

Mayor Edna B. DeVries
Deputy Mayor Steve Carrington
Council Member Richard W. Best
Council Member Sabrena Combs
Council Member Brian Daniels
Council Member Pamela Melin
Council Member Jill Valerius

City Attorney Michael Gatti
City Manager John Moosey
City Clerk Shelly M. Acteson

City of Palmer, Alaska
Regular City Council Meeting
November 23, 2021, at 7:00 PM
City Council Chambers
231 W. Evergreen Avenue, Palmer
www.palmerak.org

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. 21-064:** Approving Mayor DeVries' Resignation, Declaring the Seat Vacant, Effective November 21, 2021, in Accordance with PMC 2.05.070 Page 3
2. Approval of Minutes of Previous Meetings
 - a. September 14, 2021, Regular Meeting Page 7

E. ADMINISTRATION OF OATH OF OFFICE TO INCOMING MAYOR STEVEN J. CARRINGTON

F. COMMUNICATIONS AND APPEARANCE REQUESTS

G. REPORTS

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

H. AUDIENCE PARTICIPATION

I. PUBLIC HEARINGS

1. **Ordinance No. 21-019:** Amending Palmer Municipal Codes 2.04.080, 2.20.080, 2.22.080, 2.25.080 and 2.30.080 to Modify the Start Time of Meetings from 7:00 p.m. to 6:00 p.m. Page 17
2. **Ordinance No. 21-020:** Amending the Palmer Municipal Code 3.16 Sales Tax, To Create Certain Uniform Provisions for the Collection and Remittance of Sales Tax in Alignment with the Alaska Remote Sellers Sales Tax Code PMC 3.16.300, Alaska Remote Sellers Sales Tax Code Adopted by Reference Page 21
3. **Resolution 21-037:** A Resolution of the Palmer City Council Identifying the City of Palmer's Capital Project Priorities for State, Federal, and Other Interested Parties Funding Page 27
4. **Resolution 21-038:** A Resolution of the City of Palmer Authorizing the City Manager to Accept, Appropriate and Execute the Federal ARPA Grants Funded by the Institute of Museum and Library Services for the Palmer Public Library for Pandemic Modifications in the Amount of \$45,295 Page 31

J. UNFINISHED BUSINESS

- 1. Committee of the Whole:** Presentation of the 2022 Budget (Note: Action may be taken by the Council following Committee of the Whole) Page 43
 - a. City of Palmer Budget
 - b. City of Palmer Pay Plan
 - c. City of Palmer Fee Schedule
 - d. City of Palmer Fine Schedule
 - e. City of Palmer Capital Improvement Program

K. NEW BUSINESS

- 1. Action Memorandum No. 21-61:** Authorizing the City Manager to Negotiate and Execute a Three-Year Contract for Professional Audit Services Page 45
- 2. Action Memorandum No. 21-62:** Authorizing the City Manager to Execute an Assignment of Lease Agreement with CIG, LLC (Assignor) and 800 E. Yukon, LLC (Assignee) for PMA Lease No. 19-002, on Lease Lot 13, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Lease to a New Real Estate Holding Entity Page 47
- 3. Action Memorandum 21-063:** Authorize the City Manager to Negotiate and Execute a Contract with the Selected Law Firm for Legal Services for the City of Palmer Not to Exceed \$160,000 from the request for proposals RFP # 21-01CC Page 95
- 4. Action Memorandum 21-065:** Approving a Council Community Grant to Palmer Hockey Association for Alaska Army National Guard Stars and Stripes Hockey Tournament Page 125
- 5. Action Memorandum 21-066:** Approving a Council Community Grant to Palmer Hockey Association for Air Force Aim High Junior Varsity Hockey Tournament Page 133

L. RECORD OF ITEMS PLACED ON THE TABLE

M. AUDIENCE PARTICIPATION

N. EXECUTIVE SESSION

O. COUNCIL MEMBER COMMENTS

P. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
Nov 30	Special	6pm	Budget
Dec 7	Special	6pm	
Dec 14	Special	6pm	
Dec 14	Regular	7pm	

**City of Palmer
Action Memorandum No. 21-064**

Subject: Approving Mayor Edna DeVries' Resignation, Declaring the Seat Vacant Effective November 21, 2021, in Accordance with PMC 2.05.070

Agenda of: November 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: \$ _____

This legislation (√):

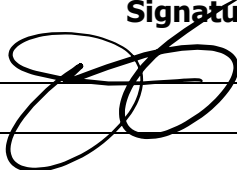
- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

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

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Action Memorandum 21-064

Summary Statement/Background:

Mayor Edna DeVries submitted her resignation as Mayor, with an effective date of November 21, 2021. Mayor DeVries has served the citizens of Palmer as Mayor since October 2016. She previously served as a City Council Member from 1979 to 1982; 1996 to 1999; and 2010-2016.

PMC 2.050.070 states:

“The office of the mayor shall become vacant upon the occurrence of any of the following:

C. Resignation approved by the Council”.

PMC 2.050.060 states:

D. The deputy mayor shall succeed to the office of mayor when a vacancy occurs in that office and shall have and exercise the powers and duties of the mayor when the mayor is absent or unable to perform the duties of office.

E. The alternate deputy mayor shall succeed to the deputy mayor when the deputy mayor is unavailable or there is a deputy mayor vacancy.

By approving Action Memorandum 21-064 as presented, the Council will approve the resignation of the current mayor, Deputy Mayor Steve Carrington will succeed to Mayor and Alternate Deputy Mayor Pamela Melin will succeed to Deputy Mayor.

Administration’s Recommendation:

Approve Action Memorandum No. 21-064

From: [Edna DeVries](#)
To: [Shelly Acteson](#); [John Moosey](#); [Michael Gatti](#)
Subject: Resignation
Date: Sunday, November 14, 2021 9:58:08 PM

It is with joy, sadness, and excitement, I submit my resignation as Mayor of the city of Palmer effective Sunday, November 21.

My time of mayor of Palmer has been challenging, full of opportunities and growth for my self as well as citizens of Palmer.

Thank you,
Edna DeVries

Edna DeVries
Mayor
City of Palmer
Sent from my iPhone

A. CALL TO ORDER:

A regular meeting of the Palmer City Council was held on September 21, 2021, 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	Sabrena Combs, Deputy Mayor
Julie Berberich (video conference)	Brian Daniels
Jill Valerius (video conference)	Steve Carrington

Council Member Best was absent and excused.

Also in attendance were the following:

John Moosey, City Manager	Nichole Degner, Interim City Clerk
Michael Gatti, City Attorney (via teleconference)	Pam Whitehead, Recording Secretary (via teleconference)

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Ordinance No. 21-016:** Amending the Zoning Map to Revise the Zoning Designation of Lot 7, Block 6, Snodgrass-Newcomb #2 Subdivision, from R-4, High Density Residential to CG-General Commercial.
 - b. **Resolution No. 21-033:** Authorizing the City Manager to Purchase New Vehicle and Equipment in the Amount not to exceed \$60,000.00.
 - c. **Information Memorandum No. 21-005:** Directed Investigation of Violations of the Open Meetings Act Law – Anticipated Expense.
2. Approval of Minutes of Previous Meetings
 - a. August 10, 2021, Joint CC/BED Meeting
 - b. August 10, 2021, Regular Meeting

Main Motion: To approve the Consent Agenda and Minutes.

Moved by:	Berberich
Seconded by:	Valerius
Vote:	Unanimous (Absent: Best)
Action:	Motion Carried

Primary Amendment #1: To move Consent Agenda D.1.c (IM 21-005) to New Business.

Moved by:	Berberich
Seconded by:	Daniels
Vote:	--
Action:	Ruled out of order; item D.1.c is for Information Only/no action.

Following inquiry by Council member Valerius, Mayor DeVries noted the matter could be brought up under Council Comments.

E. REPORTS

1. City Manager's Report

City Manager Moosey:

- Reported on City Hall currently being temporarily closed to the public due to employee illness; appreciates the public's understanding; may conduct business by phone, email, or online;
- Reported being named to the MSB Metropolitan Planning Organization Policy Board;
- Today met with Tri-Cities (Wasilla, Houston, Palmer); working on an economic development plan in order to access Federal grant funds;
- Advised tomorrow he and Brad Hanson will be meeting with the Governor's Office regarding issues related to the City Dispatch Contract;
- Reported Chief Shelton will be visited by Homeland Security monitoring a City grant received in 2018;
- Spoke to the 9/20/21 Dedication of Charters of Freedom in Wasilla – City Council has been invited;
- Great news – he now has an Administrative Assistant – Christine Elias.
- Asked for approval to issue an RFP for Legal Services; asked to extend it two weeks; explained why.

2. Mayor's Report:

Mayor DeVries:

- Encouraged everyone to attend Friday's Football Homecoming; Palmer needs a win.
- Reported the Mayor/Manager's Monthly Meeting scheduled for Thursday may have to be postponed due to lack of attendance.

3. City Clerk's Report:

City Manager Moosey:

- Reported receiving four recall petitions; explained the process dictated by city code; Christie Smithers has agreed to act as City Clerk on the matter and the City will be seeking an outside attorney to give advice.
- Spoke to concerns that have been raised in recent meetings regarding City of Palmer elections and introduced Christie Smithers who will give a presentation explaining the City of Palmer's election process to inform the public.
- Christie Smithers, Acting City Clerk for the City of Palmer Election, gave a PowerPoint presentation explaining her experience and extensive background administering elections; fully outlined the election process.
- Addressed the Dominion election equipment – has been used by the State and Municipalities for about 20 years; outlined the testing process of the machines; spoke to security measures.

4. City Attorney's Report: City Attorney Gatti had no report.

F. AUDIENCE PARTICIPATION:

Ms. Lee Henrikson, Palmer resident, who is running for City Council, testified on the responsibility of the presiding officer maintaining order and decorum at Council meetings pursuant to Municipal Code 2.06, Council Rules.

Ms. Chris Tyree submitted legal paperwork (18 USC Sections 241 and 242 and 42 USC Section 1983) and testified regarding the U.S. Constitution and violations of the people's constitutional rights, citing the City Council does not have the right to mandate masks.

Mr. Dave Fuller, Palmer resident, testified regarding alleged violations of the Open Meetings Act by Council members; called for an investigation of all council members and their social media accounts.

Ms. Meghan Aube Trammell, Palmer resident, testified in opposition to an investigation of the alleged Open Meetings Act violations proposed by Council members Best and Carrington, citing a huge waste of money.

Ms. Randi Bernier, Palmer resident, testified regarding the alleged Open Meetings Act violations, citing the language of the OMA lacks the specificity necessary to identify violations on a digital platform. Although she is not entirely opposed to an investigation, raised concern that substantive arguments have not been made for probable cause to justify the expenditure of taxpayer dollars. (Submitted her written testimony to the Clerk for the record).

Mr. Mike Coons, Greater Palmer resident, spoke in appreciation of Council member Best acting on the concerns raised regarding the potential violations of the Open Meetings law; believes in the presumption of innocence until the evidence and legal process determines guilt and following the law as to punishment. He also had questions concerning how the recall filed for four council members would be handled regarding the upcoming election; spoke on the importance of transparency.

Mr. Dickey Hudgins, Palmer resident, testified regarding the alleged Open Meetings Act violations; also spoke against BLM and Antifa classifying them as terrorists; testified against the recent purchase of the Dominion voting machines, noting it has been proven they are easily hackable; testified also against masks and vaccines noting mandates are not the same as laws.

Ms. Jackie Ivey GoForth, Palmer resident, testified regarding the alleged Open Meetings Act violations and read/displayed postings by the four council members for the record.

Ms. Cindy Hudgins, Palmer resident, testified regarding Matsu Moms for Social Justice promoting the Black Lives Matter agenda (violence, rioting, destruction of the nuclear family) of which the four council members, who are in this group, stand for; also named Lee Henrikson, who is running for City Council, is a member of this group; displayed postings by all and alleged that all are violations of the Open Meetings Act.

Ms. Karen Lewis, Palmer resident, testified how much she loves Palmer, a wonderful, peaceful, beautiful town; spoke to the Constitution and our nation of freedoms, and believes those who violated the OMA should be held accountable.

Mr. Carl Gaines, Palmer resident, testified strongly against mask mandates, especially as relates to our children, that a virus will go right through a paper or cloth mask – it does absolutely nothing; deprives our children of oxygen and their identity.

Ms. Betty Doggett, Palmer resident, spoke to this group being reflective of what has been happening in our nation – BLM being the root of all of this upheaval; believes it is a means to push a one-world government controlling with fear and lies, the same as what Hitler did with the Jews. Those who are so unhappy the way our country is run, need to move to a third-world country and leave the U.S. alone; described the scary way of life when she lived in Venezuela at age 9 during the over-throw of Batista in 1958.

Mr. Mike Robinson, Palmer resident, announced that he is forming a new group called Mat-Su Dads Against Mat-Su Moms for Social Justice – will be putting it up on Facebook and see how fast it gets taken down. Provided the definition of a conspiracy – two or more people planning in secret to commit an illegal act; pointed out this is no longer a conspiracy theory but a conspiracy fact.

[Point of Order by Council Member Daniels, noting that the applause is not constructive or professional in this setting. Mayor DeVries responded she has asked them to stop every time.]

Ms. Robyn Bjork, Butte resident, testified on the topic of medical mandates by the Federal government, noting it will be even more important that the City Council help protect what we have in Palmer, emphasizing that Palmer is a great town; testified that masks don't work and allow for the growth of bacteria; further explained why.

Interim City Clerk Degner read written testimony regarding the alleged Open Meetings Act violations and call for an investigation received from the following:

- Terry Snyder
- Kaitlyn Lovett
- Shannon Chris
- Carol C. Thompson
- Burke Heppinstal Herman
- Carol C. Thompson
- Carol Ryan Aube
- Benjamin Tosh
- Janelle Gannon
- Warren Koff
- Dave Musgrave
- Andrea Hackbarth
- Carolyn Covington
- Patty Haugom
- Lisa Albert Konecky
- Kathryn Bishop
- Sara Jansen

There being no other testimony, Mayor DeVries closed audience participation at 8:50 p.m.

G. PUBLIC HEARINGS: None.

H. UNFINISHED BUSINESS:

1. Committee of the Whole for Discussion Regarding Status of City Clerk Recruitment (note: action may be taken following committee of the whole).

Main Motion: To enter Committee of the Whole.

