenai Peninsula Borough. Data is for graphic representation only. Imagery may not match true parcel boundaries.



## MEMORANDUM

**TO:** Airport Commission  
**FROM:** Mary Bondurant, Airport Manager  
**DATE:** May 7, 2020  
**SUBJECT:** Fiscal Year 2021-2025 Capital Improvement Plan

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The Kenai City Council conducted a joint work session with Commissions and Committees on Wednesday, February 19, 2020 to provide an annual overview and discuss the draft Capital Improvement Plan for the City.

Please review the Airport section of the Capital Improvement Plan for recommendation at our May 14 meeting.

Thank you and please let me know if you have any questions.


Attachment

# AIRPORT FUND



CITY OF KENAI  
CAPITAL IMPROVEMENT PLAN  
FY2021 - 2025

FY2021	Project No.	COST	DESCRIPTION
AIRFIELD SAND AND EQUIPMENT STORAGE BUILDING*	01	\$1,734,319	Construct an approx. 6,400 sq ft sand and storage building at the Kenai Municipal Airport
RUNWAY PROTECTION ZONE LAND ACQUISITION*	02	\$100,000	Acquisition of property within runway protection zone for obstruction removal
WHEELED LOADER REPLACEMENT*	03	\$250,000	Replacement of aging equipment with new wheeled loader
AIRPORT OPERATIONS DDC CONTROLS CONVERSION	04	\$80,000	Consolidate existing controls system
TRACTOR/MOWER REPLACEMENT	05	\$131,000	Replacement of aging equipment with new tractor/mower
		<b>\$2,295,319</b>	 \$341,270 AIRPORT FUND \$1,954,049 GRANT/OTHER

FY2022	Project No.	COST	DESCRIPTION
AIRFIELD PAINTING AND CRACK SEALING DESIGN*	06	\$50,000	Design airfield painting and crack sealing project to current standards
TERMINAL ROAD AND PARKING LOT IMPROVEMENTS*	07	\$1,700,000	Rehabilitate access road, parking lot expansion, and lighting at the terminal
		<b>\$1,750,000</b>	 \$109,375 AIRPORT FUND \$1,640,625 GRANT/OTHER

FY2023	Project No.	COST	DESCRIPTION
AIRFIELD PAINTING AND CRACK SEALING*	08	\$1,250,000	Airfield painting and crack sealing to current standards
APRON AND WILLOW STREET EXTENSION*	09	\$2,443,000	Extend apron taxiway for lease lots and road and utilities on Willow Street
		<b>\$3,693,000</b>	 \$1,299,625 AIRPORT FUND \$2,393,375 GRANT/OTHER

\*Projects marked with an asterisk denote project is dependent on grant funding

# AIRPORT FUND



FY2024	Project No.	COST	DESCRIPTION
TERMINAL ELEVATOR MAJOR MAINTENANCE	10	\$50,000	Major maintenance on existing elevator at the Airport Terminal
ARFT FACILITY ELEVATOR MAJOR MAINTENANCE	11	\$50,000	Major maintenance on existing Alaska Regional Fire Training Facility elevator
		<b>\$100,000</b>	<b>&gt;&gt;</b> \$100,000 AIRPORT FUND \$0 GRANT/OTHER

FY2025	Project No.	COST	DESCRIPTION
RUNWAY RECONSTRUCTION*	12	\$15,000,000	Reconstruction of Runway 2L-20R
REHABILITATE TAXIWAYS A, C, K, AND L*	13	\$3,500,000	Rehabilitate taxiways K and C to current standards
		<b>\$18,500,000</b>	<b>&gt;&gt;</b> \$1,156,250 AIRPORT FUND \$17,343,750 GRANT/OTHER

\*Projects marked with an asterisk denote project is dependent on grant funding

# AIRPORT FUND PROJECTS

## AIRFIELD SAND AND EQUIPMENT STORAGE BUILDING

01

Department: Airport

Total Project Cost: \$2,000,000

Project Phased: No

Project Type: Building

Funding Source(s): Grant Dependent

Potential Grant Identified: Federal Aviation

Administration

Operating Budget Impact: Significant Decrease



YEAR:	2021	2022	2023	2024	2025
COST:	\$2,000,000				

Details:

This project will construct an approximately 6,400 square-foot sand and snow removal equipment storage building to allow the Airport to screen and stockpile sand for winter usage and store sand and snow removal equipment. A sand and snow removal equipment storage building will lengthen the useful life of the equipment.

## RUNWAY PROTECTION ZONE LAND ACQUISITION

02

Department: Airport

Total Project Cost: \$100,000

Project Phased: No

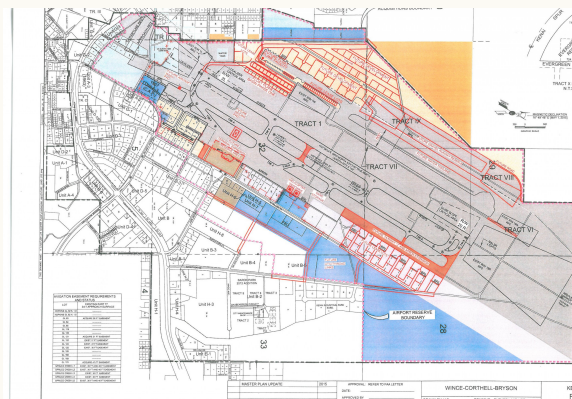
Project Type: Land Improvement

Funding Source(s): Grant Dependent

Potential Grant Identified: Federal Aviation

Administration

Operating Budget Impact: Minimal or No Impact



YEAR:	2021	2022	2023	2024	2025
COST:	\$100,000				

Details:

This project purchases two lots that have been identified on the south end of the apron and within the Runway Protection Zone (RPZ). Land for RPZ and obstruction control is FAA eligible, and these lots are designated as "Land for obstruction removal" on the Airport Layout Plan.

