

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 21-014:** Authorizing the City Manager to Execute a Lease Agreement with Skye Investments, LLC for a New Airport Lease on Lease Lot 7 B, Tract B, Palmer Municipal Airport, for the Purpose of Establishing a New Hangar for Corporate Jet Traffic Page 3
 - b. **Action Memorandum No. 21-015:** Authorizing the City Manager to Purchase One International Dump Truck Chassis in the Amount of \$192,064.20 and to Purchase the Chassis Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230 by Attaching to the Sourcewell Vehicle and Chassis Contract No. 060920-NAVS Awarded to Navistar Inc. for New International Trucks Page 47
 - c. **Action Memorandum No. 21-016:** Authorizing the City Manager to Amend the Professional Services Agreement with HDR, Inc. in an Amount Not to Exceed \$994,229.00 for Additional Engineering Services to Support the City with Final Engineering Design Update, Bidding Assistance, Construction and Project Management for Installation of Two (2) New Clarifiers at the Wastewater Treatment Facility as Required by the First Material Modification to the United States et al. v. City of Palmer Consent Decree Page 61
2. Approval of Minutes of Previous Meetings
 - a. January 26, 2021, Regular Meeting Page 93

E. COMMUNICATIONS AND APPEARANCES REQUEST

1. Presentation from David Dahm Regarding Petition Against Annexation of Area C into City of Palmer

F. REPORTS

1. City Manager’s Report
2. City Clerk’s Report
3. Mayor’s Report
4. City Attorney’s Report

G. AUDIENCE PARTICIPATION

H. PUBLIC HEARINGS

- 1. **Resolution No. 20-005-B:** Amending the 2020 City of Palmer Budget for the Fiscal Year Ending December 31, 2020Page 97
- 2. **Resolution No. 21-007:** Authorizing the City Manager to Apply for an Alaska Clean Water Fund (State Revolving Fund) Loan in the Principal Amount Not to Exceed \$8,000,000.00 to Provide Interim Financing as Required by the USDA Rural Development Loan/Grant Program, for the Construction and Installation of Two Secondary Clarifiers at the Palmer Wastewater Treatment Facility Page 105
- 3. **Ordinance No. 21-001:** Amending Palmer Municipal Code Title 17 Enacting Palmer Municipal Code Chapter 17.30 Creating a Central Business District..... Page 111
- 4. **Ordinance No. 21-002:** Amending Palmer Municipal Code Title 17 Regarding a Central Business District and Enacting Palmer Municipal Code Section 17.28.020 Palmer Commercial Land Use Matrix Page 123

I. NEW BUSINESS

J. RECORD OF ITEMS PLACED ON THE TABLE

K. AUDIENCE PARTICIPATION

L. COUNCIL COMMENTS

M. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
Mar 9	Regular	7 pm	
Mar 23	Regular	7 pm	
Apr 13	Regular	7 pm	
Apr 27	Regular	7 pm	
May 11	Regular	7 pm	
May 25	Regular	7 pm	
June 8	Regular	7 pm	
June 22	Regular	7 pm	

**City of Palmer
Action Memorandum No. 21-014**

Subject: Authorizing the City Manager to Execute a Lease Agreement with Skye Investments, LLC for a New Airport Lease on Lease Lot 7 B, Tract B, Palmer Municipal Airport, for the Purpose of Establishing a New Hangar for Corporate Jet Traffic

Agenda of: February 23, 2021

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **15,760.06**

This legislation (√):



<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>15,760.06</u>
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>3,800.00 Lease Lot Survey</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	_____	_____
City Clerk	<u></u>	_____

Attachment(s):

1. Draft PMA Lease No. 21-001
2. Draft PMA Memorandum of Lease No. 21-001
3. Draft TW November (N) Disclosure

Summary Statement/Background:

Richard Young, Manager/Member (100% Owner) of Skye Investments, LLC has requested a new airport lease with the City of Palmer for the purposes of establishing a new corporate jet style hangar to house his own aircraft, but also to sub-lease space as an investment property, and to provide overnight hangar opportunities for mid-size jet aircraft at the Palmer Airport, he intends to also pursue aircraft sales and open a small rental car business. He has already lined up one Anchorage corporate jet owner and is in the process of securing others.

Mr. Young will initially build one 80' X 100' steel framed hangar and 63,000 square feet of paved apron to start this investment but plans to continue building additional hangar space on the property as new opportunities are developed. The initial investment will total approximately \$950K. Construction is slated to start this spring and summer barring any unforeseen circumstances.

Mr. Young is among other things, a developer, a pilot, and entrepreneur who owns existing rental property in the Eagle River and Chugiak areas.

This is the airport's last remaining lease lot with airside access until TW November (N) project can be completed. As such, a temporary 50' lease lot easement has been incorporated into this lease agreement, should lease lot 7C and beyond become leased and developed prior to the TW N project.

Administration's Recommendation:

To Approve Action Memorandum No. 21-014



City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 21-001**

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City of Palmer

**231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271**

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 21-001**

This LEASE AGREEMENT is made and entered into this 1st day of March 2021, by and between the City of Palmer, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "Lessor", and Skye Investments, LLC, hereinafter referred to as the "Lessee".

This lease agreement is not effective unless it is accompanied by signed and attached Exhibit A providing specific information for the following sections: 1., 1A, 1.1B, 1.2A, 1.2B, 1.3A, 2.1, 2.2, 2.7 and 2.8.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

- A. Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease from Lessor, real property more particularly described as a parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described as follows:

Palmer Municipal Airport, Tract B, Lease Lot 7 (B)
Containing 4.50 acres or 196,020.78 square feet, more or less
A.K.A. N.H.N. E. Cope Industrial Way, Palmer, AK. 99645
See Attached "Exhibit A"

Parcel is subject to the following easements and may be subject to additional easements and/or encumbrances not shown or depicted hereon.

- 50' "Temporary Access" easement (taxilane) running west to east located on the northern most boundary of lease lot line. Said temporary access easement is located within the normal 50' building line set back from all runways, taxiways and aprons at the Palmer Municipal Airport. The easement will automatically terminate upon the final completion of the Taxiway (N) November project.
- A 40' natural vegetation barrier shall remain in place from the fence line off Cope Industrial Way along the westerly lot line, except where driveway access shall be granted by the City of Palmer in accordance will all prevailing and applicable standards.

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: "Aircraft management, aircraft sales, aircraft parking, overnight and long term hangar rentals, pilots lounge and uses incidental thereto, administrative and business uses for Lessee's aeronautical activities". FBO

- C. Lessee shall use the Premises for the following Non-Aeronautical uses only, and for no other: "Airport Car Rental Facility" and any other non-aeronautical activity is strictly prohibited, unless an approved amendment to this lease is adopted and fair market value rates for Non-aeronautical areas are applied.

Section 1.2 Term and Renewal

- A. The term of the lease shall be for a period of 25 years, commencing on the 1st day of February 2021 (the "Commencement Date") and ending on the 28th day of February of 2046, subject to the terms of provisions hereof.
- B. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period,
 - 1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 - 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 - 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 - 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
 - 1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Manager, the Lessee's request to exercise the option to renew this Lease.
 - 2. If Lessee fails to notify Lessor within said time period, this Lease shall be deemed terminated at the scheduled expiration date.

Section 1.3 Rent

- A. Lessee shall pay to the Lessor as rent during the term hereof the sum \$15,760.06 per year, payable annually in advance without demand, beginning July 1, 2021 and continuing on the same day of each and every year thereafter during the term of the lease at the office of the Lessor set forth in Section 7.8 or at such other place as the Lessor may designate in writing. (Rent is derived as follows: 98% Aeronautical Use or 192,100.78 square feet X \$0.08 cents per square foot and 2% Non-Aeronautical Use or 3,920 square feet X \$0.10 cents per square foot)
 - 1. In addition, Lessee shall pay the prorated amount from execution of lease to June 30, 2021 for \$5,267.96 (\$43.18 X 122 days), Less the \$500.00 lease application fee dated October 18, 2020 or initial prorated sum of \$4,767.96.
 - 2. Failure to pay rent by the thirtieth day after the due date shall obligate the Lessee to pay a late charge of \$100.00, which sum is agreed to a reasonable estimate of the Lessor's damages for late rental payments and shall not be construed as a penalty or a limitation on Lessor's remedies.
 - 3. This late charge is in addition to a 12 percent daily interest rate from the due date. ($0.12\% / 365 = .00033 \times \$15,760.06 = \$5.20$ cents per day)

- B. All rent shall be payable in current legal tender of the United States. Payment may be tendered by check, but payment shall not be made in fact until such check has been honored by the drawee bank. The tender of payment by check within the time provided shall be deemed sufficient to meet any due date only if the check is subsequently honored by the drawee bank and the Lessor subsequently receives the legal tender required by this Lease. Any subsequent dishonor and non-receipt of rent payment shall constitute a default of this Lease.
- C. The extension of time for the payment of any installment of rent, or the acceptance by the Lessor of any money other than of the kind herein specified, shall not be a waiver of the right Lessor to insist on all other payments of rent to be made in the manner and at the time herein specified. The acceptance by the Lessor of a past due installment payment shall not waive the Lessor's right as to any other default or breach of the Lease.
- D. The rent herein specified shall be net to the Lessor and such payment shall not be subject to any abatement, deduction or off set (except as otherwise provided in this Lease).
- E. All taxes, charges, costs, expenses, utilities and assessments which the Lessee is required to pay hereunder, and all damages, costs and expenses which the Lessor may incur by reason of any default of the Lessee or failure on the Lessee's part to comply with the terms of the Lease, shall be deemed to be additional rent and in the event of nonpayment by the Lessee, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

- A. It is the intent of the parties that the Palmer Municipal Airport be a self-sustaining facility and operate without any support from the general fund of the Lessor.
- B. The rent shall be subject to adjustment at five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the annual payment. The rent shall be adjusted as follows:
 - 1. Six (6) months prior to the termination of the initial five (5) year period and any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area based upon 2019 as a base year. Additional factors for the basis of the initial proposed new rent will include, but are not limited to; the comparative leasing rate of similar airports in the Alaskan market place, as well as local and state economic conditions and the airports' vacancy rates.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to

be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.

2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the rate highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

Section 1.5 Determination of Fair Market Rent

- A. The fair market rent of the premises shall be based on the Consumer Price Index for the Municipality of Anchorage from the United States Department of Labor statistics as outlined in Section 1.4.
- B. Fair market rent shall not include any return on improvements placed on the Premises by the Lessee or its predecessors in interest but shall include a return for improvements placed on the Premises by the Lessor or otherwise belonging to Lessor.
- C. The parties acknowledge that certain property at Palmer Municipal Airport may not currently and may not in the future be leased for a fair market rent.
- D. The returns received by Lessor from other aviation Leases at Palmer Municipal Airport, therefore, shall not be used exclusively by the appraiser to determine a fair market rent.
- E. Any appraisal of the Premises shall consider any limitation or restriction on use imposed under this Lease or pursuant to any patent, deed, lease or grant from or agreement with the United States to the Lessor, including but not limited to aviation restricted use.
- F. Lessor shall send written notice to Lessee of the amount determined to be the fair market rent together with a copy of the appraisal.

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Promptly after the execution and delivery of this Lease, and as hereinafter more particularly provided, the Lessee at its own cost and expense shall cause plans and specifications to be prepared for the construction of the following building, structures and improvements to be placed on the leased Premises, hereinafter referred to as "Improvements".
 1. Improvements consist of: 80' x 100' Pre-Engineered Steel aircraft hangar, with office space.
 2. 63,500 square foot paved apron

3. Utilities of: Water, Sewer, Electric, Natural Gas
- B. Failure to timely complete the improvements shall constitute a condition of default.
- C. The improvements shall fully comply with all applicable federal, state, and municipal laws and regulations, including but not limited to federal, state, and municipal building, fire, construction and safety codes and zoning regulations and requirements.

Section 2.2 Plans and Specifications

- A. The Lessee at its own cost and expense shall have prepared conceptual plans for improvements and shall prepare and submit them to the Department of Community Development and the Airport Manager on or before May 15, 2021. The conceptual plans shall have a site plan, building floor plan, all four building elevations and the improvements to be constructed.
- B. The Lessee shall submit the conceptual plans required (as outlined by this section) within the time specified, or the Lessor shall have the right and privilege to terminate this Lease on ten (10) days written notice and if such notice is given this Lease shall terminate and shall be of no further force and effect at the expiration of such ten-day period.

Section 2.3 Conceptual Plans

- A. The Department of Community Development shall examine the conceptual plans and within thirty (30) days after submission, the Airport Manager shall inform the Lessee in writing of any objections to the conceptual plans.
 1. In event of objections, the Lessee shall have thirty (30) days to propose any corrective amendments which the Airport Manager shall accept or reject within the next twenty (20) days.
 2. Failure of the Airport Manager to inform the Lessee in writing of his or her objections within twenty (20) days shall constitute the Airport Manager's and the Department of Community Development's approval.
- B. The Airport Manager's and Department of Community Development's approval of the conceptual plans submitted by Lessee shall not constitute the assumption of any liability of Lessor for their compliance or conformity with applicable building codes, zoning regulations, and/or city, borough, state and federal laws, ordinances and/or regulations, or for their accuracy.
 1. Lessee shall be solely responsible for such plans.
 2. The Airport Manager's and Department of Community Development approval of such plans shall not constitute a waiver of Lessor's right to thereafter require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
 3. The review and approval required by this section is in addition to any other review and approval needed for any required building permits or similar authorization.

Section 2.4 Final Plans

After the Airport Manager has notified the Lessee of his or her approval of the conceptual plans and specifications, the Lessee shall promptly apply to the appropriate municipal department for a building permit for any construction or building required to be erected by Lessee pursuant to this Article.

- A. The Lessee shall submit to the Airport Manager any plans and detailed drawings including copies which may be required for the permit before submitting the plans and drawings for a permit.

- B. Thereafter the Lessee at the Lessee's own expense shall proceed promptly with preparation of complete and final plans and complete detailed specifications (such plans and specification hereafter termed "final plans") for the Improvements and shall submit to the Airport Manager for the Airport Manager's approval the final plans as soon as practicable.
- C. The failure of the Lessee to proceed promptly with the preparation of final plans or to submit final plans as required by this section shall constitute a default and breach of this Lease and shall enable the Lessor to terminate this Lease on ten days written notice.

Section 2.5 Airport Manager's Approval

The Airport Manager shall not unreasonably withhold his or her approval to any conceptual plans, specifications, any plans and detailed drawings, or any final plans or complete detailed specifications.

Section 2.6 Compliance with part 77 FAR

Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations and any similar requirement prior to the construction of the Improvements and prior to the construction of any further structure or building upon the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

Section 2.7 Commencement of Construction

If the Lessee has not commenced construction of the Improvements by, on or before July 15, 2021, the Lessor shall have the right at Lessor's option to terminate this Lease on thirty (30) days written notice.

Section 2.8 Completion of Construction

- A. The Lessee shall have completed construction of the Improvements by, on or before June 31, 2022.
- B. The construction shall be completed when the Improvements have been substantially completed and are capable of the use for which they were intended.
- C. If the Lessee has not completed the construction by the scheduled completion date the Lessor shall have the right, at Lessor's option, to terminate the Lease on ten days written notice.

Section 2.9 Liens

- A. Lessee hereby warrants to Lessor that the Premises and all such other Improvements, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorney's fees and appellate attorneys' fees, with respect thereto.
- B. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or Improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.

Section 2.11 Performance Guarantee

- A. The work, of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the

form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 110% of the estimated cost of the Improvements to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.

- B. The work, if funded by an Alaskan Financial Institution on behalf of the Lessee of \$100,000, as described in this lease document shall not begin until the Lessee's Financial Institution has provided to the Lessor a "Letter of Construction Financing" in an amount equal to 100% of the cost of improvements in a "Construction Loan Account" which ensures the payment by Lessee, Lessee's Contactor or Lessee's Financial Institution of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work, in a form approved by the City.
- C. Bonds shall be a performance bond from a company qualified by law to act as a surety in the State of Alaska. The bond shall be in a form approved by the City. The bond shall name the City as the sole obligee and the Lessee as the principal. The surety must be rated by A.M. Best as an A or B surety.
- D. The Lessee may deposit cash in an escrow with a bank qualified by law to do business in the State of Alaska. The disbursement of the escrowed funds shall be governed by an escrow agreement in a form approved by the City.
- E. The Lessee may provide to the City, an irrevocable letter of credit or loan commitment by a bank qualified by law to do business in the State of Alaska naming the City as beneficiary. The letter of credit or loan commitment agreement shall be in a form approved by the City.
- F. The Lessee may grant the City a first deed of trust on real property located in the Matanuska-Susitna Borough to secure the estimated cost of all improvements. The City will accept the first deed of trust if:
 - 1. The Matanuska- Susitna Borough's assessed value for the tax purposes equals or exceeds the amount to be secured by the deed of trust; and
 - 2. The City obtains at the Lessee's expense, a policy of title insurance from a recognized Title Company doing business in the Matanuska Susitna Borough naming the City as the insured beneficiary of the first deed of trust in the amount of the estimated cost of all improvements.

Section 2.12 Inspection

During construction, the Lessor shall have the right, from time to time, to inspect the Improvements and in the event that during the construction or at any time prior to the issuance of a final certificate of occupancy, the Lessor determines that the Improvements are not being constructed in accordance with the plans and specifications specified in this lease, Lessor may give notice in writing to the Lessee specifying in detail the particular deficiency, omission or other respect in which the Lessor claims construction does not meet the plans and specifications. Upon receipt of any such notice the Lessee shall take steps necessary to correct any deficiencies, omissions or otherwise.

Section 2.13 Non-Responsibility

The Lessor may at the time enter upon the Premises for the purpose of posting notices of non-responsibility for any work, labor or materials supplied or furnished to these Premises and the Lessee shall notify, in writing, and in advance of any construction, the Lessor of any construction

in order that the Lessor may post such notices of non-responsibility. It is the understanding of the parties hereto that any such work, labor, or materials are supplied only to further the purposes of the Lessee and that work, labor and materials have been contracted for solely by the Lessee for Lessee's own benefit and not as agent of Lessor.

Section 2.14 As Built Plans

Within sixty (60) days after the project's completion date, the Lessee shall deliver to the Lessor a surveyed plot plan of the leased Premises showing the completed Improvements as built in relation to the property lines of the leased Premises.

Section 2.15 Improvements Subject to Reversion or Removal

All alterations, buildings, structures or other Improvements placed on the Premises by Lessee shall be subject to Section 7.6 of this Lease.

Section 2.16 Alterations and Other Improvements

The Lessee shall have the right, from time to time, to make such alterations and improvements and decoration to the Premises. Any alterations, improvements and decorations shall be reasonably necessary or appropriate in the Lessor's judgment for the conduct Lessee's business. Lessee shall obtain Lessor's written approval before any such alterations are made. Approval shall not be reasonably withheld as long as Lessee complies with provisions of this article.

Section 2.17 Pavement/Utility Services

Any pavement or utility services to be constructed by the Lessee shall be constructed in accordance with design and specifications approved by the Lessor and the construction shall be subject to inspection by the Lessor. Such improvements shall not be constructed without the prior consent of the Lessor in writing.

ARTICLE III - USE OF THE LEASED PREMISES

Section 3.1 Airport Purposes

- A. Lessee shall have the right to conduct on the premises those activities stated in Section 1.1 B only, and Lessee shall not use the Premises for any other purpose or activity without first obtaining the written consent of the Airport Manager to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Manager and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.

- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Manager and if approved by the Airport Manager and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

Lessee shall comply with all laws now or hereinafter in effect affecting the Premises or Lessee's use or occupancy thereof, including but not limited to Palmer Municipal Airport Regulations; PMC 12.08; and PMC 17 all as may be amended from time to time.

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.
- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur;
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on

marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.

- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.
- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal, state, or local stature, regulation or ordinance now or hereafter in effect and as they may be amended or interpreted from time to time.
- I. The provisions of this Section 3.3 shall survive any termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.4 Americans with Disabilities Act

Lessor and Lessee agree that as allowed by 28 C. F. R. S. 36.201(b), Lessee shall be responsible for all compliance responsibility under the Americans with Disabilities Act (42 U.S.C. S 12101 et. Seq.) related to Lessee's use and occupancy of the Premises. Lessee agrees to defend, indemnify and hold Lessee harmless from any claim, demand, or action, either by a private person or a governmental entity, under said Act due to failure to comply with the terms of said Act. The provisions of this Section 3.4 shall survive termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.5 Reservations and Exceptions

This Lease is made by the Lessor and accepted by the Lessee conditioned upon and subject to any conditions, reservations, limitations, provisions or terms imposed upon the Premises of Palmer Municipal Airport, as contained in any grant (including any monetary grant or loan), lease, permit, patent, deed, or any other conveyance to the Lessor of the Premises, or of Palmer Municipal Airport, from the United States, or the State of Alaska, including their agencies. In the event that any such condition, reservation, limitation, provision or term shall prevent, without fault of the Lessor, this Lease from continuing in full force and effect, the Lessor shall have the option to terminate this Lease immediately (and at any time) without liability to the Lessee therefor.

Section 3.6 Subordination of Lease to Requirements of the Federal Aviation Administration

- A. This Lease shall be subordinated to the provisions of any existing or future agreements between the Lessor and the United States, relative to the operation or maintenance of Palmer Municipal Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development or operation of Palmer Municipal Airport.
- B. In connection therewith, the Lessor has undertaken and may in the future undertake certain obligations respecting its operation of Palmer Municipal Airport and activities of its contractors, Lessees and permitted thereon. The performance by Lessee of the covenants, promises and obligations contained in this Lease is therefore a special consideration and inducement to this Lease. Lessee further covenants and agrees that if the administrator of the Federal Aviation Administration, or any other governmental official or body having jurisdiction over the enforcement and the obligations of the City in connection with the Federal or State aid, shall make any orders, recommendations or suggestions respecting the performances by Lessee of its obligations under this Lease, Lessee shall promptly comply therewith, at the time or times when and to the extent that the Lessor may direct.

Section 3.7 Aircraft on Premises

The Lessee shall provide the Airport Manager a list showing all aircraft on the Premises for any purpose, together with the aircraft type, model and number, the name and address of the owner, the purpose of the aircraft being on the Premises, and such other information concerning its identification thereof as the Airport Manager shall deem necessary.

Section 3.8 Discriminatory Acts Prohibited

- A. The Lessee shall furnish any service to be rendered by the Lessee in connection with or upon the Premises on a fair, equal and not unjustly discriminatory basis to all users thereof. In performing such services Lessee shall charge fair, reasonable and not unjustly discriminatory prices or rates for each unit of service furnished, provided the Lessee may take reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume users or purchasers.
- B. The Lessee, in its use and occupancy of the Premises, shall not discriminate against any person or class of persons by reason of race, color, creed or national origin, or by reason of any other basis that is illegal or becomes illegal during the term of this Lease, any extension, or any holdover period.
- C. The Lessor upon ten (10) days' notice to the Lessee of any violation of this section shall request that the Lessee either correct or justify any practice or charge alleged as a violation.
- D. In any proceeding whatsoever the burden of justification shall be on the Lessee to show that the practice or charge does comply with the requirements of this section. The Lessee, within ten (10) days after receipt of the notice, shall comply with the request or submit to the Lessor its justification in writing. The Lessor shall submit its findings and decision as to any alleged violation within fifteen (15) days after the receipt of the Lessee's justification, and such findings and decision of the Lessor shall be final. Unless the Lessee shall notify in writing the Lessor within ten (10) days of its objections to any request for compliance or to any adverse findings and decision, the Lessee shall waive any defense that the alleged violation is justified.
- E. The Lessor, at its option, may forthwith terminate this Lease without any liability to Lessee thereunder for failure by Lessee without justification to comply with Lessor's request for

compliance within the time set forth in the request or the findings and decision to correct the alleged violation.

Section 3.9 Affirmative Action

- A. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered in this subpart. The Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessor that any similarity will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- B. The Lessor upon ten (10) days' notice to the Lessee of any violation of subsection A shall request that the Lessee either correct or justify any practice or charge alleged as a violation. In any proceeding whatsoever, the burden of justification requirement of subsection A. The Lessee within ten (10) days after receipt of the notice, shall comply with the request or submit to the Lessor its justification in writing. The Lessor shall submit its findings and decision as to any alleged violation within fifteen (15) days after receipt of the Lessee's justification, and such findings and decision of the days of its objections to any request for compliance or to any adverse findings and decision, the Lessee shall waive any defense that the alleged violation is justified.
- C. The Lessor, at its option, may forthwith terminate this Lease without any liability to Lessee thereunder for any failure by Lessee without justification to comply with Lessor's request for compliance within the time set forth in the request of the findings and decision to correct the alleged violation.

Section 3.10 Maintenance of Premises

- A. Lessee shall repair and maintain the Improvements in good order and repair and keep the Premises in a neat, safe, clean and orderly condition. Such obligation shall include, but not be limited to, the prevention of the accumulation of any refuse or waste materials which might be or constitute a fire hazard or a public or private nuisance.
- B. In the event that Lessee does not properly repair and/or maintain the Improvements or Premises, the Airport Manager shall notify the Lessee in writing of those areas that are not being properly repaired and/or maintained.
- C. If, however, after 60 days, Lessee fails to make such repair and/or maintenance, Lessor may cause to have such repair and maintenance made and invoice the Lessee for the repair and maintenance completed.
- D. If said costs are not paid promptly by Lessee, the lease shall be deemed to be in default, and Lessor shall be entitled to all legal remedies provided hereunder.
- E. Lessee shall neither cause nor allow any waste of the Premises or Improvements. In addition, Lessee shall be strictly liable for any waste of the Premises or Improvements and for any damage to reversion.

Section 3.11 Signs

- A. Lessee shall not, without Lessor's written consent, place or erect any sign of any nature on any part of the Premises, but such consent shall not be unreasonably withheld to one flat sign of reasonable size bearing the Lessee's trade name, providing such sign meets all city zoning and sign requirements.

- B. At the termination of this Lease, any such sign shall be removed by Lessee at Lessee's own expense.
- C. Lessee shall apply for a sign permit from the Department of Community Development and shall comply with Palmer Municipal Code.

Section 3.12 Improvements and Alterations

After the initial improvements set forth in Article II have been completed, and if the Lessee desires to construct further improvements:

- A. Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Premises, Lessee shall submit to the Airport Manager plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Manager shall approve or disapprove such plans and specifications and accompanying Timeline at his or her sole discretion.
- C. Upon Lessee's receipt of the Airport Manager's written approval of such plans and specifications, Lessee agrees to construct the proposed leasehold improvements in strict accordance with such plans and specifications and Timeline.
- D. The Airport Manager's approval of submitted plans and specifications shall not constitute the assumption of any liability by Lessor for their compliance or conformity with applicable building codes, zoning regulations, and city borough, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible for such plans and specifications.
- E. The Airport Manager's approval of plans and specifications shall not constitute a waiver of Lessor's right to therefore require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
- F. The review and approval required by Section 3.12 is in addition to any other review and approval needed for any required building permits or similar authorizations.
- G. Lessee shall obtain all necessary licenses and permits to accomplish any of the work described in Section 3.12. Nothing in this Lease is intended to limit or restrict the City of Palmer in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances, or regulations.
- H. Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations prior to the construction of the Improvements and prior to the construction of any future building or structure situated on the Premises.
- I. Any contract or agreement for labor, services, materials or supplies furnished in connection with construction or alteration of any improvement to the Premises shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Premises or the improvements.
- J. Before the commencement of any such work, Lessee shall deliver to Lessor either an executed duplicate original of such contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
- K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.

- L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
- M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 100% of the estimated cost of the Improvements greater than \$100,000 to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- N. All alterations, buildings, structures or other improvements placed on the Premises by Lessee shall be subject to section 7.6 of this Lease.

Section 3.13 Quiet Possession

The Lessee, upon paying rent and observing the conditions and terms of this Lease, shall and may have at all times during the term of this Lease peaceful and quiet enjoyment and possession of the Premises, except as otherwise set forth in this Lease.

Section 3.14 Lessee's option to Terminate

- A. Should any government body, agency, or official, other than Lessor, prohibit or otherwise prevent the use of Palmer Municipal Airport in its present condition as a public airport for one year or more, or should the continued use of Palmer Municipal Airport as an airport become impossible or unlawful without the fault of the Lessee, the Lessee shall have the option to terminate this Lease on thirty (30) days written notice to the Lessor.
- B. Upon such termination, this Lease shall be at an end, and neither party shall have any liability for such termination.
- C. The Lessor shall notify the Lessee in writing, of the prohibition, or intended prohibition, and the failure of the Lessee to exercise the option to terminate within thirty (30) days shall extinguish the Lessee's option to terminate.

Section 3.15 Lessor's Option to Terminate

- A. Lessee hereby grants to Lessor should it require the Premises in connection with the future expansion and/or operation of the Airport prior to the expiration or termination of the Lease, Lessor may, upon ninety (90) days written notice, cancel this Lease.
- B. In the event that this Lease is canceled under the provisions of this Section, Lessor shall pay to Lessee the fair market value of Lessee's remaining leasehold interest and the fair market value of Lessee owned buildings, structures, alterations and/or improvements placed by Lessee upon the Premises during the term of this Lease.
- C. The fair market value shall be determined by following the appraisal procedure set forth determination of the fair market rental of the Premises in Section 1.4 of this Lease.
- D. After payment therefore as provided herein, all buildings, structures, alterations and/or improvements shall be subject to the provisions of section 7.6 of this Lease.

Section 3.16 Right of Entry and Access

- A. Lessee hereby grants to Lessor, its contractors, employees, agents and assigns, the irrevocable right, permission and authority to enter into and upon all or part of the Premises for the purpose of:
 - 1. Inspecting the Premises;
 - 2. Cleaning, repairing, maintaining, altering or improving the Premises as Lessor may deem necessary;
 - 3. Abating any nuisance or hazardous condition on the Premises, and/or
 - 4. Preserving and/or protecting the Premises.
- B. It is understood and agreed that the entry and access may affect the use of the Premises from time to time. Lessor shall use reasonable efforts to coordinate any anticipated access or utility or other interruptions with Lessee in an attempt to reasonably reduce the effect of any disruption of Lessee's enjoyment and use of the Premises.
- C. The right of access and entry reserved herein does not impose, nor does Lessor assume by reason thereof, any responsibility for the care, maintenance or supervision of the Premises. Lessee shall not be entitled to any abatement or reduction in rent by reason of Lessors access and/or entry nor shall such access or entry be deemed an actual or constructive eviction.