Moved by:	Combs
Seconded by:	Carrington
Vote:	Unanimous (Absent: Best)
Action:	Motion Carried by roll call vote.

[The Council entered Committee of the Whole at 8:52 p.m.; exited at 8:55 p.m.]

Kimberly Green, Human Resources, reported Council has been presented with the packets of seven applicants for the 2nd City Clerk posting which closed on September 9. The Council was asked to review and advise how to proceed.

Mayor DeVries recommended interviewing the two candidates with City Clerk experience with credentials first and then move on from there if necessary. Deputy Mayor Combs agreed. There was further brief discussion.

The Council adjourned from Committee of the Whole at 8:55 p.m. and reconvened the Regular Meeting.

Main Motion: To conduct interviews of the two candidates that have City Clerk experience.

Moved by:	Combs
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Seconded by:	Carrington
Vote:	Unanimous (Absent: Best)
Action:	Motion Carried by roll call vote.

I. NEW BUSINESS:

1. **Action Memorandum No. 21-052:** Directing the City Manager to Notify the State of Alaska of the City Council’s Statement of Non-Objection to the Bottling Works License Number 5978 for the Matanuska Brewing Company, LLC, located at 513 South Valley Way.

Main Motion: To approve Action Memorandum No. 21-052.

Moved by:	Combs
Seconded by:	Daniels
Vote:	Unanimous (Absent: Best)
Action:	Motion Carried by roll call vote.

J. RECORD OF ITEMS PLACED ON THE TABLE

- 1) City Clerk Application Packets
- 2) Copies of Slide Presentations

K. AUDIENCE PARTICIPATION

Ms. Lee Henriksen, Palmer resident, spoke to being innocent until proven guilty, that there should be no recall petitions until after that process has been followed and finished.

Ms. Randi Bernier, spoke in relation to the social media postings commenting that if someone thinks the public can be swayed one way or another just by comments within a social media post, the power of individual free will is being discredited, that just because you hear something from an individual doesn’t mean you’re obliged to agree one way or another; encouraged open discussion of ideas rather than identities in order for the public to hear both sides of the story.

Mr. Mike Coons, corrected his previous testimony to be out of the norm, noting it was his understanding there was already an active recall in progress; provided a “practical definition of communism;” discussed equity and equality under a communist rule. Additionally, he spoke to election integrity, absentee ballots, ballot counting observation, and the Dominion voting machines.

Mr. Dave Fuller commented that Mayor DeVries has failed at her duty to maintain decorum at this meeting.

Ms. Jackie Ivey GoForth, testified alleging Matsu Moms for Social Justice as a covert society attempting to stuff the ballot box in relation to the Matsu School Board Covid Mitigation Survey. She also spoke to and provided written information on the Dominion system; described the specific problems with the machines citing that the Dominion intellectual property is owned by HSBC Bank China; alleged not a secure format.

Ms. Robyn Bjork, a medical professional, testified regarding individual constitutional rights and freedoms of we the people and against government overreach regarding vaccine mandates and lockdowns.

Ms. Cindy Hudgins, testified against Matsu Moms for Social Justice, alleging collusion, corruption, and control; spoke against government mandates requiring masks and against discussing city business in a Facebook group.

Mr. Erik Anderson, testified that he sees the real problem here is discussing city business on social media as opposed to coming to City Hall and speak personally on a topic.

Ms. Kelly Anderson Riggs, Greater Palmer resident, testified about our rights being under attack, that it is an individual's choice to wear or not wear a mask; noted that she has written our representatives imploring them to choose to pass Amendment 4 of SB 3006 that would allow one person or an advocate to be with a loved one while they are passing away, and Amendment 5 regarding the people's right to choose; that we need to respect each other's decision.

Mr. Mike Chmielewski, shared his experiences broadcasting at the Alaska State Fair over the last 14 days and in particular his interview with Lt. Governor Meyer regarding his opinion of Dominion voting equipment which was positive; encouraged those who have doubts to contact the Lt. Governor to discuss it; also his full interview is up on his website.

There being no others coming forward to testify, Mayor Devries closed Audience Participation at 9:27 p.m.

L. EXECUTIVE SESSION: There was no Executive Session.

M. COUNCIL COMMENTS:

Council Member Valerius requested that Interim Clerk Degner play the last 2-1/2 minutes of the Council meeting from August 24, 2021; noted she will have comments following.

[Recording played]

Council Member Valerius:

- commented that following adjournment with gavel, there was official business conducted – additional discussion and direction given to the City Manager for what is now Information Memorandum No. 21-005. She learned of this at a later date because she had already dropped off of Zoom. Because business was conducted with a majority/quorum of members present and resulting in an action, this could very likely be an Open Meetings Act violation;
- inquired of City Attorney Gatti regarding the appropriate steps for the Council to potentially cure the an alleged violation by holding another meeting; referred to and quoted in part Alaska Statute 44.62.310(f);
- recommended developing a process for handling a citizen complaint as well as a policy for social media.

Council Member Berberich:

- had no comments.

Council Member Daniels:

- commented spoke in agreement with Council Member Valerius for development of a policy for social media and define what it means related to the Open Meetings Act.

Council Member Carrington:

- commented to clarify the record that it was not City Manager Moosey, but the former City Clerk that ordered the Dominion machines.

Council Member Combs:

- requested Council support for Council Member Valerius' request directing that City Attorney Gatti review the apparent violation;
- thanked Christie Smithers and Jeannette Sinn for their work related to our elections; and thank you to Nichole filling in especially tonight;
- reminded the Matsu Preparedness Fair is next Saturday, September 25 at the Menard Center.
- Big thank you to the Alaska State Fair for bringing a lot of people to Palmer;
- Encouraged anyone in the room that has notions regarding her beliefs or things she brings forward, to talk to her, that there were a number of assumptions brought out tonight on where she stands on

things that were news to her; please reach out and ask her how she stands on things, that whether you agree with her or not she would be happy to have a conversation about it, that she would hope that courtesy would be extended to her rather than coming here and making assumptions about who she is as a person. She was born and raised in Palmer, raises her children here, sits on this Council because she wants her town to be a great place for her kids because it was a great place for her to grow up.

City Manager Moosey:

- Inquired as to confirm the direction given at the last meeting related to possible violation of the Open Meetings Act.

City Attorney Gatti:

- Confirmed he understood the direction given noting he would not call it an investigation but will look into the legal aspects of it.

Following brief further discussion:

N. ADJOURNMENT:

With no further business before the City Council, the meeting adjourned at 9:41 p.m.

APPROVED this ____ day of November, 2021.

Shelly M. Acteson, CMC, City Clerk

Steve Carrington, Deputy Mayor



Shelly Acteson, CMC
City Clerk

Phone: (907) 761-1301
Direct: (907) 761-1321
Fax: (907) 761-1340
Email: sacteson@palmerak.org

231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
www.palmerak.org

OATH OF OFFICE

PALMER CITY COUNCIL
STEVEN J. CARRINGTON

TERM: November 2021 - October 2022

I, **Steven J. Carrington**, do solemnly swear to support and defend the Constitution and laws of the United States of America, the Constitution and laws of the State of Alaska, and the Charter and ordinances of the City of Palmer; and to the best of my ability honestly, faithfully, and impartially discharge my duties and obligations as *Mayor* of the City of Palmer, so help me God.

Steven J. Carrington

Subscribed and sworn to me this ____rd day of November 2021.

Shelly M. Acteson, CMC, City Clerk

**City of Palmer
Ordinance No. 21-019**

Subject: Amending Palmer Municipal Codes 2.04.080, 2.20.080, 2.22.080, 2.25.080, and 2.30.080 to modify the start time of meetings from 7:00 p.m. to 6:00 p.m.

Agenda of: November 9, 2021

Council Action: **Adopted** **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: \$ _____

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	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Ordinance No. 21-019

Summary Statement/Background:

In recent years the community of Palmer has grown much more active. Challenges, business developments, homeowner, and community issues are requiring more and more attention at the local government level. In order to more efficiently serve the City of Palmer a six o'clock pm will allow for greater participation. Also, with code requirements insisting on a drop-dead meeting time at midnight, an extra hour will be created to handle to special meeting needs.

2.04.080 Meetings.

A. Regular meetings of the council shall be held only on the second and fourth Tuesday of each month beginning at 7:00 p.m. in the council chambers, unless otherwise designated by the council. At least two regular meetings shall be held in each month. A regular meeting may be canceled by the council; however, if no quorum exists or there is an emergency, it may be canceled by the mayor.

2.20.080 Meetings.

B. Regular Meetings.

1. Regular meetings of the commission shall be held on the third Thursday of each month beginning at 7:00 p.m. in the city council chambers, unless otherwise designated by the commission.

2.22.080 Meetings.

B. Regular Meetings. Regular board meetings shall be held at least quarterly on the first Thursday of the month beginning at 7:00 p.m. in the city council chambers, unless otherwise designated by the board.

2.25.080 Meetings.

B. Regular Meetings. Regular commission meetings shall be held at least quarterly on the fourth Thursday of the month beginning at 7:00 p.m. in the city council chambers, unless otherwise designated by the commission.

2.30.080 Meetings.

B. Regular Meetings. Regular board meetings shall be held at least quarterly on the first Monday of each month beginning at 7:00 p.m. in the city council chambers, unless otherwise designated by the board.

Administration's Recommendation:

Adopt Ordinance No. 21-019

LEGISLATIVE HISTORY

Introduced by: John Moosey, City Manager
Date: November 9, 2021
Public Hearing: November 23, 2021
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Ordinance No. 21-019

An Ordinance of the Palmer City Council Amending Palmer Municipal Code 2.04.080, 2.20.080, 2.22.080, 2.25.080, and 2.30.080 to modify the start time of meetings from 7:00 p.m. to 6:00 p.m.

WHEREAS, Palmer has grown more active, requiring more attention at the local government level; and

WHEREAS, A six o'clock pm start time will allow for greater participation; and

WHEREAS, Municipal Code requires a drop dead meeting end time of midnight, this will create an extra hour to handle special meeting needs.

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 Sections 2.04.080, 2.20.080, 2.22.080, 2.25.080 and 2.30.080 are hereby amended to read as follows

2.04.080 Meetings.

A. Regular meetings of the council shall be held only on the second and fourth Tuesday of each month beginning at ~~7:00~~ 6:00 p.m. in the council chambers, unless otherwise designated by the council. At least two regular meetings shall be held in each month. A regular meeting may be canceled by the council; however, if no quorum exists or there is an emergency, it may be canceled by the mayor.

2.20.080 Meetings.

B. Regular Meetings.

1. Regular meetings of the commission shall be held on the third Thursday of each month beginning at ~~7:00~~ 6:00 p.m. in the city council chambers, unless otherwise designated by the commission.

2.22.080 Meetings.

B. Regular Meetings. Regular board meetings shall be held at least quarterly on the first Thursday of the month beginning at ~~7:00~~ 6:00 p.m. in the city council chambers, unless otherwise designated by the board.

2.25.080 Meetings.

B. Regular Meetings. Regular commission meetings shall be held at least quarterly on the fourth Thursday of the month beginning at ~~7:00~~ 6:00 p.m. in the city council chambers, unless otherwise designated by the commission.

2.30.080 Meetings.

B. Regular Meetings. Regular board meetings shall be held at least quarterly on the first Monday of each month beginning at ~~7:00~~ 6:00 p.m. in the city council chambers, unless otherwise designated by the board.

Section 4. Effective Date. Ordinance No. 21-0XX shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2021.

Steven J. Carrington, Mayor

Shelly Acteson, CMC, City Clerk

**City of Palmer
Ordinance No. 21-020**

Subject: An Ordinance of the Palmer City Council Amending Sections of the Palmer Municipal Code 3.16 Sales Tax, To Create Certain Uniform Provisions For the Collection and Remittance of Sales Tax in Alignment with the Alaska Remote Seller Sales Tax Code PMC 3.16.300, Alaska Uniform Remote Seller Sales Tax Code Adopted by Reference.

Agenda of: November 9, 2021

Council Action: **Adopted** **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: \$ _____

This legislation (√):

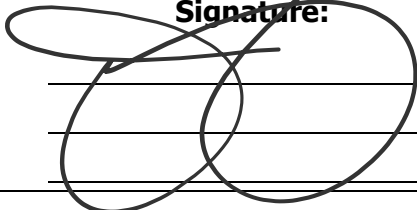
- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

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

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Ordinance No. 21-020
2. Uniform Code Updates – March 2021
3. Memorandum re: Remote Sales Taxation of Services
4. Alaska Remote Seller Sales Tax Code

Summary Statement/Background:

On March 24, 2020, the City Council adopted Ordinance 20-002, amending Palmer Municipal Code (PMC) Chapter 3.16 Sales Tax, by adopting the Alaska Uniform Remote Seller Sales Tax Code by reference, and amending sections of PMC 3.16 Sales Tax, to create uniform provisions for collection and remittance of sales tax.

On February 24, 2021, the Alaska Remote Sellers Sales Tax Commission Board adopted changes to the Alaska Uniform Remote Seller Sales Tax Code. The attached memo explains the necessity of the primary change. Ordinance 21-020 provides for alignment of the Palmer Municipal Code 3.16 Sales Tax, with the Alaska Remote Seller Sales Tax Code regarding point of taxation; definitions to services performed remotely to treat remote and physically present sellers alike; eliminates the potential of duplicate taxation between taxing jurisdictions; and exposure to litigation for inequity of taxpayers between remote and local sellers between the two codes. The point of delivery is amended in Ordinance 21-020 to change the sourcing of taxation for services from origin-based (where the service is performed) to destination-based (where the service is received); if those locations are different. This definition determines the location where a service is taxed.

Additional amendments include additional language clarifying sales tax filing dates taking into consideration the City moving forward with online sales tax and licensing software with MUNIREvs.

Administration's Recommendation:

Adopt Ordinance No. 21-020

LEGISLATIVE HISTORY

Introduced by: Gina Davis, Finance Director
Date: November 9, 2021
Public Hearing: November 23, 2021
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Ordinance No. 21-020

An Ordinance of the Palmer City Council Amending Sections of the Palmer Municipal Code 3.16 Sales Tax, To Create Certain Uniform Provisions For the Collection and Remittance of Sales Tax in Alignment with the Alaska Remote Seller Sales Tax Code PMC 3.16.300, Alaska Uniform Remote Seller Sales Tax Code Adopted by Reference.