# AIRPORT FUND PROJECTS

## WHEELED LOADER REPLACEMENT

03

Department: Airport  
 Total Project Cost: \$250,000  
 Project Phased: No  
 Project Type: Equipment  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Minimal or No Impact



YEAR:	2021	2022	2023	2024	2025
COST:	\$250,000				

**Details:**

This project would replace old and aging equipment with new efficient snow removal equipment, consisting of a loader with attachments.

## AIRPORT OPERATIONS DDC CONTROLS CONVERSION

04

Department: Airport  
 Total Project Cost: \$80,000  
 Project Phased: No  
 Project Type: Building Improvement  
 Funding Source(s): Airport Fund  
 Potential Grant Identified: None  
 Operating Budget Impact: Slight Decrease



YEAR:	2021	2022	2023	2024	2025
COST:	\$80,000				

**Details:**

This project will consolidate the existing Airport Operations Facility controls systems into one system controlled by Meridian. This work will allow for easier future maintenance of the facility's heating, ventilation, and air conditioning (HVAC) system, making diagnosis of equipment issues much more manageable.

# AIRPORT FUND PROJECTS

## TRACTOR/MOWER REPLACEMENT

05

Department: Airport  
 Total Project Cost: \$131,000  
 Project Phased: No  
 Project Type: Equipment  
 Funding Source(s): Airport Fund  
 Potential Grant Identified: None  
 Operating Budget Impact: Slight Decrease



YEAR:	2021	2022	2023	2024	2025
COST:	\$131,000				

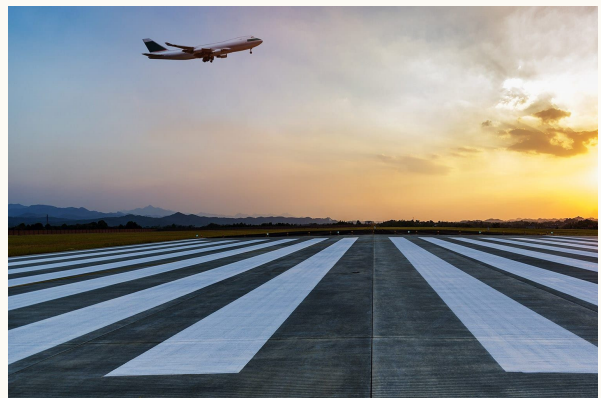
**Details:**

This project would replace a 17-year-old tractor/mower with a failing transmission with a new efficient tractor/mower, consisting of a tractor with mower attachment.

## AIRFIELD PAINTING AND CRACKSEALING DESIGN

06

Department: Airport  
 Total Project Cost: \$50,000  
 Project Phased: Yes  
 Project Type: Infrastructure  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Minimal/No Impact



YEAR:	2021	2022	2023	2024	2025
COST:		\$50,000			

**Details:**

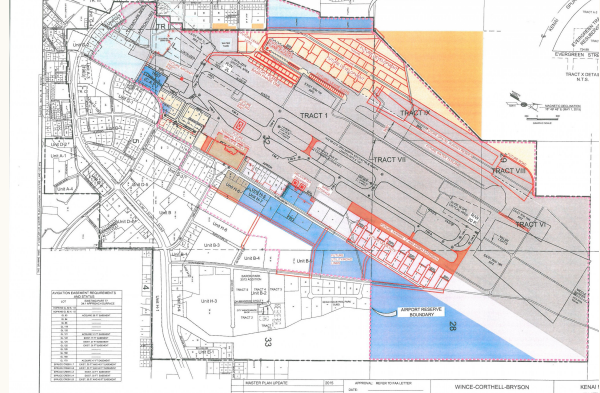
This project consists of project design for normal airfield marking and asphalt preservation to meet the Code of Federal Regulations (CFR) 139 inspections and a pavement maintenance program, a grant assurance for a federally obligated airport to protect the life of the asphalt.

# AIRPORT FUND PROJECTS

## TERMINAL ROAD AND PARKING LOT IMPROVEMENTS

07

Department: Airport  
 Total Project Cost: \$1,700,000  
 Project Phased: No  
 Project Type: Infrastructure  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Slight Increase



YEAR:	2021	2022	2023	2024	2025
COST:		\$1,700,000			

**Details:**

This project rehabilitates the access road, provides for parking lot expansion to the south, and installs new lighting poles at the Kenai Municipal Airport Terminal parking lot.

## AIRFIELD PAINTING AND CRACKSEALING

08

Department: Airport  
 Total Project Cost: \$1,250,000  
 Project Phased: Yes  
 Project Type: Infrastructure  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Slight Decrease



YEAR:	2021	2022	2023	2024	2025
COST:			\$1,250,000		

**Details:**

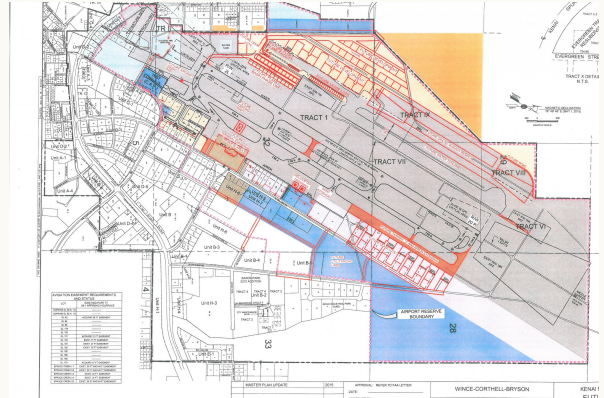
This project consists of normal airfield marking and asphalt preservation to meet the Code of Federal Regulations (CFR) 139 inspections and a pavement maintenance program, which is a grant assurance for a federally obligated airport to protect the life of the asphalt.