Section 3.17 Lessor's Improvements

- A. Lessor shall have a permanent right of access over, under, around and across the Premises for the purposes of maintaining, servicing, upgrading, replacing or removing any Lessor-installed improvements including, but not limited to, light poles, utilities, and fencing.
- B. This section does not require Lessor to provide any improvements.
- C. Lessor's maintenance shall not include paving, aircraft tie downs, snow removal or sanding.
- D. All improvements constructed by the Lessor shall at all times remain the property of Lessor and may be maintained, upgraded, serviced or removed at Lessor's convenience and discretion.
- E. Lessor agrees to use reasonable efforts to notify of any upgrading, replacing or repair work with Lessee and to reasonably reduce disrupting Lessee's use of the Premises when practicable.
- F. In the event of abandonment or default, any Lessee improvement will become the property of the Lessor.

Section 3.18 Aviation Easement

Lessee's right to use the Premises for the purposes as set forth in this Lease shall be secondary to and subordinate to the operation of the airport. Lessor specifically reserves for itself, other Palmer Municipal Airport leaseholders, and for the public, an easement for the passage of aircraft in the air space above the surface of the described property together with the right to cause in said air space or on adjacent property such noise as may be inherent in the present or future operation of aircraft. Without in any way limiting Lessor's rights under Section 3.12, Lessee shall not construct any building or facility to a height which in Lessor's discretion will interfere with the operations of the airport.

Section 3.19 Right-of-Way and Easement

Lessor shall have the right to designate or grant rights-of-way or utility easements across the Premises without compensation to Lessee, provided that Lessee shall be entitled to compensation for the taking or destruction of any of Lessee's improvements and provided further that Lessee

may terminate the Lease or demand a rental adjustment to reflect any reduction in value of the Premises.

ARTICLE IV - TAXES, INDEMNIFICATION, AND INSURANCE

Section 4.1 Taxes, Assessments, and Utilities

- A. Lessee, in addition to the rentals provided for herein, shall pay when due (and before delinquency) all taxes, utility fees, assessments, and charges upon the Premises, the leasehold interest, and upon buildings, improvements and property thereon, which are assessed or charged at any time during the term.
- B. The Lessee shall furnish to the Lessor for Lessor's inspection within thirty (30) days after the date any amount payable by the Lessee as required by this section, official receipts from the appropriate taxing authorities or other proof satisfactory to the Lessor evidencing payment.
- C. The Lessee shall have the right at all times to protest any assessment of taxes or other assessments or charges, but the Lessor may require the Lessee to deposit with the Lessor any sums in dispute to insure payment in the event that any contest is unsuccessful.
- D. Lessee shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, garbage, solid waste, and other utility service used in or about or supplied to the Premises.
- E. Lessee shall timely pay all sales tax on the rent on the lease, utilities, sales, service, rents, etc., and shall comply with City and Borough sales tax laws.

Section 4.2 Indemnification

Lessee shall indemnify, defend and hold Lessor harmless from all liability or loss (including, but not limited to reasonable attorneys' fees and appellate attorneys' fees) arising from any injury to any person or persons (including without limitation Lessee, its agents or employees) or property of any kind whatsoever while in, upon, or in any way connected with the Premises during the term of this Lease, or any use or occupancy hereunder, however occurring, including any acts, negligent or otherwise, and any omissions (negligent or otherwise), by Lessee, its agents, independent contractors, or employees, unless caused by or resulting from the sole negligence of the Lessor or any of Lessor's agents or employees.

Section 4.3 Insurance

- A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:
 - 1. Commercial general liability. Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; or
 - 2. Airport premises liability. Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
 - 3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
 - 4. Commercial property insurance in the amount of replacement costs.
 - 5. The Lessor reserves the right to require Lessee to provide pollution insurance as warranted by the proposed use of the Premises.

- B. This insurance required under this Section shall:
1. Name the Lessor as an "additional insured"
 2. Contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor thirty (30) days prior written notice;
 3. Be with an insurance company qualified to do business in the State of Alaska with a financial rating of at least "A" as rated in current Best's Insurance Reports;
 4. Include a waiver of subrogation clause by which the insurer waives all rights of subrogation against the Lessor for payments made under the policy; and
 5. Not contain a damage deductible for each and every loss that exceeds \$10,000.
- C. Lessee shall provide Lessor with proof of insurance coverage in the form of a certificate of insurance, and if requested by the Lessor, Lessee shall provide Lessor with a copy of the policy(ies). Failure to maintain such insurance in effect shall constitute grounds for immediate termination of this lease. Lessor may at its option purchase said insurance and charge the expense thereof to Lessee, which expense Lessee shall assume and pay.
- D. To reasonably protect itself, Lessor may adjust these minimum insurance requirements and add types of insurance or both by giving Lessee written notice of such adjustment ninety (90) days prior to the expiration of each five (5) year interval of the term of this Lease. Lessor may also adjust these minimum insurance requirements at any time if Lessee's use of the Premises changes, and in such event, Lessor shall give Lessee thirty (30) days written notice of such adjustment.
- E. The requirements of insurance coverage do not relieve Lessee from any other obligation under this Lease.

ARTICLE V - ASSIGNMENT AND SECURITY INTERESTS

Section 5.1 Assignment and Subletting

- A. Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises without first obtaining Lessor's prior written consent. Lessor will not unreasonably withhold its consent; provided, however, if Lessor does unreasonably withhold its consent, Lessor shall not be liable for any damages, costs or attorney's fees arising therefrom.
1. Lessor may condition its consent upon such terms as are in its best interest, including but not limited to matters regarding laws, insurance, risks, Lessee's defaults or past practices, risks attributable to assignee, etc., but Lessor may not condition its consent upon raising the rent other than as already allowed under this Lease.
 2. Any assignment, encumbrance or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default.
 3. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this section.
- B. If Lessee is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners, member or members owning twenty-five percent (25%) or more of the partnership or LLC in one or more transactions, or the dissolution of the partnership or LLC, shall be deemed a voluntary assignment.
- C. If Lessee is a corporation any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of Lessee in one or more transactions, or the sale of twenty-five percent (25%) of the value

- of the assets of Lessee in one or more transactions without immediate replacement with assets of equal or greater worth, shall be deemed a voluntary assignment.
- D. Lessee hereby irrevocably assigns to Lessor, as security for Lessee's obligations under this Lease, all rent from any subletting of all or a part of the Premises, and Lessor, as assignee and attorney-in-fact for Lease, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
 - E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
 - F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.
 - G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
 - H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
 - I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

- A. Lessee shall not mortgage or otherwise encumber this Lease (including Lessee's leasehold estate in the improvements thereon) without the prior written consent of Lessor.
- B. The Lessor's consent to the mortgage or encumbrance shall not be unreasonably withheld, provided the mortgage or beneficiary shall agree to the attached form of Assignment of Lease for Security Purposes and Consent to Assignment of Lease attached hereto as Exhibit C.
- C. Lessee shall furnish the Lessor with a copy of any security transaction mortgaging or encumbering the Premises for the Lessor's approval prior to any mortgaging or encumbering of the Premises and shall further furnish a copy to the Lessor of any such executed security transactions.

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

The occurrence of one or more of the following shall be deemed a default by the Lessee and a breach of this Lease:

- A. Failure to pay the rent provided herein, or any part thereof, or other charge due hereunder, for a period of ten (10) days after written notice of such failure is given by Lessor to Lessee;
- B. Failure to perform the obligations set forth in Sections 3.8, 3.9, and 3.10 hereof, after any notice required by those sections;
- C. Failure to provide and maintain in effect **insurance** in compliance with Section 4.3 hereof **(for which failure there is no notice time requirement)**;
- D. Failure to do, observe, keep and perform any other terms, covenants, conditions, agreements and provisions contained in this Lease for a period of thirty (30) days after written notice of such failure is given by Lessor to Lessee, or, in the case of a default not reasonably susceptible of being cured within thirty (30) days (which does not include any default which may be cured by the payment of money), failure to commence promptly and proceed diligently and in good faith to cure such default within the initial thirty (30) days and complete such cure within a total of sixty (60) days after the sending of the notice;
- E. The abandonment of the premises by the Lessee, the making by the Lessee of a general assignment for the benefit of creditors, or the appointment of a permanent or temporary receiver for the Lessee's property, which is not vacated or set aside within thirty (30) days of sending of written notice of such event by Lessor; or
- F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

Upon the occurrence of any default of Lessee as described in Section 6.1 or elsewhere in this Lease, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessors right to rent or any other right given to Lessor hereunder or by operation of law.
- C. Upon any termination of this Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover:
 1. The worth at the time of the award of the unpaid rent (including any amounts treated as additional rent) that had been earned at the time of termination;

2. The worth at the time of the award of the amount by which the unpaid rent (including any amounts treated as additional rent) that would have been earned after the date of termination until the time of award exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided;
 3. The worth at the time of the award of the amount by which the unpaid rent (including a reasonable estimate of additional rent) for the balance of the term exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided; and
 4. Any other amount, full reasonable attorney's fees and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.
- D. "The worth at the time of the award," used in this section, is to be computed by allowing interest as determined by the current bond rating from State of Alaska Municipal Bond Bank plus 5%. The "time of the award" is the date the Lessee is notified of the termination of the lease by the Lessor. Such notification shall be done by certified mail.
- E. Upon any termination of Lessee's right to possession only without termination of this Lease, Lessor may, at the Lessor's option enter into the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession thereof as provided in this section, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the rent, including any amounts treated as additional rent hereunder, for the full term.
- F. Upon termination of Lessee's right to possession, Lessor may, but need not, relet the Premises or any part thereof for such rent and upon such terms as Lessor in its sole discretion shall determine (including, but not limited to, the right to relet the Premises for a greater or lesser term than that remaining under this Lease, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises) and Lessor shall not be required to accept any tenant offered by Lessee or to observe any instructions given by Lessee about such reletting.
- a. In any such case, Lessor may make repairs, alterations and additions in or to the Premises, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting.
 - b. If the consideration collected by Lessor upon any such reletting plus any sums previously collected from Lessee are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent here under and other sums reserved in this Lease for the remaining term hereof, together with the costs of repairs, alterations, additions, and Lessor's expenses of reletting and the collection of the rent accruing therefrom (including attorneys' fees), Lessee shall pay to Lessor the amount of such deficiency upon demand and Lessee agrees that Lessor may file suit to recover any sums falling due under this subpart from time to time.
- E. Lessor may, at Lessor's option, enter into and upon the Premises, with or without process of law, if Lessor determines in its sole discretion that Lessee is not acting within a commercially reasonable time to maintain repair or replace anything for which Lessee is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Lessee agrees to reimburse Lessor, on demand, as additional rent, for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease.
- F. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law or in equity, to which Lessee is or may be entitled, may

be handled, removed and stored, as the case may be, by or in the direction of Lessor at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof.

1. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessors control.
 2. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Premises shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit by Lessor to Lessee; provided, however, Lessor may disclaim as to any item or items and the effect of such disclaimer will be that the item or items never became the property of Lessor.
- G. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent, additional rent or other sum due to Lessor, hereunder or of any damages accruing to Lessor by reason of the terms, provisions and covenants herein contained.
- H. No act or thing done by Lessor or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or an acceptance of the surrender of the Premises shall be valid unless in writing signed by Lessor.
- I. No judicial action shall be necessary to terminate this Lease.
- J. No waiver by Lessor of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained.
- K. Lessors acceptance of the payment of rental, including any amount treated as additional rental, or other sums hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing.
- L. Forbearance by Lessor to be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.
- M. If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney concerning this Lease or enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay any attorneys' fees and appellate attorneys' fees so incurred.
- N. Lessor shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting.

Section 6.3 Lessor's Failure to Enforce and Nonwaiver

- A. Failure by the Lessor to insist the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on a breach thereof, and acceptance of full or partial rentals during the continuance of any such breach shall not constitute a waiver of any such breach or any such term, condition or covenant.
- B. Terms, conditions or covenants of this Lease required to be performed by the Lessee, and breach thereof, shall not be waived, altered or modified, except by written instrument executed by the Lessor.

- C. Waiver of any breach shall not affect or alter any term, condition or covenant of this Lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach thereof, and any other or subsequent default or breach may be enforced by the Lessor as provided in this Lease.

ARTICLE VII - GENERAL COVENANTS

Section 7.1 Condition and Status of Premises

- A. Lessee acknowledges that Lessee has examined the Premises and accepts same in its present condition without any representation or warranty, express or implied in fact or by law, by the Lessor as to the title, nature, condition or usability of the Premises for the purposes set forth in this Lease, all of said warranties being hereby expressly property **as-is** in its present condition, together with all faults.
- B. Lessee agrees to provide written notice to Lessor immediately upon Lessee becoming aware or having a reasonable belief:
 - 1. That the Premises or any adjacent property is being, may be, or has been contaminated with any Hazardous Materials, or
 - 2. Of the existence of any Hazardous Materials in, within, on or near the Premises or adjacent property.

Section 7.2 Risk of Loss

Destruction or damage to any building or improvement on the Premises by fire, rain, ice, snow, windstorm, earthquake, aircraft accident, or any other casualty or action of the elements shall not entitle the Lessee to surrender possession of the Premises, to terminate this Lease, to violate any of its provisions, or to cause any rebate or abatement in rent when due or thereafter becoming due under the terms hereof.

Section 7.3 Repair or Rebuilding

- A. Upon the destruction or damage to any building or structure by fire or other casualty covered by insurance or that is supposed to be covered by Lessee's insurance, Lessee may, with Lessor's consent rebuild the building or structure.
- B. Upon the destruction or damage to any building or structure by casualty that is not covered by insurance and is not supposed to be covered by insurance, Lessee shall have the right to repair, restore or rebuild the building or structure within one (1) year after the date of such occurrence or as per written agreement with the Airport Manager.

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is reduce, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority.
- C. Except for improvements constructed and paid for by Lessee, Lessor reserves all rights to damages to the Premises for any taking by eminent domain and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award.

- D. Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damages to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Lessor.

Section 7.5 Surrender of Premises

At the expiration of any Lease term, upon termination of this Lease, upon reentry by Lessor or otherwise, the Lessee shall peacefully and quietly surrender the Premises in as good a condition as it was at the beginning of the initial term, reasonable use and wear and damages by the elements excepted.

Section 7.6 Reversion or Removal of Buildings and Improvements

- A. Any and all buildings, structures, alterations or improvements placed by the Lessee upon the Premises shall, at the option of the Lessor, revert to and become the property of the Lessor at and upon the expiration or termination of this Lease and/or the termination of Lessee's right to possession of the Premises.
- B. Lessor, in its sole discretion, may require Lessee to remove part or all of said buildings, structures, alterations and/or improvements including, but not limited to, fuel tanks and lines, and partially or completely restore the Premises to the condition of the Premises at the inception of this Lease by sending written notice requesting such removal and restoration within sixty (60) days after such expiration or termination.
- C. Lessee shall then at its own expense complete such removal and restoration within ninety (90) days of the sending of such notice.
- D. At the conclusion of the current lease and extension period(s) the existing Lessee shall be given preference in executing a new lease on the same premises, provided that the proposed land use is compatible with the current Airport Layout Plan and the Lessee is otherwise in good standing with the City of Palmer and in substantial compliance with the existing lease.
- E. Section(s) 7.5 and 7.6 do not necessarily preclude a lessee from recovering value from Lessee's leasehold improvements by selling to a third party at any time during the lease term, provided that all other conditions of the active lease have been met. At such time, the buying third party would request a new lease or an assignment of the existing lease, and such request would not be reasonably withheld.

Section 7.7 Holdover

- A. In the event the Lessee shall hold over after the expiration or termination of this Lease for any cause whatsoever, Lessee shall pay Lessor monthly rent at double the annual rental rate divided by twelve for the entire time Lessee remains in possession, and in addition thereto, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.
- B. If Lessee remains in possession of the Premises after expiration of the term of the Lease, or after the date in any notice given by Lessor to Lease termination this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' notice given at any time by either party.

- C. The provisions of this section do not exclude Lessor's rights of re-entry or any other right under this Lease.

Section 7.8 Notices

Any notices required to be sent in accordance with the terms of this Lease, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

Lessor's address: City Manager,
City of Palmer
231W. Evergreen Ave.
Palmer, AK 99645

Lessee's address: Skye Investments, LLC
11421 Old Glenn Hy Suite 101
Eagle River, AK. 99577

Section 7.9 Rights or Remedies

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive or any other right or remedy, but is intended to be in addition to any right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

Section 7.10 Successors in Interest

This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

Section 7.11 Applicable Law and Forum

This Lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska. Any civil action concerning this Lease shall be brought in Alaska District or Superior Court in Palmer, Alaska, only.

Section 7.12 Recordation of Lease

The parties prefer to record a memorandum of this Lease rather than the Lease itself and contemporaneously with the execution hereof they have executed a memorandum of Lease in the form of Attachment A which is attached hereto and may be recorded by either party. In the event it should be so require by any title company insuring title for Lessee, or by any lending institution from which Lessee proposed to make a loan, then Lessee may cause this Lease to be placed of record.

Section 7.13 Severability

The invalidity or unenforceability of any particular provision of this Lease shall not affect any remaining provisions hereof, and, in any such event this Lease shall be construed and interpreted in all respects as if such invalid or unenforceable provision were omitted.

Section 7.14 Construction

Lessee and Guarantor have been advised to have this Lease and the Guaranty reviewed by their own attorney. The parties agree that this Lease and Guaranty shall not be construed more strictly against one party than the other nor shall this lease be construed against the lessor.

7.15 Gender and Plurality

Unless the context of this Lease clearly requires a different interpretation of construction, all references to masculine, feminine or neuter genders shall be construed to refer to all such genders; and all references to the singular shall also include the plural, and vice versa.

Section 7.16 Joint and Several Liability

The obligations of each Lessee are joint and several.

Section 7.17 Entire Agreement

This written Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior or contemporaneous agreements, oral or written, between the parties not included herein. No modifications, amendments, deletions, additions or alterations of this Lease shall be effective unless in writing and signed by all of the parties hereto or such representatives of the parties as have been duly authorized to make such change.

LESSOR: CITY OF PALMER

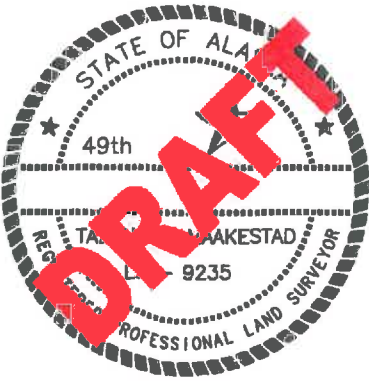
By: _____ Date _____
John Moosey, City Manager

LESSEE: Skye Investments, LLC

By: _____ Date _____
Richard H. Young, Member (100% Owner)



NOTE:
 50' TEMPORARY ACCESS EASEMENT UNTIL THE CONSTRUCTION OF TAXIWAY N IS COMPLETED



LEGEND:

- () RECORD DATA, PALMER MUNICIPAL AIRPORT PLAT No. 2006-15
- ⊙ FOUND 2" ALUMINUM CAP
- SET 2" ALUMINUM CAP
- BRL BUILDING RESTRICTION LINE
- OFA OBJECT FREE AREA

LEASE LOT EXHIBIT
 LEASE LOT 7B
 18-001-10 No.5 LEASE LOT 7B

PALMER MUNICIPAL AIRPORT

DRAWN BY NGS LEASE AREA 4.50 ACRES
 CHECKED BY TDM
 DATE 1/29/21 SCALE 1"=200'

HDL ENGINEERING
 Consultants LLC
 3335 ARCTIC BOULEVARD, SUITE 100
 ANCHORAGE, ALASKA 99503
 (907) 564-2120 - ANCHORAGE WWW.HDLALASKA.COM
 (907) 746-5230 - PALMER REG. NO. AECL861



"Return To"
City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271

PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 21-001

This is a Memorandum of Lease Agreement No. 21-001 made and entered into as of this 1st day of February, 2021, by and between the City of Palmer, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "Lessor", and Skye Investments, LLC, hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 21-001 between the parties hereto dated the 1st day of March 2021, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 21-001, are more particularly described as follows:

A parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described as follows:

Palmer Municipal Airport, Tract B, Lease Lot 7 (B)
Containing 4.50 acres or 196,020.78 square feet, more or less
A.K.A. N.H.N. E. Cope Industrial Way, Palmer, AK. 99645
See Attached "Exhibit A"

Parcel is subject to the following easements and may be subject to additional easements and/or encumbrances not shown or depicted hereon.

- 50' "Temporary Access" easement (taxilane) running west to east located on the northern most boundary of lease lot line. Said temporary access easement is located within the normal 50' building line set back from all runways, taxiways and aprons at the Palmer Municipal Airport. The easement will automatically terminate upon the final completion of the Taxiway (N) November project.
- A 40' natural vegetation barrier shall remain in place from the fence line off Cope Industrial Way along the westerly lot line, except where driveway access shall be granted by the City of Palmer in accordance with all prevailing and applicable standards.

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced on **March 1, 2021** as set forth within the terms of the Lease. The Term of the Lease Agreement shall be 25 years from the Commencement Date as stated in the written Lease. The initial term

shall commence on the date hereof and terminate on **February 28, 2046**. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period.

4. **Duplicate Copies** of the originals of the Lease Agreement are in the possession of the Lessor and Lessee and reference should be made thereto for a more detailed description thereof and for resolution of any questions pertaining thereto.

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 21-001, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

Lessor's address: City Manager, City of Palmer
231W. Evergreen Ave.
Palmer, AK 99645

Lessee's address: Skye Investments, LLC
11421 Old Glenn Hy Suite 101
Eagle River, AK. 99577

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 21-001; it being distinctly understood and agreed that said Lease Agreement No. 21-001 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 21-001 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease and addendum. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 21-001. In the event of any inconsistency between the terms of the Lease Agreement No. 21-001 and this instrument, the terms of the Lease Agreement No. 21-001, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease pursuant to due authorization on the dates herein acknowledged.

LESSOR: CITY OF PALMER

By: _____ Date _____
John Moosey, City Manager

LESSEE: Skye Investments, LLC

By: _____ Date _____
Richard H. Young, Member (100% Owner)

GUARANTY

In consideration of Lessor leasing the Premises to Lessee, the undersigned, jointly and severally, hereby guarantee the punctual payment of rent, additional rent, and all other charges imposed by the Lease, and the timely performance by Lessee of all duties imposed on Lessee by the Lease.

By: _____
Richard H. Young, Individually Date _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2021, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, John Moosey, to me known and known to me to be the identical individual described in and who executed the within and foregoing Lease Agreement as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Notary Public in and for Alaska
My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Richard H. Young, Member a(100% Owner) of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska
My commission expires: _____



**City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645
907-745-3271**

**PALMER MUNICIPAL AIRPORT
TAXIWAY (N) NOVEMBER CONSTRUCTION PROJECT DISCLOSURE**

This is a Disclosure made and entered into as of this **1st day of March, 2021**, by and between the City of Palmer, a municipal corporation organized and existing under its charter and the laws of the State of Alaska, hereinafter referred to as the "Lessor", and Skye Investments, LLC hereinafter referred to as the "Lessee". Agree upon the following terms and conditions as it relates to the proposed Taxiway (N) November construction project phase I, south of Runway 10/28 at the Palmer Municipal Airport:

1. No Guarantee of Project or Completion: It is currently planned by the Lessor and tentatively approved by the Federal Aviation Administration, that the Taxiway (N) November construction project south of Runway 10/28 at the Palmer Municipal Airport will provide airside access to aeronautical lease lots known as LL 7 (B), 7 (C), 7 (D), 8 (A), 8 (B), and 8 (C). As of the above date, the Lessor has not been awarded an AIP grant for this project nor has construction begun. It is anticipated that the Lessor will officially apply for and receive an AIP grant for funding of this project when matching funds are made available or a no match requirement is instituted for FAA AIP in the 2021 funding year. It is understood by the Lessee that the Lessor cannot guarantee project funding by the FAA, nor completion by any future date.

See "Exhibit A" attached (Taxiway (N) November Project Diagram)

2. Good Faith Effort: The Lessor will make a good faith effort to apply for the proposed FAA AIP grant to fund the majority of the proposed construction of the Taxiway (N) November project when matching funds are available to participate in its construction or when 100% FAA AIP funding is available.

3. No Fault and Indemnification: If the Lessor has put forth a "Good Faith Effort" to receive FAA AIP grant funding for this project or if the construction of said project is delayed for any reason, the Lessee agrees to indemnify and hold harmless the Lessor, should the Taxiway (N) November project fail to come to fruition.

4. Alternative Access to Aeronautical Facilities: The Lessee understands and agrees that it may need to provide its own means of access to the aeronautical facilities at the Palmer Municipal Airport and agrees to work with the Lessor to gain approval for an alternative operating plan or access route via The Large Aircraft Apron.

5. Notices. Any notices required to be sent in accordance with the terms of this Disclosure, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

Lessor's address: City Manager, City of Palmer
231W. Evergreen Ave.
Palmer, AK 99645

Lessee's address: Skye Investments, LLC
11412 Old Glenn Hwy, Suite 101
Eagle River, AK. 99577

6. Purpose. It is expressly understood and agreed by all parties that the sole purpose of this Disclosure is to give notice to the Lessee of the status of the Taxiway (N) November project; it being distinctly understood and agreed that said Palmer Municipal Airport (PMA) Lease Agreement No. 21-001 between Lessor and the Lessee contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease.

This Disclosure is for the purposes outlined and nothing contained herein may be deemed in any way to modify or vary any of the other terms or conditions of the PMA Lease Agreement No. 21-001. In the event of any inconsistency between the terms of the PMA Lease Agreement 21-001 and this instrument, the terms of the PMA Lease Agreement No. 21-001, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Taxiway (N) November Construction Project Disclosure pursuant to due authorization on the dates herein acknowledged.

LESSOR: CITY OF PALMER

By: _____
John Moosey, City Manager

Date: _____

LESSEE: SKYE INVESTMENTS, LLC

By: _____
Richard H. Young, Member (100% Owner)

Date: _____

GUARANTOR

By: _____
Richard H. Young, Individually

_____ Date

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2021, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, John Moosey, to me known and known to me to be the identical individual described in and who executed the within and foregoing Taxiway (N) November Construction Project Disclosure, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

WITNESS my hand and official seal the date and year first above written.

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Richard H. Young, Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

WITNESS my hand and official seal the date and year first above written.

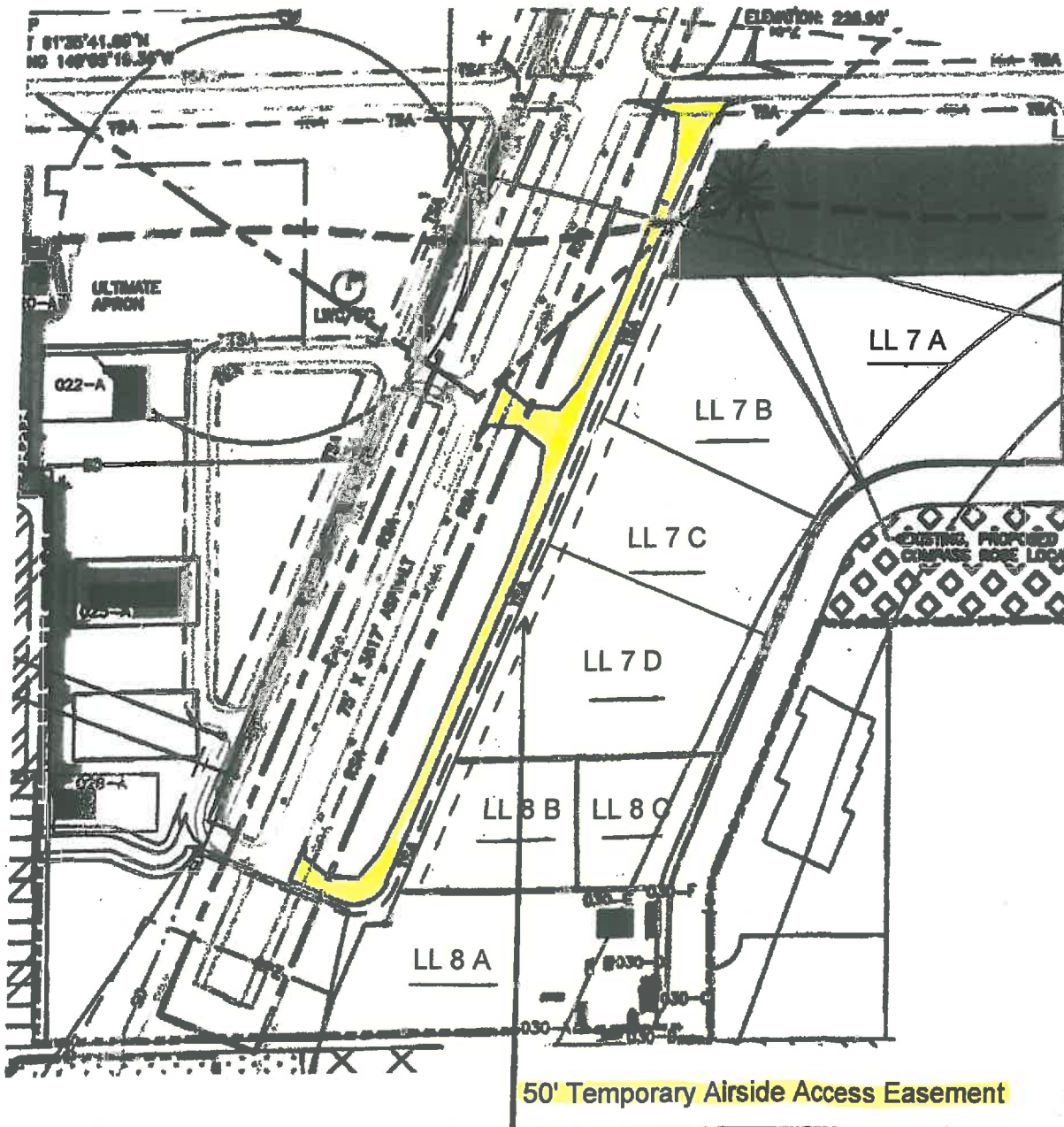
Notary public in and for Alaska

My commission expires: _____

"EXHIBIT A"

TAXIWAY (N) NOVEMBER CONSTRUCTION PROJECT DISCLOSURE

PROPOSED TAXIWAY (N) NOVEMBER LEASE LOT ACCESS (HIGHLIGHTED)



**City of Palmer
Action Memorandum No. 21-015**

Subject: Authorizing the City Manager to Purchase One International Dump Truck Chassis in the Amount of \$192,064.20 and to Purchase the Chassis Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230 by Attaching to the Sourcewell Vehicle and Chassis Contract No. 060920-NAVS Awarded to Navistar Inc. for New International Trucks

Agenda of: February 23, 2021

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Chris Nall, Director of Public Works

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance	<i>[Signature]</i>	01/27/2021
_____	Fire	_____	_____
_____	Police	_____	_____
√	Public Works	<i>[Signature]</i>	01/26/2021

Certification of Funds:

Total amount of funds listed in this legislation: \$ **192,064.20**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 192,064.20
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 09-01-10-6054 Public Works Equipment
- Not budgeted

Director of Finance Signature: *[Signature]*

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<i>[Signature]</i>	_____
City Attorney	<i>[Signature]</i>	_____
City Clerk	<i>[Signature]</i>	_____

Attachment(s):

1. International Dump Truck Chassis Specifications
2. Sourcewell Contract Award #060920-NVS with RWC Group

Summary Statement/Background:

In the 2021 City of Palmer Council Approved Budget, funds were budgeted for purchase of replacement dump truck with plow for Department of Public Works.