WHEREAS, on November 12, 2019, the City Council passed Resolution No. 19-020 authorizing the City of Palmer to join the Alaska Remote Seller Sales Tax Commission (ARSSTC) for purpose of developing, implementing and enforcing a remote seller sales tax code; and

WHEREAS, on March 24, 2020, City Council adopted Ordinance 20-002, that adopted the Alaska Uniform Remote Seller Sales Tax Code by reference and amended sections of PMC 3.16 Sales Tax to create certain uniform provisions for the collection and remittance of sales tax; and

WHEREAS, on February 24, 2021, the ARSSTC Board adopted amendments to the Alaska Uniform Remote Seller Sales Tax Code; and

WHEREAS, the City adopted the Alaska Uniform Remote Seller Sales Tax Code by reference within PMC 3.16.300, with a clause that is referenced "as the code currently exists, and as may be further amended." The amendments contained within this Ordinance are necessary to align PMC 3.16 Sales Tax with the Alaska Uniform Remote Seller Sales Tax Code.

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 3.16.020 Definitions is hereby amended to read as follows (new language is underlined and deleted language is stricken):

"Point of Delivery" means the location at which property or product is delivered or service is rendered.

- A. When the product is not received or paid for by the purchaser at a business location in the city, the sale is considered delivered to the location where receipt by the purchaser (or the purchaser's

- recipient, designated as such by the purchaser) occurs, including the location indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known to the seller;
- B. When the product is received or paid for by a purchaser who is physically present at a business location in the city, the sale is considered to have been made in the city where the purchaser is present even if delivery of the product takes place in another taxing jurisdiction. Such sales are reported and tax remitted directly to the City;
 - C. When the service is not received by the purchaser at a business location of a seller, the service is considered delivered to the location where the purchaser receives the service.
 - D. ~~C.~~ For products or services transferred electronically, or other sales where the delivery address for ~~of the purchaser~~ address is unknown, the point of delivery shall be the billing address of the buyer.

“Receive” or “receipt” means:

- A. Taking possession of the property or product;
- B. Making first use of services;
- C. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

Section 4. Palmer Municipal Code Section 3.16.033 Maximum tax per transaction is hereby amended to read as follows (new language is underlined and deleted language is stricken):

- A. Only the first \$1,000 of each transaction shall be subject to sales tax; provided, that a single payment for the sale or rental of property or rendering of a service over a period exceeding one month shall be allocated pro rata to each one-month period or part thereof during the term of the transaction, and the first \$1,000 of the price allocated to each such period shall be subject to sales tax.
- B. Services Rendered Over One Month. The payment of rent, whether for real or personal property, in excess of \$1,000 and for more than one month shall be treated as separate transactions covering the rental for one month each. A transaction involving payment for services to be rendered or delivered over a period of more than one month for a consideration in excess of \$1,000 shall be treated as a separate transaction occurring each month over the period of time that the service is rendered.
- C. Short Term Rentals. Each night of each individual room rental shall be considered a separate transaction and therefore the maximum tax computation shall be calculated on a per room per night basis.
- D. Capital Leases. Contracts to purchase the property at the end of a lease shall be treated as a sale on the effective date of the contract and are subject to the maximum tax per transaction pursuant to subsection (A) of this section.
- E. Other Lease Types. Leases that have an option to purchase at the end of the lease are taxed on the principal amount of each lease payment for the term of the lease. If the purchase is made at the end of the lease, the purchase transaction would be treated as another separate transaction. Interest and financing charges related to the lease payment are not subject to tax.
- F. Installment Payments. When payments for a single transaction are made on an installment basis, the sales tax on the transaction shall be collected on the first payment.

Section 5. Palmer Municipal Code Section 3.16.040 Rules applicable to particular businesses or occupations is hereby amended to read as follows (new language is underlined and deleted language is stricken):

- A. Real Estate Sales Commissions.

1. Commissions and/or realtor fees for the sale, rental or management of real property located in the city are subject to sales tax, regardless of the location of the person to whom the commission and/or fee is payable.
 2. ~~Commission and/ or fees for the sale, rental or management of real property payable to a person who maintains an office in the city are subject to sales tax, regardless of the location of property.~~
- B. *Gaming.* An amount equal to the gross receipts of the seller from sales of games of chance, less the cost of the prize awarded on each series, set of games or contest for which the game of chance has been sold, shall be subject to sales tax.
- C. *Sales from Coin-operated Machines.* An amount equal to the gross receipts from each coin operated machine that the seller operates in the city shall be subject to sales tax.

Section 6. Palmer Municipal Code Section 3.16.080 Taxable sales and sales tax returns is hereby amended to read as follows (new language is underlined and deleted language is stricken):

- A. A seller shall prepare a sales tax return for each calendar month on forms provided by the city. The sales tax return shall state the total amount of seller's sales, rentals and services; the amounts of the seller's exempt and taxable sales, rentals and services; and the amount of sales tax that is due from the seller. The seller shall submit on or with the return such additional information as the city may require to determine the amount of the sales tax due for the month. The seller shall prepare the return and remit sales tax to the city on the same basis, cash or accrual, that the seller uses in preparing its federal income tax return. The seller shall sign the return and transmit the return, with the amount of sales tax that it shows to be due, to the city.
- B. If a seller has sales from prior year's taxable revenue within the city under \$150,000 and the seller has remitted timely filings for one calendar year, the seller may request a change in filing period frequency to quarterly. If the seller has zero taxable sales in prior year's taxable revenue the seller may request a change in filing period frequency to annual with documentation of revenue or explanation with the request that future revenues will meet the requirements in this subsection for evaluation. Annual filing frequency is only available for zero filers. ~~that seller may Requests to a change in filing period frequency may be submitted status on forms provided by the city; and This request must be approved by the finance director before the status can be changed. to a quarterly filer.~~
- C. The completed sales tax return, and the related remittance of sales tax, is due and must be received, ~~not merely postmarked, by the city not later than 5:00 p.m. on or before~~ on or before the last day of the month immediately following the month for which the return was prepared.

The failure of the U.S. Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance. Payments made by mail, drop box, or in person must be received by the close of business on the last business day prior to the due date when the due date falls on a Saturday, Sunday, or city or federal holiday. Monthly returns are due the last day of the month immediately following the ~~subsequent~~ month for which the return was prepared.

Quarterly returns are due as follows:

Quarter 1 (January – March)	April 30 th
Quarter 2 (April – June)	July 31 st
Quarter 3 (July – September)	October 31 st
Quarter 4 (October – December)	January 31 st

Annual returns: January – December Due January 31st

~~D. If the last day of the month following the end of the filing period falls on a Saturday, Sunday, federal holiday or city holiday, the due date will be extended until the next business day immediately following; however, not later than 5:00 p.m.~~

E.D. Any seller holding a city of Palmer business license shall file a sales tax return even though no tax may be due. The return shall show why no tax is due.

F.E. The finance director may require a seller that fails to submit a sales tax return or remit taxes when due to submit tax returns and remit taxes more frequently than ~~monthly/quarterly~~, or may change the seller's period filing frequency upon notice to the seller if the seller does not meet the filing requirements in subsection (B) of this section.

G.F. The preparer of the sales tax return shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases. Documentation for exempted sales should include the number of the exemption authorization card presented by the buyer at the time of the purchase; the date of the purchase; the name of the person making the purchase; the organization making the purchase; the total amount of the purchase; and the amount of sales tax exempted. Failure to provide such documentation may invalidate that portion of the claim of exemption for which no documentation is provided.

Section 7. Palmer Municipal Code Section 3.16.081 Alaska State Fair and special events sales tax returns is hereby amended to read as follows (new language is underlined and deleted language is stricken):

A. *Alaska State Fair Business License.* For all sales made during and at the Alaska State Fair under a special city business license for sales at the Alaska State Fair only, the sales tax return and related remittance of sales tax, are due and must be received, ~~not merely postmarked, by the city not later than 5:00 p.m. on or before the tenth last~~ day of October in the year of the sales, on tax returns provided by the city. The failure of the U.S. Postal Service or any private delivery service to make timely delivery of a sales tax return or the related remittance of sales tax shall not excuse an untimely filing or remittance. Payments made by mail, drop box, or in person must be received by the close of business on the last business day of October prior to the due date when the due date falls on a Saturday, Sunday, or city or federal holiday. Each Alaska State Fair business license holder shall file a sales tax return even though no tax may be due.

B. *Special Events Business License.* For all sellers only operating at a special event inside Palmer city limits, the sales tax return and the related remittance of sales tax, are due and must be received, ~~not merely postmarked, by the city not later than 5:00 p.m. on or before the last day of the month immediately following the month the special event occurred,~~ on tax returns provided by the city. The failure of the U.S. Postal Service or any private delivery service to make timely delivery of a sales tax shall not excuse an untimely filing or remittance. Payments made by mail, drop box, or in person must be received by the close of business on the last business day prior to the due date when the due date falls on a Saturday, Sunday, or city or federal holiday. Every special event business license holder shall file a sales tax return even though no tax may be due.

INSERT CODE CHANGES HERE (not in bold)

Section 8. Effective Date. Ordinance No. 21-0XX shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2021.

Steven J. Carrington, Mayor

Shelly Acteson, CMC, City Clerk

**City of Palmer
Resolution No. 21-037**

Subject: Identifying the City of Palmer's Capital Project Priorities for State, Federal and Other Interested Parties Funding

Agenda of: November 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: \$ _____


- 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	_____	_____
City Clerk	_____	_____

Attachment(s):

1. Resolution No. 21-037

Summary Statement/Background:

Every year as part of the City budget process the City Council identifies projects for State and Federal funding.

This resolution lists 15 projects that are a priority for external funding sources, primarily State and Federal agencies, but also for other parties (non-governmental) that may be interested or willing to participate in funding these projects for the betterment of the City.

Administration's Recommendation:

Approve Resolution No. 21-037

LEGISLATIVE HISTORY

Introduced by: John Moosey, City Manager

Date: November 23, 2021

Action:

Vote:

Yes:

No:

CITY OF PALMER, ALASKA

Resolution No. 21-037

A Resolution of the Palmer City Council Identifying the City of Palmer’s Capital Project Priorities for State, Federal, and Other Interested Parties Funding

WHEREAS, it is the City of Palmer’s desire to provide the State of Alaska, Federal Government agencies and other interested parties a list of the City’s capital project needs, primarily critical infrastructure projects necessary to improve public health and safety; to improve the quality of life, and to ensure efficient expenditure of public funds for the benefit of the public; and

WHEREAS, the City has conducted an analysis of its capital needs to better serve the citizens of Palmer.

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council hereby respectfully requests the State of Alaska, Federal Government agencies and other interested parties to consider the following capital projects for funding.

1	Wastewater Treatment Plant Improvements-Secondary Clarifier installation "Shovel ready"	\$9,000,000
2	Bogard Road Water Main Extension-Pressure Booster Station "Shovel ready"	\$950,000
3	Gravel to Paved Road Surfacing- Multi-component "Shovel Ready"	\$400,000 to \$4,000,000
4	Traffic Control Lights at the Palmer-Wasilla, Felton Street Intersection	\$1,200,000
5	Downtown Road Improvements - Cobb Street "Shovel Ready"	\$1,875,000
6	Historic Palmer Water Tower Purchase	\$100,000
7	Airport TW N Design & Build Project	\$6,500,000
8	Park Projects- Multi-component: Veterans Park Establishment, New Parks (Riverfront and Hidden Ranch), Amusement Park Improvements	\$75,000 to \$575,000
9	Trail Projects-Multi-component: Connect Auklet Bike Tunnel to Mat River Park/Butte Trail, Connect Butte Trail to Cope Industrial Trail, Connect S. Chugach to the State Fair Grounds, Connect Thuma to S. Chugach	\$75,000 to \$750,000
10	Replacement Fire Engine, Brush Truck, and Support Vehicle	\$1,060,000
11	Construct ARFF Building	\$2,200,000
12	Safety Service Building	\$10,000,000
13	Water System Expansion	\$19,400,000
14	Restore Alaska Railroad Track to Downtown Palmer	\$3,000,000
15	Rescue Support Vehicle	\$95,000

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

Steven J. Carrington, Mayor

Shelly M. Acteson, CMC, City Clerk

**City of Palmer
Resolution No. 21-038**

Subject: Authorizing the City Manager to Accept, Appropriate and Execute the Federal ARPA grants funded by the Institute of Museum and Library Services for the Palmer Public Library for Pandemic Modifications in the amount of \$45,295.

Agenda of: November 23, 2021

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

Originator Information:

Originator: Beth Skow, Palmer Public Library Director

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **45,295.00**

This legislation (√):

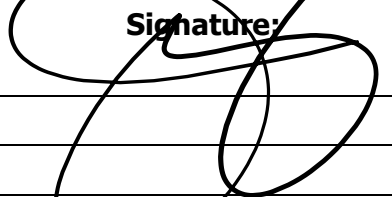
- Creates revenue in the amount of: \$ 45,295.00
- Creates expenditure in the amount of: \$ 45,295.00
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 2022 Budget 01-19-23-6040 \$2,500 01-19-23-6044 \$3,500
- Not budgeted 08-01-10-7177 Library ARPA Grant \$39,295

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Resolution No. 21- 038
2. ARPA Easy Grant Agreement
3. ARPA Project Grant Agreement

Summary Statement/Background:

The Alaska State Libraries, Archives and Museums, a division of the Department of Education and Early Development, was allocated \$2,159,309.00 through the Institute of Museum and Library Services (IMLS) for pandemic response and recovery.

Two types of grants were available: Easy ARPA Grants and ARPA Project Grants for larger projects all competing for the allocated \$2,159,309. Museums, libraries, and related organizations applied for the grants: applications were 190 easy grants for \$6k, and 68 competitive Project Grants of approximately \$40k.

Palmer Public Library applied and was awarded an Easy ARPA Grant for \$6,000 and an ARPA Project Grant for \$39,295. The goals of the grants were to strengthen the services to respond to community needs and advance digital inclusion during the pandemic. The grant awards will be used for the improvement of the circulation desk to provide adequate spacing between staff and secure plexiglass from the patrons, iPads and laptops for circulation that will be CIPA compliant with the ability to zoom, touchless faucets and water fountain systems, and to supply materials for STEAM and Craft kits for children to take home.