# AIRPORT FUND PROJECTS

## APRON AND WILLOW STREET EXTENSION

09

Department: Airport  
 Total Project Cost: \$2,443,000  
 Project Phased: No  
 Project Type: Land Improvement/ Infrastructure  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Slight Increase



YEAR:	2021	2022	2023	2024	2025
COST:			\$2,443,000		

**Details:**

This project would extend the apron taxiway 600 feet for lease lots and Willow Street Extension (road and utilities) as well as provide for lease lot development (five acres). Lease lot development is assumed to be 100% City-funded.

## TERMINAL ELEVATOR MAJOR MAINTENANCE

10

Department: Airport  
 Total Project Cost: \$50,000  
 Project Phased: No  
 Project Type: Building Improvement  
 Funding Source(s): Airport Fund  
 Potential Grant Identified: None  
 Operating Budget Impact: Minimal or No Impact



YEAR:	2021	2022	2023	2024	2025
COST:				\$50,000	

**Details:**

Provide major maintenance on the existing Airport Terminal Elevator. This maintenance will replace 30-plus-year-old components for safety reasons while providing minor cosmetic improvements.



# AIRPORT FUND PROJECTS

## ARFT ELEVATOR MAJOR MAINTENANCE

11

Department: Airport  
 Total Project Cost: \$50,000  
 Project Phased: No  
 Project Type: Building Improvement  
 Funding Source(s): Airport Fund  
 Potential Grant Identified: None  
 Operating Budget Impact:  
 Minimal or No Impact



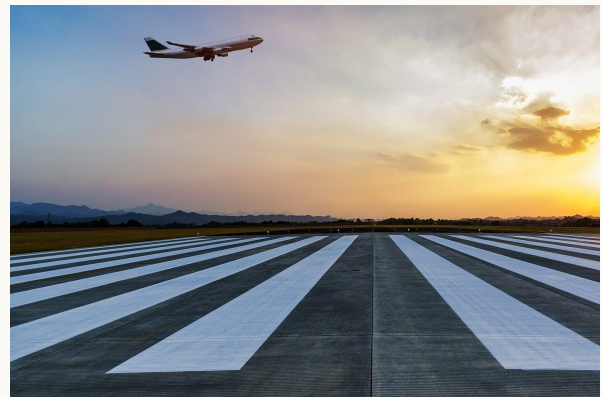
YEAR:	2021	2022	2023	2024	2025
COST:				\$50,000	

Details:  
 Provide major maintenance on the existing Alaska Regional Fire Training Facility's elevator. The facility is currently primarily occupied by Beacon. The facility was constructed in 1997, and while the elevator sees relatively minimal use, this project will provide for the continued safe operation of the unit.

## RUNWAY RECONSTRUCTION

12

Department: Airport  
 Total Project Cost: \$15,000,000  
 Project Phased: No  
 Project Type: Infrastructure  
 Funding Source(s): Grant Dependent  
 Potential Grant Identified: Federal Aviation Administration  
 Operating Budget Impact: Slight Decrease



YEAR:	2021	2022	2023	2024	2025
COST:					\$15,000,000

Details:  
 This project removes and replaces existing asphalt and crushed rock base. Four inches of AP subbase will be removed, with the remaining 10 inches of subbase compacted to 100% followed by a new course C crushed base and 4 inches of asphalt laid in two lifts. This project is necessary due to excessive reflective cracking and reduced PCI values. The top lift will be grooved, and the new section will be 17-18 inches thick.

# AIRPORT FUND PROJECTS

## REHABILITATE TAXIWAYS A, C, K, AND L

13

Department: Airport

Total Project Cost: \$3,500,000

Project Phased: No

Project Type: Infrastructure

Funding Source(s): Grant Dependent

Potential Grant Identified: Federal Aviation

Administration

Operating Budget Impact: Slight Decrease



YEAR:	2021	2022	2023	2024	2025
COST:					\$3,500,000

### Details:

This project will widen shoulders and safety areas between taxiways K and C to current standards, upgrade lighting and signage to watertight standards, in-pavement lights for D and E, and reconstruct Taxiway A asphalt. The project will reduce crack sealing maintenance costs and bring the oldest pavement on the Airport up to the recommended Pavement Condition Index.