This action memorandum requests the authorization to purchase one new Dump Truck Chassis equipped with 12 foot nose plow from RWC International, LTD.

The City of Palmer Administration chose to take advantage of its ability to attach to the Sourcewell contract for purchase of vehicles for the following reasons:

- The City of Palmer did not bear the expense and resources of preparing and carrying out the typical bid process;
- The City of Palmer, by attaching itself to the Sourcewell that purchases many heavy-duty vehicles per year, enjoys a greater discount versus buying heavy vehicles every 10 years; and
- The City of Palmer benefits from the fact that the Sourcewell procurement is locked into fuel, freight, and production rates based on last fall's pricing that is considerably lower than the rapidly escalating fuel and steel surcharges that have increased shipping and production costs.

3.21.230 Governmental and proprietary procurements.

A. The purchasing officer may contract, without the use of the competitive source selection procedures of this chapter, for the following supplies, services, professional services or construction:

1. For contracts, including reimbursable agreements, with federal, state or local units of government or utility provider where the city has a financial responsibility or beneficial interest in entering into an agreement.

2. For contracts issued pursuant to any federal, state, or local government contract where the city is an authorized user, or where the resulting contractor agrees to extend the same terms, conditions, and pricing to the city as those awarded under the original contract, all in accordance with PMC 3.21.240. Such agreements shall be limited to those contracts where the award is issued pursuant to a formally advertised solicitation.

3. For contracts where the purchasing officer determines in writing that the city's requirements reasonably limit the source for the supplies, services, professional service or construction to one person.

B. All contract awards under this section, and any amendments thereto, shall be subject to the applicable approval requirements of PMC 3.21.090 prior to execution.

C. No contractor may provide supplies, services, professional services, or construction to the city before the applicable requirements of this section are first satisfied. (Ord. 644 § 4, 2004)

Administration's Recommendation:

Approve Action Memorandum No. 21-015.



HV607 SBA

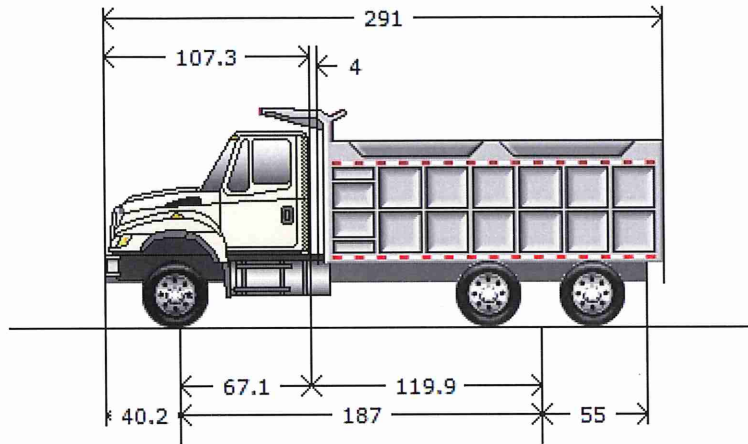
Sales Proposal For:
City of Palmer

Presented By:
RWC INTERNATIONAL, LTD.

Prepared For:
 City of Palmer
 Greg Wickham
 231 W Evergreen Ave.
 Palmer, AK 99645-6952
 (907)745 - 3271
 Reference ID: 2022 Stock Dump

Presented By:
 RWC INTERNATIONAL, LTD.
 Greg Martin
 7880 SANDLEWOOD PLACE
 ANCHORAGE AK 99507 -
 (907)279-9591

Thank you for the opportunity to provide you with the following quotation on a new International truck. I am sure the following detailed specification will meet your operational requirements, and I look forward to serving your business needs.



Model Profile
2022 HV607 SBA (HV607)

AXLE CONFIG:	6X4
APPLICATION:	Construction Dump
MISSION:	Requested GVWR: 54000. Calc. GVWR: 54000 Calc. Start / Grade Ability: 20.83% / 2.10% @ 55 MPH Calc. Geared Speed: 77.1 MPH
DIMENSION:	Wheelbase: 187.00, CA: 119.90, Axle to Frame: 55.00
ENGINE, DIESEL:	{Cummins L9 350} EPA 2021, 350HP @ 2200 RPM, 1050 lb-ft Torque @ 1200 RPM, 2200 RPM Governed Speed, 350 Peak HP (Max)
TRANSMISSION, AUTOMATIC:	{Allison 3000 RDS} 5th Generation Controls, Close Ratio, 6-Speed with Double Overdrive, with PTO Provision, Less Retarder, Includes Oil Level Sensor, with 80,000-lb GVW and GCW Max, On/Off Highway
CLUTCH:	Omit Item (Clutch & Control)
AXLE, FRONT NON-DRIVING:	{Meritor MFS-14-143A} Wide Track, I-Beam Type, 14,000-lb Capacity
AXLE, REAR, TANDEM:	{Meritor MT-40-14X-4DCR} Single Reduction, 40,000-lb Capacity, .433"(11mm) Wall Housing Thickness, Driver Controlled Locking Differential in Forward-Rear and Rear-Rear Axle, R Wheel Ends Gear Ratio: 5.29
CAB:	Conventional, Day Cab
TIRE, FRONT:	(2) 385/65R22.5 Load Range J G296 MSA (GOODYEAR), 488 rev/mile, 68 MPH, All-Position
TIRE, REAR:	(8) 11R22.5 Load Range G DH37 (HANKOOK), 498 rev/mile, 75 MPH, Drive
SUSPENSION, REAR, TANDEM:	{Hendrickson HMX EX 400} Walking Beam, 40,000-lb Capacity, 54" Axle Spacing, Rubber Springs, with Transverse Torque Rods, Rubber End Bushings
PAINT:	Cab schematic 100WL Location 1: 9036, Cool Gray Light (Std) Chassis schematic N/A

(0012ESN)

ATTACHMENTS: 0012VXT 0012THT 0007SDP

<u>Parameter</u>	<u>Value</u>	<u>UOM</u>
Max Accelerator Vehicle Speed	68	MPH
Road Speed Governor Upper Droop	3	MPH
Road Speed Governor Lower Droop	0	MPH
Driver Initiated Override (DIO)	N, DISABLE FEATURE OR FUNCTION	N/A
DIO Maximum Road Speed Delta	3	MPH
DIO Maximum Distance	100	MILES
Max Engine Speed No Veh Speed Sensr	1912	RPM
LBSC Enable	N, DISABLE FEATURE OR FUNCTION	N/A
LBSC - Engine Speed Breakpoint	1800	RPM
Gear Down Protection Enable	N, DISABLE FEATURE OR FUNCTION	N/A
GDP - Heavy Load Vehicle Speed	62	MPH
GDP - Light Load Vehicle Speed	57	MPH
Driver Reward Enable	N, DISABLE FEATURE OR FUNCTION	N/A
Driver Reward Mode	0, ROAD SPEED GOVERNOR	N/A
Fuel Economy - Expected Level	7.00	MPG
Fuel Economy - Good Level	7.25	MPG
Fuel Economy - Best Level	7.50	MPG
% Idle Time - Expected Level	30	%
% Idle Time - Good Level	20	%
% Idle Time - Best Level	10	%
Speed Reward - Expected Level	0	MPH
Speed Reward - Good Level	0	MPH
Speed Reward - Best Level	0	MPH
Speed Reward - Penalty Level	0	MPH
Idle Speed Adjustment Enable	Y, ENABLE FEATURE OR FUNCTION	N/A
Low Idle Speed	750	RPM
Idle Shutdown Enable	N, DISABLE FEATURE OR FUNCTION	N/A
ISD Time Before Shutdown	15.0	MIN
ISD Percent Engine Loading	100	%
ISD In PTO	N, DISABLE FEATURE OR FUNCTION	N/A
ISD Manual Override	N, DISABLE FEATURE OR FUNCTION	N/A
ISD With Parking Brake Set	N, DISABLE FEATURE OR FUNCTION	N/A
ISD Ambient Temperature Override	N, DISABLE FEATURE OR FUNCTION	N/A
ISD Cold Ambient Air Temperature	30	F
ISD Intermediate Ambient Air Temp	40	F
ISD Hot Ambient Air Temperature	81	F
ISD Manual Override Inhibit Zone En	N, DISABLE FEATURE OR FUNCTION	N/A
ISD Hot Ambient Automatic Override	Y	N/A
ISD Engine Coolant Temp Threshold	53	F
Cruise Control Enable	Y, ENABLE FEATURE OR FUNCTION	N/A
CC Maximum Vehicle Speed	68	MPH
CC Save Set Speed	N, DISABLE FEATURE OR FUNCTION	N/A
CC Upper Droop	3.0	MPH
CC Lower Droop	0.0	MPH
CC Auto Resume	N, DISABLE FEATURE OR FUNCTION	N/A
CC Engine Brake Swtch Bypass Enable	N, DISABLE FEATURE OR FUNCTION	N/A
Engine Fan Min On Time For AC	30	SEC
Remote Accelerator Enable	N, DISABLE FEATURE OR FUNCTION	N/A
Remote Accelerator Mode	1, REMOTE ACCELERATOR PEDAL OR LEVER WITH TRANS VERIFICATION	N/A
PTO Enable	Y, ENABLE FEATURE OR FUNCTION	N/A
PTO In Cab Mode	Y, ENABLE FEATURE OR FUNCTION	N/A
Remote PTO Enable	N, DISABLE FEATURE OR FUNCTION	N/A
Remote Station PTO Enable	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Max Engine Speed	2200	RPM

PTO Min Engine Speed	750	RPM
PTO Maximum Engine Load	800	LB-FT
PTO Max Vehicle Speed	2	MPH
PTO Accelerator Override	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Accel Override Max Engine Speed	2400	RPM
PTO Clutch Override	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Service Brake Override	Y, ENABLE FEATURE OR FUNCTION	N/A
PTO Parking Brake Interlock Mode	1, PTO PRK BRK INT TYPE SET TO CAB ONLY	N/A
PTO Transmission Neutral Interlock	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Eng Spd Limit w/VSS Limit	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Ignore Vehicle Speed Sensor	N, DISABLE FEATURE OR FUNCTION	N/A
PTO Resume Switch Speed	925	RPM
PTO Set Switch Speed	850	RPM
PTO Additional Switch Speed	950	RPM
PTO Ramp Rate	250	RPM/SEC
Remote PTO Number of Speed Settings	1	N/A
Remote PTO Speed Setting 1	1000	RPM
Remote PTO Speed Setting 2	1200	RPM
Remote PTO Speed Setting 3	1400	RPM
Remote PTO Speed Setting 4	1400	RPM
Remote PTO Speed Setting 5	1500	RPM
Remote Station PTO Resume Sw Spd	1000	RPM
Remote Station PTO Set Switch Speed	1500	RPM
Remote Station PTO Addition Sw Spd	1500	RPM
Transmission Driven PTO	N, DISABLE FEATURE OR FUNCTION	N/A
Transmission Driven PTO Type	0, ENGINE DRIVEN STEADY LOAD	N/A
Powertrain Protection Enable	N, DISABLE FEATURE OR FUNCTION	N/A
Max Torque Allow By Axle/Driveshaft	23602	LB-FT
Max Torque in Top Gear Range	2995	LB-FT
Max Torque in Int. Gear Range	2995	LB-FT
Max Torque in Low Gear Range	2995	LB-FT
Max Torque w/o Vehicle Speed	1475	LB-FT
Lowest Gear of Top Gear Range	2.00	N/A
Lowest Gear of Int. Gear Range	3.00	N/A
Lowest Gear of Low Gear Range	6.00	N/A
Engine Protection Shutdown	N, DISABLE FEATURE OR FUNCTION	N/A
Engine Protection Restart Inhibit	N, DISABLE FEATURE OR FUNCTION	N/A
Engine Prot Coolant Level Shutdown	N, DISABLE FEATURE OR FUNCTION	N/A
Sudden Veh Speed Decel Threshold	6.96	MPH
Trip Information Vehicle Ovrsped1	75	MPH
Trip Information Vehicle Ovrsped2	77	MPH
Veh Speed Sensor Anti Tamper Level	1, HIGH LEVEL	N/A
Maintenance Monitor Enable	N	N/A
Maintenance Monitor Operating Mode	0, MAINTENANCE MONITOR AUTOMATIC MODE OF OPERATION	N/A
Maintenance Monitor Alert Percent	90	%
Maintenance Monitor Distance	15000	MILES
Maintenance Monitor Fuel	2000	GALLONS
Maintenance Monitor Time	500	HOURS
Maintenance Monitor Interval Factor	1.00	N/A
Master Password	000000	N/A
Adjustment Password	000000	N/A
Reset Password	000000	N/A

These Electronic Parameters have been successfully finalized

<u>Code</u>	<u>Description</u>	<u>List</u> (US DOLLAR)
HV60700	Base Chassis, Model HV607 SBA with 187.00 Wheelbase, 119.90 CA, and 55.00 Axle to Frame.	\$99,791.00
1570	TOW HOOK, FRONT (2) Frame Mounted	\$84.00
1AND	AXLE CONFIGURATION {Navistar} 6x4	\$1,524.00
1CAJ	FRAME RAILS Heat Treated Alloy Steel (120,000 PSI Yield); 10.866" x 3.622" x 0.437" (276.0mm x 92.0mm x 11.1mm); 456.0" (11582mm) Maximum OAL	\$783.00
1MDP	BUMPER, FRONT Contoured, Stainless Steel, Polished	\$362.00
1UAM	FRAME EXTENSION, FRONT Integral; 27" In Front of Grille	\$695.00
1WGX	WHEELBASE RANGE 169" (430cm) Through and Including 219" (555cm)	\$611.00
1WRN	BRACKET, CAB MOUNT Heavy Duty	\$57.00
2ARV	AXLE, FRONT NON-DRIVING {Meritor MFS-14-143A} Wide Track, I-Beam Type, 14,000-lb Capacity	\$973.00
3AGU	SUSPENSION, FRONT, SPRING Multileaf, Shackle Type, 14,000-lb Capacity, for Reduced Deflection Vocational Use, with Shock Absorbers	\$311.00
4091	BRAKE SYSTEM, AIR Dual System for Straight Truck Applications	\$0.00
4619	TRAILER CONNECTIONS Four-Wheel, with Hand Control Valve and Tractor Protection Valve, for Straight Truck	\$542.00
4732	DRAIN VALVE {Berg} with Pull Chain, for Air Tank	\$0.00
4AZA	AIR BRAKE ABS {Bendix AntiLock Brake System} 4-Channel (4 Sensor/4 Modulator) Full Vehicle Wheel Control System	\$0.00
4EBD	AIR DRYER {Wabco System Saver 1200} with Heater	\$497.00
4EXV	BRAKE CHAMBERS, FRONT AXLE {Bendix} 24 Sqli	\$0.00
4EXW	BRAKE CHAMBERS, REAR AXLE {Bendix EnduraSure Pro} 30/30 Sqli Spring Brake	\$162.00
4LAA	SLACK ADJUSTERS, FRONT {Haldex} Automatic	\$38.00
4LGA	SLACK ADJUSTERS, REAR {Haldex} Automatic	\$116.00
4SPA	AIR COMPRESSOR {Cummins} 18.7 CFM	\$0.00
4VKC	AIR DRYER LOCATION Mounted Inside Left Rail, Back of Cab	\$50.00
4VKJ	AIR TANK LOCATION (2) Mounted Under Battery Box, Outside Left Rail, Back of Cab, Perpendicular to Rail	\$91.00
4WBX	DUST SHIELDS, FRONT BRAKE for Air Cam Brakes	\$35.00
4WDM	DUST SHIELDS, REAR BRAKE for Air Cam Brakes	\$140.00
4WDW	BRAKE CHAMBERS, POSITION on Rear/Rear Axle Located Inside Rear Tire Envelope (Meets Asphalt Spreader/Paver Clearance Requirements)	\$48.00
4XDP	BRAKES, FRONT {Meritor 16.5X5 Q-PLUS CAST} Air S-Cam Type, Cast Spider, Fabricated Shoe, Double Anchor Pin, Size 16.5" X 5", 14,600-lb Capacity	(\$1,268.00)
4XDR	BRAKES, REAR {Meritor 16.5X7 Q-PLUS CAST} Air S-Cam Type, Cast Spider, Fabricated Shoe, Double Anchor Pin, Size 16.5" X 7", 23,000-lb Capacity per Axle	(\$2,848.00)
4XEE	PARK BRAKE CHAMBERS, ADDITIONAL (2) Spring Brake Type	\$0.00
5708	STEERING COLUMN Tilting	\$125.00

<u>Code</u>	<u>Description</u>	<u>List</u> (US DOLLAR)
5CAW	STEERING WHEEL 4-Spoke; 18" Dia., Black	\$0.00
5PSA	STEERING GEAR {Sheppard M100} Power	\$0.00
6DGT	DRIVELINE SYSTEM {Dana Spicer} SPL170 Main Driveline with SPL170 Interaxle Shaft, for 6x4	\$612.00
7BEU	AFTERTREATMENT COVER Aluminum	\$278.00
7BLW	EXHAUST SYSTEM Horizontal Aftertreatment System, Frame Mounted Right Side Under Cab, for Single Vertical Tail Pipe, Frame Mounted Right Side Back of Cab	\$2,128.00
7SDP	ENGINE COMPRESSION BRAKE {Jacobs} for Cummins ISL/L9 Engines; with Selector Switch and On/Off Switch	\$2,132.00
7WBA	TAIL PIPE (1) Turnback Type, Bright	\$208.00
7WBS	MUFFLER/TAIL PIPE GUARD (1) Bright Stainless Steel	\$133.00
7WCM	EXHAUST HEIGHT 8' 10"	\$0.00
8000	ELECTRICAL SYSTEM 12-Volt, Standard Equipment	\$0.00
8518	CIGAR LIGHTER Includes Ash Cup	\$18.00
8GXD	ALTERNATOR {Leece-Neville AVI160P2013} Brush Type, 12 Volt, 160 Amp Capacity, Pad Mount, with Remote Sense	\$0.00
8HAB	BODY BUILDER WIRING Back of Day Cab at Left Frame or Under Sleeper, Extended or Crew Cab at Left Frame; Includes Sealed Connectors for Tail/Amber Turn/Marker/ Backup/ Accessory Power/Ground and Sealed Connector for Stop/Turn	\$100.00
8MSG	BATTERY SYSTEM {Fleetrite} Maintenance-Free, (3) 12-Volt 1980CCA Total, Top Threaded Stud	\$103.00
8RMH	BATTERY DISCONNECT SWITCH {Cole-Hersee 75920-06} 300 Amp, Disconnects Charging Circuits, Locks with Padlock, Battery Box Mounted	\$176.00
8RMZ	SPEAKERS (2) 6.5" Dual Cone Mounted in Both Doors, (2) 5.25" Dual Cone Mounted in Both B-Pillars	\$138.00
8RPS	RADIO AM/FM/WB/Clock/Bluetooth/USB Input/Auxiliary Input	\$483.00
8TMG	TRAILER CONNECTION SOCKET {Phillips} 7-Way, Mounted at Rear of Frame, Wired for Turn Signals Combined with Stop, Compatible with Trailers with Combined Stop, Tail, Turn Lamps	\$439.00
8TNP	AUXILIARY HARNESS 5.0' for Auxiliary Front Head Lights and Turn Signals for Front Plow Applications	\$178.00
8VAY	HORN, ELECTRIC Disc Style	\$0.00
8VUL	BATTERY BOX Steel, with Plastic Cover, 18" Wide, 2-4 Battery Capacity, Mounted Left Side Back of Cab	\$177.00
8WNH	RUNNING LIGHT (2) Daytime	\$58.00
8WPH	CLEARANCE/MARKER LIGHTS (5) {Truck Lite} Amber LED Lights, Flush Mounted on Cab or Sunshade	\$0.00
8WPZ	TEST EXTERIOR LIGHTS Pre-Trip Inspection will Cycle all Exterior Lamps Except Backup Lights	\$42.00
8WTK	STARTING MOTOR {Delco Remy 38MT Type 300} 12 Volt, Less Thermal Over-Crank Protection	\$193.00

<u>Code</u>	<u>Description</u>	<u>List</u> (US DOLLAR)
8WWJ	INDICATOR, LOW COOLANT LEVEL with Audible Alarm	\$0.00
8XAH	CIRCUIT BREAKERS Manual-Reset (Main Panel) SAE Type III with Trip Indicators, Replaces All Fuses	\$0.00
8XGT	TURN SIGNALS, FRONT Includes LED Side Turn Lights Mounted on Fender	\$0.00
8XHN	HORN, AIR Single Trumpet, Black, with Lanyard Pull Cord	\$94.00
8XHR	POWER SOURCE, ADDITIONAL Auxiliary Power Outlet (APO) & USB Port, Located in the Instrument Panel	\$38.00
9585	FENDER EXTENSIONS Rubber	\$104.00
9AAB	LOGOS EXTERIOR Model Badges	\$0.00
9AAE	LOGOS EXTERIOR, ENGINE Badges	\$0.00
9HBM	GRILLE Stationary, Chrome	\$0.00
9WAC	BUG SCREEN Mounted Behind Grille	\$131.00
9WBC	FRONT END Tilting, Fiberglass, with Three Piece Construction, for WorkStar/HV	\$0.00
10060	PAINT SCHEMATIC, PT-1 Single Color, Design 100	\$0.00
10761	PAINT TYPE Base Coat/Clear Coat, 1-2 Tone	\$0.00
10BAE	LABEL, DEF "DEF ONLY"	\$8.00
10SLV	PROMOTIONAL PACKAGE Government Silver Package	\$0.00
10WCY	SAFETY TRIANGLES	\$47.00
10XAN	FIRE EXTINGUISHER 5 lb Class A B C	\$154.00
10XAP	FIRE EXTINGUISHER BRACKET Mounted Left Side Driver Seat	\$0.00
11001	CLUTCH Omit Item (Clutch & Control)	\$0.00
12703	ANTI-FREEZE Red, Extended Life Coolant; To -40 Degrees F/ -40 Degrees C, Freeze Protection	\$0.00
12851	PTO EFFECTS, ENGINE FRONT Less PTO Unit, Includes Adapter Plate on Engine Front Mounted	\$353.00
12ESN	ENGINE, DIESEL {Cummins L9 350} EPA 2021, 350HP @ 2200 RPM, 1050 lb-ft Torque @ 1200 RPM, 2200 RPM Governed Speed, 350 Peak HP (Max)	\$9,757.00
12THT	FAN DRIVE {Horton Drivemaster} Two-Speed Type, Direct Drive, with Residual Torque Device for Disengaged Fan Speed	\$0.00
12UWZ	RADIATOR Aluminum, Cross Flow, Front to Back System, 1228 SqIn, with 1167 SqIn Charge Air Cooler, Includes In-Tank Oil Cooler	\$0.00
12VBB	AIR CLEANER Dual Element	\$108.00
12VHR	FEDERAL EMISSIONS {Cummins L9} EPA, OBD and GHG Certified for Calendar Year 2021	\$350.00
12VXT	THROTTLE, HAND CONTROL Engine Speed Control; Electronic, Stationary, Variable Speed; Mounted on Steering Wheel	\$0.00
12WCG	HOSE CLAMPS, RADIATOR HOSES {R.G. Ray Mini Flex Seal} Coil Spring/"T"-Bolt Constant Tension Type, for Radiator Hoses over 1" I.D.	\$54.00
12WUL	BLOCK HEATER, ENGINE {Phillips} 120V/1000W, with "Y" Cord for Dealer Installed 120V/300W Oil Pan Heater	\$116.00

<u>Code</u>	<u>Description</u>	<u>List</u> (US DOLLAR)
12WZE	EMISSION COMPLIANCE Federal, Does Not Comply with California Clean Air Idle Regulations	\$0.00
12XBM	ENGINE CONTROL, REMOTE MOUNTED Provision for; Includes Wiring for Body Builder Installation of PTO Controls and Starter Lockout, with Ignition Switch Control, for Cummins B6.7 and L9 Engines	\$60.00
13AVR	TRANSMISSION, AUTOMATIC {Allison 3000 RDS} 5th Generation Controls, Close Ratio, 6-Speed with Double Overdrive, with PTO Provision, Less Retarder, Includes Oil Level Sensor, with 80,000-lb GVW and GCW Max, On/Off Highway	\$6,226.00
13WET	TRANSMISSION SHIFT CONTROL Column Mounted Stalk Shifter, Not for Use with Allison 1000 & 2000 Series Transmission	\$50.00
13WLP	TRANSMISSION OIL Synthetic; 29 thru 42 Pints	\$203.00
13WUC	ALLISON SPARE INPUT/OUTPUT for Rugged Duty Series (RDS) and Regional Haul Series (RHS), General Purpose Trucks, Construction, Package Number 223	\$0.00
13WWW	NEUTRAL AT STOP OMIT	(\$160.00)
13WYU	SHIFT CONTROL PARAMETERS {Allison} 3000 or 4000 Series Transmissions, Performance Programming	\$0.00
13XAL	PTO LOCATION Customer Intends to Install PTO at Left Side of Transmission	\$0.00
14GVN	AXLE, REAR, TANDEM {Meritor MT-40-14X-4DCR} Single Reduction, 40,000-lb Capacity, .433"(11mm) Wall Housing Thickness, Driver Controlled Locking Differential in Forward-Rear and Rear-Rear Axle, R Wheel Ends . Gear Ratio: 5.29	\$10,038.00
14UMV	SUSPENSION, REAR, TANDEM {Hendrickson HMX EX 400} Walking Beam, 40,000-lb Capacity, 54" Axle Spacing, Rubber Springs, with Transverse Torque Rods, Rubber End Bushings	\$4,249.00
14WBV	SHOCK ABSORBERS, REAR (4) for Hendrickson HMX Suspension Only, Mounted from Frame to Beam	\$878.00
14WCR	TRANSVERSE TORQUE RODS {Hendrickson} TRAAX Rod, Transverse Only	\$172.00
15LNS	FUEL/WATER SEPARATOR {Racor 400 Series} 12 VDC Electric Heater, Includes Pre-Heater, with Primer Pump, Includes Water-in-Fuel Sensor, Mounted on Engine	\$344.00
15SGG	FUEL TANK Top Draw, Non-Polished Aluminum, D-Style, 19" Tank Depth, 70 US Gal (265L), Mounted Left Side, Under Cab	\$301.00
15WDG	DEF TANK 7 US Gal (26L) Capacity, Frame Mounted Outside Left Rail, Under Cab	\$0.00
16030	CAB Conventional, Day Cab	\$0.00
16BAM	AIR CONDITIONER with Integral Heater and Defroster	\$923.00
16GDC	GAUGE CLUSTER Base Level; English with English Speedometer and Tachometer, for Air Brake Chassis, Includes Engine Coolant Temperature, Primary and Secondary Air Pressure, Fuel and DEF Gauges, Oil Pressure Gauge, Includes 3 Inch Monochromatic Text Display	\$0.00
16HHE	GAUGE, AIR CLEANER RESTRICTION {Filter-Minder} with Black Bezel, Mounted in Instrument Panel	\$30.00
16HKT	IP CLUSTER DISPLAY On Board Diagnostics Display of Fault Codes in Gauge Cluster	\$0.00
16LSD	SEAT, DRIVER {National 2000} Air Suspension, High Back with Integral Headrest, Mordura Cloth, Isolated, with 2 Position Front Cushion Adjustment, -3 to +14 Degree Seat Back Adjustment, Single Chamber Air Lumbar Support	\$263.00

<u>Code</u>	<u>Description</u>	<u>List</u> (US DOLLAR)
16LUN	SEAT, PASSENGER {National} Non Suspension, High Back with Integral Headrest, Mordura Cloth, with Fixed Back	\$427.00
16SEE	GRAB HANDLE, EXTERIOR Chrome, Towel Bar Type, with Anti-Slip Rubber Inserts, for Cab Entry Mounted Left Side at B-Pillar	\$118.00
16SNU	MIRRORS (2) Aero Pedestal, Power Adjust, Heated, Bright Heads, Black Arms, 6.5" x 14" Flat Glass, Includes 6.5" x 6" Convex Mirrors, for 102" Load Width	\$427.00
16VKB	CAB INTERIOR TRIM Classic, for Day Cab	\$0.00
16WBY	ARM REST, RIGHT, DRIVER SEAT	\$39.00
16WEE	CAB SOUND INSULATION Includes Dash Insulator and Engine Cover Insulator	\$90.00
16WHJ	HOSE CLAMPS, HEATER HOSE {Breeze} Belleville Washer Type	\$25.00
16WJU	WINDOW, POWER (2) and Power Door Locks, Left and Right Doors, Includes Express Down Feature	\$367.00
16WSK	CAB REAR SUSPENSION Air Bag Type	\$0.00
16XCW	CAB, INTERIOR TRIM, CLOSEOUT Under IP, Driver Side	\$48.00
16XJP	INSTRUMENT PANEL Wing Panel	\$333.00
16XWD	SUNSHADE, EXTERIOR Aerodynamic, Painted Roof Color, with Integral Clearance/Marker Lights	\$253.00
16ZBT	ACCESS, CAB Steel, Driver & Passenger Sides, Two Steps per Door, for use with Day Cab and Extended Cab	\$0.00
27DUM	WHEELS, FRONT {Accuride 29806} DISC; 22.5x12.25 Rims, Powder Coat Steel, 5-Hand Hole, 10-Stud, 285.75mm BC, Hub-Piloted, Flanged Nut, with Steel Hubs, Offset 4.63"	\$989.00
28DTT	WHEELS, REAR {Accuride 28828} DUAL DISC; 22.5x8.25 Rims, Powder Coat Steel, 2-Hand Hole, 10-Stud, 285.75mm BC, Hub-Piloted, Flanged Nut, with .472" Thick Increased Capacity Disc and with Steel Hubs	\$254.00
60AKG	BDY INTG, PTO ACCOMMODATION for (3) Latched Rocker Switches, (1) PTO Switch, (2) Generic Switches to Control (3) 30 amp relays, with Programmable Interlocks, for Body Builder Hook up in the Engine Compartment Left Side, Recommended for Automatic Transmissions	\$148.00
7372135810	(8) TIRE, REAR 11R22.5 Load Range G DH37 (HANKOOK), 498 rev/mile, 75 MPH, Drive	(\$232.00)
7702658113	(2) TIRE, FRONT 385/65R22.5 Load Range J G296 MSA (GOODYEAR), 488 rev/mile, 68 MPH, All-Position	(\$354.00)
	Total of Product Features	\$148,338.00
	Services Section:	
40128	WARRANTY Standard for HV507, HV50B, HV607 Models, Effective with Vehicles Built July 1, 2017 or Later, CTS-2025A	\$0.00
40LUY	SRV CONTRACT, EXT MAJOR COMP {Navistar Prepackaged Components} To 60-Month/100,000 Miles (160,000 km), Includes Front Axle, Rear Axle, Propshaft, and Transfer Case	\$620.00
40TVV	SRV CONTRACT, EXT ALLISON XMSN {Allison} To 60-Month/Unlimited Miles/km, for Allison 3000 RDS with Dump Truck or Mixer Vocations (ST01, ST06, ST07)	\$1,264.00



International Trucks is pleased to provide you with this proposal compliant with all terms of the Sourcewell Vehicles and Chassis Contract #060920-NVS awarded to Navistar, Inc for new International Trucks. If you have any questions regarding enrollment in Sourcewell or detailed contract terms and conditions, please see your International Truck sales representative.