This grant awards will assist the library with normal operating expenses

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.

Administration's Recommendation:

Approve Resolution No. 21-038

LEGISLATIVE HISTORY

Introduced by: City Manager Moosey

Date: November 23, 2021

Action:

Vote:

Yes:

No:

Best
Carrington
Combs
Daniels
DeVries
Valerius

CITY OF PALMER, ALASKA

Resolution No. 21-038

A Resolution of the Palmer City Council Authorizing the City Manager to Accept, Appropriate and Execute the Federal ARPA grants funded by the Institute of Museum and Library Services for the Palmer Public Library for Pandemic Modifications in the amount of \$45,295.

WHEREAS, the City of Palmer Public Library provides services to 15,206 registered patrons and any community member that calls or walks through the library doors; and

WHEREAS, the City of Palmer Public Library needs improvements to address community and staff safety more directly during this ongoing pandemic and any future health predicaments; and

WHEREAS, the City of Palmer Public Library staff and patron safety precautions were quickly completed by staff to assist with COVID mitigation. Permanent solutions are necessary as well as updating technology to serve patrons; and

WHEREAS, the City of Palmer Public Library has been awarded \$45,295.00 from Federal ARPA grants funded by the Institute of Museum and Library Services for the Palmer Pandemic Modifications.

NOW, THEREFORE, BE IT RESOLVED, that the Palmer City Council hereby authorized the City Manager to accept, appropriate and execute the Federal ARPA grant funded by the Institute of Museum and Library Services for the Palmer Pandemic Modifications in the amount of \$45,295. The grant money will be used for the improvement of the circulation desk to provide adequate spacing between staff and secure plexiglass from the patrons, iPads and laptops for circulation that will be CIPA compliant with the ability to zoom, touchless faucets and water fountain systems, and to supply materials for STEAM and Craft kits for children to take home.

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

Steven J. Carrington, Mayor

Shelley Acteson, City Clerk

EASY22-062

FEDERAL ARPA Funding

ARPA Grant Award Notification from the Alaska State Library

Recipient Information

Organization Name and Address:

Palmer Public Library
655 South Valley Way
Palmer, AK 99645

Vendor Code: CIP84644

DUNS: 159628783

Contact: Beth Skow

Project Number: EASY22-062

Award Information

Project Name:

Easy Grant for Palmer Public Library

Grant Award Amount: \$6000

Indirect Cost Rate: 0%

Period of Performance Start Date: Oct. 1, 2021

Period of Performance End Date: Sept. 30, 2022

Payment Schedule: A single payment will be issued after the signed agreement is received and processed.

Award Performance Goals and Reporting:

Grantee is to report on performance as indicated in the approved ARPA grant application. Final financial and narrative report due October 31, 2022.

1. The Alaska State Library (ASL) provides this grant pursuant to Alaska Statutes 14.56.300 et. seq. and Alaska Administrative Code 4.57.050 et. seq. and as identified in the grantee's grant application for FY20.
2. The grantee must request and receive ASL's prior approval for changes to the grant project activities and budget as projected in the approved ARPA grant application.
3. The administration of this grant and the expenditure of grant funds are subject to the guidelines provided at the time of award and in the enclosed *What am I agreeing to?* memo. The latter document incorporates by reference the uniform administrative requirements, cost principals, and audit requirements for Federal awards promulgated by the Office of Management and Budget.
4. When the organization returns the signed grant agreement to the Division of Libraries, Archives, and Museums, this will indicate the organization's acceptance of the award and compliance with the ARPA statutory and regulatory requirements (including information detailed in [Guide for ARPA Applications](#)).
5. If an organization has an indirect cost rate associated with a grant award that indirect cost can only apply to *actual grant funds* expended by the organization. If funds are not spent (returned), the allocated indirect cost for those grant funds must also be returned.

Federal Funding Information

CFDA: 45.310

Name: "Grants to States/ARPA"

Agency: IMLS

FAIN: LS-250194-OLS-21

Award Date: January 19, 2021



Questions

Claire Imamura

907-465-1018

eed.library.grants@alaska.gov

Internet Safety Certification Form (CIPA)

As the duly authorized representative of the applicant organization, I hereby certify that the organization is (check only **one** of the following boxes)

- CIPA Compliant. The applicant organization has complied with the requirements of Section 9134(f)(1) of the Library Services and Technology Act:
No funds made available under this subchapter for a library [or organization] described in section 9122(1)(A) or (B) of this title that does not receive services at discount rates under section 254(h)(6) of title 47 may be used to purchase computers used to access the Internet, or to pay for direct costs associated with accessing the Internet, for such library [or organization] unless—
- A. such library [or organization]—
 - i. has in place a policy of Internet safety for minors that includes the operation of a technology protection measure with respect to any of its computers with Internet access that protects against access through such computers to visual depictions that are—
 - 1. obscene;
 - 2. child pornography; or
 - 3. harmful to minors; and
 - ii. is enforcing the operation of such technology protection measure during any use of such computers by minors; and
 - B. such library [or organization]—
 - i. has in place a policy of Internet safety that includes the operation of a technology protection measure with respect to any of its computers with Internet access that protects against access through such computers to visual depictions that are—
 - 1. obscene; or
 - 2. child pornography; and
 - ii. is enforcing the operation of such technology protection measure during any use of such computers.

OR

- The CIPA requirements do not apply because no funds made available under the IMLS/ARPA grant program are being used to purchase computers to access the Internet or to pay for direct costs associated with accessing the Internet.

Palmer Public Library

Name of Organization

Easy Grant

Name of Grant Project

Beth Skow
Signature of Authorized Representative

BETH SKOW
Printed Name of Authorized Representative

Library Director
Title of Authorized Representative

11/04/2021
Date

What am I agreeing to?

The federal Institute of Museum and Library Services (IMLS) manages the federal grant funds that are awarded to the Alaska State Library. As a recipient of federal grant funds through the Alaska State Library, your institution is required to meet specific federal laws, regulations, and circulars. You agree to these requirements when you submit a signed grant agreement to the Alaska State Library. This document provides additional information about the Grantee provisions on the grant agreement.

Items B-1 and B-2: Self Explanatory

Item B-3: Grant Agreement and Final Report

Two people must sign the grant agreement for the institution and submit it to the State Library before any grant funds can be awarded. The director or grant contact at the institution may sign for the institution. The city manager, mayor, or clerk, or the chair or treasurer of the non-profit board may sign for the legal entity. The institution is required to submit a grant final report on the project to the State Library by October 31, 2022. ARPA grant report forms will be posted on the [Alaska State Library's ARPA grants page](#).

Item B-4: Accurate Records

The institution must maintain adequate financial records to ensure complete reporting and retain project and financial records relating to the grant for a minimum of five years from the due date of the final grant report or until all audit exceptions have been resolved, whichever is longer.

Item B-5: Self Explanatory

Item B-6: Prior Approval for Changing the Grant Budget

If the institution needs to change one of the grant budget lines more than 10%, fill out a budget revision form and send it to the Division of Libraries, Archives, and Museums for approval. Budget revision forms will be posted on the [Alaska State Library's ARPA grants page](#).

Item B-7: Crediting the Institute of Museum and Library Services for the Grant Funds

Grantees should publicize grant-supported activities in the media and are required to credit IMLS in publications and during activities paid for with grant funds. The following acknowledgement must be used when meeting these requirements: "This project was made possible in part by the Institute of Museum and Library Services." Further requirements for press releases, social media, and publications can be found at [IMLS Acknowledgement Requirements](#). Copies of publications or materials produced with grant funds must be submitted to the State Library with your report.

Item B-8: Children's Internet Protection Act (CIPA) Certification

All grantees must certify that they are CIPA-compliant if they receive federal funds that will be used to pay for access to the internet or will pay for computers that can access the internet. The State Library adds a CIPA certification form to those grant award packets that fall under this requirement.

Item B-9: Self Explanatory

Alaska State Library FY2022 ARPA Grant Agreement

This agreement made and entered into Tuesday, November 2, 2021, by and between the **Alaska State Library**, hereafter referred to as the Grantor; and the **Palmer Public Library**, hereafter referred to as the Grantee.
WITNESSETH: Whereas, the State of Alaska has appropriated funds for ARPA grants; and whereas, the application of the Grantee for an Easy ARPA grant has been approved. NOW THEREFORE, for and in consideration of the mutual covenants herein contained the parties hereto agree:

- A. The Grantor will agree to:
 1. Furnish funds in the amount of **\$6000** from **Federal ARPA** funds (Grant number: EASY22-062).
 2. Provide, as necessary, advisory services in furtherance of the grant project.
- B. The Grantee will agree to:
 1. Complete the project as outlined in the approved grant application.
 2. Abide by the conditions set forth in the application and approved (with revisions if applicable) by the Grantor.
 3. Submit a signed grant agreement and final report for the grant.
 4. Maintain accurate records for auditing purposes.
 5. Return any grant funds unexpended or unencumbered, all funds for which there is no proper accounting, and, if applicable, any indirect costs allocated to unexpended or unencumbered grant funds by September 30, 2022.
 6. Receive prior approval from the Grantor for any line item change that exceeds 10% of the line item, except that no prior approval is required for line item changes of less than \$100.
 7. Credit the Institute of Museum and Library Services for providing grant funds for the project in all project-related public events, press releases, printed materials, and Web sites.
 8. Submit a signed Children's Internet Protection Act (CIPA) Certification Form.
 9. Only purchase materials that promote the purpose and activities of the project and that are educational and informational in nature and have a clearly demonstrable and legitimate purpose that is directly related to the grant.
 10. Federal Laws, Regulations and Circulars as outlined in the **What am I agreeing to?** document.

By accepting this award or agreement, the grantee may become subject to the audit requirements of State of Alaska Administrative Code 2 AAC 45.010. As a result, the grantee may be required to provide for an audit and to permit independent auditors to have access to their records and financial statements. The grantee should consult with an independent auditor for assistance in determining audit requirements for each fiscal year.

The undersigned understands and agrees to the conditions of this agreement.

Both Signatures Are Required

For the Institution

BH Skov
Signature

Library Director 11/4/2021
Title Date

For the Legal Entity

[Signature]
Signature
City Manager
Title
11.16.21
Date

Please copy this signed agreement for your records, then return as soon as possible.
MAIL TO Grants Administrator, Alaska State Library, P.O. Box 110571, Juneau, AK 99811-0571
FAX TO 907-465-2151, **OR SCAN TO** eed.library.grants@alaska.gov

FEDERAL ARPA Funding
ARPA Grant Award Notification from the Alaska State Library

Recipient Information

Organization Name and Address:
Palmer Public Library
655 South Valley Way
Palmer, AK 99645

Vendor Code: CIP84644
DUNS: 159628783
Contact: Beth Skow
Project Number: ARPA35

Award Information

Project Name:
Palmer pandemic modifications

Grant Award Amount: \$39,295
Indirect Cost Rate: 0%
Period of Performance Start Date: Oct. 1, 2021
Period of Performance End Date: Sept. 30, 2022

Payment Schedule: A single payment will be made as soon as the agreement is signed and processed.

Award Performance Goals and Reporting:

Grantee is to report on performance as indicated in the approved ARPA grant application.
Final financial and narrative report due October 31, 2022.

1. The Alaska State Library (ASL) provides this grant pursuant to Alaska Statutes 14.56.300 et. seq. and Alaska Administrative Code 4.57.050 et. seq. and as identified in the grantee’s grant application for FY2022.
2. The grantee must request and receive ASL’s prior approval for changes to the grant project activities and budget as projected in the approved ARPA grant application.
3. The administration of this grant and the expenditure of grant funds are subject to the guidelines provided at the time of award and in the enclosed *What am I agreeing to?* memo. The latter document incorporates by reference the uniform administrative requirements, cost principals, and audit requirements for Federal awards promulgated by the Office of Management and Budget.
4. When the organization returns the signed grant agreement to the Division of Libraries, Archives, and Museums, this will indicate the organization’s acceptance of the award and compliance with the ARPA statutory and regulatory requirements (including information detailed in [Guide for ARPA Applications](#)).
5. If an organization has an indirect cost rate associated with a grant award that indirect cost can only apply to *actual grant funds* expended by the organization. If funds are not spent (returned), the allocated indirect cost for those grant funds must also be returned.

Federal Funding Information

CFDA: 45.310
Name: “Grants to States/ARPA”
Agency: IMLS
FAIN: LS-250194-OLS-21
Award Date: 1/19/21



Questions

Claire Imamura

907-465-1018

eed.library.grants@alaska.gov

Internet Safety Certification Form (CIPA)

As the duly authorized representative of the applicant organization, I hereby certify that the organization is (*check only **one** of the following boxes*)

CIPA Compliant. The applicant organization has complied with the requirements of Section 9134(f)(1) of the Library Services and Technology Act:

No funds made available under this subchapter for a library [or organization] described in section 9122(1)(A) or (B) of this title that does not receive services at discount rates under section 254(h)(6) of title 47 may be used to purchase computers used to access the Internet, or to pay for direct costs associated with accessing the Internet, for such library [or organization] unless—

- A. such library [or organization]—
 - i. has in place a policy of Internet safety for minors that includes the operation of a technology protection measure with respect to any of its computers with Internet access that protects against access through such computers to visual depictions that are—
 - 1. obscene;
 - 2. child pornography; or
 - 3. harmful to minors; and
 - ii. is enforcing the operation of such technology protection measure during any use of such computers by minors; and
- B. such library [or organization]—
 - i. has in place a policy of Internet safety that includes the operation of a technology protection measure with respect to any of its computers with Internet access that protects against access through such computers to visual depictions that are—
 - 1. obscene; or
 - 2. child pornography; and
 - ii. is enforcing the operation of such technology protection measure during any use of such computers.

OR

The CIPA requirements do not apply because no funds made available through the IMLS ARPA grant program are being used to purchase computers to access the Internet or to pay for direct costs associated with accessing the Internet.

Palmer Public Library

Name of Organization

Palmer pandemic modifications

Name of Grant Project

Beth Skow
Signature of Authorized Representative

Date

Beth Skow
Printed Name of Authorized Representative

Library Director
Title of Authorized Representative

11/04/2021

What am I agreeing to?

The federal Institute of Museum and Library Services (IMLS) manages the federal grant funds that are awarded to the Alaska State Library. As a recipient of federal grant funds through the Alaska State Library, your institution is required to meet specific federal laws, regulations, and circulars. You agree to these requirements when you submit a signed grant agreement to the Alaska State Library. This document provides additional information about the Grantee provisions on the grant agreement.