**Kenai City Council - Regular Meeting**

**April 01, 2020 – 6:00 PM**

**Kenai City Council Chambers**

**210 Fidalgo Avenue, Kenai, Alaska**

**\*Telephonic/Virtual Information Below\***

[www.kenai.city](http://www.kenai.city)

**ACTION AGENDA**

**A. CALL TO ORDER**

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. Consent Agenda (*Public comment 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 PUBLIC COMMENTS**

*(Public comment limited to ten (10) minutes per speaker)*

**C. UNSCHEDULED PUBLIC COMMENTS**

*(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

**D. PUBLIC HEARINGS**

1. **ENACTED UNANIMOUSLY. Ordinance No. 3113-2020** - Increasing Estimated Revenues and Appropriations in the Terminal Improvements Capital Fund, and Authorizing an Increase to the Design Agreement with Wince Corthell Bryson. (Administration)
2. **ADOPTED UNANIMOUSLY. Resolution No. 2020-17** - Authorizing the Use of Funds Remaining After Completion of the Kenai Senior Center Solarium, Roof Repair, Dining Room and Administrative Office Carpet Replacement Projects for a New Project to Create an Alternate Entrance into the Center's Computer Lab. (Administration)

**E. MINUTES – None.**

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

1. **APPROVED BY THE CONSENT AGENDA. \*Action/Approval** - Bills to be Ratified. (Administration)
2. **APPROVED BY THE CONSENT AGENDA. \*Action/Approval** - Purchase Orders Over \$15,000. (Administration)
3. **APPROVED BY THE CONSENT AGENDA. \*Action/Approval** - Non-Objection to the Renewal of the Liquor Licenses for George's Nightclub, Uptown Motel/Back Door Lounge, Uptown Motel/Louie's, and Kenai Elks Lodge #2425. (City Clerk)
4. **INTRODUCED BY THE CONSENT AGENDA/PUBLIC HEARING SET 04/15/2020. \*Ordinance No. 3116-2020** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Airport Improvements Capital Project Funds and Authorizing a Professional Services Agreement for the Design of the Airport Operations Sand Storage Facility Project. (Administration)
5. **Discussion** - City Response to COVID-19. (Administration)

**H. 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
7. Mini-Grant Steering Committee

**I. REPORT OF THE MAYOR**

**J. ADMINISTRATION REPORTS**

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

**K. ADDITIONAL PUBLIC COMMENT**

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

L. **EXECUTIVE SESSION**

M. **PENDING ITEMS**

N. **ADJOURNMENT**

O. **INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000.

*The agenda and supporting documents are posted on the City's website at [www.kenai.city](http://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.*

**Join Zoom Meeting: <https://zoom.us/j/537517209>**

**Meeting ID: 537 517 209**

**Dial by your location: (253) 215-8782**

(Or, find your local number at <https://zoom.us/u/aYoajf1wu>)

**Meeting ID: 537 517 209**



## Kenai City Council - Regular Meeting

April 15, 2020 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

[www.kenai.city](http://www.kenai.city)

### **ACTION AGENDA**

#### **A. CALL TO ORDER**

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. Consent Agenda (*Public comment limited to three (3) minutes) per speaker; thirty (30) minutes aggregated*)

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#### **B. SCHEDULED PUBLIC COMMENTS**

*(Public comment limited to ten (10) minutes per speaker)*

1. **Tim Dillon, Kenai Peninsula Economic Development District - COVID-19 Economic Impact Survey.**

#### **C. UNSCHEDULED PUBLIC COMMENTS**

*(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

#### **D. PUBLIC HEARINGS**

1. **ENACTED UNANIMOUSLY AS AMENDED. Ordinance No. 3116-2020** - Increasing Estimated Revenues and Appropriations in the Airport Special Revenue and Airport Improvements Capital Project Funds and Authorizing a Professional Services Agreement for the Design of the Airport Operations Sand Storage Facility Project. (Administration)
  - **Substitute Ordinance No. 3116-2020**
2. **ADOPTED UNANIMOUSLY. Resolution No. 2020-18** - Awarding a Contract to Provide a Cybersecurity Audit. (Administration)
3. **ADOPTED UNANIMOUSLY AS AMENDED. Resolution No. 2020-19** - Recognizing the Successful Efforts of the State Leadership and Alaskan Residents to Slow the Spread of COVID-19 and Encouraging the Governor to Rescind or Modify COVID-19 Health Mandates 003: State Wide Closure Restaurants, Bars, Entertainment, 009: Personal Care Services and Gatherings, and 012: Intrastate Travel, as Soon as Reasonably Practical to Allow Alaskan Businesses to Resume Operations, Employees to Return to Work and

Residents to Receive Services in a Safe Manner Observing Social Distancing Requirements. (Council Member Peterkin)

4. **ADOPTED UNANIMOUSLY. Resolution No. 2020-20** - Supporting H.R. 6467-Coronavirus Community Relief Act, Providing Enhanced Coronavirus Relief Funds to Units of Local Governments with a Population of 500,000 or Less. (Mayor Gabriel)

**E. MINUTES**

1. **APPROVED UNANIMOUSLY BY THE CONSENT AGENDA.** \*Regular Meeting of March 18, 2020. (City Clerk)
2. **APPROVED UNANIMOUSLY BY THE CONSENT AGENDA.** \*Special Meeting of March 24, 2020. (City Clerk)
3. **APPROVED UNANIMOUSLY BY THE CONSENT AGENDA.** \*Regular Meeting of April 1, 2020. (City Clerk)