PROPOSAL PREPARED FOR:

PROPOSAL PREPARED BY:

Sourcewell Member:	City of Palmer	RWC Internaioinal
Contact:	Greg Wickham	Greg Martin
Address:	231 W. Evergreen Ave.	7880 Sandlewood Place
City/State/Zip:	Palmer, Alaska 99645	Anchorage, Alaska 99507
Phone:	(907) 745-3271	(907) 265-0223
Email:	Greg Wickham <gwickham@palmerak.org>	gmartin@RWCgroup.com

Proposal Number	5435-02
Date	1/22/2021
Quantity of this Specification	1
Single Sourcewell Transaction Total Volume	1

Chassis		
New 2022 International HV607 6x4 Chassis		\$ 148,338.00
Base Chassis List	\$ 99,791.00	
Options List	\$ 48,547.00	
Sourcewell Contract Discount	35.0%	\$ (51,918.30)
Volume Incentive		\$ -
Net Sourcewell Chassis Price		\$ 96,419.70
Sourcewell Partner Body		
		\$ -
		\$ -
	4.00%	\$ -
Non-Sourcewell Dealer Supplied Body		
DUMP BODY, DURACCLASS HTP-316		\$ 30,859.00
SNOW PLOW, HENDERSON 12' RSP - BSI 0077594		\$ 52,703.00
Handling Fee	5.00%	\$ 4,178.10
Additional Post Build Work		
OIL PAN HEATER, 300W, IMMERSION TYPE		\$ 228.00
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
Handling Fee	5.00%	\$ 11.40
Service Contracts		
SRV CONTRACT, EXT MAJOR COMP / 60-MONTHS / 100,000 MILES		\$ 620.00
SRV CONTRACT, EXT CUM ENG & AFT / 60-MONTHS / 100,000 MILES		\$ 3,780.00
SRV CONTRACT, EXT ALLISON TRANSMISSION / 2-YR TO 5-YR TTL		\$ 1,264.00
Additional Freight		
FREIGHT, ANCHORAGE TO PALMER		\$ 380.00
		\$ -
Additional Floorplan		
FLOORING INTEREST, ADDITIONAL 90 DAYS FOR BODY I9NSTALL, NET 30		\$ 1,621.00
		\$ -
Additional Fees & Taxes		
		\$ -
		\$ -
		\$ -
Final Sourcewell Customer Price FOB PALMER, ALASKA		\$ 192,064.20

Terms: Sourcewell Quoted Price is FOB Palmer, Alaska. Price does not include fees for title and registration. Price is valid for 30 Days.

**City of Palmer
Action Memorandum No. 21-016**

Subject: Authorize the City Manager to Amend the Professional Services Agreement with HDR, Inc. in an Amount Not to Exceed \$994,229.00 for Additional Engineering Services to Support the City with Final Engineering Design Update, Bidding Assistance, Construction and Project Management for Installation of Two (2) New Clarifiers at the WasteWater Treatment Facility (WWTF) as Required by the First Material Modification to the United States et al. v. City of Palmer Consent Decree, Filed 01/19/2020.

Agenda of: February 23, 2021

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Chris Nall, Director of Public Works

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance		02/04/2021
_____	Fire	_____	_____
_____	Police	_____	_____
√	Public Works		02/01/2021

Certification of Funds:

Total amount of funds listed in this legislation: \$ 994,229.00

This legislation (√):


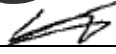

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 994,229.00
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 02-01-50-6028 Engineering \$75,000
- Not budgeted 24-53-XX-6XXX

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Attachment(s):

1. HDR Statement of Work and Fee Proposal (01/27/2021)

Summary Statement/Background:

PSA Amendment #8 with HDR Engineering, Inc., will take our contracted engineer support for the required WWTP upgrades through Phase II of construction, with the installation of 2 required clarifiers. Based on the current modification to the City’s Consent Decree with the Dept. of Justice, Environmental Protection Agency, and Alaska Dept. of Environmental Conservation, the clarifiers must be installed and operational, NLT July 1st, 2022. Amendment #8 will allow for required engineering final design updates, bidding assistance and services, and engineering services during construction and commissioning and start-up of the new clarifiers.

Administration’s Recommendation:

Approve Action Memorandum No. 21-016 authorizing the City Manager to amend the Professional Services Agreement with HDR, Inc. in an amount not to exceed \$994,229.00 for additional engineering services.



January 27, 2021

Mr. Chris Nall
Public Works Director
City of Palmer
1316A S. Bonanza Street
Palmer, Alaska 99645
Transmitted via email: cnall@palmerak.org

Re: Proposal for Design and Construction Administration Services – Palmer WWTF Improvements Project Phase II

Dear Chris,

HDR Engineering, Inc. (HDR) is pleased to present this proposal to provide engineering services to support the next phase of the City of Palmer Wastewater Treatment Facility (WWTF) Improvements project. The purpose of this project is to bring the WWTF into compliance with its effluent discharge permit and the Clean Water Act (CWA) requirements established by the Environmental Protection Agency (EPA) and the Department of Justice (DOJ) for the WWTF. We propose to perform Phase II engineering services as an amendment to our existing Palmer Wastewater Treatment Plant Facility Plan Update contract.

Introduction:

HDR prepared a WWTF Facility Plan Update (dated May 19, 2016) that identified alternatives to bring the WWTP into compliance with current and potential future permit limits (particularly ammonia). The Facility Plan Update recommended implementation of the needed facilities using a phased approach. The first phase of construction, which was completed in 2018, included two Moving Bed Bioreactor (MBBR) aeration basins with a maximum monthly treatment capacity of 1.2 million gallons per day (MGD), a new Operations Building (with chemical feed systems, aeration blowers, laboratory, etc.), and a new conveyance pipeline from the existing headworks to the new treatment facilities, bypassing the existing lagoon system.

The next phase of the project (Phase II), which will be constructed in 2021-2022, consists of:

- Two secondary clarifiers to remove the solids from the MBBR effluent.
- Waste activated sludge (WAS) pumping facilities.
- Scum Pump Station.
- Lagoon 2 Overflow Structure.
- Connection from Lagoon 1 to the MBBR basins.
- Emergency back-up power generator.

HDR proposes to complete the design of these improvements and perform construction administration services as an amendment to our Palmer Wastewater Treatment Plant Facility Plan Update contract. Our proposed Scope of Services, Schedule, and Budget tasks included in this proposal include the following:

- Task 1 Preliminary Engineering Update
- Task 2 Final Design
- Task 3 Bid Period Services
- Task 4 Project Management (For Design Services)
- Task 5 Engineering Services During Construction and Start-Up

Each of these tasks is described in more detail in the Scope of Services section below.

BASIC SERVICES

Task 1 – Preliminary Engineering Update

Update the preliminary engineering requirements for the Palmer WWTP Phase II Improvements (as identified in the Introduction).

Task 1.1 – Preliminary Engineering Report/Environmental Report Updates

Objective

Establish or update the preliminary engineering requirements for the Palmer WWTP Phase II Improvements (as identified in the Introduction). HDR will assist the City in updating documents required for funding agency (assumes United States Department of Agriculture (USDA) Rural Development or Alaska Department of Environmental Conservation (ADEC) Revolving Loan Program will be funding agency).

Approach

- Conduct a project kickoff workshop with City staff to discuss project concepts; Identify City preferences for equipment types, layout, and controls, as well as obtain data needed for proposed wastewater rate study update. It is assumed up to three HDR staff will attend the project kickoff meeting via teleconference. It is assumed that the kickoff workshop will last up to four hours.
- Assist the City with the grant/loan application process and update preliminary engineering documents to meet USDA/ADEC requirements including:
 - Preliminary Engineering Report Update for USDA/ADEC: As part of the construction application, USDA requires a Preliminary Engineering Report (PER) prepared in accordance with USDA Bulletin 1780-2. HDR prepared a PER in 2016 to meet the USDA requirements for Phase I of the design and will update the document for Phase II of the project. It is assumed that HDR will address one round of comments from USDA on a draft report and incorporate revisions into a final

document accepted by USDA as part of the application for funding. It is also assumed this PER will be suitable for use as the ‘Engineer’s Report’ for ADEC Plan Review and a separate document will not be required for ADEC review.

- Environmental Report for USDA: In addition, as part of the construction application, USDA requires an Environmental Report (ER) prepared in accordance with USDA Bulletin 1794A-602. HDR prepared an environmental report to meet the USDA requirements for Phase I of the design and will update the document for Phase II of the project. It is assumed that HDR will address one round of comments from USDA on a draft report and incorporate revisions into a final document accepted by USDA as part of the application for funding.

Deliverables

- Draft and final Preliminary Engineering Report [electronic file in .pdf format transmitted via e-mail or file transfer protocol (FTP) website].
- Draft and final Environmental Report [electronic file in .pdf format transmitted via e-mail or file transfer protocol (FTP) website].

Task 1.2 – Sewer Financial Plan Update

Objective

Update Palmer Sewer Financial Plan to support funding applications and financial planning.

Approach

- Conduct a workshop with City staff to discuss financial background information as well as data needed for the Sewer Financial Plan update. It is assumed up to two HDR staff will attend the project kickoff meeting via teleconference. It is assumed that the kickoff workshop will last up to four hours.
- Prepare an update to the City of Palmer Sewer Financial Plan. HDR will use the existing baseline analysis developed in the previous updates. The baseline analysis will be updated with new revenue and expense assumptions, including capital expenses. Additionally, HDR will develop three alternatives for the City to consider (including changes based on Phase II WWTF construction). Each will be built on the assumptions of the baseline or ‘status quo’ and then add in unique specifics related to additional O&M and/or capital costs depending on the particular alternative. Anticipated components of the Sewer Financial Plan Update are as follows:
 - Revenues - To project sewer revenues, HDR will work collaboratively with City staff to develop a revenue forecast based on recent year end revenues and any

anticipated rate increases. HDR will also update the miscellaneous revenue sources based on recent historical and budgeted levels.

- Expenses - To project sewer expenses, the analyses will be updated to reflect current operating and capital expenses. The starting point is proposed to be the adopted 2021 budget. A five-year projection of operating expenses will then be developed based on the adopted budget. The future year projections will be based on assumed inflationary factors – similar to prior analyses - and any recent operating cost increases. Each alternative may also have additional O&M costs that will be incorporated and projected. Current debt service costs will be included in the analysis, along with any assumed new long-term debt issuances. A capital improvement financing plan will be developed based on the City’s most recent long-term capital improvement plan. Furthermore, each alternative may have specific capital projects that will be incorporated into the plan. A key element of the sewer financial plan update is the review, and impact, of the financing plan including any necessary long-term borrowing. As part of this task, consideration will also be given to the ending reserve fund balances and debt service coverage ratios to assess their appropriateness with regards to contemporary financial and rate setting practices.
- A draft sewer financial plan update will be developed for the ‘status quo’ and three alternative scenarios. Each will have a unique projection of costs, both operating and capital, as well as capital funding approach which will lend to the overall rate transition plan. Conduct one review meeting with City staff and up to two HDR staff will attend the review meeting via teleconference. It is assumed the review meeting will last up to two hours.
- HDR will provide a brief technical memorandum summarizing the analyses as well as any recommendations or conclusions from the review. The memorandum will include the baseline analysis and three (3) five-year sewer financial plans; revised/updated projections of revenues and expenses for each alternative; revised/updated capital improvement funding plan for each alternative. As part of the technical memorandum, HDR will provide the key assumptions of the update and the alternatives. An electronic version of the draft technical memorandum will be provided to City staff for review and comment. Once the comments have been incorporated, a final technical memorandum will be provided to the City.

Deliverables

- Draft and final Sewer Financial Plan technical memorandum [electronic file in .pdf format transmitted via e-mail or file transfer protocol (FTP) website].

Task 2 – Final Design Update

Objective

Develop design drawings and specifications signed and sealed by appropriate registered engineers for the WWTF Upgrades. It is assumed that the design for the 2021-2022 upgrades to be performed at the WWTF (secondary clarifiers, WAS pump facilities, etc.) have not changed significantly from the development of the “City of Palmer Wastewater Treatment Facility Improvements Project – Bid Documents” dated February 14, 2017 and these documents will be updated to address minor changes since construction of the last (Phase I) improvements in 2018.

Approach

- Prepare final drawings that define the size, configuration, process control, and key features of the project components and initiate other drawings which show details and refinements.
- Prepare final technical specifications.
- Use the services of senior design personnel to conduct a detailed review of the final design project manual. Document quality assurance/quality control comments and responses.
- Final design development will include a draft submittal to the City for review and comment.
- Conduct up to one review meeting with City staff and up to three HDR staff will attend the review meeting via teleconference. It is assumed the review meeting will last up to three hours.
- Submit final project manual to ADEC and the Alaska Fire Marshal for review and approval. Review fees required by each agency will be paid by City.

Assumptions

- Final drawings will be prepared per industry standards and specifications will be prepared using the latest format of the Construction Specifications Institute.
- Front-end specifications will be based upon Engineers Joint Contract Documents Committee (EJCDC) construction contract documents, and Standard General Conditions modified by Consultant’s legal department and reviewed by City’s Legal Department.
- Up to 80 sheets of design drawings will be updated for the Phase II Improvements. The final drawing list is expected to be as summarized below:

Discipline	Number of sheets
General	13
Civil	14
Architectural	3

Structural	8
Process Mechanical	16
Electrical	14
I&C	12
Total	80

- No new drawings or specification sections are expected following this submittal.
- It is assumed that no document modifications will result from ADEC plan review of the final submittal. The planned improvements have already been reviewed by ADEC and covered under an existing Certificate to Construct (CTC) that was issued a three-year extension in 2020. HDR’s schedule does not include review time for ADEC and assumes Bid Period Services can be performed prior to ADEC re-issuance of a new CTC (if required). If it is determined that Bid Period Services cannot begin until the CTC has been re-issued, this will result in HDR adjusting the schedule accordingly.

Deliverables

- Draft Project Manual [electronic file in .pdf format transmitted via e-mail or file transfer protocol (FTP) website].
- Final Project Manual [electronic file in .pdf format transmitted via e-mail or file transfer protocol (FTP) website, two full-sized (22x34) hard copies and three half-sized (11x17) hard copies].
- Final Project Manual and Checklists submitted to ADEC [electronic file in .pdf format transmitted via e-mail].

Task 3 – Bid Period Services

Objective

Assist City with bidding the project for the WWTP Phase II Improvements (if required). It is assumed that the City will continue to pursue the option of extending the construction contract of the Contractor that completed Phase I Improvements. The following services will be performed only if it is determined that re-bidding the project is necessary to meet funding agency requirements.

Approach

- Prepare a pre-bid conference meeting agenda and conduct a pre-bid conference at the project site.
- Document pre-bid conference attendees.
- Document questions raised and answers provided during the pre-bid conference.

- Issue minutes of the pre-bid conference and the list of attendees as part of an addendum.
- Issue up to three (3) addenda.
- Consult with City’s legal representative before making any recommendations of award that may involve waiver of formalities or irregularities in the bid.
- Prepare engineer’s recommendation of award based on bidder responsiveness and bid amount.

City Involvement

- Advertise project using City’s established procedure.
- Answer legal questions during pre-bid meeting and advertisement period.
- Distribute bid packages and log an official Plan Holders List.
- During the advertisement phase, coordinate all correspondence regarding the project to ensure response consistency.
- Send a complete copy of each addendum to all official plan holders of record.
- Open bids at the place and time advertised.
- Verify Contractor’s financial resources, experience, safety record, technical skills, ability to comply with the schedule, and past performance record.
- Verify bid bond amount and bonding company ratings and certifications.
- Contact contractor surety and bank reference.

Assumptions

- Up to two (2) HDR staff members will attend the pre-bid conference.
- HDR will avoid providing interpretation or clarifications of documents during the pre-bid Conference. Instead these will be issued in an addendum if determined necessary to respond to prospective bidder questions.
- Conformed documents will not be prepared.
- Engineering services during construction will be provided under a separate task order.

Deliverables

- Pre-bid conference agenda (up to ten (10) hard copies) and notes (electronic copy in .pdf format transmitted via e-mail).
- Addenda (electronic copy in .pdf format transmitted via e-mail).
- Engineer’s recommendation of award (electronic copy in .pdf format transmitted via e-mail).

Task 4 – Project Management (for Design Services)

Objective

This subtask includes the overall management of the design including coordination of the various disciplines and maintaining the project budget and schedule. These activities include submittal of status reports and invoices on a monthly basis, coordinating subconsultants, scheduling staff, coordinating the quality assurance effort, participation in project meetings, and preparation of contract amendments

Approach

- Prepare Project Management Plan that includes project objectives and priorities; role of City and HDR throughout the project; contract work plan, including scope, schedule, budget, resource assignments, and coordination requirements; quality assurance and quality control plan; reporting requirements; and administrative procedures, such as invoicing and communication protocol. The plan will be distributed to consulting team members and HDR personnel.
- As often as up to once per week, conduct one-hour conference calls with City’s project manager to review project status and action items.
- Monitor project progress including work completed, work remaining, budget expended, schedule, estimated cost of work remaining, and estimated cost at completion.
- Prepare and submit monthly narrative report and invoice for the duration of the project.
- Institute and maintain a QA/QC program for the work performed on this project. To ensure objectivity, senior technical staff not specifically involved in the project will assist with the internal QA/QC review prior to submitting all deliverables to City.
- Maintain detailed project schedule.

Assumptions

- Quality control reviews of work activities and project deliverables are included in each task.
- Budget may be transferred between tasks and from sub-consultant to HDR without an amendment to the Agreement, unless such transfers also require a change in total fee.
- HDR will proportionately adjust loaded labor rates to actual salary and wage increases for individuals.
- Invoice and progress report format will follow HDR standard format.
- Direct expenses for travel, subsistence, printing, photocopying, and telephone conferences for all tasks will be billed to City.

Deliverables

- Project Management Plan update (electronic file in .pdf format transmitted via e-mail).
- Agenda and meeting notes for meetings (electronic file in .pdf format transmitted via e-mail).

- Monthly progress narrative and monthly invoices (electronic file in .pdf format transmitted via e-mail).

Task 5: Engineering Services During Construction and Start-Up

Purpose

The City will act as Owner during the construction of the Phase II WWTF (Project). HDR will be the Engineer providing consulting services to assist the City during construction as well as providing a half-time, on-site Owner's Project Representative. HDR's scope of services during the construction phase of the Project will consist of the following tasks:

- Task 5.1 – Project Meetings
- Task 5.2 – Conformed Document Set
- Task 5.3 – On-site Resident Inspector
- Task 5.4 – Respond to Requests for Information (RFIs)
- Task 5.5 – Review of Submittals
- Task 5.6 – Change Request Support
- Task 5.7 – Progress Schedule and Progress Payment Reviews
- Task 5.8 – Commissioning Assistance
- Task 5.9 – Facility O&M Manual
- Task 5.10 – Record Drawings
- Task 5.11 – ADEC Certificate To Operate Documentation
- Task 5.12 – Project Management (for Construction Services)

General Assumptions for Construction Support Services

The anticipated deliverables are listed following each task description. These deliverables include technical memoranda, tables, specifications, and drawings developed for review by City staff. The following general assumptions have been used in preparing this scope:

- Construction meetings will be held at the WWTF.
- The City Project Manager will organize participation of all City staff for meetings, conference calls, and workshops.
- Unless otherwise noted, all draft and final deliverables will be as electronic files.
- Assume all submittals will be provided via an electronic document management system (Bentley EADOC on-line system (EADOC)). Materials samples and O&M submittals are the only physical submittals.
- Deviations from the anticipated schedule or duration of construction will materially affect the scope and compensation of these services during construction and will require an adjustment to HDR's compensation.
- HDR's services during construction also assume that the construction will be bid as a single general construction contract with a fixed, lump sum price. The construction work will be awarded to a single General Contractor and all work will be performed at the WWTF.

- HDR will not be responsible for the means, methods, techniques, sequences or procedures of the Contractor, nor shall HDR be responsible for the Contractor's failure to perform in accordance with the contract documents.

Task 5.1 – Project Meetings

Objective

HDR attends the various Project meetings with the City, with and without the Contractor, to discuss issues that arise during construction and seek prompt and effective resolution of these issues.

Approach

- Attend the preconstruction meeting. Assist City as required in answering Contractor questions regarding procedures for communications, submittals process, and requests for clarification.
- Attend project status meetings. Typical activities at the project status meetings include:
 - Prepare and distribute meeting notes.
 - Review look-ahead schedule.
 - Answer Contractor questions regarding the design (intent or purpose of a feature of the design, operational issues, code issues, etc.).
 - Discuss the status of equipment submittals that have been forwarded for review.
 - Discuss the deficiencies noted in specific equipment submittals that were returned to the Contractor for further action.
 - Review HDR's response to RFIs that have been evaluated.
 - Provide input to the meeting to answer technical questions and help resolve technical issues that may arise.
 - When agreed upon during the meeting, visit the project site after the meeting to observe construction and discuss issues identified.
- Attend Progress Schedule meeting to review overall schedule, schedule float, and planned additional activities to address schedule shortfalls.
- HDR will coordinate visits to the site by the design team members to review progress and quality of the work. The visits will observe the general quality of the work at the time of the

visit and review any specific items of work that are brought to the attention of the design team members by the Contractor or the City. HDR engineers will not be responsible for the construction means, methods, techniques, sequences, or procedures, or the safety precautions incident thereto. HDR will help the City determine that the completed project generally conforms to the requirements of the Contract Documents. During such visits and on the basis of on-site observations, HDR will keep the City informed as to the general progress of the work, will endeavor to alert the City regarding noted defects and deficiencies in the work of the Contractor, and may disapprove or reject work as failing to conform to the Contract Documents.

HDR office support staff will provide on-site observations at critical times during construction. These times include milestone completion dates, major equipment installations, and prior to starting significant elements of the work (initial concrete/structural work, electrical feed, demolition, etc.). Regular progress inspections will be coordinated with the City and field staff and may be unannounced to the Contractor to observe progress and quality of inspection throughout the project. Site visits include travel time to the site (approximately 1 day for roundtrip travel for out-of-state engineers) and approximately 8 hours of on-site observation (depending on the activity for inspection this could be longer). The following visits have been assumed for estimating purposes:

- Process (Equipment installation) 4 visits (Wodrich)
- Progress (Elec/I&C and Structural) Up to 4 inspection trips per month for 15 months to substantial completion and 2 trips per month for 3 months on to final completion.
- Progress (Civil/Process/Mech) Up to 4 inspection trips per month for 15 months to substantial completion and 2 trips per month for 3 months on to final completion.

Progress Inspections: HDR will provide regular progress inspections to monitor construction progress for Electrical/Instrumentation & Controls and Structural. These inspections will be conducted by subconsultant CRW. HDR will provide progress inspections for civil, process, and building mechanical.

Assumptions

- HDR will prepare and distribute meeting agenda and notes for City to use in conducting the meeting.
- Preconstruction meeting will be four hours in duration and attended by the Anchorage-based HDR Project/Construction Manager and Project Engineer.

- The project review meetings will be weekly and attended by the HDR Project Manager and Project Engineer.
- Progress Schedule meetings will be a monthly (2-hour duration) and attended by the HDR Project Manager. Meetings will occur via teleconference.
- Assumes up to 4 process (equipment installation) inspections by out-of-state HDR Lead Process Engineer (Wodrich). Travel time to the site and travel expenses have been included.
- Assumes 8 inspection trips per month for 15 months to substantial completion and 4 trips per month for 3 months on to final completion. Travel time to the site for Anchorage-based engineers has been included.
- Independent Testing, Inspection, and Survey Services: The City will employ (as allowed by building code), independent firms for the material testing, IBC required special inspections (per building permit) specialty inspection, survey, or other services related to verifying the quality of the Contractor's work. This may include compaction testing, concrete strength testing, welding inspection, etc. The City, not construction Contractor, will employ Special Inspector.

HDR staff will assist in coordinating City-provided testing, inspection and survey services. HDR will review the reports and other information prepared by the independent firms that are provided to City. HDR staff will assist in coordinating their schedules and the transmittal of their reports, findings or other information to the Contractor and/or City. HDR will not be responsible for the accuracy or completeness of the work and reports of the independent testing, inspection and survey firms.

Deliverables

- Trip reports from each site visit will be provided in electronic PDF searchable format. No hard copies will be provided.

Task 5.2 – Conformed Document Set

Objective

HDR will incorporate all bid addendum items into the contract documents, technical specifications, and drawings to create a conformed set of project documents for construction.

Assumptions

- Conformed documents (plans and specifications) will be provided in electronic PDF searchable format. No hard copies will be provided.

Deliverables

- Conformed documents (plans and specifications) will be provided in electronic PDF searchable format.

Task 5.3 – On-site Resident Inspector

Objectives

Provide the services of an HDR staff person to provide ongoing field support for the Project. HDR will provide a resident project representative (RPR). The amount of time assumed is 20 hours per week and does not include time for any contract time extensions, if required by the Project or the Contractor to achieve final completion. Overtime and contract time extension, if required by the City and the Engineer, will be addressed in an amendment to this task order.

Approach

- Provide the services of an HDR engineer or construction observer on-site during the construction period. HDR staff is to provide guidance to the City, as required, either during scheduled time on-site or via telephone.
- Review and explain the significance of design intents and specifications provisions for field problem resolutions through responses to RFI's.
- Review field/shop equipment testing activities and reports.
- Receive and log construction test reports provided by Contractor indicating type of test, date, location of test, pass/fail results, and any comments.
- As required, prepare memo to the City indicating rejection of specific works due to non-conformance with Contract Documents.

City Involvement

- City is the agency for conducting all inspections and field observations and is responsible for providing and performing continuous (i.e., day to day) inspection activities at the site regardless of HDR's presence onsite.
- Assist HDR with providing input for field problem resolutions including sending digital photos when needed to support explanation of the issue.
- Review and approve/reject/modify Contractor field/shop equipment testing activities, including schedules and protocols.

- Review Contractor test reports and provide comments to HDR.
- Review permit agency inspection reports provided by Contractor.
- Review the test logs maintained by HDR for discussions with Contractor regarding progress schedule and progress payment.
- When required, review and approve HDR's work rejection memos and submit to Contractor.

Assumptions

- The City will hire a third-party testing and inspection agency, to perform special inspections.
- HDR will not perform any testing in the field or in a testing laboratory. HDR will not be involved any code-required special inspection activity other than structural observation.
- HDR onsite staff engineer or inspector will be on site, half-time during the construction period. The budget is based on 4 hours/day, 20 days/month, for 17 months. If the City determines that additional time is needed on site to support construction activities, the City will amend this agreement and budget.
- Assume that all office equipment, printers, copiers, office supplies, tablet computers, desks, etc. will be provided by the City or Contractor (not HDR).
- HDR will provide their employees with laptop computers. All other computer equipment necessary for connecting to the project server and accessing project databases will be provided by the City or Contractor.
- The construction support software EADOC will be used to organize and document communication between HDR, the City, and the Contractor. This will include submittals, RFIs, and changes. HDR shall include the costs for EADOC software for the duration of this project (approximately \$30,000).
- Contractor, per Contract Documents, is required to provide telecommunications and internet service for HDR field staff.

Deliverables

- HDR observation report when onsite.

- Record of field problems raised by the Contractor and recommended resolution by HDR.
- Comments to Contractor field/shop testing schedules and protocols in the form of a memo.
- Test report acceptances, rejections, and/or comments in the form of a memo.
- Test log updated with each received test.
- As required, memoranda indicating rejection of specific works due to non-conformance with Contract Documents.

Task 5.4 – Respond to Contractor Inquires (RFIs)

Objective

HDR’s office support staff will issue such written clarifications or interpretations of the requirements of the Contract Documents as Engineer may determine necessary. Construction management standards for these are called in common construction “Requests for Information (RFIs)”. HDR will coordinate such review with the design team and City as appropriate. Such written clarifications shall be binding on the City and the Contractor for the limited purposes established in the Contract Documents associated with the role of the Engineer. If City and Contractor are unable to agree on the amount or extent, if any, of any adjustment in the contract price or contract times, or both, that should be allowed as a result of a written clarification or interpretation, a claim may be made as provided for in the Contract Documents.

HDR will log and track all RFIs from the Contractor on the project through the EADOC management system. HDR will, for each specific discipline, promptly review the information request and provide comments. If there is a time sensitive package, it will be expedited.

Approach

- Maintain RFI log
- Respond to Contractor RFIs.

Assumptions

- HDR will maintain, and post to EADOC a log of all RFIs. Assume 50 RFIs, requiring an average 0.5 hour per RFI to log and maintain in EADOC. If the Contractor re-submits an RFI, that is considered another RFI.

- HDR will review and respond to City on RFIs related to technical aspects of the project as requested by the City. Assume 50 technical RFIs requiring, on average, 2 hours each to respond to RFI.
- HDR will not review nor address non-technical RFIs.

Deliverables

- Responses to technical RFIs transmitted back to City for final review and approval prior to being sent to the Contractor.
- Maintain the RFI log

Task 5.5 – Review of Submittals and Substitution Requests

Objective

Review Contractor submittals and substitution requests.