Items B-1 and B-2: Self Explanatory

Item B-3: Grant Agreement and Final Report

Two people must sign the grant agreement for the institution and submit it to the State Library before any grant funds can be awarded. The director or grant contact at the institution may sign for the institution. The city manager, mayor, or clerk, or the chair or treasurer of the non-profit board may sign for the legal entity. The institution is required to submit a grant final report on the project to the State Library by October 31, 2022. ARPA grant report forms will be posted on the [Alaska State Library's ARPA grants page](#).

Item B-4: Accurate Records

The institution must maintain adequate financial records to ensure complete reporting and retain project and financial records relating to the grant for a minimum of five years from the due date of the final grant report or until all audit exceptions have been resolved, whichever is longer.

Item B-5: Self Explanatory

Item B-6: Prior Approval for Changing the Grant Budget

If the institution needs to change one of the grant budget lines more than 10%, fill out a budget revision form and send it to the Division of Libraries, Archives, and Museums for approval. Budget revision forms will be posted on the [Alaska State Library's ARPA grants page](#).

Item B-7: Crediting the Institute of Museum and Library Services for the Grant Funds

Grantees should publicize grant-supported activities in the media and are required to credit IMLS in publications and during activities paid for with grant funds. The following acknowledgement must be used when meeting these requirements: "This project was made possible in part by the Institute of Museum and Library Services." Further requirements for press releases, social media, and publication can be found at [IMLS Acknowledgement Requirements](#). Copies of publications or materials produced with grant funds must be submitted to the State Library with your report.

Item B-8: Children's Internet Protection Act (CIPA) Certification

All grantees must certify that they are CIPA-compliant if they receive LSTA or ARPA funds that will be used to pay for access to the internet or will pay for computers that can access the internet. The State Library adds a CIPA certification form to those grant award packets that fall under this requirement.

Item B-9: Self Explanatory

Alaska State Library FY2022 ARPA Grant Agreement

This agreement made and entered into Tuesday, November 2, 2021, by and between the **Alaska State Library**, hereafter referred to as the Grantor; and the **Palmer Public Library**, hereafter referred to as the Grantee.

WITNESSETH: Whereas, the State of Alaska has appropriated funds for ARPA grants; and WHEREAS, the application of the Grantee for a grant, **Palmer pandemic modifications**, has been approved. NOW THEREFORE, for and in consideration of the mutual covenants herein contained the parties hereto agree:

- A. The Grantor will agree to:
1. Furnish funds in the amount of **\$39,295.00** from **Federal ARPA** funds (Grant number: ARPA35).
 2. Provide, as necessary, advisory services in furtherance of the grant project.
- B. The Grantee will agree to:
1. Complete the project as outlined in the approved grant application.
 2. Abide by the conditions set forth in the application and approved (with revisions if applicable) by the Grantor.
 3. Submit a signed grant agreement and final report for the grant.
 4. Maintain accurate records for auditing purposes.
 5. Return any grant funds unexpended or unencumbered, all funds for which there is no proper accounting, and, if applicable, any indirect costs allocated to unexpended or unencumbered grant funds by September 30, 2022.
 6. Receive prior approval from the Grantor for any line item change that exceeds 10% of the line item, except that no prior approval is required for line item changes of less than \$100.
 7. Credit the Institute of Museum and Library Services for providing grant funds for the project in all project-related public events, press releases, printed materials, and Web sites.
 8. Submit a signed Children's Internet Protection Act (CIPA) Certification Form.
 9. Only purchase materials that promote the purpose and activities of the project and that are educational and informational in nature and have a clearly demonstrable and legitimate purpose that is directly related to the ARPA grant.
 10. Federal Laws, Regulations and Circulars as outlined in the **What am I agreeing to?** document.

By accepting this award or agreement, the grantee may become subject to the audit requirements of State of Alaska Administrative Code 2 AAC 45.010. As a result, the grantee may be required to provide for an audit and to permit independent auditors to have access to their records and financial statements. The grantee should consult with an independent auditor for assistance in determining audit requirements for each fiscal year.

The undersigned understands and agrees to the conditions of this agreement.

Both Signatures Are Required

For the Institution

Beth Sheu

Signature

Library Director 11/4/21

Title

Date

For the Legal Entity

[Signature]

City Manager 11.10.21

Title

Date

Please copy this signed agreement for your records, then return as soon as possible.

MAIL TO Grants Administrator, Alaska State Library, P.O. Box 110571, Juneau, AK 99801

FAX TO 907-465-2151, **OR SCAN TO** eed.library.grants@alaska.gov

2022 PROPOSED BUDGET

IS AVAILABLE ON THE CITY'S WEBSITE AT
<https://www.palmerak.org/finance/page/budget-documents>
WITH HARD COPIES PROVIDED AT THE
MEETING.

**City of Palmer
Action Memorandum No. 21-061**

Subject: Authorizing the City Manager to Negotiate and Execute a Three-Year Contract for Professional Audit Services

Agenda of: November 23, 2021

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: \$ _____

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): Various Accounts
- Not budgeted _____

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

- 1. None

Summary Statement/Background:

Pursuant to Section 3.21.170 on the PMC (Palmer Municipal Code), a Request for Proposals for professional audit services was issued on September 26, 2021, for the fiscal years ending December 31, 2021, 2022, and 2023.

The City received two responses by the submission deadline of October 28, 2021. At 4:00 P.M. The respondents were Altman, Rogers & Company and BDO USA, LLP.

The evaluation committee consisted of the City Manager, the Finance Director and the Finance Manager.

The evaluation process was based on three sets of criteria as follows:

- 1) Mandatory elements including:
 - a) Independent Entity;
 - b) Licensed to practice in Alaska;
 - c) Last external quality review report; and
 - d) No conflict of interest
- 2) Technical Quality including:
 - a) Expertise and experience;
 - b) Audit approach; and
 - c) Report format
- 3) Total cost of audit services.

A maximum point system was used for each set of criteria.

<u>Audit Firm</u>	<u>Total Points Scored</u>
Altman, Rogers & Company	385
BDO USA, LLP	416

In the best interest of the City, the evaluation committee recommends authorizing the City Manager to negotiate and execute a three-year contract with BDO USA, LLP with option for extension of two subsequent fiscal years.

Administration’s Recommendation:

Approve Action Memorandum No. 21-061.

**City of Palmer
Action Memorandum No. 21-062**

Subject: Authorizing the City Manager to Execute an Assignment and Consent to Assignment of Lease Agreement with CIG, LLC (Assignor) and 800 E. Yukon, LLC (Assignee) for PMA Lease No. 19-002 on Lease Lot 13, Block 3, Palmer Municipal Airport for the Purpose of Transferring the Lease to a new real estate holding entity.

Agenda of: November 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: \$ **0.00**

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: *[Signature]*

Approved for Presentation By:

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

Attachment(s):

1. Request & Land Lease Application from 800 E. Yukon LLC
2. Draft Assignment and Consent to Assignment
3. PMA Lease No. 19-002
4. Identity Documents 800 E. Yukon, LLC

Summary Statement/Background:

CIG, LLC was the developer for the new 10-unit T-Hangar complex on lease lot 12, now known as "PAAQ Hangar Association". The original plan from CIG, LLC in 2018-2019 was to develop lease lot 13 once the 10-unit T-Hangar complex was finished, and the majority of the units sold on lease lot 12. Unfortunately, the COVID global health pandemic slowed sales dramatically until this year. All the units developed on lease lot 12 have now been sold as of August 2021 and Dave Cruz, Manager of CIG LLC has decided to take on a partner for the next development and has create a new real estate holding company "800 E. Yukon LLC". This development will build an 80' X 120' hangar with a 20' X 80' office/mechanical areas for lease.

Mark Lacrosse of Lacrosse and Associates will general this project as well for new development, with the gravel pad beginning in October of 2021 and the building completion by the end of 2022.

This request will assign the existing lease to the newly formed real estate entity.

Administration's Recommendation:

Approve Action Memorandum No. 21-062.

Frank Kelly

From: Dave Cruz <[REDACTED]>
Sent: Wednesday, September 29, 2021 12:40 PM
To: Frank Kelly
Cc: [REDACTED]
Subject: PAAQ Land Lease Application
Attachments: 0093_001.pdf

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Frank, Good Afternoon I am requesting that the Lease of Block #3 Lot 13 be transferred from CIG, LLC to 800E Yukon LLC. Attached is a Land Lease Application for 800 E Yukon LLC. The intended purpose of this Lease is to construct a new Hangar 120' Wide x 80' Deep with an attached 20'Deep x 80'Wide Offices & Mechanical room along with a Paved Apron abutting Taxiway Juliet & associated Paved Parking Area . We are planning on commencing site development of excavation & gravel placement in October of this year with hangar construction in 2022.

Any questions please contact me at your convenience.

Best

Dave Cruz

Managing Member

800 E. Yukon, LLC

907-373-[REDACTED]



PALMER Alaska

WARREN "BUD" WOODS PALMER MUNICIPAL AIRPORT LAND LEASE APPLICATION

Applicants Name: BOO E. YUKON LLC

Lessee Name: _____
(If different than Applicant)

Address: 3852 N. CLARK-WOLVERINE RD
PALMER, ALASKA 99645

Phone No.: (1) 907-378-2002 (2) 907-440-6200

E Mail Address: [REDACTED]

Leasing Entity: Individual Sole Proprietorship Partnership
 Corporation LLC Government Other

- Business entities other than Sole Proprietorships must provide a list of all partners, shareholders, members, etc. of the entity, Titles or Office held and the percentage of ownership. Typically, these persons will each be required to sign as guarantors of the lease, if granted.

Proposed Use of the Leased Area: TO CONSTRUCT A 11,000 SF HANGAR
FOR COMMERCIAL USE

Airport Lease Lot Requested: ALR 2 LOT 13 Second Choice: _____

SITE DEVELOPMENT:

Cost Estimate of Proposed Site Improvements: \$ 400,000.00

Description of Site Improvements: 11,000 SF HANGAR WITH OFFICES
(Include size of gravel / asphalt paving area) 25,000 SF OF PAVING & ASPHALT
ADJUSTING TAXIWAY JUNCT

Cost Estimate of Proposed Building Improvements: \$ 1,600,000.00

Description of Building Improvements: STEEL HANGAR 120'W x 80'DEEP
(Include size of hangar and type of structure) 20' WIDE x 20' DEEP OFFICES &
MECHANICAL ROOM

Date of Plans & Specifications Submittal: FINALIZED PLAN FOR BUILDING
APRIL 1 2022

Date of Start of Construction: SITE EXCAVATION GRADING & PAVING NT
OCTOBER 2021

Date of Completion: NOVEMBER 2022

- See Section Article II – Improvements, Article III – Use of the Leased Premises, and Article IV – Taxes, Indemnification & Insurance of PMA Lease Agreement
- Length of Lease Term will be determined by Capital Investment into improvements of proposed Lease Lot.

SITE PLAN: (To include the Following)

- Drawn to Scale
- Vehicle Access and Parking Areas
- Gravel / Paved Areas
- Aircraft Access / Parking / Tie Downs
- Location of Utilities on the Leased Lot
- Snow Storage Area(s)
- Location & Dimension of Building(s) to include Height & Type of Construction

ACKNOWLEDGEMENTS:

- Applicant(s) and Lessee agree to abide by all applicable federal, state and municipal regulations.
- Applicant(s) and Lessee agree to abide by PMA Hangar Policy (Attached)
- Applicant(s) and Lessee understand that there is a \$500 Lease Application fee and that said fee is non-refundable if Lease is approved by the City of Palmer and not executed by Lessee within six (6) months of approval date. Said fee is refundable if proposed lease is not approved or rejected by the City of Palmer.
- Application fee will be applied to future lease payments.

Applicant:

David C Cruz
Signature

09-29-21
Date

DAVID C CRUZ
Printed Name



City of Palmer • Palmer Municipal Airport
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: 907-745-3271 Fax: 907-745-0930

ASSIGNMENT AND CONSENT TO ASSIGNMENT

Dated: _____, 2021

In consideration of and in reliance upon the above assumption and promises contained in this instrument, the City of Palmer hereby consents to the foregoing Assignment of Lease Agreement PMA No. 19-002 on Lot 13, Block 3, for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska between CIG, LLC, ("Assignor") to 800 E. Yukon, LLC, ("Assignee").

The current Palmer Municipal Airport Lease No. 19-002 (The Airport Lease) is in Effect. Except as otherwise expressly stated herein, nothing in this Assignment and Consent to Assignment of PMA Lease No. 19-002 is intended to amend or alter any of the terms and conditions of the Airport Lease or any amendments thereto previously executed by Lessor and Lessee. All terms and conditions remain in full force and effect.

Amendment(s)

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 120' Hangar & 20' X 80' Office / Mechanical Pre-Engineered Metal Building
 - 2. Approximately 25,000 square foot of paved Apron & Parking Lot
 - 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 April 1, 2022. 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 Site Improvements by, on or before November 1, 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 December 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.

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

Assignor's address: CIG, LLC
Attn. David C. and Dana M. Cruz
3852 Clark Wolverine Road
Palmer, AK. 99645

Assignee's address: 800 E. Yukon, LLC
Attn. CIG, LLC & WTG Investments, LLC
3852 Clark Wolverine Road
Palmer, AK. 99645

This Assignment and Consent to Assignment of lease will not release the Assignor from obligations under the Airport Lease should the new Lessee default. In the event of the default of the Assignee, the lease agreement shall revert to the Assignor.