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

1. **APPROVED UNANIMOUSLY BY THE CONSENT AGENDA.** \*Action/Approval - Bills to be Ratified. (Administration)
2. **APPROVED UNANIMOUSLY BY THE CONSENT AGENDA.** \*Action/Approval - Purchase Orders Over \$15,000. (Administration)
3. **INTRODUCED BY THE CONSENT AGENDA – PUBLIC HEARING SET FOR 05-06-2020.** \*Ordinance No. 3117-2020 - Appropriating Funds in the Airport Fund, Accepting a Grant from the Federal Aviation Administration and Appropriating Funds in the Airport Equipment Capital Project Fund for the Purchase of Snow Removal Equipment (SRE) – Loader With Attachments. (Administration)
4. **INTRODUCED BY THE CONSENT AGENDA – PUBLIC HEARING SET FOR 05-06-2020.** \*Ordinance No. 3118-2020 - Increasing Estimated Revenues and Appropriations By \$1,287.44 in the General Fund – Police Department for State Traffic Grant Overtime Expenditures. (Administration)
5. **INTRODUCED BY THE CONSENT AGENDA – PUBLIC HEARING SET FOR 05-06-2020.** \*Ordinance No. 3119-2020 - Increasing General Fund Estimated Revenues and Appropriations by \$26,542 in the General Fund Parks, Recreation and Beautification Department for an Increase of a Grant from the United States Environmental Protection Agency Passed Through the State of Alaska Department of Environmental Conservation for Bacteria Level Monitoring on the City’s Beaches from March 1, 2020 Through June 30, 2020. (Administration)
6. **Discussion** – Schedule a Work Session to Review and Discuss the Fiscal Year 2021 City of Kenai Budget. (Mayor Gabriel)
7. **Discussion** - City Response to COVID-19. (Administration)

**H. 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
7. Mini-Grant Steering Committee

**I. REPORT OF THE MAYOR**

**J. ADMINISTRATION REPORTS**

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

**K. ADDITIONAL PUBLIC COMMENT**

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

**L. EXECUTIVE SESSION**

1. Review and Discussion of the City Manager's Evaluation which may be a Subject that Tends to Prejudice the Reputation and Character of the City Manager [AS 44.62.310(C)(2)].

**M. PENDING ITEMS**

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000.

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## Kenai City Council - Regular Meeting

May 06, 2020 – 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

**\*Telephonic/Virtual Information on Page 4\***

[www.kenai.city](http://www.kenai.city)

### ***Action Agenda***

#### **A. CALL TO ORDER**

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval
4. Consent Agenda (*Public comment 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 PUBLIC COMMENTS**

*(Public comment limited to ten (10) minutes per speaker)*

#### **C. UNSCHEDULED PUBLIC COMMENTS**

*(Public comment limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

#### **D. PUBLIC HEARINGS**

1. **POSTPONED TO 05/20/2020. Ordinance No. 3117-2020** - Appropriating Funds in the Airport Fund, Accepting a Grant From the Federal Aviation Administration and Appropriating Funds in the Airport Equipment Capital Project Fund for the Purchase of Snow Removal Equipment (SRE) – Loader With Attachments. (Administration)
2. **ENACTED UNANIMOUSLY. Ordinance No. 3118-2020** - Increasing Estimated Revenues and Appropriations by \$1,287.44 in the General Fund – Police Department for State Traffic Grant Overtime Expenditures. (Administration)
3. **ENACTED UNANIMOUSLY. Ordinance No. 3119-2020** - Increasing General Fund Estimated Revenues and Appropriations by \$26,542 in the General Fund Parks, Recreation and Beautification Department for an Increase of a Grant from the United States Environmental Protection Agency Passed Through the State of Alaska Department of Environmental Conservation for Bacteria Level Monitoring on the City's Beaches from March 1, 2020 Through June 30, 2020. (Administration)

4. **ENACTED UNANIMOUSLY. Ordinance No. 3123-2020** - Accepting and Appropriating Funds in the Airport Fund, and Accepting a Grant From the Federal Aviation Administration for a CARES Act Grant. (Administration)
  1. Motion for Introduction
  2. Motion for Second Reading (Requires a Unanimous Vote)
  3. Motion for Adoption (Requires Five Affirmative Votes)
  
5. **ENACTED UNANIMOUSLY. Ordinance No. 3126-2020** - Accepting and Appropriating Federal CARES Act Funding Passed Through the State of Alaska for Expenditures in Response to the COVID-19 Pandemic, Waiving the \$5,000 Limitation in KMC 7.25.020 (A) on These Funds to Allow the City Manager to Allocate the Funds to the Proper Account as Needs Arise and Declaring an Emergency. (Administration)
  1. Motion for Introduction
  2. Motion for Second Reading (Requires a Unanimous Vote)
  3. Motion for Adoption (Requires Five Affirmative Votes)
  
6. **ADOPTED UNANIMOUSLY. Resolution No. 2020-21** - Authorizing a Budget Transfer in the General Fund City Clerk Department for a Software Add-On. (City Clerk)
  
7. **ADOPTED UNANIMOUSLY. Resolution No. 2020-22** - Authorizing the City of Kenai to Issue General Obligation Refunding Bonds in the Principal Amount of Not to Exceed the Sum of \$1,250,000 to Refund Certain Outstanding General Obligation Bonds of the City, Fixing Certain Details of Such Bonds and Authorizing Their Sale. (Administration)
  
8. **ADOPTED UNANIMOUSLY. Resolution No. 2020-23** - Approving an Exception to the Collections Policy for Delinquent Ambulance Bills to Eliminate Out of Pocket Collection for COVID-19 Treatment/Transport to Comply with Federal Funding Requirements. (Legal)
  
9. **ADOPTED UNANIMOUSLY. Resolution No. 2020-24** - Selecting the Successful Firm for the Professional Environmental / Civil Engineering & Construction Administration Services for Kenai Municipal Water, Sewer and Wastewater Capital Improvement Projects Request for Proposals. (Administration)

**E. MINUTES**

1. **APPROVED BY THE CONSENT AGENDA.** \*Regular Meeting of April 15, 2020. (City Clerk)
2. **APPROVED BY THE CONSENT AGENDA.** \*Special Meeting of April 16, 2020. (City Clerk)
3. **APPROVED BY THE CONSENT AGENDA.** \*Work Session Summary of April 25, 2020. (City Clerk)