Approach

- Manage the review process for Project submittals and substitution requests prepared by the Contractor.
- Establish and maintain tracking system to record submittal and substitution request numbers, dates distributed to reviewers, dates review comments returned to HDR lead reviewer, date review comments returned to Contractor (for passing onto the Contractor).
- Review submittals. HDR will prepare a transmittal memorandum for the submittal that will explain comments related to the submittal. The consolidated comments will include direction to the Contractor on any corrective action required.
- Review substitution requests. HDR will prepare a transmittal memorandum for the request that will explain comments related to the request and the time required to complete the review.

Assumptions

- HDR will maintain and post to EADOC a submittal and substitution request tracking log for the project. Assume a total 100 submittals/re-submittals and 5 substitution requests requiring, on average, 0.5 hour per submittal to log and maintain in EADOC. If additional time is needed due to incomplete submittals and/or breaking submittals into multiple packages by the Contractor, HDR will notify the City of the budget impacts, work with City and the Contractor to maintain the established budget, and if necessary City will increase the budget to accommodate this change.
- HDR will review all submittals/resubmittals and provide responses. Assume 100 submittals requiring, on average, 4 hours for review and response per submittal/resubmittal.
- HDR will review all substitution requests and provide responses. Assume 5 substitution request requiring, on average, 8 hours per request.

Deliverables

- Provide an electronic copy (pdf format) of the reviewed shop drawing submittal to City for distribution to the Contractor, for City files, and for on-site project files with HDR's comments.

Task 5.6 – Change Request Support

Objective

HDR will assist the City with the issuance of changes to the contract for construction.

Approach

- Provide the following activities for City/Owner-issued Change Requests
 - Assist City in identifying change request scope.
 - Review Contractor's Change Proposal to complete Change Request.
 - Prepare independent cost estimate for Change Proposal and compare HDR estimate against Contractor costs.
 - Assist City in preparing justification for Change Request.

- Review and provide comments to final Change Order prior to City submittal to Contractor.
- Provide the following activities for Contractor-issued Change Proposal
 - Review Contractor's Change Request and justification.
 - Provide recommendation to City on Change Proposal.
- Prepare and maintain log documenting Project Change Requests, Change Proposals, and Change Orders.

Assumptions

- City will provide HDR with copies of all changes including Field Directives, Work Change Directives, Change Requests, Contractor-issued Change Requests, Change Orders
- A total of two Owner-issued Change Requests and four Contractor-issued Change Proposals will occur.
- Tracking and logging the Change Request process will require 2 hours per Request or Proposal.
- Owner-issued Change Requests will require a total of 40 hours to assist identifying the changes, reviewing the Contractor's proposal, preparing the cost estimate, assist preparing the written justification, and providing recommendations to the Change Order.
- Contractor-issued Change Proposals will require a total of 20 hours to review the Contractor's proposal and providing recommendations to the Change Order.

Deliverables

- Comments to Change Proposals.
- Cost estimates for Owner-Issued Change Proposals.
- Comments to Owner-Issued Change Proposal justifications.
- Recommendations to Change Orders.

Task 5.7 – Progress Schedule and Progress Payment Reviews

Objective

Provide assistance to the City to review the Baseline Progress Schedule and its updates, and the monthly Progress Payment Applications.

Approach

- Review the Baseline Progress Schedule and provide comments to City.
- Review Progress Schedule updates and provide comments to City.
- Attend the Progress Schedule review meeting and prepare meeting notes.
- Review the Contractor Schedule of Values.
- Review City's quantities tracking and log pay notes.
- Review draft Contractor Progress Payment Application with regards to math and progress of work, and provide comments to City.
- Review final Contractor Progress Payment Application and pay quantities.

Assumptions

- The Baseline Progress Schedule is submitted once while the Progress Schedule updates and Progress Payment Applications are submitted monthly. HDR anticipates reviewing 16 construction progress schedules.
- Progress Schedule review meetings occur monthly and are 2 hours in duration. The meetings will be attended by HDR's Project Manager.

Deliverables

- Comments to the Baseline Progress Schedule.
- Comments to 16 Progress Schedule updates.
- Meeting agenda and notes for Progress Schedule review meetings.
- Comments to Schedule of Values.
- Comments to draft and final Progress Payment Application.

Task 5.8 – Commissioning Assistance

Objective

Provide assistance to the City during project startup, including troubleshooting operational problems, observing testing and adjustment of major equipment, and assistance during training activities.

Approach

- Review each system(s) for completion upon notification from Contractor.
- Review Contractor function testing plan and provides comments to City.
- Be present with City staff to observe functional testing of each system(s).
- Conduct substantial completion inspection for installed system(s).
- Prepare the deficiencies punchlist based upon results of functional testing and substantial completion inspection.
- Conduct re-inspection and issue Substantial Completion Certificate when HDR deems a system(s) has reached this milestone.
- Review the Contractor’s training schedule and provide comments.
- Attend specific training sessions conducted by equipment manufacturers during start-up, including the following systems: (attending other training sessions would be considered additional services at the request of City):
 - Secondary Clarifiers.
 - Scum Pump Station.
 - Waste Activated Pump Station.
 - Chemical feed and storage.
 - Emergency Generator.
 - Plant SCADA system
 - Vault/Building systems.

- Provide onsite support during the final Demonstration Period to help address comments or concerns from City staff during the operation of the entire WWTF.
- Prepare the final punchlist.
- Conduct final inspection and provide City with recommendation for Final Completion if HDR deems the Project has reached this milestone.

Assumptions

- Contractor has installed the WWTF systems in accordance with the Contract Documents and that the equipment, piping, hardware, and software are working in accordance with the Contract Documents prior to scheduling substantial completion inspection.
- Contractor will request substantial completion for the following systems:
 - Secondary Clarifiers.
 - Scum Pump Station.
 - Waste Activated Pump Station.
 - Chemical feed and storage.
 - Emergency Generator.
 - Plant SCADA system
 - Vault/Building systems.
- This budget provides one 8-hour day for two engineering staff per system listed above for reviewing completion.
- CONTRACTOR prepares function testing plan for each system. Review of the function testing plans will only review one draft and final. The budget has 24 hours of review time allocated for approval of the final function testing plans.
- Each system will require only one re-inspection prior to issuing the Substantial Completion Certificate. The budget has allocated one 8-hour day for the entire project for the Project Manager and Project Engineer.

- Onsite support during the Demonstration Period is an allocated budget of 40 hours to be used as City desires.
- Final Completion inspection only occurs once. Multiple re-inspections will not be required prior to City issuing the Final Completion Certificate.
- This budget provides two 8-hour days of training for process operation by the Operations Specialist (i.e. the control of the process). It does not provide training on individual items of equipment, which is the responsibility of the Contractor.
- A two-day (8-hours per day) site visit by the Senior Project/Process Engineers is allocated for preparing the final punchlist. The budget has one 8-hour day site visit for the Project Manager to conduct a final inspection and recommendation for Final Completion.

Deliverables

- Comments to each Contractor functional testing plan.
- Notes from each functional testing observation.
- Deficiencies punchlist for each Substantial Completion observation and inspection.
- Notes from each Substantial Completion re-inspection.
- Review comments to Contractor training schedules.
- Notes from Contractor training sessions.
- Substantial Completion Certificates.
- Final punchlist.
- Notes from final inspection.
- Recommendation for Final Completion.

Task 5.9 – Facility O&M Manuals

Objective

Provide an overall update to the City’s existing electronic Operations and Maintenance manual for the completed Project. Manual to include descriptive text, diagrams, figures, and checklists that can be used by City staff during daily operation of the Project systems.

Approach

- Meet with City to discuss key issues and goals to be addressed in the O&M manual.
- Meet with Contractor to discuss plant SCADA and I&C.
- Produce diagrams and other drawings for the O&M manual by modifying the record drawing CAD drawings.
- Develop text for O&M Manual and compile into a draft document.
- Conduct two training sessions on-site following preparation of the draft O&M manual.
- Meet with City to review comments on the draft O&M manual.
- Develop final O&M Manual.

Assumptions

- The equipment O&M manuals, provided by the Contractor, are separate documents apart from this manual.
- HDR will deliver an O&M Manual in an electronic/web-based format. HDR will also provide one hard (paper) copy of the O&M Manual contents bound in a three-ring loose leaf binder.
- The draft O&M Manual will contain rough pictures and illustrations used as placeholders. The final version of the manual will contain pictures and illustrations of actual equipment and structures upon completing construction.
- The manual will be in MS Word format. Figures embedded in the document will be formatted as determined by City. Attached drawings will be in CAD format.

Deliverables

- Electronic version (pdf format) of the draft and final O&M manual to City for review.
- One paper copy of the final O&M manual, including two (2) CD copies containing electronic files of the O&M manual.

- Training material for operators (approximately 10 pages of handouts).

Task 5.10 – Record Drawings

Objective

Incorporate marked-up record drawing information (from the Contractor and/or from City and On-site Resident Inspector) into the electronic drawing file.

Approach

- Coordination with City to obtain the red line mark-ups and sketches of the revised construction.
- Organize and review the documentation from City, and coordinate with the CAD technician to incorporate the revision, including “clouding” the revised portions of the drawing, and recording the change in the designated location of the drawing.

Assumptions

- The marked-up drawings and other information from the Contractor and City/HDR field observations are to be clear, legible, and able to be incorporated directly into the CAD file (i.e., not a lot of interpretation or follow-up necessary regarding the mark-up).
- Markups will follow the standard color code (red pencil—for incorporation into drawing, blue pencil—notes for the draftsman, green pencil—delete item from the drawing). Assume 80 CAD hours, 40 engineer hours, and 20 senior engineer hours.
- HDR is not conducting a detailed review of the entire Work to verify that all deviations from the Contract Documents have been recorded. The record drawings will only reflect those items recorded by the Contractor, City daily observation records, and HDR’s observational records from the half-time support.

Deliverables

- One (1) PDF set of draft record drawings.
- One thumb drive of final record drawings as AutoCAD files and PDFs.

Task 5.11 – ADEC CTO Documentation

Objective

Provide assistance to City in preparing and submitting close-out documentation.

Approach

- HDR will assist City with applying for occupancy and start-up permits. A certificate of construction will be completed and submitted to the ADEC within (90) days of completion of construction. Record drawings submitted will indicate changes or deviations from the approved plans to facilitate final review.

Assumptions

- Only one application for permit to operate is required. It is assumed that the permit application will be submitted to ADEC. ADEC will require a completed set of record drawings and a Construction and Operation Certificate signed by City. Once received and reviewed, the ADEC will issue an Approval to Operate certificate.

Deliverables

- Documents as required for closeout by City.

Task 5.12 – Warranty Period Services

Objective

HDR will provide warranty performance review services during the one-year warranty period to assist the City in coordinating corrections of deficient equipment or construction.

Approach

- HDR will Participate in an end-of-warranty period inspection one month prior to completion of the warranty period and provide a letter identifying any deficiencies found and recommended actions.

Assumptions

- It is anticipated that there will be a total of one end-of-warranty site visit with up to three engineers (structural, process mechanical, electrical) and up to two separate periodic site visits by Project Manager/Construction Manager. The budget for these services is an allowance based upon these assumptions. Services beyond the limits of this budget will be subject to additional compensation.

Deliverables

- Letter documenting deficiencies found in end-of-warranty period inspection.

Task 5.13 – Project Management (for Engineering Services During Construction)

Objective

The Engineer agrees to furnish the following services beginning after the issuance of the Construction Contractor's Notice to Proceed and concluding on the date of final completion of construction. The Project Management services are estimated based upon the contract times set forth herein.

This work task includes regular communications with City staff, coordination of subcontractors, and monthly invoicing. An overall schedule and work plan will be implemented to assure work activities are completed in a properly integrated and timely manner. In addition, this task includes those elements necessary to properly manage, lead and control the Project through the duration of the construction, as noted above.

The following subtasks are provided under this task:

- Update and maintain a work plan and project instructions to include organization, roles, responsibilities, schedule, budget, and staff plan for execution of services during construction or the Project. The work plan and project instructions will include an update to the quality assurance/quality control (QA/QC) plan.
- Coordinate between tasks and team members. Document meeting decisions and action items, assign activities to team members, and follow up to ensure timely resolution.

Assumptions

The Engineer will plan, manage, and execute the Task Order described herein, in accordance with the schedule, budget, and quality expectations that are established. This project management task includes the following work activities:

- Monitor project progress, including work completed, work remaining, budget expended, schedule, estimated cost of work remaining, and estimated cost at completion. Manage activities within total project budget.
- Monitor project activities for potential changes, anticipate changes whenever possible, and with City approval, modify project tasks, task budgets, and approach to keep the overall project within budget and on schedule.
- Manage the quality control review of all work activities and project deliverables.
- Prepare and submit monthly invoice.

ADDITIONAL SERVICES

HDR shall provide other services in response to a written request for services from the City Project Manager. HDR is not authorized to complete work on any additional service task without authorization from the City. If the Owner determines that additional task items will be required, HDR shall provide a scope and fee proposal to City to complete the requested work. The following services

shall be considered as Additional Services. No budget has been included for HDR to support the following:

- At the request of the Owner, HDR can provide Public Involvement services for this project. Public Involvement is defined as the total effort, both informal and formal, made by HDR and City to keep the public and agencies informed about the project and to consider and address public and agency concerns.
- Services related to disputes over pre-qualification, bid protests, bid rejection and re-bidding of the contract for construction.
- Services related to procurement or management of third-party contractors.
- Services necessary due to the default of the Contractor.
- Services related to damages caused by fire, flood, earthquake or other acts of God.
- Services related to the City's operation and use of the completed project other than as specifically provided in the above scope of work.
- Services related to warranty claims, enforcement and inspection.
- Services for the investigation and analysis of contractor claims; preparation of reports on contractor claims; provision of professional claims analysis services; participation in litigation or alternative dispute resolution of claims.
- Preparation for and serving as a witness in connection with any public or private hearing or other forum related to the project.
- Value engineering or similar value analysis studies.
- Services for review and/or preparation of City or Contractor proposed changes to the project other than as specifically provided in the above scope of work.
- Services to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the City.
- Performing periodic labor evaluations and processing prevailing wage documentation.
- Any other services designated in this scope of services as additional services.

SCHEDULE

The services during construction services described and required herein shall be completed in a timely manner based on the City's intent to receive bids in April 2021, Contractor Notice to Proceed in May 2021 and the completion of construction within 20 months.

COMPENSATION

Compensation shall be in accordance with the provisions of the Personal Services Agreement between City and HDR. All staff (except Subconsultants) will bill at a raw labor multiplier of 3.2. The current authorized compensation limit for services performed under this scope of work shall not exceed the amount shown in Attachment B. Attachment B also shows the basis for labor and expenses used to develop the fee. Deviations from the anticipated schedule or duration of construction will materially affect the scope and compensation of these services during construction and will require an adjustment to HDR's compensation.

HDR shall invoice monthly for services performed. Invoices shall itemize costs incurred for each task identified in the scope of work.

If you have any questions or concerns about this proposal, please contact me at ryan.moyers@hdrinc.com or 907-644-2160.

Sincerely,
HDR Engineering, Inc.

A handwritten signature in blue ink, appearing to read 'J. Ryan Moyers', is positioned above the typed name.

J. Ryan Moyers, P.E.
Project Manager

City of Palmer WWTF Improvements
Phase II Engineering Services

Role Name	HDR Labor														Subconsultants			Other Costs				Total Costs	Total Services							
	QA/QC	PM/Eng	Eng Sanitary Sr	Eng Sanitary Sr-2	EIT Sanitary 2	Resident Inspector	Eng Mech	Eng I&C	CADD Technician General 1	Senior Economist	Economist	Operations Specialist	Tech/Spec Edit	Admin	HDR Labor	Survey/Struct/Elec CRW	Markup 10%	Subs Subtotal	Travel Expenses	Repro/ Misc Expenses	Markup Other Costs 10%			Other Costs Subtotal						
	J. Koch	R. Moyers	J. Wodrich	B. Figdore	E. Packer	M. Doner	J. Lewis	Best	Fancher	S. Koom	J. Close	Griffenberg	Buffington	Hall																
Engineering Services for Design																														
1	Preliminary Engineering Update																													
1.1		2	8	8	4	24			8						\$9,160				\$97		\$10	\$106	\$106	\$9,266						
1.2		2	8							24	40				\$15,630								\$0	\$15,630						
Task 1 Total		4	16	8	4	24	0	0	8	24	40	0	0	0	\$24,790	\$0	\$0	\$0	\$97	\$0	\$10	\$106	\$106	\$24,896						
2	Final Design Update																													
2.1			20	20	8	60		10	10	160					\$43,237	\$51,000	\$5,100	\$56,100		\$2,000	\$200	\$2,200	\$58,300	\$58,300						
2.2			20	20	8	24		10	10				4	24	\$24,106								\$0	\$24,106						
2.3			4	2											\$1,400								\$0	\$1,400						
2.4		12										8			\$5,562								\$0	\$5,562						
2.5			4	4		16				20					\$10,030					\$150	\$15	\$165	\$165	\$10,195						
2.6			8	8											\$3,917				\$2,397		\$240	\$2,636	\$2,636	\$6,554						
2.7			8			8									\$2,573								\$0	\$2,573						
2.8			4			8									\$1,732								\$0	\$1,732						
2.9			8	8		8				8	8				\$9,590								\$0	\$9,590						
Task 2 Total		12	76	62	16	124	0	36	36	188	0	0	12	24	\$102,147	\$51,000	\$5,100	\$56,100	\$2,397	\$2,150	\$455	\$5,001	\$61,101	\$163,248						
3	Bid Period Services																													
3.1			8	2		8									\$3,132	\$8,500	\$850	\$9,350	\$2,397	\$2,000	\$200	\$2,200	\$11,550	\$11,550						
3.2			16	8						16					\$9,606						\$240	\$2,636	\$2,636	\$5,768						
3.3			2	2											\$979								\$0	\$979						
3.4			8	4											\$2,800								\$0	\$2,800						
Task 3 Total		0	34	16	0	8	0	0	8	16	0	0	0	0	\$16,517	\$8,500	\$850	\$9,350	\$2,397	\$2,000	\$440	\$4,836	\$14,186	\$30,704						
4	Project Management (for Design Services)																													
4.1			4												\$842	\$3,000	\$300	\$3,300					\$3,300	\$3,300						
4.2			12												\$2,525								\$0	\$2,525						
4.3			48												\$10,101								\$0	\$10,101						
4.4			8												\$3,139								\$0	\$3,139						
4.5			8												\$1,683								\$0	\$1,683						
Task 4 Total		0	80	0	0	0	0	0	0	0	0	0	0	12	\$18,290	\$3,000	\$300	\$3,300	\$0	\$0	\$0	\$0	\$3,300	\$21,590						
Design Phase Basic Services Total		16	206	86	20	156	0	36	44	212	24	40	12	24	\$161,744	\$62,500	\$6,250	\$68,750	\$4,890	\$4,150	\$904	\$9,944	\$78,694	\$240,438						
Engineering Services during Construction																														
5	Engineering Services during Construction																													
5.1			262	96		318									\$117,311	\$219,000	\$21,900	\$240,900	\$10,678		\$1,068	\$11,745	\$240,900	\$240,900						
5.2		2	8			16				40					\$9,093								\$0	\$129,057						
5.3							1360								\$156,672								\$33,000	\$189,672						
5.4			10			75		10	20						\$17,660					\$30,000	\$3,000	\$33,000	\$0	\$17,660						
5.5			10	10		120		20	40						\$32,670								\$0	\$32,670						
5.6			6	6		12		12	12						\$9,938								\$0	\$9,938						
5.7			16			16									\$5,147								\$0	\$5,147						
5.8			56	24		64			24						\$41,372				\$7,078		\$708	\$7,785	\$7,785	\$49,157						
5.9						100				8			40		\$21,916								\$0	\$21,916						
5.10			8			20				80					\$13,966								\$0	\$13,966						
5.11			8			24									\$4,353								\$0	\$4,353						
5.12			40												\$8,417				\$145		\$14	\$159	\$159	\$8,577						
5.13			80												\$21,686								\$0	\$21,686						
Engineering Services during Construction Total		2	504	136	0	765	1360	42	96	128	0	0	80	0	\$460,201	\$219,000	\$21,900	\$240,900	\$17,755	\$30,000	\$4,776	\$52,531	\$293,590	\$753,791						
Project Total		18	710	222	20	921	1360	78	140	340	24	40	92	24	\$621,945	\$281,500.00	\$28,150	\$309,650	\$22,645	\$34,150	\$5,680	\$62,475	\$372,284	\$994,229						

* - HDR shall provide a scope and fee proposal to COP to complete Additional Services in response to a written request for services from the COP Project Manager.
Rates based on multiplier with yearly escalation

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on January 26, 2021, at 7:00 p.m. in the Council Chambers, Palmer, Alaska. Mayor DeVries called the meeting to order at 7:00 p.m.

B. ROLL CALL

Comprising a quorum of the Council, the following were present:

Edna DeVries, Mayor	Sabrina Combs, Deputy Mayor
Julie Berberich (participated telephonically)	Brian Daniels
Richard W. Best (participated telephonically)	Jill Valerius (participated telephonically)
Steve Carrington	

Staff in attendance were the following:

John Moosey, City Manager	Michael Gatti, City Attorney (participated telephonically)
Norma I. Alley, MMC, City Clerk (participated telephonically)	Kara Johnson, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

Mayor DeVries called a recess at 7:05 p.m. and reconvened the meeting at 7:09 p.m. due to technical difficulties.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Resolution No. 21-006:** Authorizing the City Manager to Support the Matanuska-Susitna Borough Application for the Attraction on the Arctic Winter Games
2. Approval of Minutes of Previous Meetings
 - a. January 9, 2021, Special Meeting

Main Motion: To Approve the Agenda, Consent Agenda, and Minutes

Moved by:	Combs
Seconded by:	Daniels
Vote:	6 Yes/1 Absent (Best)
Action:	Motion Carried

E. REPORTS

1. City Manager's Report

City Manager Moosey requested an executive session to bring forth the proposed sale of city property at 2390 S. Glenn Highway.

2. City Clerk's Report

None.

3. Mayor's Report

Mayor DeVries requested Golden Heart Lifetime Achievement Award nominations and summarized her meetings for the month.

Council Member Best joined the meeting at 7:17 p.m.

4. City Attorney's Report

None.

F. AUDIENCE PARTICIPATION

Mr. Mike Chmielewski spoke on the strategic planning session and potential topics.

G. NEW BUSINESS

1. Committee of the Whole: Strategic Planning Session

Main Motion: To Enter Into Committee of the Whole

Moved by:	Combs
Seconded by:	Carrington
Vote:	Unanimous
Action:	Motion Carried

The Council entered into a Committee of the Whole at 7:21 p.m.

Topics addressed in the Committee of the Whole included:

- Expanding city commercial property;
- A 10-year Airport Improvement Plan;
- Citywide recycling;
- Bike lanes throughout the city;
- Public art installations; and
- Palmer as a destination community.

Mayor DeVries called a recess at 8:27 p.m. and reconvened the meeting at 8:40 p.m. due to technical difficulties.

The Mayor adjourned from Committee of the Whole at 9:04 p.m. and reconvened the regular meeting.

H. RECORD OF ITEMS PLACED ON THE TABLE

None.

I. AUDIENCE PARTICIPATION

Mr. Mike Chmielewski spoke on how the city will benefit from Council prioritizing city projects.

J. COUNCIL MEMBER COMMENTS

No direction given to staff for legislation to be placed on a future agenda.

K. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 9:10 p.m.

Approved this ____ day of _____, 2021.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

**City of Palmer
Resolution No. 20-005-B**

Subject: Amending the 2020 City of Palmer Budget for the Fiscal Year Ending December 31, 2020

Agenda of: February 23, 2020

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Gina Davis, Finance Director

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **-249,343 All Funds**

This legislation (√):




- Creates revenue in the amount of: \$ 1,012,108
- Creates expenditure in the amount of: \$ 1,261,451
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted Various Line Items; Refer to Resolution

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Attachment(s):

1. Resolution No. 20-005-B

Summary Statement:

The yearend budget amendment adjusts revenues and expenditures/expenses for additional revenues received, grants, reimbursed expenditures and budget adjustments.

The General Fund (01) revenue adjustments include the following:

- Increase to Motor Vehicle Tax from original 2020 budget
- Increase in Sales Tax Penalty and Interest from original 2020 budget even though fees were waived for the months of April, May and June the fees were also increased in March of 2020 due to adopting the Alaska Remote Sellers Sales Tax Code and updating the City's Sales tax code
- Decrease in Library Grants revenue due to grant funds being spent in 2021 rather than 2020, the PLA grant crosses years and the funds expire in June 30, 2021
- Decrease in Municipal Aid revenue from original 2020 budget
- Increase in Liquor License revenue from original 2020 budget
- Decrease in Co-op Taxes Electric & Telephone revenue from original 2020 budget
- Decrease in Fire Service Contract from original 2020 budget due to the fact the City was without a Fire Chief for 11 months.
- Increase in Public Safety No 2 Rent revenue from original 2020 budget
- Decrease in Property & Equipment Sales PW revenue from original 2020 budget
- Increase in SART revenue from original 2020 budget due to reimbursements
- Increase in Misc Income – Comm Services revenue from original 2020 budget due to reimbursement from the Palmer Museum for light upgrades
- Increase in Misc Income – Public Safety revenue from original 2020 budget for reimbursements
- Increase in Miscellaneous Income - from original 2020 budget for MEA Capital Credits and other reimbursements
- Increase to recognize PERS on Behalf from the State of Alaska

The General Fund (01) expenditure adjustments include the following:

- Increase in Finance budget for PERS on Behalf expenditures to offset the revenue and increase for Alaska Remote Seller Sales Tax Commission Fees for the collection of remote sellers' online sales tax to the City.
- Increase in Tourist Center budget for contractual services for the janitorial service to clean the public restrooms, increase for property and casualty insurance and repair & maintenance for the Palmer Museum lighting project.
- Decrease in Non-Departmental budget for Transfer Out not needed for the Airport Fund and reduced for the Golf Course. Increase to EOC operations which includes monthly phone charges for land lines.
- Decrease to grant expenditures that will occur in 2021 for the PLA grant.

The Water/Sewer Fund (02) decrease in Service Fees and increases to other revenues from original 2020 budget and an increase for PERS on Behalf from the State of Alaska and offsetting expense. Transfer out of \$312,026 for the blowers for the WWTP that was approved on AM 20-054 to the Water/Sewer Capital Projects Fund 24.

The Airport Fund (03) increase in revenues from original 2020 budget to actual, decrease in transfers not required from the General Fund, increase in Misc Income for the RAVN settlement with increased expenses for Legal, Pruhs payment with an increase to Repairs & Maintenance, increase for PERS on Behalf from the State of Alaska with offsetting expense and an increase to transfers out to Airport Capital for future airport projects.

The Solid Waste Fund (05) increase in revenues from original 2020 budget for PERS on Behalf from the State of Alaska and offsetting expense. Increase to the Services line item for tipping fees at the MSB Landfill.

The Golf Course Fund (15) increase in revenues from original 2020 budget, with a decrease to transfers in for capital from the General Fund and an increase to Services for additional credit card fees due to increase revenues, increase to Power and a decrease to Golf Course-CIP to actual.

The General CIP Project Fund (08) a clean up amendment from original budget increasing the expense to transfer out to the General Fund for leftover funds from finished projects.

The General CIP Equipment Fund (09) increase in revenue and matching expenditure for the Police Homeland Security Grant that was approved with AM No. 20-069.

The Water/Sewer Capital Projects Fund (24) increase in transfer in and matching expense for the WWTP Blower Project approved by AM No. 20-054.

The Airport Capital Projects Fund (30) increase in transfer in and matching expense for future airport capital projects.

Clean up of CARES Act Funds (56) budget line items net effect being zero.