LESSOR: CITY OF PALMER

By: _____
John Moosey, City Manager

Date: _____

ASSIGNOR: CIG, LLC

By: _____
David C. Cruz, Manager

Date: _____

ASSIGNEE AND LESSEE: 800 E. Yukon, LLC

By: _____
CIG, LLC
David C. Cruz, Manager

Date: _____

By: _____
WTG Investments, LLC
W. Thomas Gimple, Member (100% Owner)

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, known to me to be the identical individual described in and who executed the within and foregoing Assignment and Consent to Assignment 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, David C. Cruz, Manager 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: _____

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, W. Thomas Gimple, Member (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: _____

GUARANTOR(s):

By: _____
David C. Cruz, Individually

Date: _____

By: _____
W. Thomas Gimple, 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, personally appeared, David C. Cruz, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same 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: _____

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, W. Thomas Gimple, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same 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
LEASE AGREEMENT No. 19-002**

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City of Palmer

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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 19-002**

This LEASE AGREEMENT is made and entered into this 8th day of January 2019, 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 CIG, 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, Block 3, Lease Lot 13
Containing 1.25 acres or 54,013 square feet, more or less
A.K.A. 800 East Yukon Street, Palmer, AK. 99645
See Attached "Exhibit A"

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

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: T-Hangar Aircraft Storage & Maintenance.
- C. Any use of the premises for 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 8th day of January 2019 (the "Commencement Date") and ending on the 31st day of December of 2043, 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 \$3,511.00 per year, payable annually in advance without demand, beginning July 1, 2019 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: (54,013 square feet X \$0.065 cents per square foot)
1. In addition, Lessee shall pay the prorated amount from execution of lease to June 30, 2019 for \$1,173.88 ($\9.62×174 days), Less the \$500.00 lease application fee received on September 26, 2018 to be applied to the prorated portion. ($\$1,673.88 - \$500.00 = 1,173.88$)
 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.
($0.12\% / 365 = .00033 \times \$3,511.00 = \$1.16$ dollars and 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 2015 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: 51' x 231'-8" Pre-Engineered Metal Building containing Aircraft Hangar Units
 - 2. Approximately 18,000 square foot of 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 February 15, 2020. 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 October 15, 2019, the Lessor shall have the right at Lessor's option to terminate this Lease on thirty (30) days written notice, unless Lessee in advance of October 15, 2019 applies for a one-time construction start extension option. Said extension option will begin October 15, 2019 and end June 15, 2020 with a non-refundable extension fee of \$800.00 collected at the time the extension is granted and will be in addition to the normal rent payment outlined in section 1.3 Rent.

Section 2.8 Completion of Construction

- A. The Lessee shall have completed construction of the Improvements by, on or before October 30, 2020 or with the exercised extension option in Section 2.7 by, on or before June 15, 2021.
- 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 Guarantee" in an amount equal to 100%

of the cost of improvements in a "Construction Escrow Account" and guarantees 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 of 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: CIG, LLC
3852 N. Clark Wolverine Rd.
Palmer, AK. 99645

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: [Signature]
Nathan E. Wallace, City Manager

Date: 1-8-19

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 8th day of January, 2019, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, 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.

[Signature]
Notary-Public in and for Alaska

My commission expires: with office



LESSEE: CIG, LLC

By: [Signature]
Dana M. Cruz, Manager

Date: 1-8-19

By: [Signature]
David C. Cruz, Manager

Date: 1-8-19

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the 8 day of January, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Dana M. Cruz, Manager 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.

Marcy Wood
Notary public in and for Alaska

My commission expires: 9/10/22



NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the 8 day of January, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, David C. Cruz, Manager 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.

Marcy Wood
Notary public in and for Alaska

My commission expires: 9/10/22



GUARANTOR(s):

By: *Dana M Cruz*
Dana M. Cruz, Individually

Date: 1-8-19

By: *David C Cruz*
David C. Cruz, Individually

Date: 1-8-19

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the 8 day of January, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Dana M. Cruz, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Marcy Wood
Notary public in and for Alaska

My commission expires: 9/10/22



NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the 8 day of January, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, David C. Cruz, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Marcy Wood
Notary public in and for Alaska

My commission expires: 9/10/22



EXHIBIT "A"

PMA LEASE NO. 19-002

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 13

A.K.A. 800 EAST YUKON STREET, PALMER, AK. 99645



State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Organization

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

800 E. Yukon LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **July 22, 2021**.

A handwritten signature in cursive script that reads "Julie Anderson".

Julie Anderson
Commissioner

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Correction

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that a duly signed and verified filing pursuant to the provisions of Alaska Statutes has been received in this office and has been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Commerce, Community, and Economic Development, and by virtue of the authority vested in me by law, hereby issues this certificate to

800 E. Yukon LLC



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **August 25, 2021**.

A handwritten signature in cursive script that reads "Julie Anderson".

Julie Anderson
Commissioner

Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	800 E. Yukon LLC

Entity Type: Limited Liability Company

Entity #: 10169111

Status: Good Standing

AK Formed Date: 7/22/2021

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2023

Entity Mailing Address: 3852 N. CLARK-WOLVERINE RD., PALMER, AK 99645

Entity Physical Address: 3852 N. CLARK-WOLVERINE RD., PALMER, AK 99645

Registered Agent

Agent Name: Dave Cruz

Registered Mailing Address: 3852 N. CLARK-WOLVERINE RD., PALMER,, AK 99645

Registered Physical Address: 3852 N. CLARK-WOLVERINE RD., PALMER,, AK 99645

Officials

Show Former

AK Entity #	Name	Titles	Owned
	CIG, LLC	Member	50.00
90350D	WTG Investments, LLC	Member	50.00

Filed Documents

Date Filed	Type	Filing	Certificate
7/22/2021	Creation Filing	Click to View	Click to View
7/22/2021	Initial Report	Click to View	
8/25/2021	Correction	Click to View	Click to View

Close Details

Print Friendly Version



State of Alaska
Division of Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110806
Juneau, AK 99811-0806
Phone: (907) 465-2550
Fax: (907) 465-2974
Website: www.commerce.alaska.gov/occ

DO NOT STAMP ABOVE THIS BOX

Office Use Only **CORP**
RECEIVED
Juneau
AUG 25 2021
Division of Corporations, Business
and Professional Licensing

CC 25 Re

CERTIFICATE OF CORRECTION
All Entity Types
AS 10.06.920

\$25.00 Filing Fee (non-refundable)

Pursuant to Alaska Statutes 10.06.920, an entity may create a Certificate of Correction to correct a document that has been filed for record. The filing of the certificate by the commissioner does not alter the effective time of the writing being corrected and does not affect any right or liability accrued or incurred before the filing. A corporate name may not be changed or corrected with this form.

ITEM 1: Name of the Entity:

Alaska Entity #:

800 E. Yukon LLC

10169111

ITEM 2: Provide the following information for the document being corrected:

Title of the original document filed for record: Initial Report

Date the original document filed for record (mm/dd/yyyy format): 7/22/2021

ITEM 3: State the correction:

Per Alaska statutes a corporate name may not be changed or corrected with this form.
To change or correct a corporate name, file an amendment.

The Officials of the company are as follows:

WTG Investments, LLC
Mailing Address: 3852 N. Clark-Wolverine Rd., Palmer, AK 99645
Ownership Interest: 50%

CIG, LLC
Mailing Address: 3852 N. Clark-Wolverine Rd., Palmer, AK 99645
Ownership Interest: 50%

Attach an additional sheet if necessary.



**City of Palmer
Action Memorandum No. 21-063**

Subject: Authorize the City Manager to Negotiate and Execute a Contract with the selected Law Firm for the Legal Services for the City of Palmer not to exceed \$160,000 from the request for proposal RFP #21-01CC

Agenda of: November 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: \$ _____

This legislation (√):

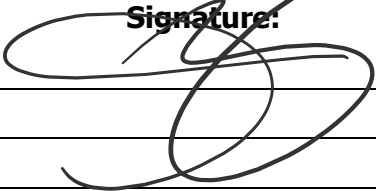
- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

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

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. RFP #21-01CC
2. Draft Contract

Summary Statement/Background:

Based upon proposal evaluation, city council interviews, and direction provided upon identification of a successful proposer and notification of intent to award a contract on November 23rd, the selected law firm will provide services as outlined in the submitted proposal and the contract as negotiated by the City Manager.

Administration's Recommendation:

Approve Action Memorandum No. 21-063.



CITY OF PALMER

231 West Evergreen Avenue Palmer,
Alaska 99645
Phone (907) 745-3271 • Fax (907) 745-0930
www.palmerak.org

REQUEST FOR PROPOSALS

**The City of Palmer is soliciting proposals
for General Counsel Legal Services.**

RELEASE DATE:
AUGUST 30, 2021

DEADLINE FOR SUBMISSION AND OPENING DATE AND TIME:
October 11, 2021 at 1:00 pm

Use this page as the first page of the proposal.

Response By:

Attorney/Firm Name: _____ Contact Person: _____

Address _____

Telephone (____) _____ Fax (____) _____

E-mail Address _____

I have read, understand, and agree to all terms and conditions herein.

Signed _____ Date: _____

Print Name and Title _____

I. OVERVIEW OF REQUESTED SERVICES

The City of Palmer (**city**), a first-class, home-rule municipality, population approximately 6,000, is seeking proposals for general counsel legal services. It is the intention of the city through this solicitation to enter into a contract with a general counsel that will serve the city council, city manager, city clerk, and city staff in various capacities. The city reserves the right to enter into contracts with attorneys other than the general counsel should the council so choose from time to time. Proposals are invited from any qualified State of Alaska licensed attorney-at-law or law firm. Attorneys/Firms (**proposers**) must be qualified to represent the city in all State of Alaska Courts and the U.S. District Court for the District of Alaska.

II. SCOPE OF SERVICES, TERM, AND QUALIFICATIONS

It is the intention of the city to enter into an agreement under which a qualified proposer will provide general counsel legal services on behalf of the city at a fixed hourly rate. The FY 2021 budgeted amount for legal services for the city was approximately \$150,000.00. This includes amounts for general counsel services and also for other legal services.

- A. SCOPE OF SERVICES. Proposer is expected to provide the city with general counsel legal services, to include the following:
 - 1. Serve as the legal advisor of and be responsible to the city council, and advise the city manager and city clerk concerning matters affecting city administration, as well as perform other duties as may be prescribed by the city council.
 - 2. Prepare legal documents such as ordinances, resolutions, contracts, conveyances, etc., and legal opinions as needed. Provide limited representation in court, negotiate on the city's behalf and handle other legal matters that may arise.
 - 3. Be readily available for consultation by the city council, city manager, city clerk, and city staff.
 - 4. Draft opinion letters regarding, among other subjects, the interpretation of the city code and charter, state and federal laws, and policies.
 - 5. Perform other such duties as may be prescribed for the city attorney by ordinance or by direction of the city council, city manager, and/or city clerk.
 - 6. Must work effectively with the city council, city manager, city clerk, and city staff, and also with other public agencies with which the city has legal relations.
 - 7. The city attorney or designee is required to attend scheduled city council meetings; unless excused by city council

- B. TERM. The term of the professional services agreement is two years, with three one-year options unilaterally available to the city. The agreement may be terminated at the convenience of the city at any time.

- C. QUALIFICATIONS
 - 1. The proposer (or primary attorney for the city in a firm—see III.B.1. below) must be a member in good standing of the State of Alaska Bar Association and be qualified to represent the city in all State of Alaska Courts and the U.S. District Court for the District of Alaska.
 - 2. The proposer (or primary attorney for the city in a firm) should have at least five years of professional experience as legal counsel for an entity such as an Alaska city, municipality, or borough.
 - 3. The proposer (or primary attorney for the city in a firm) should be experienced and proficient in legal matters affecting the city, to include without limitation, Alaska municipal law including AS 29, city charter and code, Matanuska-Susitna Borough Code, other applicable State of Alaska law and federal law.

III. RESPONSE TO RFP

To achieve a uniform review process and obtain a reasonable degree of comparability, a proposer should submit a Response to RFP following the below contents, which must not exceed fifteen (15) pages in length, double spaced, including Page 1 of this RFP and the Letter of Transmittal. In page 1 of this RFP, provide the name, address, phone number, fax number, website URL of the proposer, together with the name of the person who the city clerk may contact in regard to the RFP. Detail each of the following points in your Proposal:

- A. Letter of Transmittal (limited to one page).
 - 1. Briefly state proposer's understanding of the services to be performed and make a positive commitment to provide the services as specified.
 - 2. Statement confirming the primary attorney expects to be available to perform legal services for the City for five years.
 - 3. Give the name(s) of the person(s) who are authorized to make representations for proposer, their titles and telephone numbers.
 - 4. **The letter must be signed by an individual who has the authority to bind the proposer.**
- B. Statement of Qualifications.
 - 1. Statement of Qualifications of the attorney who will be the primary attorney for the city and who will attend council meetings.
 - 2. Statement of Qualifications of other attorneys, if any, who will support the primary attorney. These attorneys may be in the same firm or available under other arrangement.

The Statement of Qualifications should address the municipal experience, other applicable legal experience, and education of the attorney(s) in III.B.1. and III.B.2. List municipal law cases handled by the primary attorney and supporting attorneys and whether the attorney's clients were the prevailing party or not. In particular, identify and describe the experience over the last five years and the level of expertise in the following areas:

- a. Attendance at council/assembly meetings and related legal issues;
 - b. Issues facing the city;
 - c. Ordinance drafting;
 - d. Zoning and land use regulation;
 - e. Ordinance enforcement;
 - f. Municipal sales tax law and enforcement;
 - g. Public employment labor law;
 - h. Municipal purchasing and contracts;
 - i. Police liability;
 - j. Acquisition and disposition of public property; and
 - k. Intergovernmental issues with State and Federal agencies.
- C. Conflicts. List all matters and/or cases where the proposer currently represents an individual or entity with interests potentially adverse to the city, to include without limitation, the Matanuska-Susitna Borough, City of Wasilla, Matanuska-Susitna Borough School District, State of Alaska, University of Alaska, Mat-Su Regional Medical Center, and Alaska Railroad Corporation, etc. Describe the scope of the representation and nature of the conflict.
- D. Availability. Specify how available the primary attorney will be to the city. State whether the city will be primary attorney's main client or one of several or one of many. State the current workload of the primary attorney and how that attorney intends to accommodate the city's work. State the location of the office from which the primary attorney will serve the city.

- E. Disclosure. Disclose any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or Bar Association investigation which involve the proposer as a party or in which the proposer has been judged guilty or liable or sanctioned. This is a mandatory disclosure.
- F. Cost. Proposals must state the following cost information:
 1. An hourly cost for services to be provided.
 2. Travel time cost, if any, including:
 - (a) Cost per hour of travel.
 - (b) Round trip travel time for one meeting located at Palmer City Hall, 231 W. Evergreen Avenue, Palmer, Alaska.
 3. Total annual cost to the city for 600 hours of legal services plus attendance at twenty-four four-hour council meetings and ten two-hour consultation meetings at City Hall. This cost is for purposes of comparison and is not a representation of actual legal services to be provided.