**F. UNFINISHED BUSINESS**

**G. NEW BUSINESS**

1. **APPROVED BY THE CONSENT AGENDA.** \*Action/Approval - Bills to be Ratified. (Administration)

2. **APPROVED BY THE CONSENT AGENDA. \*Action/Approval** - Purchase Orders Over \$15,000. (Administration)
3. **INTRODUCED BY THE CONSENT AGENDA; PUBLIC HEARING SET FOR 05/20/2020. \*Ordinance No. 3120-2020** - Accepting \$26,545.90 in Asset Forfeiture Sharing Funds and Appropriating those Funds into the Police Machinery & Equipment and Small Tools Accounts for the Purpose of Purchasing Law Enforcement Equipment. (Administration)
4. **INTRODUCED BY THE CONSENT AGENDA; PUBLIC HEARING SET FOR 05/20/2020. \*Ordinance No. 3121-2020** - Adopting the Annual Budget for the Fiscal Year Commencing July 1, 2020 and Ending June 30, 2021, Amending the Salary Schedule in Kenai Municipal Code Chapter 23.55- Pay Plan and Amending Employee Classifications in Kenai Municipal Code Chapter 23.50. (Administration)
5. **INTRODUCED BY THE CONSENT AGENDA; PUBLIC HEARING SET FOR 05/20/2020. \*Ordinance No. 3122-2020** - Accepting and Appropriating a Volunteer Fire Assistance (VFA) Grant From the United States Department of Agriculture Forest Service Passed Through the State of Alaska Division of Forestry for the Purchase of Forestry Firefighting Equipment. (Administration)
6. **INTRODUCED BY THE CONSENT AGENDA; PUBLIC HEARING SET FOR 05/20/2020. \*Ordinance No. 3124-2020** - Accepting and Appropriating a Meals on Wheels COVID-19 Response Fund Grant From Meals on Wheels America for Kenai Senior Center Expenditures in Support of COVID-19 Pandemic Response. (Administration)
7. **INTRODUCED BY THE CONSENT AGENDA; PUBLIC HEARING SET FOR 05/20/2020. \*Ordinance No. 3125-2020** - Accepting and Appropriating Additional Nutrition, Transportation and Support Services Grant Funds From the United States Department of Health and Human Services Passed Through the State of Alaska Department of Health and Social Services for Kenai Senior Center Expenditures in Support of COVID-19 Pandemic Response. (Administration)
8. **Discussion** – Election Method. (Mayor Gabriel)
9. **Discussion** - City Response to COVID-19. (Administration)

**H. 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
7. Mini-Grant Steering Committee

**I. REPORT OF THE MAYOR**

**J. ADMINISTRATION REPORTS**

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

**K. ADDITIONAL PUBLIC COMMENT**

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

**L. EXECUTIVE SESSION**

**M. PENDING ITEMS**

**N. ADJOURNMENT**

**O. INFORMATION ITEMS**

1. Purchase Orders Between \$2,500 and \$15,000.
2. Cook Inlet Regional Citizens Advisory Council Board of Directors Update

*The agenda and supporting documents are posted on the City's website at [www.kenai.city](http://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.*

**Join Zoom Meeting:** <https://us02web.zoom.us/j/82022095414>

**Meeting ID: 820 2209 5414**  
**Password: 976726**

**Dial by your location: (253) 215 8782 -or- (301) 715 8592**

**Meeting ID: 820 2209 5414**  
**Password: 976726**



# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Mary Bondurant, Airport Manager  
**DATE:** April 6, 2020  
**SUBJECT:** **April Mid-month Report**

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2018 Terminal Rehabilitation Project – Construction: The project is shut-down due to CORVID-19.

2019 Alaska Fire Training Facility Rehabilitation & Acquire Aircraft Rescue and Firefighting Trucks (ARFF) – Progress has slowed-down due to the CORVID-19 virus.

2020 Acquire SRE (Loader) – The Invitation to Bid for a loader with attachments will start advertising on April 8, 2020. This currently is the only Airport Improvement Project scheduled for FY20.

### In-house Activities:

Airport Operations – Operations crew continues to plow snow due to the long winter season and are preparing to start summer clean-up activities.

Airport Administration – The office is closed. The Airport Manager is working and the Administrative Assistant has been assigned telework from home. If you need assistance please send an email to [mbondurant@kenai.city](mailto:mbondurant@kenai.city) or call 907.283.7951. The terminal building is closed from Friday night at 12 midnight until 3:00am on Sundays due to the airline and car rental companies' schedules along; the lounge and café already closed.

March 16 & 17, 2020 – The TSA inspection was conducted and there were no findings of non-compliance identified.

May 13 & 14, 2020 – Cancelled due to the CORVID -19 virus. 2020 Alaskan Region Airports Division Workshop.

April 7, 2020 – The USDA required initial and recurrent Wildlife Hazing training has been postponed due to the CORVID-19 virus. The FAA has granted a 90-day extension.

June 13, 2020 – 20<sup>th</sup> Annual Kenai Peninsula Air Fair, Saturday! This event has been cancelled due to the CORVID-19 virus.

April 6, 2020 RAVN Shutdown – RAVN has shut down the Kenai flight and cargo operations at the Airport due to the CORVID-19 virus. This action lays off twenty-five local RAVN employees. Grant continues to fly a limited schedule six-days a week.