Administration's Recommendation:

Approve Resolution No. 20-005-B

LEGISLATIVE HISTORY

Introduced by: Manager Moosey
Public Hearing: February 23, 2021
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Resolution No. 20-005-B

A Resolution of the Palmer City Council Amending the Budget for the City of Palmer, Alaska for the Fiscal Year Ending December 31, 2020

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the General Fund (01) revenues \$275,972 and increasing General Fund (01) expenditures \$232,592 for a net increase of \$43,380; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the Water/Sewer Fund (02) revenues \$29,893 and increasing Water/Sewer Fund (02) expenses \$336,478 for a net decrease of \$306,585; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the Airport Fund (03) revenues \$94,130 and increasing the Airport Fund (03) expenses \$149,540 for a net decrease of \$55,410; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the Solid Waste Fund (05) revenues \$4,726 and increasing expenses \$11,606 for a net decrease of \$6,880; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the Golf Course Fund (15) revenues \$125,683 and increasing expenses \$13,837 for a net increase of \$111,846; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the General CIP Projects Fund (08) expenditures \$35,694 for a net decrease of \$35,694; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the General CIP Equipment Fund (09) revenues \$69,678 and increasing expenditures \$69,678; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increasing the Water/Sewer Capital Projects Fund (24) revenues \$312,026 and increasing expense \$312,026; and

WHEREAS, at the February 23, 2021 council meeting the manager presented budget amendments and the City Council approved increase the Airport Capital Projects Fund (30) revenues \$100,000 and increasing expenses \$100,000; and

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council hereby amends the 2020 budget as follow:

Line item description	Current 2020 Budget	Proposed Amendment	Amended 2020 Budget
GENERAL FUND (01)			
General Fund (01) Revenues:			
01-00-00-3111 Motor Vehicle Tax	\$ 52,500	\$ 71,300	\$ 123,800
01-00-00-3131 Sales Tax Penalty & Interest	\$ 65,000	\$ 13,000	\$ 78,000
01-00-00-3343 Library Grants	\$ 13,900	\$ (6,900)	\$ 7,000
01-00-00-3350 Municipal Aid	\$ 120,000	\$ (42,000)	\$ 78,000
01-00-00-3351 Liquor License	\$ 13,000	\$ 4,200	\$ 17,200
01-00-00-3362 Co-op Taxes Electric & Telephone	\$ 140,000	\$ (9,600)	\$ 130,400
01-00-00-3425 Fire Service Contract	\$ 410,900	\$ (84,569)	\$ 326,331
01-00-00-3624 Public Safety No 2 Rent	\$ 43,877	\$ 8,773	\$ 52,650
01-00-00-3662 Property & Equip Sales PW	\$ 10,000	\$ (7,900)	\$ 2,100
01-00-00-3685 SART Revenue	\$ 8,171	\$ 3,569	\$ 11,740
01-00-00-3688 Misc Income-Comm Services	\$ 0	\$ 1,270	\$ 1,270
01-00-00-3689 Misc Income – Public Safety	\$ 10,020	\$ 1,380	\$ 11,400
01-00-00-3690 Misc Income	\$ 0	\$ 10,050	\$ 10,050
01-00-00-3691 NPO Write Off/PERS Relief	\$ 0	\$ 313,399	\$ 313,399
TOTAL GENERAL FUND REVENUE AMENDMENTS		\$ 275,972	
General Fund (01) Expenditures:			
Finance Department:			
01-01-10-6017 PERS on Behalf General Fund	\$ 0	\$ 313,399	\$ 313,399
01-01-10-6025 ARSSTC Fees	\$ 0	\$ 45,000	\$ 45,000
Total Finance Department Amendments		\$ 358,399	
Tourist Center Department:			
01-01-20-6030 Contractual Services	\$ 174,030	\$ 1,840	\$ 175,870
01-01-20-6037 Insurance	\$ 3,340	\$ 380	\$ 3,720
01-01-20-6045 Repair & Maintenance	\$ 2,000	\$ 904	\$ 2,904
Total Tourist Center Amendments		\$ 3,124	
Non-Departmental:			
01-01-70-6078 Transfers Out	\$ 667,986	\$ (122,686)	\$ 545,300
01-01-70-6090 EOC Operations	\$ 3,400	\$ 755	\$ 4,155
Total Non-Departmental Amendments		\$ (121,931)	
Library:			
01-19-23-6040 PLA Supplies/Books/Subcrpt	\$ 0	\$ 4,066	\$ 4,066
01-19-23-6044 Operating Supplies	\$ 13,000	\$ (11,066)	\$ 2,834
Total Library Amendments		\$ (7,000)	
TOTAL GENERAL FUND EXPENDITURES AMENDMENTS		\$ 232,592	
WATER/SEWER FUND (02)			
Revenues:			
02-00-00-3452 Service Fees	\$ 16,000	\$ (5,990)	\$ 10,010
02-00-00-3609 Penalty	\$ 20,000	\$ 4,149	\$ 24,149
02-00-00-3640 Credit Card Fees	\$ 4,500	\$ 3,882	\$ 8,382
02-00-00-3691 NPO Write Off/PERS on Behalf	\$ 0	\$ 24,452	\$ 24,452

Line item description	Current 2020 Budget	Proposed Amendment	Amended 2020 Budget
02-00-00-3694 Connection Fee	\$ 15,000	\$ 3,400	\$ 18,400
TOTAL WATER/SEWER FUND REVENUE AMENDMENTS		\$ 29,893	
Expenses:			
02-01-10-6018 PERS on Behalf	\$ 0	\$ 11,015	\$ 11,015
02-01-50-6018 PERS on Behalf	\$ 0	\$ 13,437	\$ 13,437
02-01-50-6078 Transfers Out	\$ 45,000	\$ 312,026	\$ 357,026
TOTAL WATER/SEWER FUND EXPENSE AMENDMENTS		\$ 336,478	
AIRPORT FUND (03)			
Revenues:			
03-00-00-3110 Property Taxes	\$ 19,000	\$ 2,778	\$ 21,778
03-00-00-3130 Airport Sales Tax	\$ 20,000	\$ 21,689	\$ 41,689
03-00-00-3430 Airport Revenue-Tiedowns	\$ 26,000	\$ 23,890	\$ 49,890
03-00-00-3673 Transfer from Other Funds	\$ 119,686	\$ (119,686)	\$ 0
03-00-00-3690 Miscellaneous Income	\$ 0	\$ 158,980	\$ 158,980
03-00-00-3691 NPO Write Off/PERS Relief	\$ 0	\$ 6,479	\$ 6,479
TOTAL AIRPORT FUND REVENUE AMENDMENTS		\$ 94,130	
Expenses:			
03-01-10-6027 Legal Fees	\$ 5,000	\$ 27,730	\$ 32,730
03-01-10-6018 PERS on Behalf	\$ 0	\$ 6,479	\$ 6,479
03-01-10-6045 Repairs & Maintenance	\$ 65,000	\$ 15,331	\$ 80,331
03-01-10-6078 Transfers Out	\$ 0	\$ 100,000	\$ 100,000
TOTAL AIRPORT FUND EXPENSE AMENDMENTS		\$ 149,540	
SOLID WASTE FUND (05)			
Revenues:			
05-00-00-3691 NPO Write Off/PERS on Behalf	\$ 0	\$ 4,726	\$ 4,726
TOTAL SOLID WASTE FUND REVENUE AMENDMENTS		\$ 4,726	
Expenses:			
05-01-10-6018 PERS on Behalf	\$ 0	\$ 4,726	\$ 4,726
05-01-10-6029 Services	\$ 395,653	\$ 6,880	\$ 402,533
TOTAL SOLID WASTE EXPENSE AMENDMENTS		\$ 11,606	
GOLF COURSE FUND (15)			
Revenues:			
15-00-00-3479 Presold Green Fees	\$ 150,000	\$ 12,239	\$ 162,239
15-00-00-3481 Green Fees	\$ 244,000	\$ 67,351	\$ 311,351
15-00-00-3482 Golf Cart Rentals	\$ 115,000	\$ 25,674	\$ 140,674
15-00-00-3483 Driving Range Revenues	\$ 30,000	\$ 22,341	\$ 52,341
15-00-00-3484 Trail Fees	\$ 7,000	\$ 1,078	\$ 8,078
15-00-00-3673 Transfers from Other Funds	\$ 40,000	\$ (3,000)	\$ 37,000
TOTAL GOLF COURSE REVENUE AMENDMENTS		\$ 125,683	
Expenses:			
15-01-10-6029 Services	\$ 15,121	\$ 10,806	\$ 25,927
15-01-10-6030 Power-Clubhouse & Irrigation	\$ 17,000	\$ 6,031	\$ 23,031
15-01-10-6200 Golf Course CIP	\$ 40,000	\$ (3,000)	\$ 37,000
TOTAL GOLF COURSE EXPENSE AMENDMENTS		\$ 13,837	
GENERAL CIP PROJECTS FUND (08)			
Expenditures			
08-01-10-6078 Transfers Out	\$ 0	\$ 35,694	\$ 35,694

Line item description	Current 2020 Budget	Proposed Amendment	Amended 2020 Budget
TOTAL GENERAL CIP PROJECTS EXPENDITURE AMENDMENT		\$ 35,694	
GENERAL CIP EQUIPMENT FUND (09)			
Revenues:			
09-00-00-3358 HLS Grant	\$ 0	\$ 69,678	\$ 69,678
TOTAL GENERAL CIP EQUIP REVENUE AMENDMENTS		\$ 69,678	
Expenditures:			
09-01-10-7125 HLS SHSP Grant	\$ 0	\$ 69,678	\$ 69,678
TOTAL GENERAL CIP EQUIP EXPENDITURE AMENDMENTS		\$ 69,678	
WATER/SEWER CAPITAL PROJECTS FUND (24)			
Revenues:			
24-00-00-3673 Transfers from Other Fund	\$ 180,000	\$ 312,026	\$ 492,026
TOTAL WATER/SEWER CAPITAL PROJECTS REVENUE AMENDMENTS		\$ 312,026	
Expenses:			
24-53-43-6230 WWTP City Project-Blowers	\$ 0	\$ 312,026	\$ 312,026
TOTAL WATER/SEWER CAPITAL PROJECTS EXPENSE AMENDMENTS		\$ 312,026	
AIRPORT CAPITAL PROJECTS FUND (30)			
Revenues:			
30-00-00-3673 Transfers In	\$ 16,600	\$ 100,000	\$ 116,600
TOTAL AIRPORT CAPITAL PROJECTS REVENUE AMENDMENTS		\$ 100,000	
Expenses:			
30-30-10-6275 Matching Grant Funds	\$ 0	\$ 100,000	\$ 100,000
TOTAL AIRPORT CAPITAL PROJECTS EXPENSE AMENDMENTS		\$ 100,000	
CARES ACT FUNDS (56)			
Expenses:			
56-01-10-6500 City COVID-19 Mitigation	\$ 300,000	\$ (100,000)	\$ 200,000
56-01-10-6501 Payroll (Different Use)	\$ 0	\$ 75,843	\$ 75,843
56-01-10-6502 Public Safety (Different Use)	\$ 0	\$ 2,198,959	\$ 2,198,959
56-01-10-6510 City COVID-19 Recovery	\$ 1,956,546	\$ (197,653)	\$ 1,758,893
56-01-10-6515 COVID-19 Utility Subsidization	\$ 1,000,000	\$ (953,948)	\$ 46,052
56-01-10-6525 CARES Sm Business Grants	\$ 3,000,000	\$ (938,201)	\$ 2,061,799
56-01-10-6530 CARES Nonprofit Grants	\$ 350,000	\$ (65,000)	\$ 285,000
56-01-10-6540 Day Care Grants	\$ 60,000	\$ (20,000)	\$ 40,000
TOTAL CARES ACT EXPENDITURE AMENDMENTS		\$ 0	

Approved by the Palmer City Council this ____ day of _____, 2021.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**City of Palmer
Resolution No. 21-007**

Subject: Authorizing the City Manager to Apply for an Alaska Clean Water Fund (State Revolving Fund) Loan in the Principal Amount Not to Exceed \$8,000,000.00 to Provide Interim Financing as Required by the USDA Rural Development Loan/Grant Program, for the Construction and Installation of Two Secondary Clarifiers at the Palmer Wastewater Treatment Facility

Agenda of: February 23, 2021

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: John Moosey, City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **8,000,000.00**

This legislation (√):




- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u></u>	_____
City Attorney	<u></u>	_____
City Clerk	<u></u>	_____

Attachment(s):

1. Resolution No. 21-007
2. Alaska Clean Water Fund – State Fiscal Year 2021 Project Priority List

Summary Statement/Background:

In accordance with the City of Palmer’s Federal Consent Decree (Civil Action No: 3:16-cv-00204-TMB), the City is required to install and operate two Secondary Clarifiers units at the Palmer Wastewater Treatment Facility.

The clarifiers are to be of sufficient treatment and settling capacity to enable the facility to meet all effluent limits in the its current APDES permit or any subsequent APDES permits that may be issued by EPA or ADEC.

The system shall be configured to allow for the future addition of a third clarifier, if necessary, to support treatment of a future maximum monthly flow of 1.5 Million Gallons a Day.

As part of the State Revolving Fund loan application process, a resolution authorizing the application for and acceptance of financial assistance must be adopted by the City Council.

Approval of this Resolution will allow the City Manager to proceed with the SRF funding process to procure the interim financing needed for construction and installation as required by the USDA RD loan/grant program.

Administration’s Recommendation:

Approve Resolution No. 21-007 authorizing the City Manager to apply for an Alaska Clean Water Fund loan in the principal amount not to exceed \$8,000,000.00, to provide interim financing funds as required by the USDA RD loan/grant program.

LEGISLATIVE HISTORY

Introduced by: City Manager Moosey
Public Hearing Date: February 23, 2021
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Resolution No. 21-007

A Resolution of the City Council of the City of Palmer, Alaska, Authorizing the City Manager to Apply to the State of Alaska, Department of Environmental Conservation (ADEC) for a Loan from the Alaska Clean Water Fund, in an Amount Not to Exceed \$8,000,000.00 to Provide Interim Financing, as Required by the USDA RD Loan/Grant Program, for the Construction and Installation of Two (2) Secondary Clarifiers at the Palmer Wastewater Treatment Facility

WHEREAS, the installation of two Secondary Clarifiers at the Palmer WWTF are required as part of our current Federal Consent Decree; and

WHEREAS, the City of Palmer seeks to obtain the necessary financial assistance and funding for the project; and

WHEREAS, the State of Alaska, Department of Environmental Conservation (ADEC) is able to offer funding through the Alaska Clean Water Fund; and

WHEREAS, the project currently is included on an Alaska Clean Water Fund priority list for the current fiscal year; and

WHEREAS, upon receiving the loan agreement document, City Council authorization will be required by ordinance to borrow the money.

NOW, THEREFORE, BE IT RESOLVED, that the Palmer City Council authorizes the City Manager to apply to the State of Alaska, Department of Environmental Conservation (ADEC) for a loan from the Alaska Clean Water Fund, in an amount not to exceed \$8,000,000.00 to provide interim financing, as required by the USDA RD loan/grant program, for the construction and installation of two Secondary Clarifiers at the Palmer WWTF.

Approved by the Palmer City Council this ____ day of _____, 2021.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

Alaska Clean Water Fund - State Fiscal Year 2021 (SFY21) Project Priority List - 4th Quarter

Note: Available funding for SFY21 projects is \$74.1 million.

(1) Subsidy is subject to change depending on the readiness of projects to proceed.

(2) Loan terms will be finalized when a loan agreement is offered. The finance rate will be based on a calculation identified in Alaska Administrative Code (18 AAC 76).

(3) Individual Pro Fi projects are reviewed and assigned a weighted score based on the total project cost. The overall score for the Pro Fi questionnaire is the sum of weighed scores for all of the Pro Fi projects.

Rank	Score	APDES Permit Number	Clean Water Needs Category	Applicant	Project Name and Description	Requested Loan Amount	Estimated Subsidy ⁽¹⁾ (SFY20)	Estimated Subsidy ⁽¹⁾ (SFY21)	Disadvantaged Community	Requested Loan Term ⁽²⁾ (years)	Green Project Amount (Type)	Sustainability Policy	Estimated Construction Start	Quarter Added to PPL
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POINT SOURCE PROJECT QUESTIONNAIRES

1	655	----	I	Mile 8 Utilities, LLC	Leachfield Design and Construction - Design and construct an aerated leachfield to eliminate point source discharge into an anadromous stream. Rehabilitate pretreatment works to ensure leachfield longevity.	\$297,275		\$148,863	X	20 to 30		Fix It First	6/1/2020	SFY21-Q1
2	605	AK0022497	I	Palmer	Wastewater Treatment Plant Facility Upgrades - Update the design and construct two new secondary clarifiers and associated processes including a flow splitter, scum pump station, and a waste activated sludge vault/pump station. Additional work for upgrades will include demolition, modifications to the existing lagoons, piping upgrades, new equipment installation, and subsidiary incidental work.	\$8,052,000			X	20 to 30		---	5/3/2021	SFY21-Q3
3	340	AK0020010	III-A	Skagway	State Street Sanitary Sewer & Water Upgrade, Phase II - Replacement of sewer mains and cleanouts, new sanitary sewer and water service connections, temporary asphalt pavement and concrete curb, gutter and sidewalk patches along State Street from 12th Street to Main Street.	\$3,003,331			X	20 to 30		Fix It First	4/1/2021	SFY21-Q4
4	315	AK0021385	I	Haines Borough	Wastewater Treatment Plant Phase 4 Electrical Upgrades - Replace and upgrade the electrical system in the wastewater treatment plant.	\$1,000,000		\$500,000	X	20 to 30	\$330,800 (Energy Efficiency)	Fix It First	8/1/2020	SFY21-Q1
5	295	AK0023451	I	Fairbanks	Golden Heart Utilities Wastewater Treatment Facility Water Main Installation and Process Water Piping Replacement - Construct a new 10-inch water main to the Wastewater Treatment Facility and replace the failing process water system within the facility.	\$1,450,656		\$500,000	X	5 to 20	TBD (Energy Efficiency)	Fix It First	6/1/2020	SFY21-Q1
6	280	AK0021555	III-B	Kodiak	Aleutian Homes Phase VII Wastewater Main Replacement - Replace 65-year old asbestos concrete wastewater collection system.	\$2,600,000			X	20 to 30		Fix It First	5/11/2021	SFY21-Q3
7	270	AK0021555	I	Kodiak	Wastewater Treatment Plant Supervisory Control and Data Acquisition System (SCADA) Replacement - Upgrade the wastewater treatment control system that has reached the end of its useful life.	\$1,000,000		\$500,000	X	5 to 20		Fix It First	7/1/2020	SFY21-Q1
8	203 ⁽³⁾	AK0022551	I, III-A, III-B	Anchorage AWWU	SFY21 Pro Fi Loan - The applicant has provided a list of eligible projects including planning, design, engineering, and construction activities for wastewater infrastructure projects (see attached list).	\$15,000,000				20	\$2,650,000 (Energy Efficiency)	Fix It First		SFY21-Q1
9	130	AK0021385	I	Haines Borough	Wastewater Treatment Plant Phase 3 Filter Press Rebuild - Rebuild the current sludge press and purchase a new skid steer for moving sludge at the plant.	\$265,000			X	20 to 30		Fix It First	4/1/2021	SFY21-Q3
10	65	AK0021555	III-A	Kodiak	Infiltration and Inflow (I&I) Assessment and Reduction - Flow monitoring, flow data analysis and identification of areas with high I&I through closed-circuit television inspections and manhole inspections. Design only loan request.	\$165,000			X	20 to 30			6/1/2020	SFY21-Q1
11	60	AK0021555	III-B	Kodiak	Lift Station 5 and Force Main Replacement - Prepare designs to replace the City's largest lift station that is 50 years old and has reached the end of its useful life. Design only loan request.	\$350,000			X	20 to 30			2/1/2021	SFY21-Q1
12	35	AK0020010	IV-A	Skagway	Klondike Highway Sanitary Sewer Extension - Extend sanitary sewer to an unserved area.	\$3,948,700			X	20 to 30			4/1/2021	SFY21-Q1
POINT SOURCE SUBTOTAL						\$37,131,962	\$0	\$1,648,863			\$2,980,800			

Alaska Clean Water Fund - State Fiscal Year 2021 (SFY21) Project Priority List - 4th Quarter

Note: Available funding for SFY21 projects is \$74.1 million.

(1) Subsidy is subject to change depending on the readiness of projects to proceed.

(2) Loan terms will be finalized when a loan agreement is offered. The finance rate will be based on a calculation identified in Alaska Administrative Code (18 AAC 76).

(3) Individual Pro Fi projects are reviewed and assigned a weighted score based on the total project cost. The overall score for the Pro Fi questionnaire is the sum of weighed scores for all of the Pro Fi projects.

Rank	Score	APDES Permit Number	Clean Water Needs Category	Applicant	Project Name and Description	Requested Loan Amount	Estimated Subsidy ⁽¹⁾ (SFY20)	Estimated Subsidy ⁽¹⁾ (SFY21)	Disadvantaged Community	Requested Loan Term ⁽²⁾ (years)	Green Project Amount (Type)	Sustainability Policy	Estimated Construction Start	Quarter Added to PPL
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NONPOINT SOURCE PROJECT QUESTIONNAIRES

1	150	---	VII	Cordova	Cordova Street Sweeper - Procurement of a new street sweeper to replace the existing 30-year old equipment.	\$275,000		\$137,500	X	5 to 20				SFY20-Q4
2	100	---	VII	Cordova	Mile 17 Landfill Equipment - Purchase equipment improve stormwater management at the Mile 17 landfill. By removing snow accumulation and effectively compacting trash, the amount of stormwater penetration and the amount of leachate is reduced.	\$1,120,000		\$500,000	X	20 to 30				SFY21-Q1
3	10	---	VII	Matanuska Susitna Borough	Landfill Gas Collection System - Install vertical wells in two closed cells to extract gas that will be burned with a flare. Proper management of the landfill reduces leachate quality issues.	\$2,420,000			X	5 to 20				SFY21-Q2
NONPOINT SOURCE SUBTOTAL						\$3,815,000	\$0	\$637,500						

AMENDMENT TO EXISTING LOAN OR QUESTIONNAIRE

		AK0021440	III-B	Ketchikan	Schoenbar Road Utilities Replacement (Sewer) - Loan amendment to increase existing loan amount by \$2,125,057 (Loan #481151-S). Project scope: Replace approximately 2,200 feet of aging 8-inch to 12-inch sewer mains and 12 sewer manholes. Failing water mains in the same area will also be replaced under a separate Alaska Drinking Water Fund loan.	\$2,125,057			X	20		Fix It First		SFY20-Q3
		Pending	I	Matanuska Susitna Borough	Matsu Septage and Leachate Treatment Facility - Loan amendment to increase existing loan amount by \$1,000,000 (Loan #561041) and amend project scope as follows: Design a new energy efficient septage and leachate facility to minimize septage and leachate costs and environmental impacts in the Matanuska-Susitna Valley. Additionally, this project will install a landfill leachate treatment facility.	\$1,000,000			X	20		Effective Utility Management		SFY21-Q1
LOAN AMENDMENT SUBTOTAL						\$3,125,057	\$0	\$0						

MICRO LOAN QUESTIONNAIRES

1	475	AK2250053	III-B	Unalakleet	Covenant Lift Station Rehabilitation and Septic Pumper Purchase - The purpose of this project is to rehabilitate a 45 year old lift station subject to freezing issues and sewage backups. Rehabilitation will include replacement of the heating and ventilation systems, overhead crane, safety grating, and electrical systems. A new septic pumper truck will also be purchased.	\$488,620		\$342,034	X	20 years	---	Fix It First		SFY20-Q2
2	420	AKG573035	III-B	Noorvik	Utilidor Replacement Phase 2 - Replace approximately 300 linear feet of aboveground water and sewer utilidor. This project will include installing new aluminum rectangle utilidor insulation and adjustable supports.	\$75,000	\$52,500		X	< 5 years	---	Fix It First		SFY20-Q1
3	415	---	III-B	Kotlik	Sewer Connections - Renovate five sewer service connections by removing the arctic boxes and installing flexible service connections. Install a circulating pump and a through wall shut-off valve at each home.	\$75,000	\$37,500		X	< 5 years	---	Fix It First		SFY20-Q1
MICRO LOAN SUBTOTAL						\$638,620	\$90,000	\$342,034						
TOTAL FUNDING REQUESTED (ALL CATEGORIES)						\$44,710,639	\$90,000	\$2,628,397						

**Alaska Clean Water Fund - State Fiscal Year 2021 (SFY21)
Programmatic Financing (Pro Fi) Projects**

Applicant: Anchorage Water and Wastewater Utility
Loan Request: \$15,000,000
Loan Term: 20 years

The Pro Fi questionnaire includes the following improvements included in AWWU's capital improvement plans for the wastewater utility.

Number	Project Name	Description
C-19-05b	King Street Septage Receiving Station	Design and construct upgrades to existing Septage Receiving Station with pretreatment equipment and increase user access. The pretreatment equipment will prevent collection system from having sanitary sewer overflows.
C-19-05c	King Street Warm Vehicle Storage	Design and construct a storage building to house equipment, necessary to operate and maintain the AWWU water and sewer infrastructure.
C-19-05e	King Street Main Building Upgrade	Design and construct various improvements to AWWU's King Street O&M Facility Administrative Building. Improvements include expanding and remodeling interior spaces and systems, and enclosing covered areas to increase the capacity, productivity, and efficiency of AWWU's support maintenance group.
C-19-07	Flower Park Glenn 4th Sewer Upgrade	Rehabilitate over 1,900 linear feet of 8-inch sewer pipe with multiple deficiencies including fractures, cracks, offsets and joint separations.
C-19-08	D-2-4 Trunk Improvements	Abandon in place approximately 1,100 feet of sewer main and add approximately 1,670 feet of new sewer main with a new alignment. In addition, provide access for maintenance vehicles to manholes along Chester Creek.
C-19-09	Pump Station 52 Improvements	Design and construct improvements to the pump station including, but not limited to, new wet well, dry valve vault, two pumps, check valves, pump controls, stand-by generator, and electrical upgrades.
C-19-10	AWWTF Storage	Design and construct additional warm storage for equipment, materials and sodium hypochlorite.
C-19-13	AWWTF Combined Heat and Power Conversion	Design and construct a combined heat and power system for the wastewater treatment facility.
C-19-14	AWWTF Raw Sludge Pumps	Design and replace the existing raw sludge pumps at the wastewater treatment facility.
C-20-03	Pump Station 2 Rehabilitation	Replace high voltage electrical system, aging and corroding piping, valves, control systems, and various site improvements for Pump Station 2.
C-20-04	King Street Campus Expansion	The expansion project will involve acquisition of approximately 6.86 acres of land adjacent to the existing King Street facility, the headquarters for AWWU's operations and maintenance activities. In addition to land acquisition, site improvements will include clearing, grading, backfilling, and fencing the property. In addition to the site improvement work, the Municipality of Anchorage requires AWWU to complete paved roadway improvements and water main extension within 94th Avenue from Gambell Street to the proposed land acquisition. Completion of this land purchase will allow the space required for needed expansion of operations including the construction of the warm storage facility and other needed improvements identified in the King Street Facility Plan.
C-20-05	King Street Fuel Storage Improvements	Relocate the existing fuel storage and dispensing system. This project will also streamline the traffic pattern within the facility.
C-20-07	Wastewater Master Plan	Update the Wastewater Master Plan used to guide system upgrades and expansion.
C-20-08	AWWTF Compressed Process Air System Rehabilitation	Design and install improvements to the compressed air system to replace components beyond their useful life.
C-21-01	Pump Station 7 Rehabilitation	Rehabilitate the pump station including: communications, HVAC, influent and discharge piping, as well as various safety provisions for operation and maintenance of the pump station, and wet well rehabilitation.
C-21-02	Pump Station 32 Rehabilitation	Rehabilitate the pump station including: communications, influent and discharge piping, as well as various safety provisions for operation and maintenance of the pump station, and wet well rehabilitation.
C-21-03	Downtown Sewer Rehabilitation Phase III (projects listed below)	
	Downtown Sewer Phase III, West 8th, N-P Street	Rehabilitate sewer main in downtown Anchorage.
	Downtown Sewer Phase III, M Street	Rehabilitate sewer main in downtown Anchorage.
	Downtown Sewer Phase III, West 2nd Avenue	Rehabilitate sewer main in downtown Anchorage.
	Downtown Sewer Phase III, D&E Street	Rehabilitate sewer main in downtown Anchorage.
	Downtown Sewer Phase III, H&I Street	Rehabilitate sewer main in downtown Anchorage.
	Downtown Sewer Phase III, C&D Street	Rehabilitate sewer main in downtown Anchorage.
C-21-04	Pump Station 12 Force Main Interceptor C - Gravity Junction Rehab	Assess and rehabilitate Pump Station 12, force mains, gravity junction box, and the receiving 48-inch gravity sewer. The culverts that support the force mains for the Campbell Creek crossing will also be assessed and rehabilitated as part of the project.
C-21-05	Turpin Septage Receiving Station	Assess and rehabilitate the Turpin Septage Receiving Station.
C-21-06	W 72nd Ave Trunk Rehab	A 15-inch corrugated metal pipe sewer trunk is failing due to corrosion. This project will either line with cured-in-place pipe or directly replace the failing pipe.
C-21-07	Eagle River Wastewater Treatment (ERWTF) Facility Plan	Update and replace the prior facility plan with consideration of current and future use, discharge permit compliance, population projections, and other utility initiatives.

Attachment(s):

1. Ordinance No. 21-001
2. Map of proposed Central Business District
3. Planning and Zoning Commission Minutes for September 17, 2020
4. City of Palmer Zoning Map

Summary Statement/Background:

During Planning and Zoning Commission's review of Palmer Municipal Code (PMC) Title 17, it became apparent the need to establish consistent procedures and standards for the traditional downtown within the city of Palmer. The central business district is unique and special consideration should be given due to their character, historical importance and the city's economic well-being. The Central Business District (CBD) will assist Palmer to promote and protect the public health, safety, comfort, character, convenience and general welfare in the CBD zoning district while meeting the goals established in the comprehensive plan.

The general purpose of the Central Business District in the city of Palmer is:

1. To allow for the establishment of other appropriate uses which are determined to be compatible with the intent of the district.
2. To promote additional opportunities for investment and reinvestment by allowing higher intensity of development.
3. To promote the integrity of transportation corridors in the town through motorized and nonmotorized access and beautification improvements.
4. To expand opportunities to create high level development through sound land use practices.
5. Encouraging development and redevelopment that contains a compatible mix of residential and nonresidential uses within proximity to each other, rather than separating uses.
6. Promoting flexibility to encourage quality, scale and character of development consistent with downtown's existing or planned uses.

Administration's Recommendation:

Adopt Ordinance No. 21-001 enacting Palmer Municipal Code Chapter 17.30, Central Business District.

LEGISLATIVE HISTORY

Introduced by: City Manager Moosey

Date: February 20, 2021

Public Hearing: February 23, 2021

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Ordinance No. 21-001

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Title 17 Enacting Palmer Municipal Code Chapter 17.30 Creating a Central Business District

WHEREAS, on September 17, 2020, the Planning and Zoning Commission (commission) has reviewed and determined that enacting a central business overlay zoning district can promote downtown Palmer’s unique character and general welfare; and

WHEREAS, the commission proposes and recommends text amendments as necessary to Title 17 Zoning to ensure the regulations and standards are applicable to the current needs of the community; and

WHEREAS, the commission has reviewed and discussed central business districts from other similar communities and drafted code language to allow for the establishment of other compatible uses; and

WHEREAS, the commission has determined there is a need to expand opportunities to create high level development through sound land use principals, encouraging development and redevelopment that contains a compatible mix of commercial and residential uses.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Chapter 17.08 is hereby amended to include a definition for the central business district as follows (new language is underlined, and deleted language is stricken):

17.08.076 Central Business District.

Central Business District (CBD) means an overlay district created to assist Palmer to promote and protect the public health, safety, comfort, character, convenience and general welfare, as well as, encourage economic growth in the downtown core both commercially and residentially. The boundaries are those described in PMC 17.30.050(A)(5).

Section 4. Palmer Municipal Code Chapter 17.30 Central Business District is hereby enacted to read as follows (new language is underlined, and deleted language is stricken):

17.30.010 Intent.

The intent of this chapter is to establish consistent procedures and standards for the traditional downtown in the city of Palmer that is unique or requires additional consideration due to their character, historical importance or importance to the town’s economic well-being. The overlay districts will assist Palmer to promote and protect the public health, safety, comfort, character, convenience and general welfare in the central business district (CBD) overlay zone while meeting the goals established in the comprehensive plan.

17.30.020 Permitted uses.

Permitted principal uses in the Central Business District (CBD) are as follows:

- A. All uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.
- B. One single-family dwelling per lot can have an accessory dwelling unit as an accessory use within the CBD.

17.30.021 Compatibility of use not defined.

Where a proposed use is not specifically identified or is unclear as to whether the use is allowed in a particular zone, the zoning administrator may find the use is similar to another use that is permitted, allowing conditionally, or prohibited in the central business district and apply the code accordingly. Land use rulings requiring discretion on the part of the zoning administrator shall be confirmed by the planning and zoning commission at the next regular meeting that allows due public notice.