Attorney Fees:

Hourly Fee	Description	Total Fee
	600 Hours of Legal Services	\$
	24 Four-Hour Council Meetings	\$
	10 Two-Hour Consultations at City	\$
	10 Travel Time To and From City	\$
	50 Hours of Paralegal Services	\$
	Grand Total:	\$

See Section 5(A) of the Agreement that limits travel time fees.

- G. Municipal experience. List all municipalities for which the proposer has performed legal services in the last five years. Provide a short description of the services, the date performed, and the municipal contact person.
- H. References. Provide a minimum of five (5) references from similar clients, to include local government, state and/or private clients, for whom the proposer has performed legal services within the last three years. **Proposers are required to provide Attachment B, Reference Questionnaire, to the references they list. The references must submit the Reference Form directly to the Palmer city clerk by October 11, 2021.** It is the proposer’s responsibility to ensure that the completed forms are received by the city clerk on or before the proposal submission deadline for inclusion in the evaluation process. References that are not received, or are not complete, may affect the proposer’s evaluation score. The city may contact any or all references for validation of information submitted and other information.
- I. Local Preference. Does the primary attorney have a law office in the City (please provide a City Business License Number), live in the City, or within five (5) miles of City limits. Please provide proof of residency.

IV. PROPOSAL EVALUATION AND AWARD PROCESS

A. Proposals will be evaluated and scored on a 100 point scale based upon the following criteria.

Qualifications of Primary Attorney:	30	Based on criteria in III.B., better qualifications--higher score
Qualifications of Other Attorneys:	5	Based on criteria in III.B., better qualifications--higher score
Conflicts (may exclude proposer):	7	Based on III.C., more/greater conflicts—lower score

Availability:	7	Based on III.D., more available—higher score
Disclosure (may exclude proposer):	7	Based on III.E., negative disclosures—lower score
Cost:	20	Based on III.F., lower cost--higher score
Local Preference:	<u>4</u>	Based on III.I, full points awarded if local
Subtotal for initial selection:	80	
Council interview	<u>20</u>	Better demonstration of qualifications and ease of understanding for Council—higher score

Grand Total: 100

Proposals will be kept confidential until a contract is awarded, subject to law.

- B. The city may contact the references provided by the proposer; contact any proposer to clarify a response; contact current and/or prior clients; solicit information from any available source concerning any aspect of a proposal; and see and review any other information deemed pertinent to the evaluation process.
- C. After the proposals are received a panel of three (3) people will initially evaluate and score the proposals, select the top two to five proposals, and submit them to the council for review and interviews. The council will then review selected proposals and interview the selected proposers, provided the council may also review any or all non-selected proposals and interview any or all non-selected proposers. The council may re-evaluate and re-score any or all of the proposals.
- D. At the conclusion of proposal evaluations and interviews, the city council will determine its choice of the highest rated proposer. Any award is contingent upon the successful negotiation of final contract terms and upon approval by the city council. Negotiations shall be confidential and not subject to disclosure to competing proposers unless and until an agreement is reached. If contract negotiations cannot be concluded successfully, the city upon written notice to all selected proposers may negotiate a contract with the next highest scoring proposer or proposers or withdraw the RFP.

V. SUBMITTAL INSTRUCTIONS

A. RFP TIMELINE

TASK	DATE/TIME
Deadline for submission and opening of proposals	10/11/21 at 1:00 pm
Initial evaluation period	10/12/21 to 10/15/21
Council interview of selected proposers	10/19/21
Selection of attorney/firm	10/26/21
Commencement of services	01/01/2022

NOTE: These dates represent a tentative schedule of events. The city reserves the right to modify

these dates at any time, with appropriate notice to applicable proposers.

- B. Proposers shall submit one (1) original proposal marked "MASTER" and twelve (12) identical copies to: John Moosey, City Manager, City of Palmer, 231 W. Evergreen Avenue, Palmer, AK 99645.
- C. Proposals shall be clearly labeled in a sealed envelope or box as follows:

REQUEST FOR PROPOSAL: Legal Counsel Services
- D. Proposals must be received at the above-reference address no later than 1:00 pm on October 11, 2021. Proposals that do not arrive by proposal opening time and date WILL NOT BE ACCEPTED. Proposers may submit their proposal at any time prior to the above stated deadline. Facsimile, email or telephone proposals will NOT be considered.
- E. Proposals may be modified by facsimile, email or written notice, provided such notice is received prior to the opening of the proposals. Proposers may transmit proposal modifications by facsimile or email at their own risk. Only changes in cost information (reduce or increase fee by \$X; reduce or increase total annual cost by \$Y) may be submitted by facsimile or email; do not send actual cost data via facsimile or email. The city will not be responsible for any error or failure in facsimile or email transmission or receipt.
- F. For ease of evaluation, the proposal should be presented in a format that corresponds to and references sections outlined in this RFP, and should be presented in the same order. Responses to each section and subsection should be labeled so as to indicate which item is being addressed.
- G. Proposals should be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are not necessary or desired. Emphasis should concentrate on conformance to the RFP instructions, responsiveness to the RFP requirements, and on complete and clear content.
- H. The proposal must be signed by the individual legally authorized to bind the proposer.

VI. GENERAL TERMS, CONDITIONS AND EXCEPTIONS

- A. Performance of the proposer may be rated semi-annually for the first year following contract award and then annually for the term of the contract by the city council.
- B. The city reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract pursuant hereto, if it is in the best interest of the city to do so.
- C. The city reserves the right to waive informalities and minor irregularities in proposals received.
- D. The city reserves the right to reject any or all proposals received prior to contract award.
- E. The city shall not be obligated to accept the lowest priced proposal, but may make an award in the best interests of the city after all factors have been evaluated.
- F. Alterations, modifications or variations to a proposal may not be considered unless authorized by the RFP or by addendum or amendment.

- G. Proposals may be withdrawn by written or facsimile notice received prior to the proposal opening time. Withdrawals received after the proposal opening time will not be considered. Proposers transmit proposal withdrawals by facsimile at their own risk. The city will not be responsible for any error or failure in facsimile transmission or receipt.
- H. Prices offered by proposers in their proposals are an irrevocable offer for the term of the contract, provided that the proposer may increase its hourly fee \$5 per year for each one-year extension the city chooses to exercise. The awarded proposer agrees to provide the services at the costs, rates and fees as set forth in its proposal in response to this RFP (plus any applicable \$5 per year increase noted above). No other costs, rates or fees shall be payable to the awarded proposer for implementation of their proposal.
- I. The city will not be liable for any costs incurred by a proposer to prepare its proposal. Costs to develop the proposals and any other such expenses incurred by the proposer in responding to the RFP are entirely the responsibility of the proposer and shall not be reimbursed in any manner by the city.
- J. All proposals submitted become the property of the city and will be returned only at the city's option and at the proposer's request and expense. The master copy of each proposal shall be retained for official files and will become public record after the award of the contract.
- K. The city will not be liable for federal, state or local excise taxes.
- L. Proposer's response to this RFP shall constitute an agreement to all terms and conditions specified in the RFP, including, without limitation, the Attachment A professional-services- agreement form and all terms and conditions therein, except such terms and conditions that the proposer expressly excludes, which must be written in ***bold, italicized, and underscored font***. Exceptions will be taken into consideration as part of the evaluation process.
- M. The city reserves the right to negotiate final contract terms with any proposer selected. The contract between the parties will consist of the RFP, including the professional services agreement form, together with any modifications thereto, and the awarded proposer's proposal, together with any modifications and clarifications thereto that are submitted at the request of the city during the evaluation and negotiation process.
- N. Proposer understands and acknowledges that the representations above are material and important, and will be relied on by the city in evaluation of the proposal. Any proposer misrepresentation may be treated as fraudulent concealment from the city of the true facts relating to the proposal.
- O. The city reserves the right to conduct a background inquiry of each proposer that may include collection of appropriate criminal history information, contractual and business associations and practices, Bar sanctions and reprimands, employment histories and reputation in the legal and business communities. By submitting a proposal to the city, the proposer consents to such an inquiry.
- P. All interested and qualified proposers will be considered, but not every proposer need be interviewed.
- Q. The city is an equal opportunity employer and complies with Title I of the American with Disabilities Act. Proposers who need accommodation to respond to this RFP may call the City Manager at 907-761-1317.

Attachment A: City of Palmer professional services agreement form.

Attachment B: Reference Questionnaire.

(End of RFP)

****SAMPLE****
PROFESSIONAL SERVICES AGREEMENT

THIS Agreement made and entered into this _____ day of _____, 2021 by and between the City of Palmer, an Alaska municipal corporation (the City), and _____ (Attorney).

Section 1. Engaged Employment of Attorney

The City hereby agrees to engage the Attorney and the Attorney hereby agrees to perform the services hereafter set forth.

Section 2. Attorney's Representations and Warranties, and Manner of Performance

- (A) Attorney hereby represents and warrants to the City, and the City relies upon said representations and warranties, that Attorney is a professional in the subject area in which services are to be provided and that Attorney has more than adequate experience, skill, knowledge, and competence to perform the services set forth in this Agreement.
- (B) Attorney accepts the relationship of trust and confidence between it and the City. Attorney covenants to perform its services under this Agreement with due diligence, due care, and in a good and professional manner.
- (C) Attorney agrees to be bound to the City for all attorney-client duties.

Section 3. Scope of Services

Attorney agrees to perform the following services for the City.

- (A) Serve as the legal advisor of and be responsible to the City Council, and advise the City Manager, and City Clerk concerning matters affecting City administration, as well as perform other duties as may be prescribed by the City Council.
- (B) Prepare legal documents such as ordinances, resolutions, contracts, conveyances, etc., and legal opinions as needed. Provide limited representation in court, negotiate on the City's behalf and handle other legal matters that may arise.
- (C) Be readily available for consultation by the City Council, City Manager, City Clerk, and City staff.
- (D) Draft opinion letters regarding, among other subjects, the interpretation of the Palmer Municipal Code and Charter, state and federal laws, and policies.
- (E) Perform other such duties as may be prescribed for the City Attorney by ordinance or by direction of the City Council and/or City Manager.
- (F) Must work effectively with the City Council, City Manager, City staff, and also with other public agencies with which the City has legal relations.

- (G) The City Attorney, or designee, is required to attend scheduled city council meetings; unless excused by City Council.

Section 4. Time of Performance

The services of the Attorney shall commence on January 1, 2022, for a term three years, two one-year extension options unilaterally available to the City. The period of performance may be extended for additional periods beyond five years only by the mutual written agreement of the parties. The agreement may be terminated at the convenience of the City at any time.

Section 5. Compensation

- (A) Subject to the provisions of this Agreement, the City shall pay the Attorney a total sum for all legal services, all non-secretarial paralegal services, approved third-party expenses, and all allowed travel time for the term of this Agreement in accordance with the following provisions:
 - (1) Hourly cost for services to be provided:
Attorneys: _____/Hour
Paralegals: _____/Hour
 - (2) No travel time shall be charged for two meetings per month. Travel time to and from Palmer may not exceed two hours total. Subject to the prior limitations, travel time may be charged at Attorney's normal travel time rate, but may not exceed one-third of Attorney's hourly fee.
- (B) Attorney may increase its hourly fee \$5.00 per year for each one-year extension the City chooses to exercise.
- (C) Except as otherwise provided in this Agreement, the City shall not provide any additional compensation, payment, use of facilities, service or other thing of value to the Attorney in connection with performance of Attorney's duties under this Agreement. The parties understand and agree that, except as otherwise provided in this section, administrative overhead and other indirect or direct costs the Attorney may incur in the performance of its obligations under this Agreement have already been included in computation of the Attorney's fee and may not be charged to the City.

Section 6. Method and Time of Payment

- (A) The City will compensate the Attorney in accordance with Section 5. Compensation, which compensation shall constitute the full and complete compensation for the Attorney's services and performance under this Agreement. Payments will be made on receipt of monthly billing.
- (B) No payment will be disbursed until approved by the City. The City Manager shall review Attorney's billings in a timely manner, and to request from the Attorney necessary explanations or additional documentation within fifteen (15) days of receipt of billing by the City. The City expects to pay within thirty-one (31) days of receipt of billing or receipt of requested explanations or documentation acceptable to the City, whichever is later.

Section 7. Termination of Agreement for Cause

If, through any cause, the Attorney shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Attorney shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Attorney of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. All finished or unfinished documents, data, studies, surveys and reports or other material (to include without limitation data and information kept on computer, disk, video, tape, etc.) prepared by the Attorney arising out of or connected with this Agreement are the property of the City and shall be delivered to the City by or upon the effective date of termination or upon request. The Attorney shall be entitled to receive compensation in accordance with the payment provisions of Section 5. Compensation of this Agreement only for work completed to the City's satisfaction in accordance with Section 5. Compensation of this Agreement and the other terms of this Agreement.

Section 8. Termination for Convenience of City

The City may terminate this Agreement at any time by giving written notice to the Attorney of such termination and specifying the effective date of such termination. All finished or unfinished documents and other materials as described in Section 7. Termination of Agreement for Cause are the property of the City and shall be delivered to the City by or upon the effective date of execution of this section. The Attorney shall be entitled to receive compensation in accordance with the payment provisions of Section 5. Compensation of this Agreement only for work completed to the City's satisfaction in accordance with Section 5. Compensation of this Agreement and the other terms of this Agreement. If this Agreement is terminated due to the fault of the Attorney, Section 7. Termination of Agreement for Cause of this Agreement shall govern the rights and liabilities of the parties.

Section 9. Causes Beyond Control

In the event the Attorney is prevented by a cause or causes beyond control of the Attorney from performing any obligation of this Agreement, non-performance resulting from such cause or causes shall not be deemed to be a breach of this Agreement, which will render the Attorney liable for damages or give rights to the cancellation of the Agreement for cause, provided that Attorney duly and timely notifies the City in writing of the cause or causes, which writing must be titled "Cause or Causes Beyond Control of Attorney." However, if and when such cause or causes cease to prevent performance, the Attorney shall exercise all reasonable diligence to resume and complete performance of the obligation with the least possible delay. The phrase "cause or causes beyond control," as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Attorney and which prevent the performance of the Attorney: fire, explosions, acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent the Attorney from performing the terms of the Agreement as set forth herein. Events which are peculiar to the Attorney and would not prevent another Attorney from performing, including, but not limited to financial difficulties, are not causes beyond the control of the Attorney. Based on Attorney's "Cause or Causes Beyond Control of Attorney," the City will determine whether the event preventing the Attorney from performing is a cause beyond the Attorney's control.