Sponsored by: Administration

**CITY OF KENAI**

**ORDINANCE NO. 3123-2020**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, ACCEPTING AND APPROPRIATING FUNDS IN THE AIRPORT FUND, AND ACCEPTING A GRANT FROM THE FEDERAL AVIATION ADMINISTRATION FOR A CARES ACT GRANT.

WHEREAS, on March 27, 2020 the Secretary of Transportation announced that nearly \$10 billion was being provided to eligible U.S. airports to prevent, prepare for, and respond to coronavirus impacts, including for continuing airport operations; and,

WHEREAS, on April 14, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Public Law 116-136 awarded the Kenai Municipal Airport \$1,622,758 to keep the airport in reliable, safe operation to serve the aviation industry, the travelling public, support the economy, keep airport and aviation workers employed, and keep airport credit ratings stable; and,

WHEREAS, the funds are available for any purpose for which airport revenues may lawfully be used; and,

WHEREAS, on April 24, 2020, the City Manager submitted a grant application to the Federal Aviation Administration for \$1,622,758 which may be used for any purpose for which airport funds may be lawfully used, as found in the Office of Airports Revenue Use Policy, except airport development or land acquisition; and

WHEREAS, legislative action designating authority for execution of the grant is required by end of business on May 20, 2020 in order for the grant to be valid; and

WHEREAS, pursuant to KMC 1.15.70(d) the City may introduce and finally pass on the same day, an ordinance making, repealing, transferring or otherwise changing an appropriation; and,

WHEREAS, keeping the airport in reliable, safe operation is in the best interest of the Kenai Municipal Airport.

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 accept a grant in the amount of \$ 1,622,758.

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

Airport Fund:

Increase Estimated Revenues –  
Federal Grant

\$ 1,622,758

Increase Appropriations –  
Administration - Contingency

\$ 1,622,758

**Section 3.** That the City Manager is authorized to accept grant funding for \$ 1,622,758 from the Federal Aviation Administration and to execute a grant agreement and to expend grant funds to fulfill the purpose and intent of this ordinance.

**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.

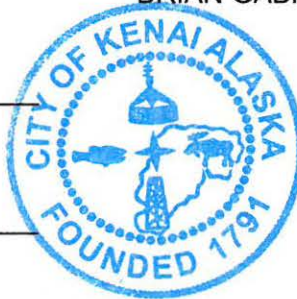
ENACTED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 6<sup>th</sup> day of May, 2020.

*Brian Gabriel Sr.*

\_\_\_\_\_  
BRIAN GABRIEL SR., MAYOR

ATTEST:

*Jamie Heinz*  
\_\_\_\_\_  
Jamie Heinz, CMC, City Clerk



Approved by Finance: *[Signature]*

Introduced: May 6, 2020  
Enacted: May 6, 2020  
Effective: May 6, 2020





# KENAI

City of Kenai | 210 Fidalgo Ave, Kenai, AK 99611-7794 | 907.283.7535 | [www.kenai.city](http://www.kenai.city)

## MEMORANDUM

**TO:** Mayor Brian Gabriel and Kenai City Council  
**THROUGH:** Paul Ostrander, City Manager  
**FROM:** Mary Bondurant, Airport Manager  
**DATE:** April 27, 2020  
**SUBJECT:** Ordinance No. 3123-2020 – CARES Act Grant

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On April 14, 2020, the Secretary of Transportation announced that the Kenai Municipal Airport was the recipient of \$1,622,758 due to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Because the grant must be executed by the City Manager on or before May 20, 2020 after authorizing legislative action has been taken, I am requesting this Ordinance be read twice and enacted at the same meeting to avoid any potential issues.

This grant is generally available for any purpose for which airport revenues may lawfully be used.

Thank you for your consideration.

# Senator Peter A. Micciche

*Alaska State Legislature*

**Session Address:**

Alaska State Capitol, Rm. 504  
Juneau, Alaska 99801-1182  
Phone: (907) 465-2828  
Toll Free: (800) 964-5733

**Interim Address:**

145 Main Street Loop, Ste. 226  
Kenai, Alaska 99611-7771  
Phone: (907) 283-7996  
Fax: (907) 283-8127

Willie F. Card Nomination Committee

To Whom It May Concern,

It is my privilege to write this letter of support and recommendation for the Kenai Municipal Airport Air Traffic Control Tower's nomination for the Willie F. Card Award.

I am honored to have the Air Traffic Control Tower in Kenai be recognized and nominated for this award. The tower has been around for 45 years, serving approximately 100,000 travelers a year, including Alaskans and people from the Lower 48. Between air carriers, air taxis, general aviation, and the military, the tower handles approximately 60,000 operations annually.

Safety and professional customer service are what makes the Kenai Tower so exceptional. The Kenai Tower Controllers are exceedingly trained, safety oriented, have great communication skills and are very accommodating to all users of the airport. During hours of operation, controllers handle aircraft landing and departing, transitioning aircraft from west to east or east to west, and over ground vehicle operations. They do very well in high pressure situations to make sure everyone is safe and well informed. Whenever there is a missing aircraft, they coordinate searches and also inform pilots of nearby planes so they can steer clear. Their traffic control expertise has also directed many aircrafts with radio problems into Kenai's airspace to a safe landing. Professionalism is a great way to describe how well the controllers handle high traffic flying events, such as military exercises. Everyone who is a part of the tower does a stellar job of running a smooth operation in order to keep all those in the Kenai Tower's airspace safe and get them to where they need to go.

We are all proud to live here and be able to use the safe and professional services the Kenai Tower provides.

Sincerely,

A handwritten signature in cursive script, appearing to read "Peter Micciche".