17.30.022 Appeal of compatibility of use.

A. In the event the petitioner disagrees with the confirmation of the planning and zoning commission they may appeal to the Palmer city council for final city evaluation. Any subsequent appeal shall be made to the superior court for the state of Alaska, in Palmer, Alaska.

17.30.028 Accessory uses.

Accessory uses in the commercial limited district are as follows:

- A. Dwelling units in conjunction with and accessory to the permitted use.
- B. Uses customarily incidental to the permitted use.
- C. Storage Buildings shall comply with development standards as follows:
 - 1. Building Permits. The building and any accessory structures, such as add-on canopies, stairs and decks shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
 - 2. Signage. All signs will meet the requirements of PMC Title 14.
 - 3. Setbacks. All structures shall be setback per the requirements of the Palmer Municipal Code. Structures, signs and parking and maneuvering areas shall not obstruct sight distance.
 - 4. Site Plan. Comply with site plan standards in PMC Title 17.
 - 5. Size Limitations. May not exceed 400 square feet.
 - 6. Placement shall be in rear of primary structure or use.

17.30.030 Conditional Uses.

The following conditional uses are allowed in the CBD upon the granting of a conditional use permit, in accordance with the provisions of PMC 17.28.020 and include one of the following:

- 1. Propane and butane service;
- 2. Car washes;
- 3. Crematory;
- 4. Welding service and supplies;
- 5. Mental health facility;
- 6. Residential care facility.

17.30.040 Prohibited uses.

A. Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

B. Connex building unless the following is met:

1. Screened with six feet solid cedar fence, when placed abutting a residential use.
2. Sided with siding of similar material as that of primary structure on lot.
3. Sided or screened when abutting a nonresidential use.
4. Placement shall be in rear of primary structure.
5. Size Limitations shall not exceed 200 square feet.

C. Parking or storage of heavy equipment, such as tractors, graders or trucks.

D. Temporary Buildings except when the development standards meet the following criteria:

1. Sites with on-site parking and/or drive-up facilities will require an approved driveway approach with adequate sight distance per Palmer Municipal Code Section 17.62.020(E).
2. Stands with drive-up windows require three 18-foot-long queuing spaces per window. Fewer spaces may be approved by the zoning administrator; provided, a plan is submitted showing the site has sufficient overflow areas so traffic will not block streets, sidewalks or parking lot circulation aisles.
3. Parking shall meet the minimum requirements of PMC 17.64.
4. The temporary building and any accessory structures, such as add-on canopies, stairs and decks, shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
5. Meet all applicable licensing.
6. All signs shall meet the requirements of PMC Title 14.
7. All structures shall meet the setback requirements of PMC Title 17. Structures, signs, parking and maneuvering areas shall not obstruct sight distance.
8. Compliance with site plan standards of PMC Title 17.
9. Size limitations may not exceed 700 square feet.

17.30.050 General provisions.

A. Applicability.

1. The overlay district is created as a special area to be superimposed on the underlying districts by approval of the city council as appropriate.
2. Boundaries of the overlay district is shown on the zoning map but may be modified from time to time by the city of Palmer.
3. Land use standards provided herein are intended to supplement those permitted in the commercial general and commercial limited districts and in most cases may be more restrictive than those of the underlying commercial zoning district.
4. Underlying uses of residential districts shall prevail. Wherever there exists a conflict between the requirements of the underlying commercial zoning and those of the overlay district, the requirements for the overlay district shall prevail.
5. The Central Business District is defined as follows:

Beginning at the intersection of the Palmer-Wasilla Highway and the Glenn Highway centerlines; north along the centerline of the Glenn Highway; east to the northwest corner of parcel 18N02E32 Lot D9; east along the north side of parcels 18N02E32 Lot D9, Tract B, Colony Fair, 18N02E32 Lot D8, 18N02E32 Lot D7; north along the west side of parcel Tract A-1, Colony Fair RSB T/A & C; east along the north side of said parcel to the centerline of S. Cobb Street; north along the centerline of S. Cobb Street to the centerline of W. Blueberry Avenue; east along the centerline of W. Blueberry Avenue; southeast to the centerline of E. Blueberry Avenue; east along the centerline of E. Blueberry Avenue; crossing over S. Colony Way to continue east along the centerline of E. Blueberry Avenue to the centerline of S. Denali Street; south along the centerline of S. Denali Street to the centerline of E. Cottonwood Avenue; east along the centerline of E. Cottonwood Avenue to the centerline of S. Gulkana Street; south along the centerline of S. Gulkana Street to the southeast corner of Tract A, Arbor Estates; west along the south property line of Tract A to Lot 4, Block 2, Arbor Estates; south to the southeast corner of Lot 4, Block 2, Arbor Estates; west along the south property lines of Lots 4, 3, 2, and 1, Block 2, Arbor Estates; west to the junction of S. Eklutna and E. Fern Avenue; west along the centerline of E. Fern Avenue to the centerline of S. Chugach Street; north along the centerline of S. Chugach Street to the centerline of E. Fireweed Avenue; west along the centerline of E. Fireweed

Avenue to the centerline of S. Colony Way; south along the centerline of S. Colony Way; west to the southeast corner of parcel 17N02E04 Lot B4; west along the south side of said parcel, to the centerline of S. Cobb Street; north along the centerline of S. Cobb Street to the centerline of W. Fern Avenue; west along the centerline of W. Fern Avenue to the centerline of S. Dimond Street; north along the centerline of S. Dimond Street to the centerline of W. Elmwood Avenue; west along the centerline of W. Elmwood Avenue to the junction of W. Elmwood and the Glenn Highway; north along the centerline of the Glenn Highway to the point of beginning.

B. District boundaries, Zoning Map. The Planning and Zoning Commission shall recommend the boundaries of the overlay districts as part of their establishment. Such boundaries shall be delineated on the zoning map with the identifying name(s).

C. Lot, Yard, setbacks and open space requirements. All lot, yard, setback and open space requirements established by an underlying zoning district shall apply unless alternate standards are provided by the overlay district(s).

D. Parking. Parking in this overlay district shall be in accordance with provisions of PMC 17.64.

Section 5. Effective Date. Ordinance No. 21-001 shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2021.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

**PLANNING & ZONING COMMISSION
CITY OF PALMER, ALASKA**

**REGULAR MEETING
THURSDAY, SEPTEMBER 17, 2020
7:00 P.M. - COUNCIL CHAMBERS**

A. CALL TO ORDER:

The regular meeting of the Planning and Zoning Commission was called to order by Chair Benedetto at 7:00 p.m.

B. ROLL CALL:

Present and constituting a quorum were Commissioners:

Richard Benedetto, Chair	Kristy Thom Bernier (via teleconference)
Dan Lucas (via teleconference)	Josh Tudor (via teleconference)
Gena Ornquist (via teleconference)	Sabrina Shelton (via teleconference)

Absence(s):

Casey Peterson, Vice Chair (Excused without objection)

Also present were:

Brad Hanson, Community Development Director
Pam Whitehead, Recording Secretary (via teleconference)

C. PLEDGE OF ALLEGIANCE: The Pledge was led by Chair Benedetto.

D. APPROVAL OF AGENDA:

The agenda was unanimously approved as presented by roll call vote of all Commissioners present. [Shelton, Tudor, Ornquist, Thom-Bernier, Lucas, Benedetto; *Absent:* Peterson]

E. MINUTES OF PREVIOUS MEETING:

The minutes of the **July 16, 2020 Regular Meeting** were unanimously approved as presented by roll call vote of all Commissioners present. [Shelton, Tudor, Ornquist, Thom-Bernier, Lucas, Benedetto; *Absent:* Peterson]

F. PERSONS TO BE HEARD: There were no persons in the audience.

G. PUBLIC HEARINGS:

1. **IM 20-019:** Consideration of map and text amendment to Palmer Municipal Code Chapter 17.xx to create a Central Business District overly zoning district.

Staff Report: Director Hanson provided an update from the previous meeting noting that this is the second public hearing on this topic. The Commission is to continue review and discussion of draft Ordinance No. 20-0xx and map showing new boundaries of the proposed CBD, and if approved, move it forward to the City Council with a recommendation for adoption.

Public Hearing:

Chair Benedetto opened and closed the second public hearing at 7:10 p.m. as there were no members of the public in attendance to testify.

Chair Benedetto reminded of the following motion on the table postponed from the last meeting and opened the matter for continued review and recommendation.

Main Motion: (For review, discussion and recommendation regarding proposed CC Ordinance No. 20-0xx Text Amendment and Map.)

Moved by: (Shelton)
Seconded by: (Tudor)

Director Hanson reported the additions/revisions from discussions at the last meeting. The Commission reviewed and had no additional revisions.

Main Motion: For approval of Ordinance No. 20-0xx of the Palmer City Council Amending PMC Title 17 Zoning by enacting 17.30 Central Business District, and move forward to the City Council with a recommendation for adoption.

Moved by: Shelton
Seconded by: Tudor
Vote: 6 Yes / 0 No (*Absent:* Peterson)
Action: Motion Carried by roll call vote of all Commissioners present.

 **2. IM 20-023:** Consideration of text amendments to Palmer Municipal Code Chapter 17.28 and 17.32 and add 17.xx.xxx Palmer Land Use Matrix.

Staff Report: Director Hanson summarized that this proposed Ordinance is the culmination of the Commission’s work on Title 17 CL, CG and the Palmer Land Use Matrix; that essentially this is the introduction of the Land Use Matrix into Title 17 as opposed to listing the permitted uses in each section of the code. He recommended revising the title to state Palmer *Commercial* Land Use Matrix for better clarification and definition.

Public Hearing:

Chair Benedetto opened and closed the public hearing at 7:23 p.m., as there were no members of the public in attendance to testify.

Chair Benedetto called for the motion to put the matter on the table for discussion/review:

Main Motion: For approval of proposed Ordinance No. 20-0xx, Amending PMC Title 17.08 definitions, PMC 17.28 Commercial Limited and PMC 17.32 Commercial General, and Inserting 17.xx Palmer Land Use Matrix, and move forward to the City Council with a recommendation for adoption.

Moved by: Lucas
Seconded by: Shelton

Following brief discussion in agreement with inserting “commercial” in the title Palmer Land Use Matrix:

Primary Amendment #1: To amend the main motion to state in the title: Palmer *Commercial* Land Use Matrix .

Moved by: Lucas
Seconded by: Tudor
Vote: 6 Yes / 0 No; (*Absent:* Peterson)

Action: Motion Carried by Roll Call vote of all Commissioners present.

Vote on Main Motion as Amended:

Vote: 6 Yes / 0 No; (*Absent:* Peterson)

Action: Motion Carried by Roll Call vote of all Commissioners present.

H. UNFINISHED BUSINESS: None.

I. NEW BUSINESS: None.

J. PLAT REVIEWS:

1. **IM 20-021:** Preliminary Plat – To create six lots from Lots 1 and 2, Ravens Ridge to be known as Ravens Ridge 2020.

[Commissioner Lucas declared a conflict of interest as he is one of the petitioners and removed himself from the Commission table and discussion.]

Director Hanson reported comments of City Departments including:

Building Inspector and Fire Chief: Any driveway 150' or longer must have approved fire apparatus turn-around; *Community Development:* The proposed lots are located within the City and the Airport Influence Area. There were no other City comments.

There was brief discussion regarding street access.

The Commission had no additional comments other than for approval.

[Commissioner Lucas returned to the table]

2. **IM 20-022:** Abbreviated Plat – To subdivide Lots 10 and 11, Block 1, Roland Snodgrass, into two new lots to be known as Valley Way.

Director Hanson reported comments of City Departments including:

Community Development: The proposed lots are located within the City and within the Airport Influence Area. There were no other City comments.

The Commission had no additional comments other than for approval.

K. PUBLIC COMMENTS: There were no members of the public in attendance.

L. STAFF REPORT:

Director Hanson:

- Thanked the Commission for approval of the two ordinances moving forward to the City Council;
- Inquired if there was any objection to changing the date of the October P&Z regular meeting from October 15 to *Wednesday, October 21, 2020*, as council chambers may need to be reserved for election purposes. There were no objections by the Commissioners present.

M. COMMISSIONER COMMENTS:

Commissioner Shelton:

- Commented in appreciation for Director Hanson’s hard work on the ordinances.

Commissioner Ornquist:

- Inquired as to the status of the U-Haul appeal. Director Hanson responded that the Appeal hearing before the Hearing Examiner is scheduled for September 29, 2020 at 9:00 am; he will have more to report following the hearing.
- In addition, Director Hanson informed U-Haul has submitted an application for a Large Retail Establishment Limited Development Plan. He further explained the LRE Ordinance and process of administrative review.
- There was further brief discussion.

Chair Benedetto:

- Spoke in appreciation of staff’s work on the ordinances and is glad they are moving forward.

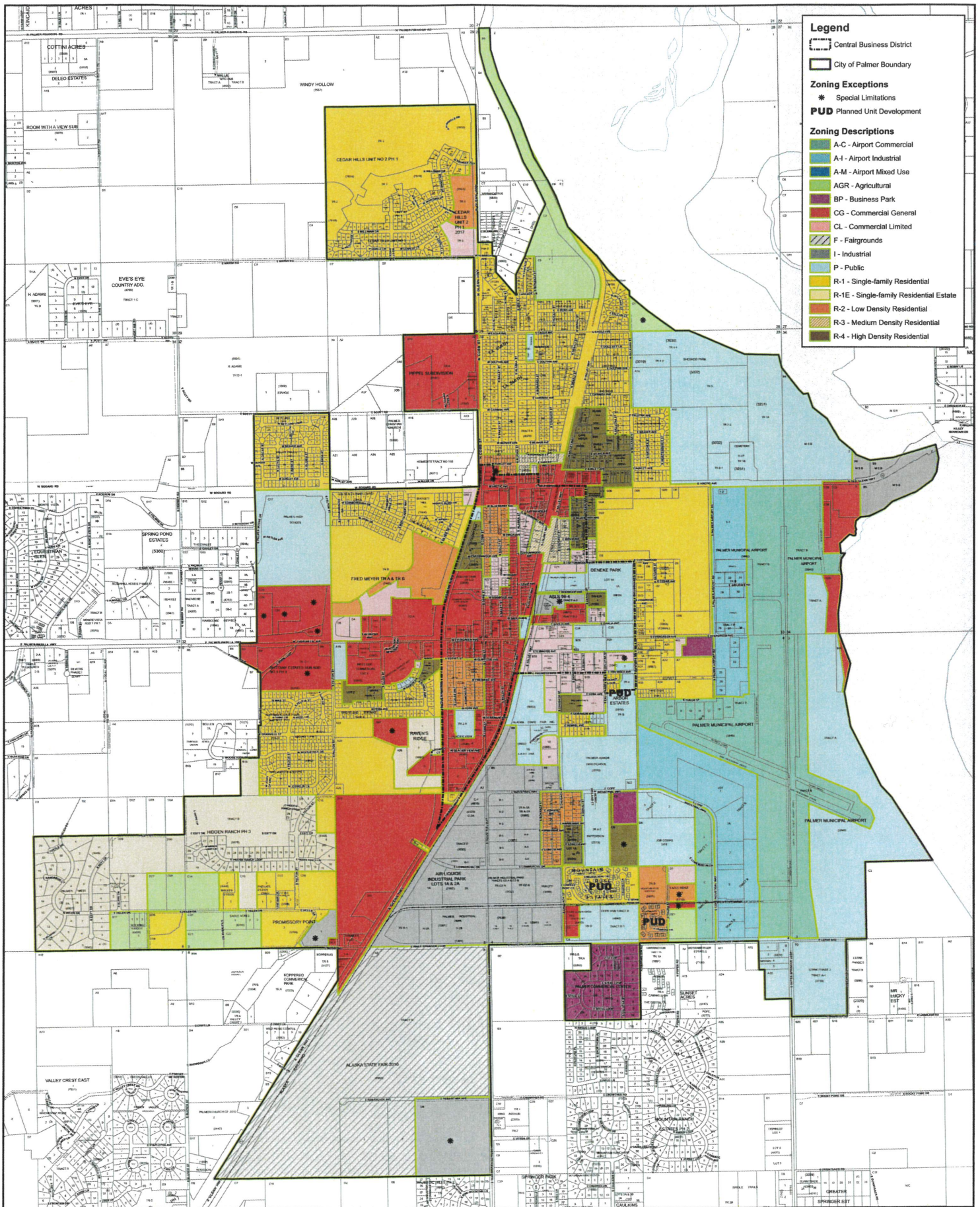
N. ADJOURNMENT:

There being no further business, the meeting adjourned without objection at 7:38 p.m.

APPROVED by the Planning and Zoning Commission this 21st day of October, 2020.

Richard Benedetto, Chair

Brad Hanson, Community Development Director



City of Palmer
Current Zoning Districts
December 2017



0 500 1,000 1,500 2,000
 Feet

This is to certify that this zoning map supersedes and replaces the zoning map adopted February 24, 2015 as part of Ordinance 15-007 of the City of Palmer.

ATTEST:

Edna DeVries
 Edna DeVries, Mayor City of Palmer

Norma Alley
 Norma Alley, City Clerk

Attachment(s):

1. Ordinance No. 21-002
2. Planning and Zoning Minutes for September 17, 2020
3. City of Palmer Zoning Map

Summary Statement/Background:

Palmer City Council requested the Palmer Planning and Zoning Commission (P&Z) conduct a comprehensive review of Title 17, land use. P&Z performed this review over a two-year period, studying similar communities, current land use techniques and incorporation of a land use matrix.

The goal of the amended commercial districts is:

1. To promote opportunities for investment and reinvestment by allowing a more compatible use of land through appropriate land use regulations and uniformity of code.
2. To promote transportation corridors in the City through motorized and nonmotorized access and beautification improvements.
3. To encourage economic opportunities through sound land use practices.
4. To promote land use flexibility to encourage quality, scale and character of development consistent with Palmer's existing or planned uses.

The proposed amendments to the commercial district are to promote the vitality and compatible values of the commercial districts. The amendments are designed to promote flexibility of allowable land use activities within different commercial land use districts. New and innovative land use can be evaluated based on intent of commercial zoning districts and their impacts. This will allow for innovative and responsiveness to new activities to be considered. Current code does not allow for activities to be considered if they are not specifically permitted within the zoning district.

Amendments propose to define and place conditions on the use of Conex and storage buildings within Commercial General and Commercial Limited.

The adoption of the City of Palmer commercial land use matrix should be more convenient for citizens to understand land use and their appropriate zoning district. Land uses are organized by district to allow a discernable comparison by zoning district.

Accessory and temporary buildings are defined allowing for differentiation of occupancy requirements.

Administration's Recommendation:

Adopt Ordinance No. 21-002 amending Palmer Municipal Code Chapters 17.08, definitions, 17.28 Limited Commercial, 17.32 General Commercial and enacting 17.28, City of Palmer Commercial Land Use Matrix.

LEGISLATIVE HISTORY

Introduced by: City Manager Moosey

Date: February 20, 2021

Public Hearing: February 23, 2021

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Ordinance No. 21-002

An Ordinance of the Palmer City Council Amending Palmer Municipal Code Title 17.08 definitions, Palmer Municipal Code 17.28 Commercial Limited and 17.32 Commercial General and Enacting 17.28 Palmer Commercial Land Use Matrix

WHEREAS, on September 17, 2020, the Planning and Zoning Commission (commission) reviewed Title 17 Zoning ensuring the regulations and standards are applicable to the current needs of the community; and

WHEREAS, the commission proposes text amendments to Palmer Municipal Code Title 17 for the promotion of Palmer’s unique character and general welfare; and

WHEREAS, the commission has reviewed and discussed the city of Palmer’s commercial district comparing it to other similar districts and drafted code language to allow for the establishment of other compatible land uses; and

WHEREAS, the commission determined there is a need to expand opportunities for development activities through sound land use principals and projects that contain a compatible mix of commercial and residential uses.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. Classification. This ordinance shall be permanent in nature and shall be incorporated into the Palmer Municipal Code.

Section 2. Severability. If any provisions of this ordinance or application thereof to any person or circumstances are held invalid, the remainder of this ordinance and the application to the other persons or circumstances shall not be affected thereby.

Section 3. Palmer Municipal Code Section 17.08.006 is hereby amended to be renumbered as follows (new language is underlined and deleted language is stricken):

17.08.006 Accessory dwelling unit (ADU).

Section 4. Palmer Municipal Code Section 17.08.006 Accessory Use is hereby added as follows (new language is underlined and deleted language is stricken):

17.08.006 Accessory Use.

Are uses of land found on the same parcel as the principal use but are subordinate and incidental. Accessory uses may be less subordinate and incidental by floor space devoted to use, economic importance of the use to

operation, the number of customers/visitors and whether the accessory use serves the purpose of the principal use.

Section 5. Palmer Municipal Code Section 17.08.041 Brewery is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.041 Brewery.

A brewery is duly licensed by the state of Alaska, where beer is manufactured and bottled or barreled for sale.

Section 6. Palmer Municipal Code Section 17.08.041 is hereby amended to be renumbered as follows (new language is underlined and deleted language is stricken):

17.08.041~~2~~ Brewpub.

Section 7. Palmer Municipal Code Section 17.08.071 Building, Storage is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.071 Building, Storage.

Storage "building" means a building or structure not on a permanent foundation, is capable of being moved and is used as an accessory use to a primary use and is not occupied.

Section 8. Palmer Municipal Code Section 17.08.072 Building, Temporary is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.072 Building, Temporary.

Temporary "building" means a building or structure not on a permanent foundation, is capable of being immediately moved and is an occupied structure.

Section 9. Palmer Municipal Code Section 17.08.076 Caretaker Dwelling is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.076 Caretaker Dwelling.

Caretaker dwelling unit means a permanent residence, secondary and accessory to an existing allowed use for persons employed on-site for purposes of care and protection of property, plants, animals, equipment, or other circumstances on site or on contiguous lots under the same ownership.

Section 10 Palmer Municipal Code Section 17.08.091 Commercial Parking is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.091 Commercial parking.

Commercial parking means a parking lot or parking garage that is designed, used or intended to be used for the parking of motor vehicles outside the street right-of-way. Commercial parking areas are used, rented or leased to the general public, customers or residents of development, or are provided as public parking for persons commuting to another location, such as a park-and-ride lot. This use does not include parking lots or garages which are constructed as required for another permitted use.

Section 11 Palmer Municipal Code Section 17.08.011 Conex is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.011 Conex.

Conex means a large, steel-reinforced reusable container principally used for intermodal shipping of cargo and equipment.

Section 12. Palmer Municipal Code Section 17.08.420 is hereby amended to be renumbered as follows (new language is underlined and deleted language is stricken):

17.08.420~~18~~ Site

Section 13. Palmer Municipal Code Section 17.08.420 Special Event is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.08.420 Special Event.

Special event means any kind of public celebration or event designated by the city manager and officially authorized as a Special Event.

Section 14. Palmer Municipal Code Section 17.28.020 Commercial Land Uses is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.28.020 ~~Permitted uses~~ Commercial land uses.

**City of Palmer
Commercial Land Use Matrix**

Commercial - Retail	CBD Overlay	C-L	C-G	BP	I	P	A
Large retail establishment (+20000)			P				
Automobile sales			P	P	P		
<u>Airplane, boat, motorcycle, ATV, recreational vehicle sales and service</u>			<u>P</u>	<u>P</u>	<u>P</u>		
Building materials			P	P	P		C
Garden & Farm supplies		C	P	P	P		P
Convenience store (Neighborhood Grocery)	P	P	P				
<u>Renewable energy sales and service</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		
<u>Bicycle sales and service</u>	<u>P</u>	<u>P</u>	<u>P</u>				
<u>Office supplies, home and office sale and service</u>	<u>P</u>	<u>P</u>	<u>P</u>				
<u>Telecommunication sales and service</u>	P		P	P	P		
Tire Sales and Service, auto parts and accessory sales	P		P	P	P		
Liquor Sale	P	C	P				
Sporting-goods store, hunting apparel, camping, firearms, archery and accessory	P		P	P			
<u>Flea Market – indoor</u>			<u>P</u>	<u>P</u>	<u>P</u>		
<u>Butcher, delicatessen sales and service</u>	P	<u>P</u>	<u>P</u>	<u>P</u>			
Farmers Market	P	P	P				P
Apparel, shoe, clothing	P	P	P				
<u>Artisan sales and service – art, jewelry, collectibles</u>	P	P	P	P	P		P

General - Book, stationary, video, art supply, hobby, toy, game, fabric, floral, accessor, gift	P	P	P				
Pet shops			P	P	P		P
Auction	P		C	P	P		
Collectibles – Antique, 2 nd Hand, Thrift	<u>P</u>	<u>C</u>	<u>P</u>	<u>C</u>			<u>P</u>
<u>Marijuana – Retail</u>							
<u>Marijuana – Cultivation</u>							
<u>Marijuana – Product Manufacturing</u>							
<u>Marijuana – Testing Facility</u>							
Retail fuel, gas, propane		C	P	P	P		
Home accessory – carpet, blinds, cabinets, or other similar	P	P	P	P	P		<u>P</u>

Education / Training	CBD Overlay	C-L	C-G	BP	I	P	A
Elementary						P	
Secondary						P	
Trade, College / University	C		<u>C</u>	P	P	P	
Boarding			<u>C</u>				
Beauty, art, dancing, drama, modeling, photography, or similar	P	<u>P</u>	P	P			
On-line	P	<u>P</u>	<u>P</u>				

Food Service	CBD Overlay	C-L	C-G	BP	I	P	A
Bakery, coffee Shop	P	P	P	<u>P</u>	<u>P</u>		
Brewery	P				P		P
<u>Itinerant vendors</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
Microbrewery, Brewpub, winery, distillery, artesian brewing	P		P	<u>P</u>	<u>P</u>		<u>P</u>
Meat processing and smoking house	P		<u>P</u>	<u>P</u>	P		<u>P</u>
Restaurant / Cafe	P	P	P				
Restaurant / Café with drive thru	P		P				
Specialty – ice cream, candy, other similar	P	P	<u>P</u>	<u>P</u>	<u>P</u>		

Health / Veterinary	CBD Overlay	C-L	C-G	BP	I	P	A
Hospital with heliport	C		C			C	
Urgent care, medical complex	P	P	<u>P</u>				

Health practitioner - Medical, dental, eye, Psychiatrist, physical therapy or other specialty with laboratories,	P	P	<u>P</u>			P	
Pharmacy, drug	P	P	<u>P</u>				
Mental Health facility	C		C			C	C
Veterinary practice, surgery, overnight boarding, veterinary groomers	P	<u>C</u>	<u>P</u>				
Boarding Kennels ¹				P	<u>P</u>		

General Services	CBD Overlay	C-L	C-G	BP	I	P	A
Lodging – STR (see 17.89), boarding, hotel, motel,	P	<u>C</u>	P				P
Automobile, equipment rental	P		<u>P</u>	P	<u>P</u>		
Daycare – Adult, children, infants	P	P	<u>P</u>				
Commercial parking	P	<u>C</u>	<u>P</u>	<u>C</u>	<u>C</u>		
Carwash	C	<u>C</u>	<u>P</u>	<u>P</u>	P	C	
Transportation terminals	P	<u>C</u>	<u>P</u>				
Personal Care – beauty, nail, spa, tattoo, massage therapist or other similar	P	P	<u>P</u>			P	
Laundromats, dry-cleaning, laundry and linen service	P	<u>P</u>	<u>P</u>	<u>P</u>	P		
Personal services – delivery, domestic, clothing alteration,	P	P	<u>P</u>	<u>P</u>			
<u>Exercise Facilities – gyms, health, yoga, Pilates, or other similar</u>	P	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		
Printing and Post-office and accessory activities	P	<u>P</u>	<u>P</u>				
Mini – storage – Indoor				<u>P</u>	<u>P</u>		
<u>Indoor shooting range</u>			<u>P</u>	<u>P</u>	<u>P</u>		
<u>Screen printing, sign design and construction</u>	P	<u>P</u>	P	<u>P</u>	<u>P</u>		<u>P</u>
Bingo or other games of chance	P		<u>P</u>				
Taxidermy shops sales and service (excluding large scale tanning)	P	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>		
Meat storage – individual lockers, bulk	P	<u>C</u>	<u>P</u>	P	P		<u>P</u>
Pawn shops			P				P
Entertainment – billiards, bowling, arcade or other similar	P	<u>P</u>	<u>P</u>				
Machine shop		<u>C</u>	P	P	P		
Aeronautical (outside airport boundaries)		<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>		
Wireless communication towers	C	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>		
Automotive repair, including autobody			P	P	P	C	<u>C</u>

Radio/Television studios, music or recording studio	P		P	P			
Bail bonds	P		<u>P</u>				
Authorized Special Event/Activity	P	<u>P</u>	<u>P</u>	P	P	P	P

Office	CBD Overlay	C-L	C-G	BP	I	P	A
Banks – alternative financial, credit unions, saving and loans, or other similar	P	P	P				
Professional – business services, insurance, real-estate, administrative, engineering, drafting, lawyers	P	P	P				
Medical	P	P	P				
Construction (excluding storage of heavy equipment)	P	P	P	P	P		
Governmental	P	<u>P</u>	<u>P</u>	P	<u>P</u>	P	

Industrial / Manufacturing	CBD Overlay	C-L	C-G	BP	I	P	A
Warehousing and Freight movement and storage			C	P	P		
Impound vehicle yards				<u>P</u>	P		
Contractor yards – Electrical, masonry, building, roofing, Industrial,				P	P		
Manufacturing, processing, fabrication, packaging, or assembly of goods			<u>C</u>	P	P		
Large wholesale sales				P	P		
Mining/extraction				C	C		C
Recycling, including organic, junk yards				C	<u>C</u>		C
Landfills				C	C	C	C
Meat slaughterhouse and packing, wholesale fur dealers				<u>C</u>	<u>C</u>		
Heavy vehicle and equipment sales and service					P	P	
Asphalt plant				<u>C</u>	C		

Public Assembly	CBD Overlay	C-L	C-G	BP	I	P	A
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Assembly Halls – Auditorium, civic center, concert hall, performing arts center, theaters, senior, youth	P	P	<u>P</u>			P	
Humanitarian service and shelter facilities – long-term	C		<u>C</u>				
Funeral parlors and mortuaries	P		<u>P</u>				
Libraries, Museums, Art galleries,	P		<u>P</u>			P	P
Recreational Facilities – ice arena, swimming pools	<u>P</u>					P	
Private clubs or lodges with alcohol	P		<u>P</u>				
Private clubs or lodges without alcohol	P	<u>P</u>	P				
<u>Racetrack - non-motorized</u>				<u>C</u>	C		C
<u>Racetrack – motorized</u>						C	C
Place of worship – churches	P	<u>C</u>	<u>P</u>				P
<u>Outdoor concert venue</u>	P		<u>P</u>	<u>P</u>			
Center – youth, senior	P	P	<u>P</u>				

Recreational	CBD Overlay	C-L	C-G	BP	I	P	A
Managed open space	P	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>
Boat – Launch, club,			<u>P</u>		<u>P</u>	P	
<u>Shooting ranges – indoor</u>				<u>P</u>	<u>P</u>		C
<u>Shooting ranges – outdoor</u>				<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>
Campgrounds – recreational vehicle parks						C	
Golf course						<u>P</u>	P
Miniature golf	P		<u>P</u>				P
Go-cart facility			<u>C</u>				

Public / Institutional	CBD Overlay	C-L	C-G	BP	I	P	A
Courthouse						P	
Jails						P	
Playgrounds, parks, ballfields	P	<u>P</u>	<u>P</u>			P	P
Electrical distribution substations, communication huts				P	<u>P</u>	P	P
Cemeteries						C	C
Fire stations/Emergency Services	C	C	C	P	<u>P</u>	P	C

Residential	CBD Overlay	C-L	C-G	BP	I	P	A
Single-Family residence	P	P	P				P

<u>Accessory Dwelling Unit associated with a single-family residence</u>	<u>P</u>						P
Single or Multiple family dwelling as a part of a mixed-use development on and above the second floor or below the ground level of the structure	P	P	P				P
Temporary Buildings	P	P	P	P	P		P

Zoning District Matrix Key:

CBD Overlay = Central Business District
 BP = Business Park District
 A = Agriculture District

C-L = Commercial Limited District
 I = Industrial District

C-G = Commercial General District
 P = Public District

P = Permitted Use
 C = Conditional use
 Blank= Not permitted

¹ Provided such an activity be conducted within a completely enclosed building, except that outdoor exercise yard may be permitted.

Section 15. Palmer Municipal Code Section 17.28.010 is hereby amended and renumbered to read as follows (new language is underlined and deleted language is stricken):

17.-28.29.010 Intent.

C. All of the permitted principal uses listed in PMC 17.29.020 shall be uses conducted wholly within an enclosed building.

D. Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

Section 16. Palmer Municipal Code Section 17.28.020 is hereby amended and renumbered to read as follows (new language is underlined and deleted language is stricken):

17.-28.29.020 Permitted uses.

A. Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

~~Permitted principal uses in the C-L district are:~~

- ~~A. One single-family dwelling per lot;~~
- ~~A. Single- or multiple-family dwellings as part of a mixed-use development, on and above the second floor or below the ground level of the structure;~~
- ~~C. Truck gardens, raising of bush and tree crops, flower gardening and greenhouses;~~
- ~~D. Home occupations;~~
- ~~E. Churches;~~
- ~~F. Banks;~~
- ~~G. Barber or beauty shop;~~
- ~~H. Bakery shop, candy or ice cream store or delicatessen;~~
- ~~I. Cafe or restaurant;~~
- ~~J. Clothing, dress, or shoe store;~~
- ~~K. Office building, financial and professional offices;~~
- ~~L. Repealed by Ord. 10-011;~~
- ~~M. Dentist, doctor, optometrist, medical, or dental clinic;~~
- ~~N. Pharmacy, dry goods, grocery, meat market or locker plant;~~
- ~~O. Dry cleaner or laundromat;~~
- ~~P. Clothing alterations or shoe repair;~~
- ~~Q. Florist, gift shop, music store, stationery, variety store, hobby and model shop;~~
- ~~R. Book, camera, luggage, jewelry or toy store;~~
- ~~S. Senior citizen centers;~~

- ~~T. Hospitals and homes for the elderly;~~
- ~~U. Child care facilities and preschools;~~
- ~~V. Special needs day care facilities;~~
- ~~W. Accessory uses customarily incidental to any of the above uses.~~

Section 17. Palmer Municipal Code Section 17.29.021 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.29.021 Compatibility of Land Uses not defined.

Where a proposed use is not specifically identified or is unclear as to whether the use is allowed in a particular zone, the zoning administrator may find, based on a finding of facts, the use is similar to another use that is permitted, allowed conditionally or prohibited in the subject zone and apply code accordingly. Land use findings by the zoning administrator will be based on zoning district compatibility, intensity of use and comparison to like activities or land use. Land use rulings that require discretion on the part of the zoning administrator shall be confirmed by the planning and zoning commission at the next regular meeting that allows due public notice.

Section 18. Palmer Municipal Code Section 17.29.022 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.29.022 Appeal of Compatibility of Use.

In the event the petitioner disagrees with the decision of the planning and zoning commission they may appeal to the Palmer City Council for final city evaluation. Any subsequent appeal shall be made to the superior court for the state of Alaska, in Palmer, Alaska.

Section 19. Palmer Municipal Code Section 17.29.028 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.29.028 Accessory uses.

Accessory uses in the Commercial Limited district are as follows:

- A. Dwelling units in conjunction with and accessory to the permitted use.
- B. Uses customarily incidental to the permitted use.
- C. Storage Buildings shall meet the following development standards:
 1. Building Permits. The building and any accessory structures, such as add-on canopies, stairs and decks shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
 2. Signage. All signs will meet the requirements of PMC Title 14.
 3. Setbacks. All structures shall be setback per the requirements of PMC 17.29.064. Structures, signs and parking and maneuvering areas shall not obstruct sight distance.
 4. Site Plan. Comply with site plan standards of PMC Title 17.
 5. Size Limitations. May not exceed 400 square feet.
 6. Placement shall be in rear of primary structure or use.

Section 20. Palmer Municipal Code Section 17.28.030 is hereby amended and renumbered to read as follows (new language is underlined and deleted language is stricken):

17.2829.030 Conditional uses.

A. Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

Uses which may be permitted in the C-L district by obtaining a conditional use permit are:

- ~~A. Utility substations;~~
- ~~B. Funeral parlors;~~
- ~~C. Residential care facilities;~~
- ~~D. Brewpubs;~~
- ~~E. Wineries;~~

F. ~~Public and private schools.~~

Section 21. Palmer Municipal Code Section 17.28.040 is hereby amended and renumbered to read as follows (new language is underlined and deleted language is stricken):

17.-28.29.040 Prohibited uses.

A. Land uses as defined in Palmer Use Matrix 17.28.020

~~Prohibited uses and structures in the C-L district are all uses and structures not specified as permitted outright, including, for example, large retail establishments and the outside storage of heavy equipment, such as tractors, graders or trucks, used for gain.~~

B. Conex storage building unless

1. Screened with six feet solid cedar fence, when placed abutting a R-1 residential use.
2. Sided with siding of similar material as that of primary structure on lot.
3. Sided or screened when abutting a nonresidential use.
4. Placement shall be in rear of primary structure.
5. Size Limitations shall not exceed 200 square feet.

C. Parking or storage of heavy equipment, such as tractors, graders or trucks.

D. Temporary Buildings, except when development standards meet the following criteria:

1. Sites with on-site parking and/or drive-up facilities will require an approved driveway approach with adequate sight distance per Palmer Municipal Code Chapter 17.62.020(E).
2. Stands with drive-up windows require three 18-foot-long queuing spaces per window. Fewer spaces may be approved by the zoning administrator; provided, a plan is submitted showing the site has sufficient overflow areas so that traffic will not block streets, sidewalks or parking lot circulation aisles.
3. Parking shall meet minimum requirements of PMC 17.64.
4. The temporary building and any accessory structures, such as add-on canopies, stairs and decks, shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
5. Meet all applicable licensing.
6. All signs will meet the requirements of PMC Title 14.
7. All structures shall meet the minimum the setback requirements of PMC 17.29.064. Structures, signs, parking and maneuvering areas shall not obstruct sight distance.
8. Compliance with site plan standards PMC Title 17.
9. Size limitations may not exceed 700 square feet.

Section 22. Palmer Municipal Code Section 17.28.062 is hereby amended to be renumbered as follows (new language is underlined and deleted language is stricken):

17.28.29.062 Lot area restrictions.

Section 23. Palmer Municipal Code Section 17.28.064 is hereby amended and renumbered to read as follows (new language is underlined and deleted language is stricken):

17.-28.29.064 Setback requirements.

Minimum setback requirements are as follows:

A. For ground level dwelling units (except for buildings existing as of January 17, 1978, in a recognized historic district, in which case the building setback for ground level residential use shall be the existing building setback), any part of a dwelling unit and residential garages, the setbacks are:

1. Front yard, 25 feet.
2. Side yard, ~~15~~ six feet.
3. Rear yard, 25 feet.

B. For residential uses above the ground level and nonresidential uses not abutting or immediately across an alley from an R-1 or R-1E zone, the setbacks are:

1. Front yard, none.

2. Side yard, none.
 3. Rear yard, none.
- D. For nonresidential uses abutting or immediately across an alley from an R-1 or R-1E zone, the setbacks are:
1. Front yard, none.
 2. Side yard, 25 ~~six~~ feet.
 3. Rear yard, 25 feet.

The width of the alley may be included in the side or rear setback measurement.

Section 24. Palmer Municipal Code Section 17.28.066 is hereby amended and renumbered as follows (new language is underlined and deleted language is stricken):

17.28.29.066 Open space requirements.

- A. All residential uses require a minimum of 200 square feet of open space for outdoor activities per dwelling unit. No dimension of the open space shall be less than 10 feet. This open space requirement does not apply to any building which has a footprint constructed before January 17, 1978, and which footprint has not been significantly altered.
- B. Open space shall not be used for storage, driveway, vehicle or other parking, ~~above-ground building utilities or services, or any structures or sheds~~ (other than a fence). Open space may be used for lawn, shrubs, or trees.

Section 25. Palmer Municipal Code Section 17.28.068 is hereby amended and renumbered as follows (new language is underlined and deleted language is stricken):

17.28.29.068 Fencing requirements.

~~Lots abutting or immediately across an alley from any residential zone which contains four or more dwelling units or any nonresidential use shall have a six foot, six inch, solid or interlap fence on the side or sides abutting or across an alley from residential zones. The fence shall be well built, finished and maintained.~~

A lot, which abuts or is immediately across an ally from an R-1 or a R-1E residential zone and which contain five or more dwelling units or any non-residential use shall have a six foot solid or inter-lap fence on the side or sides abutting or across an ally from the lower density residential zones. The fence shall be well built, finished and maintained.

Section 26. Palmer Municipal Code Section 17.32.010 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.010 Intent.

The C-G district is established as a district in which the principal use of land is for commercial enterprises to provide for commercial enterprises which serve the needs of a large population and a large land area and to provide a centralization of service by allowing heavier uses. All uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

Section 27. Palmer Municipal Code Section 17.32.020 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.020 Permitted uses.

Permitted principal uses in the C-G district are:

A. Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

~~1.~~B. Any use permitted in the limited commercial district; (Mixed Residential Use)

2. Motels, hotels;
3. Bar, cocktail lounge, liquor and beer sales, including brewpubs and wineries;
4. Drive-in cafe or restaurant;
5. Private club of fraternal, religious or philanthropic associations and union hall;
6. Home appliance, electrical or electronic equipment, instrument, medical appliance, office equipment, plumbing equipment and store fixture sales, service and repair;

- ~~7. Hardware store, general merchandise, pet shop;~~
- ~~8. Surplus or secondhand store, pawnshop;~~
- ~~9. Department store, furniture and household goods, sales and repairing, glass and mirror sales, paint, flooring;~~
- ~~10. Tailor shop or furriers;~~
- ~~11. Blueprinting and photo-stating, engraving, photo-developing, print shop, publishing, rubber stamp or sign painting;~~
- ~~12. Beauty or business college and studio or school of art, design, dancing, drama, modeling or photography;~~
- ~~13. Collection or employment agency, janitor service, taxi or vending machines;~~
- ~~14. Dental laboratory, funeral parlor, mattress-repairing, taxidermy or upholstering;~~
- ~~15. Telegraph or telephone office or travel agency;~~
- ~~16. Radio and TV studios;~~
- ~~17. Veterinarian clinic, except no boarding of animals;~~
- ~~18. Nursery and Christmas tree sales;~~
- ~~19. Billiard hall, bowling alley or theater;~~
- ~~20. Utility substation;~~
- ~~21. Motorcycle, boat and bicycle sales, parts and service;~~
- ~~22. Auto parts;~~
- ~~23. Service station, tire sales and service, battery sales;~~
- ~~24. Automobile and farm machinery sales; provided, that any open area used for the incidental repair of automobiles or farm machinery is located not less than 70 feet from the front lot line nor less than 25 feet from any other street line, unless such incidental repair is conducted and wholly confined within a building;~~
- ~~25. Garages including automobile repairing, painting, body and fender, or upholstering if all operations are conducted wholly within a completely enclosed building. If adjoining any R district, it shall have no openings other than stationary windows facing the R district;~~
- ~~26. Recreational vehicle and units, modular housing units, mobile homes, trailer repair and supporting parts and accessory sales; provided, that any open area used for the incidental repair of boats, automobiles, recreational vehicles and units, modular housing units, and mobile homes and trailers is located no less than 70 feet from the front lot line nor less than 25 feet from any other street line, unless such incidental repair is conducted and wholly confined within a building;~~
- ~~27. Tool and light equipment rental;~~
- ~~28. Large retail establishments;~~
- ~~29. Accessory uses customarily incidental to any of the above uses.~~

Section 28. Palmer Municipal Code Section 17.32.021 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.32.021 Compatibility of land uses not defined.

Where a proposed use is not specifically identified or is unclear as to whether the use is allowed in a particular zone, the zoning administrator may find the use is similar to another use that is permitted, allowed conditionally or prohibited in the subject zone and apply the code accordingly. Land use findings by the zoning administrator will be based on zoning district compatibility, intensity of use and comparison to like activities or land use. Land use rulings that require discretion on the part of zoning administrator shall be confirmed by the planning and zoning commission at the next regular meeting that allows due public notice.

Section 29. Palmer Municipal Code Section 17.32.022 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.32.022 Appeal of compatibility of land use.

In the event the petitioner disagrees with the confirmation of the Planning and Zoning they may appeal to the Palmer City Council for final city evaluation. Any subsequent appeal shall be made to the superior court for the state of Alaska, in Palmer, Alaska.

Section 30. Palmer Municipal Code Section 17.32.025 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.025 Standards for a large retail establishment permit.

B. Traffic Impacts.

1. Vehicular Access. There shall be a minimum of two primary vehicular accesses. Primary and secondary vehicular access shall be from a street designated collector or greater on the city's most recent traffic study or analysis.
2. Traffic Impact Analysis. The developer shall submit a traffic impact analysis prepared by an engineer licensed by the State of Alaska under AS Title 8. Operational analysis and determination of level of service (LOS) for the traffic impact analysis prepared under this section must be in accordance with the Transportation Research Board's publication Special Report 209, Highway Capacity Manual (most current version). ~~Alaska Department of Transportation highway standards for highway impact and mitigation.~~

Section 31. Palmer Municipal Code Section 17.32.028 is hereby added to read as follows (new language is underlined and deleted language is stricken):

17.32.028 Accessory uses.

A. Dwelling units in conjunction with and accessory to the permitted use.

B. Uses customarily incidental to the permitted use.

C. Storage Buildings shall meet development standards as follows:

1. The building and any accessory structures, such as add-on canopies, stairs and decks shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
2. All signs will meet the requirements of PMC Title 14.
3. Setbacks. All structures shall be setback according to the requirements of PMC 17.32. Structures, signs and parking and maneuvering areas shall not obstruct sight distance.
4. Compliance with site plan standards of PMC Title 17.
5. Size Limitations may not exceed 400 square feet.
6. Placement shall be in rear of primary structure or use.

Section 32. Palmer Municipal Code Section 17.32.030 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.030 Conditional uses.

Conditional uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

~~Uses which may be permitted in the C-G district by obtaining a conditional use permit are:~~

- ~~A. Laundry and linen supply service, dry cleaning businesses;~~
- ~~B. Propane or butane service;~~
- ~~C. Car washes;~~
- ~~D. Crematory;~~
- ~~E. Welding service and supplies;~~
- ~~F. Mental health facility;~~
- ~~G. Residential care facilities.~~

Section 33. Palmer Municipal Code Section 17.32.040 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.040 Prohibited uses.

A. Prohibited Land uses as defined in the Palmer use matrix in Palmer Municipal Code Section 17.28.020.

~~Prohibited uses and structures in the C-G district are all uses, and structures not specified as permitted outright, including:~~

- ~~A. B. Parking or storage of heavy equipment, such as tractors, graders or trucks.~~

B-C. Manufacturing, compounding, processing or treatment of products except that which is clearly incidental and essential to the retail or wholesale store or business.

D. Conex buildings unless the following is met:

1. Screened with six feet solid cedar fence, when placed abutting a residential use.
2. Sided with siding of similar material as that of primary structure on lot.
3. Sided or screened when abutting a nonresidential use.
4. Placement shall be in rear of primary structure.
5. Size Limitations shall not exceed 200 square feet.

E. Temporary buildings except when the development standards meet the following criteria:

1. Sites with on-site parking and/or drive-up facilities will require an approved driveway approach with adequate sight distance per PMC 17.62.020(E).
2. Stands with drive-up windows require three 18-foot-long queuing spaces per window. Fewer spaces may be approved by the zoning administrator; provided, a plan is submitted showing the site has sufficient overflow areas so traffic will not block streets, sidewalks or parking lot circulation aisles.
3. Parking shall meet the minimum requirements of PMC 17.64.
4. The temporary building and any accessory structures, such as add-on canopies, stairs and decks, shall comply with building codes. Trailer-type stands that are raised off wheels shall require building permits for adequate tie-downs and skirted with similar materials as principal siding.
5. Meet all applicable licensing.
6. All signs shall meet the requirements of PMC Title 14.
7. All structures shall meet the setback requirements of PMC 17.32.064. Structures, signs, parking and maneuvering areas shall not obstruct sight distance.
8. Compliance with site plan standards of PMC Title 17.
9. Size limitations may not exceed 700 square feet.

Section 34. Palmer Municipal Code Section 17.32.064 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.064 Setback requirements.

Minimum setback requirements:

A. For ground level dwelling units (except for buildings existing as of January 1, 1978, in a recognized historic district, in which case the building setback for ground level residential use shall be the existing building setback), any part of a dwelling unit and residential garages, the setbacks are:

1. Front yard, 25 feet.
2. Side yard, ~~15~~ six feet.
3. Rear yard, 25 feet.

B. For residential uses above the ground level and nonresidential uses not abutting or immediately across an alley from an R-1, R-1E or R-2 zone, the setbacks are:

1. Front yard, none.
2. Side yard, none.
3. Rear yard, none.

C. For nonresidential uses abutting or immediately across an alley from an R-1, R-1E or R-2 zone, the setbacks are:

1. Front yard, none.
2. Side yard, ~~25~~ six feet.
3. Rear yard, 25 feet.

The width of the alley may be included in the side or rear setback measurement.

Section 35. Palmer Municipal Code Section 17.32.066 is hereby amended as follows (new language is underlined and deleted language is stricken):

17.32.066 Open space requirements.

A. All residential uses require a minimum of 200 square feet of open space for outdoor activities per dwelling unit. No dimension of the open space shall be less than ten feet. This open space requirement does not apply to any building which has a footprint constructed before January 17, 1978, and which footprint has not been significantly altered.

B. Space that can be considered are roof tops and balconies.

BC. Open space shall not be used for storage, driveway, vehicle or other parking, above ground building utilities or services, ~~or any structures, or sheds~~ (other than a fence). Open space may be used for lawn, shrubs, or trees.

Section 36. Palmer Municipal Code Section 17.32.068 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

17.32.068 Fencing requirements

Lots abutting or immediately across an alley from an R-1 or R-1E residential zone which contain five ~~four~~ or more dwelling units or any nonresidential use shall have a six-foot, ~~six-inch~~, solid or interlap fence on the side or sides abutting or across an alley from residential zones. The fence shall be well built, finished and maintained.

Section 37. Effective Date. Ordinance No. 21-002 shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this ____ day of _____, 2021.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

A. CALL TO ORDER:

The regular meeting of the Planning and Zoning Commission was called to order by Chair Benedetto at 7:00 p.m.

B. ROLL CALL:

Present and constituting a quorum were Commissioners:

Richard Benedetto, Chair	Kristy Thom Bernier (via teleconference)
Dan Lucas (via teleconference)	Josh Tudor (via teleconference)
Gena Ornquist (via teleconference)	Sabrina Shelton (via teleconference)

Absence(s):

Casey Peterson, Vice Chair (Excused without objection)

Also present were:

Brad Hanson, Community Development Director
Pam Whitehead, Recording Secretary (via teleconference)

C. PLEDGE OF ALLEGIANCE: The Pledge was led by Chair Benedetto.

D. APPROVAL OF AGENDA:

The agenda was unanimously approved as presented by roll call vote of all Commissioners present. [Shelton, Tudor, Ornquist, Thom-Bernier, Lucas, Benedetto; *Absent:* Peterson]

E. MINUTES OF PREVIOUS MEETING:

The minutes of the **July 16, 2020 Regular Meeting** were unanimously approved as presented by roll call vote of all Commissioners present. [Shelton, Tudor, Ornquist, Thom-Bernier, Lucas, Benedetto; *Absent:* Peterson]

F. PERSONS TO BE HEARD: There were no persons in the audience.

G. PUBLIC HEARINGS:

1. **IM 20-019:** Consideration of map and text amendment to Palmer Municipal Code Chapter 17.xx to create a Central Business District overly zoning district.

Staff Report: Director Hanson provided an update from the previous meeting noting that this is the second public hearing on this topic. The Commission is to continue review and discussion of draft Ordinance No. 20-0xx and map showing new boundaries of the proposed CBD, and if approved, move it forward to the City Council with a recommendation for adoption.

Public Hearing:

Chair Benedetto opened and closed the second public hearing at 7:10 p.m. as there were no members of the public in attendance to testify.

Chair Benedetto reminded of the following motion on the table postponed from the last meeting and opened the matter for continued review and recommendation.

Main Motion: (For review, discussion and recommendation regarding proposed CC Ordinance No. 20-0xx Text Amendment and Map.)

Moved by: (Shelton)
Seconded by: (Tudor)

Director Hanson reported the additions/revisions from discussions at the last meeting. The Commission reviewed and had no additional revisions.

Main Motion: For approval of Ordinance No. 20-0xx of the Palmer City Council Amending PMC Title 17 Zoning by enacting 17.30 Central Business District, and move forward to the City Council with a recommendation for adoption.

Moved by: Shelton
Seconded by: Tudor
Vote: 6 Yes / 0 No (*Absent:* Peterson)
Action: Motion Carried by roll call vote of all Commissioners present.



2. **IM 20-023:** Consideration of text amendments to Palmer Municipal Code Chapter 17.28 and 17.32 and add 17.xx.xxx Palmer Land Use Matrix.

Staff Report: Director Hanson summarized that this proposed Ordinance is the culmination of the Commission’s work on Title 17 CL, CG and the Palmer Land Use Matrix; that essentially this is the introduction of the Land Use Matrix into Title 17 as opposed to listing the permitted uses in each section of the code. He recommended revising the title to state Palmer *Commercial* Land Use Matrix for better clarification and definition.

Public Hearing:

Chair Benedetto opened and closed the public hearing at 7:23 p.m., as there were no members of the public in attendance to testify.

Chair Benedetto called for the motion to put the matter on the table for discussion/review:

Main Motion: For approval of proposed Ordinance No. 20-0xx, Amending PMC Title 17.08 definitions, PMC 17.28 Commercial Limited and PMC 17.32 Commercial General, and Inserting 17.xx Palmer Land Use Matrix, and move forward to the City Council with a recommendation for adoption.

Moved by: Lucas
Seconded by: Shelton

Following brief discussion in agreement with inserting “commercial” in the title Palmer Land Use Matrix:

Primary Amendment #1: To amend the main motion to state in the title: Palmer *Commercial* Land Use Matrix .

Moved by: Lucas
Seconded by: Tudor
Vote: 6 Yes / 0 No; (*Absent:* Peterson)

Action: Motion Carried by Roll Call vote of all Commissioners present.

Vote on Main Motion as Amended:

Vote: 6 Yes / 0 No; (*Absent:* Peterson)

Action: Motion Carried by Roll Call vote of all Commissioners present.

H. UNFINISHED BUSINESS: None.

I. NEW BUSINESS: None.

J. PLAT REVIEWS:

1. **IM 20-021:** Preliminary Plat – To create six lots from Lots 1 and 2, Ravens Ridge to be known as Ravens Ridge 2020.

[Commissioner Lucas declared a conflict of interest as he is one of the petitioners and removed himself from the Commission table and discussion.]

Director Hanson reported comments of City Departments including:

Building Inspector and Fire Chief: Any driveway 150' or longer must have approved fire apparatus turn-around; *Community Development:* The proposed lots are located within the City and the Airport Influence Area. There were no other City comments.

There was brief discussion regarding street access.

The Commission had no additional comments other than for approval.

[Commissioner Lucas returned to the table]

2. **IM 20-022:** Abbreviated Plat – To subdivide Lots 10 and 11, Block 1, Roland Snodgrass, into two new lots to be known as Valley Way.

Director Hanson reported comments of City Departments including:

Community Development: The proposed lots are located within the City and within the Airport Influence Area. There were no other City comments.

The Commission had no additional comments other than for approval.

K. PUBLIC COMMENTS: There were no members of the public in attendance.

L. STAFF REPORT:

Director Hanson:

- Thanked the Commission for approval of the two ordinances moving forward to the City Council;
- Inquired if there was any objection to changing the date of the October P&Z regular meeting from October 15 to *Wednesday, October 21, 2020*, as council chambers may need to be reserved for election purposes. There were no objections by the Commissioners present.

M. COMMISSIONER COMMENTS:

Commissioner Shelton:

- Commented in appreciation for Director Hanson’s hard work on the ordinances.

Commissioner Ornquist:

- Inquired as to the status of the U-Haul appeal. Director Hanson responded that the Appeal hearing before the Hearing Examiner is scheduled for September 29, 2020 at 9:00 am; he will have more to report following the hearing.
- In addition, Director Hanson informed U-Haul has submitted an application for a Large Retail Establishment Limited Development Plan. He further explained the LRE Ordinance and process of administrative review.
- There was further brief discussion.

Chair Benedetto:

- Spoke in appreciation of staff’s work on the ordinances and is glad they are moving forward.

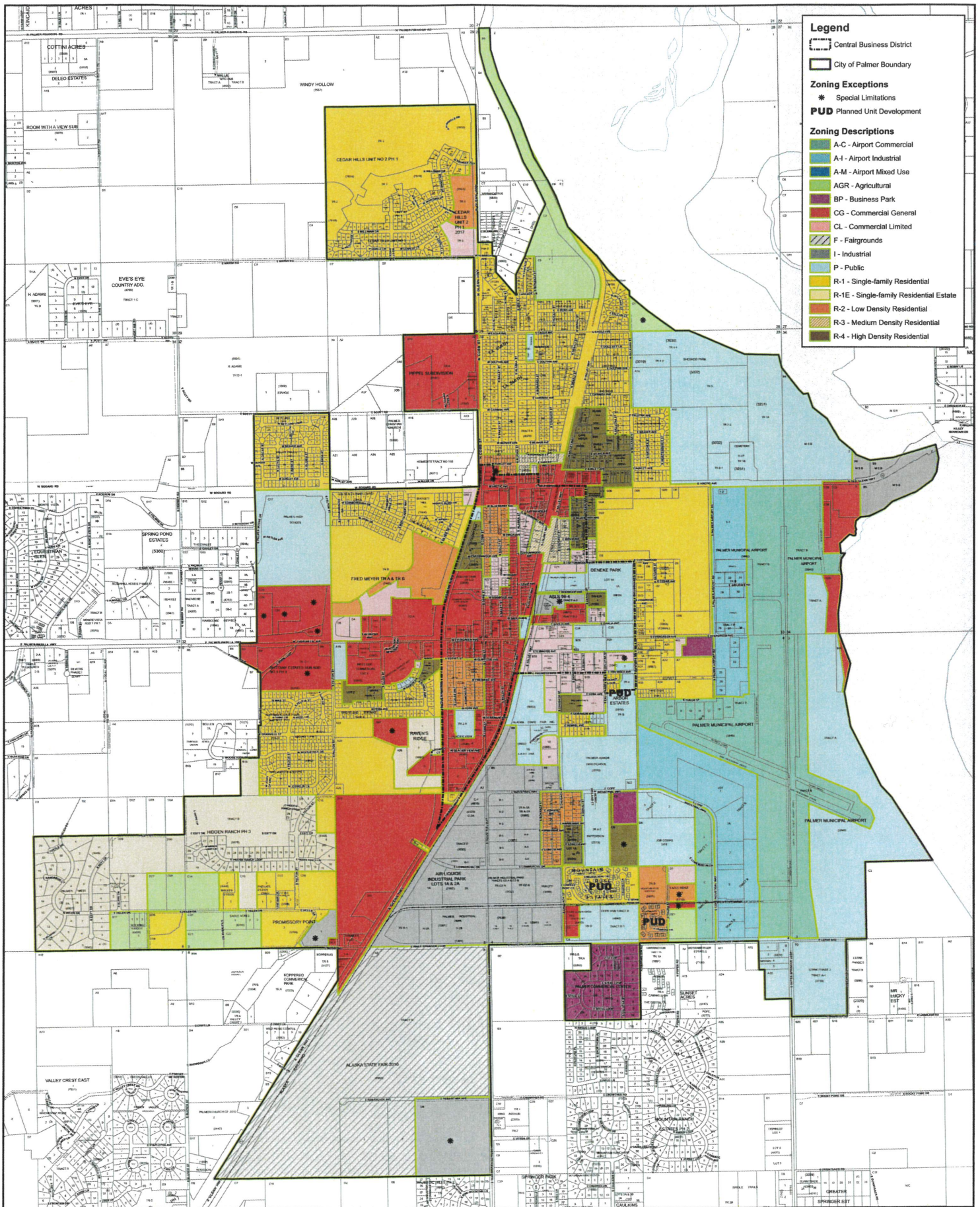
N. ADJOURNMENT:

There being no further business, the meeting adjourned without objection at 7:38 p.m.

APPROVED by the Planning and Zoning Commission this 21st day of October, 2020.

Richard Benedetto, Chair

Brad Hanson, Community Development Director



City of Palmer
Current Zoning Districts
December 2017



0 500 1,000 1,500 2,000
 Feet

This is to certify that this zoning map supersedes and replaces the zoning map adopted February 24, 2015 as part of Ordinance 15-007 of the City of Palmer.

ATTEST:

Edna DeVries
 Edna DeVries, Mayor City of Palmer

Norma Alley
 Norma Alley, City Clerk