Peter Micciche



**U.S. Department of  
Transportation**

Office of the Secretary  
Of Transportation

Departmental Office of Civil Rights  
1200 New Jersey Avenue, S.E., W76-401  
Washington, DC 20590

To: State and Local Recipients Implementing the Disadvantaged Business Enterprise (DBE) and Airport Concession DBE (ACDBE) Programs

From: Charles E. James, Sr.  
Director, Departmental Office of Civil Rights (DOCR) *Charles E. James, Sr.*

Re: DBE and ACDBE Program Monitoring During COVID-19 Public Health Emergency: Update and Supplemental Guidance<sup>1</sup>

Date: April 30, 2020

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The U.S. Department of Transportation (Department or DOT) is entrusted with billions of dollars of public funds used to finance State and locally initiated projects throughout the United States and its territories. As stewards of these funds, State and local recipients must ensure that all grants and associated expenditures are made consistent with applicable statutory and regulatory authorities. I am writing to remind you of the importance the Department places on the Disadvantaged Business Enterprise (DBE) and Airport Concession DBE (ACDBE) programs, which support sustained infrastructure development and greater economic efficiency.

The Coronavirus Disease 2019 (COVID-19) public health emergency is still affecting many aspects of our collective personal and professional lives. The COVID-19 public health emergency has also created challenges for many small businesses, including DBEs and ACDBEs, such that it may be difficult for these businesses to remobilize their workforce.

Flexibility has been an important aspect of the DBE program, supporting recipients' ability to establish and provide opportunities for DBEs, while ensuring the integrity of the DBE and ACDBE programs. The Department's March 24, 2020, and April 1, 2020, memoranda on the DBE and ACDBE Program Requirements (see: <https://www.transportation.gov/mission/civil-rights/covid-19-guidance>) provide guidance on appropriate flexibilities that you may apply during the COVID-19 public health emergency.

In the coming weeks and months, funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) and the continuation or resumption of existing projects will provide economic relief for small businesses, support for workers, and strengthen our communities. It is important to continue your organization's commitment to the DBE and ACDBE program rules and implementing those rules as set forth in the DBE and ACDBE regulations, 49 CFR parts 23 and 26. This includes continuing to take all necessary and reasonable steps to ensure nondiscrimination in the award and administration of contracts.

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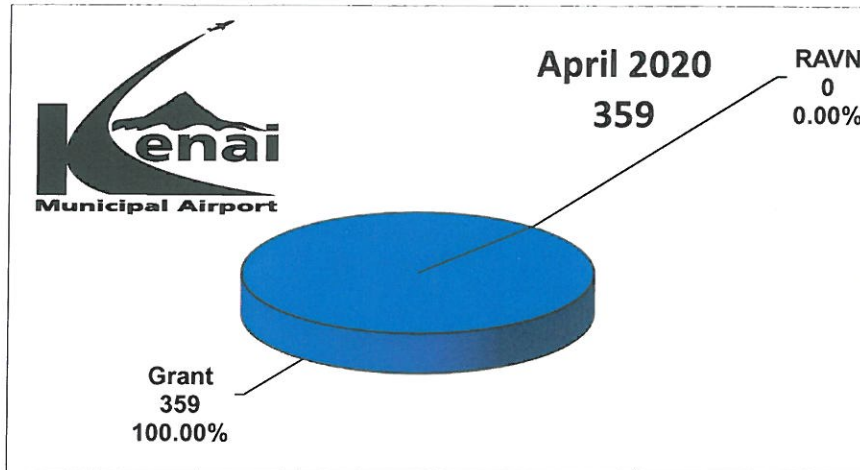
<sup>1</sup> This guidance is not legally binding in its own right. Conformity with this guidance, as distinct from existing statutes, regulations, and grant assurances, is voluntary only, and nonconformity will not affect existing rights and obligations.

DOCR and the Department's Operating Administrations (OAs) take compliance with the DBE and ACDBE program rules seriously and investigate instances of program violations. We request that you communicate with us early to address possible instances of noncompliance by program participants, including prime contractors and subcontractors, or if you encounter new issues or questions that need to be addressed. The Office of the Secretary and OA civil rights staff use this information to craft policies and guidance that support the DBE and ACDBE programs. Allegations of fraud, waste, abuse, or mismanagement in the DBE Program may be reported to the Department's Office of the Inspector General: [www.oig.dot.gov](http://www.oig.dot.gov).

In addition to the Department's existing DBE and ACDBE program guidance available at <https://www.transportation.gov/civil-rights/disadvantaged-business-enterprise/dbe-guidance>, the Department maintains a webpage for COVID-19 information and resources <https://www.transportation.gov/coronavirus>.

I hope you, your family, and colleagues are coping as well as possible and staying safe. Once again, thank you for your dedication and effort during these challenging times.

April  
Enplanement Report



Month	RAVN ALASKA	GRANT AVIATION	Total 2020	2019	Change from 2019
January	4,109	2,281	6,390	6,785	-395
February	3,988	1,942	5,930	5,957	-27
March	0	1,317	1,317	6,808	-5,491
April	0	359	359	6,441	-6,082
May			0	7,198	
June			0	7,656	
July			0	10,658	
August			0	12,925	
September			0	8,951	
October			0	7,594	
November			0	6,998	
December			0	7,033	
<b>Totals</b>	<b>8,097</b>	<b>5,899</b>	13,996	95,004	-11,995

Terminal - Vehicle Parking Revenues

April		FY19 Total	
FY19	\$19,444	FY19 Total	\$245,918
FY20	\$6,503	FY20 YTD	\$165,923