Section 10. Modifications

- (A) The parties may mutually agree to modify the terms of the Agreement only by means of an agreement in writing signed by both parties. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.

- (B) It is expressly understood that the City may require changes in the scope of services and an unreasonable refusal by the Attorney to agree to modification in the scope of services will be the basis for termination of the Agreement for cause.

Section 11. Equal Employment Opportunity

The Attorney will not discriminate against any employee or applicant for employment in violation of law, to include without limitation, because of race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Attorney shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Attorney agrees to post in conspicuous places in its office available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Attorney will, in all solicitations or advertisements for employees placed by or on behalf of the Attorney; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Attorney will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

Section 12. Interest of Members of City and Others

No officer, member or employee of the City and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 13. Non-Assignability

- (A) The Attorney shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the City, thereto; provided, however that claims for money due or to become due to the Attorney from the City under this Agreement may be assigned by court order or to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City, or the Attorney shall be responsible to the City for any moneys due the assignee of this Agreement which are paid directly to the Attorney.
- (B) The Attorney shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the City.

Section 14. Interest of Attorney

The Attorney covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Attorney further covenants that in the performance of this Agreement it shall not knowingly employ any person having any such interest and that it shall reasonably inquire of all its employees to determine that they have no such interest.

Section 15. Findings Confidential

Except as required by law, including court orders directing disclosure, any reports, information, data, etc., given to or prepared or assembled by the Attorney under this Agreement which the City requests to be kept confidential shall not be made available to any individual or organization by the Attorney without the prior written approval of the City.

Section 16. Officials Not to Benefit

No members of the Congress of the United States and no resident commissioner shall be admitted to any share or part thereof or to any benefit to arise from this Agreement. No member of the legislature or officer of the state of Alaska or the City shall be admitted to any share or part hereof or to any benefit to arise from this Agreement.

Section 17. Publication, Reproduction and Use of Materials

No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

Section 18. Audits and Inspections

At any time during normal business hours and as often as the City may deem necessary, there shall be made available for examination all of Attorney's records with respect to all matters covered by this Agreement and Attorney will permit representatives of the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. Except in case of emergency, Attorney must make such records available upon five (5) day's notice. In case of emergency, Attorney must make such records available immediately upon request. In performing such audits and investigations, the City and its representatives shall not unduly interfere with the ability of Attorney to perform his duties under this Agreement.

Section 19. Jurisdiction; Choice of Law

Any civil action arising from this Agreement shall be brought in the superior court for the third judicial district of the state of Alaska at Palmer. The law of the state of Alaska shall govern the rights and obligations of the parties.

Section 20. Non-Waiver

The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City thereafter to enforce each and every provision hereof.

Section 21. Permits, Laws and Taxes

The Attorney shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. In performing its obligations under this Agreement, Attorney shall comply with all applicable statutes, ordinances, rules and regulations. The Attorney shall pay all taxes pertaining to its performance under this Agreement.

Section 22. Relationship of the Parties

The Attorney shall perform its obligations hereunder as an independent contractor of the City. The City may administer this Agreement and monitor the Attorney's compliance with this Agreement but shall not supervise or otherwise direct the Attorney except to provide recommendations and to provide approvals pursuant to this Agreement.

Section 23. Administration of this Agreement

- (A) The City Manager or designee will be the representative of the City administering this Agreement.
- (B) The services to be furnished by the Attorney shall be administered by the City Manager. In the event that Attorney is unable to serve for any reason to perform his obligations under this Agreement, the Attorney shall appoint a successor in interest but such appointment will be subject to a written approval of the City.

Section 24. Integration

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties. To the extent they are not inconsistent with the terms of this Agreement; the following documents are incorporated by reference into this Agreement as if fully set forth herein:

Section 25. City Held Harmless

- (A) The Attorney shall indemnify, defend, save and hold harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act, error or omission of the Attorney or any sub-Attorney as a result of the Attorney's or any sub-Attorney's performance pursuant to this Agreement.
- (B) The Attorney shall not indemnify, defend, save and hold the City harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of wrongful or negligent acts, errors or omissions solely of the City occurring during the course of or as a result of the performance of this Agreement.
- (C) Where lawsuits, actions, claims or liability, including reasonable attorney's fees and costs, arise out of wrongful or negligent acts of both the Attorney and the City occurring as a result of the performance of this Agreement, the Attorney shall indemnify, defend, save and hold the City harmless from only that portion of the lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act,

error or omission of the Attorney or any sub-Attorney as a result of the Attorney's or any sub-Attorney's performance pursuant to this Agreement.

Section 26. Interpretation and Enforcement

This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

Section 27. Attorney Insurance

- (A) The Attorney will maintain during the course of the contract attorney's errors and omissions insurance in the amount of at least \$1,000,000 per claim and \$2,000,000 aggregate, with a deductible no greater than \$25,000. In addition, the policy is a claims-made policy; the Attorney must maintain such policy of insurance after the termination of the contract for a period of six years or alternatively obtain an extended reporting endorsement (tail coverage) for six years after the termination providing the same coverage, or a combination of the two. Attorney shall annually provide the City with a certificate of insurance for errors and omissions insurance from attorney's insurance company showing the then-current coverage limits (including extended reporting endorsement, if applicable).
- (B) The Attorney will, at its own expense, secure and maintain and will file with the City the following proper and acceptable insurance coverage, including defense and indemnification of the City. The insurance coverage will be secured with an insurance company acceptable to the City.
 - (1) Crime Insurance Coverage: Limit \$1,000,000 endorsed to include third party coverage for the City of Palmer.
 - (2) Comprehensive General Liability or Commercial General Liability Coverage: Limit \$1,000,000 per claim and \$2,000,000 aggregate Bodily Injury and Property Damage, combined Single Limit. Coverage to include:
 - Premises Operation
 - Products/Completed Operations
 - Independent Contractors
 - Blanket Contractual
 - Broad Form Property Damage
 - Personal Injury with Exclusion "C" deleted
 - (3) Professional Liability: Limit \$2,000,000.
 - (4) Worker's Compensation Insurance in compliance with the laws of the state of Alaska, AS 23.30, et. seq., and federal jurisdiction where the work is being performed, covering all employees engaged in the performance of the work specified in this Agreement. Employer's liability limits shall be: \$100,000 each accident; \$500,000 disease--policy limit; and \$100,000 disease--each employee.
 - (5) Comprehensive Automobile Liability: Limit \$1,000,000 Bodily Injury and Property Damage, Combined Single Limit. Coverage to include all vehicles driven by employees engaged in the performance of the work specified in this Agreement.

- (6) Unemployment Insurance by payment of employment security taxes for all employees hired by the Attorney to work on this project. In the event of the Attorney's failure to pay such taxes, the City will withhold an amount sufficient to pay such taxes from any payments owed to the Attorney by the City. The City also reserves the right to contact the Alaska State Department of Labor, in order to determine whether unemployment security taxes have been paid by the Attorney. The City further reserves the right to withhold that portion of employment security taxes owed to any employees pending notification of the Attorney's unemployment security tax clearance from the Alaska State Department of Labor.
- (7) Cyber Liability: Limit \$1,000,000 endorsed to include third party coverage for the City of Palmer.
- (C) A lapse in insurance coverage is a material breach of this Agreement, which may result in immediate termination of the Agreement, pursuant to Section 7. Termination of Agreement for Cause.
- (D) Each policy of insurance required by this section shall provide for no less than 30 days' advance notice to the City prior to cancellation. Each policy (other than for worker's compensation) shall name the City as an additional insured. Each policy shall be endorsed to waive all rights of subrogation against the City by reason of any payment made for claims under the above coverage. Attorney's insurance coverage shall be primary to any coverage carried by the City, which may cover the work specified in this Agreement. Attorney's insurance carrier must be an admitted carrier in the State of Alaska or must be **best rated A+7** or better.

Section 28. Understanding

The Attorney acknowledges that the Attorney has read and understands the terms of this Agreement, has had the opportunity to review the same with counsel of its choice, and is executing this Agreement of his own free will.

Section 29. Severability

If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

Section 30. Compliance with Law

Attorney shall comply with all applicable Federal, State of Alaska and City laws, regulations, and ordinances in performing his duties hereunder.

Section 31. Notices

Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered or certified mail to the following address:

City: City Manager
 City of Palmer
 231 W. Evergreen Ave.
 Palmer, AK 99645

Attorney:

CITY OF PALMER

ATTORNEY:

John Moosey, City Manager



CITY OF PALMER

231 West Evergreen Avenue
Palmer, Alaska 99645
Phone (907) 745-3271
Fax (907) 745-0930
www.palmerak.org

REFERENCE QUESTIONNAIRE FOR:

(Name of attorney or law firm requesting reference)

Regarding City of Palmer Request for Proposals for General Counsel Legal Services

This form is being submitted to you for completion as a reference for the attorney or law firm listed above. Please return this form to John Moosey, City Manager, at the above address but marked "Confidential", **no later than October 11, 2021 at 1:00 pm**. The completed form **must not** be returned to the attorney or firm requesting the reference. Thank you.

CONFIDENTIAL INFORMATION WHEN COMPLETED

Company providing reference:	
Contact name and title/position:	
Contact telephone number:	
Contact email:	

QUESTIONS

1. In what capacity have you worked with this attorney or law firm in the past?

2. How would you rate this attorney's or law firm's knowledge and experience? _____
(3=Excellent; 2=Satisfactory; 1= Unsatisfactory)
Comments:

3. How would you rate this attorney's or law firm's responsiveness to timelines? _____
(3=Excellent; 2=Satisfactory; 1= Unsatisfactory)
Comments:

4. What is your level of satisfaction with written materials produced by the attorney or law firm? _____
(3=Excellent; 2=Satisfactory; 1= Unsatisfactory)
Comments:

5. How would you rate the dynamics/interaction between the attorney or firm and your staff? _____
(3=Excellent; 2=Satisfactory; 1= Unsatisfactory)
Comments:

6. Who were the firm's principal attorneys involved in your project and how would you rate them individually? _____
(3=Excellent; 2=Satisfactory; 1= Unsatisfactory)

Name: _____

Rating: _____

Name: _____

Rating: _____

Name: _____

Rating: _____

Name: _____

Rating: _____

Comments:

7. With which aspect(s) of this attorney or law firm's services are you most satisfied?

Comments:

8. With which aspect(s) of this attorney or firm's services were you least satisfied?

Comments:

9. Would you recommend this attorney or firm's services to your organization again?

Comments:

PROFESSIONAL SERVICES AGREEMENT

THIS Agreement made and entered into this DATE TO BE DETERMINED, by and between the City of Palmer, an Alaska municipal corporation (the City), and Heath Law, LLC.

Section 1. Engaged Employment of Attorney

The City hereby agrees to engage the Attorney and the Attorney hereby agrees to perform the services hereafter set forth.

Section 2. Attorney's Representations and Warranties, and Manner of Performance

- (A) Attorney hereby represents and warrants to the City, and the City relies upon said representations and warranties, that Attorney is a professional in the subject area in which services are to be provided and that Attorney has more than adequate experience, skill, knowledge, and competence to perform the services set forth in this Agreement.
- (B) Attorney accepts the relationship of trust and confidence between it and the City. Attorney covenants to perform its services under this Agreement with due diligence, due care, and in a good and professional manner.

Section 3. Scope of Services

- (A) Serve as the legal advisor of and be responsible to the City Council, and advise the City Manager, and City Clerk concerning matters affecting City administration, as well as perform other duties as may be prescribed by the City Council.
- (B) Prepare legal documents such as ordinances, resolutions, contracts, conveyances, etc., and legal opinions as needed. Provide limited representation in court, negotiate on the City's behalf and handle other legal matters that may arise.
- (C) Be readily available for consultation by the City Council, City Manager, City Clerk, and City staff.
- (D) Draft opinion letters regarding, among other subjects, the interpretation of the Palmer Municipal Code and Charter, state and federal laws, and policies.
- (E) Perform other such duties as may be prescribed for the City Attorney by ordinance or by direction of the City Council and/or City Manager.
- (F) Must work effectively with the City Council, City Manager, City staff, and with other public agencies with which the City has legal relations.
- (G) The City Attorney, or designee, is required to attend scheduled city council meetings; unless excused by City Council, Mayor or Manager.

Section 4. Time of Performance

The services of the Attorney shall commence on January 1, 2022, for a term of two years, with three one-year extension options unilaterally available to the City. The period of performance may be extended for additional

periods beyond five years only by the mutual written agreement of the parties. The agreement may be terminated at the convenience of the City at any time.

Section 5. Compensation

- (A) Subject to the provisions of this Agreement, the City shall pay the Attorney a total sum for all legal services, all non-secretarial paralegal services, approved third-party expenses, and all allowed travel time for the term of this Agreement in accordance with the following provisions:
 - (1) Hourly cost for services to be provided:
 - Shareholder/Of Counsel Attorneys: \$200.00/Hour
 - Paralegals: \$100.00/Hour
 - (2) No travel time shall be charged to and from Palmer for council meetings. Travel time for other business to and from Palmer may not exceed two hours total. Subject to the prior limitations, travel time may be charged at Attorney's normal travel time rate.
- (B) Attorney may increase its hourly fee \$5.00 per year for each one-year extension the City chooses to exercise.
- (C) Except as otherwise provided in this Agreement, the City shall not provide any additional compensation, payment, use of facilities, service, or other thing of value to the Attorney in connection with performance of Attorney's duties under this Agreement. The parties understand and agree that, except as otherwise provided in this section, administrative overhead and other indirect or direct costs the Attorney may incur in the performance of its obligations under this Agreement have already been included in computation of the Attorney's fee and may not be charged to the City.

Section 6. Method and Time of Payment

- (A) The City will compensate the Attorney in accordance with Section 5, which compensation shall constitute the full and complete compensation for the Attorney's services and performance under this Agreement. Payments will be made on receipt of monthly billing.
- (B) No payment will be disbursed until approved by the City. The City Manager shall review Attorney's billings in a timely manner, and to request from the Attorney necessary explanations or additional documentation within fifteen (15) days of receipt of billing by the City. The City expects to pay within thirty-one (31) days of receipt of billing or receipt of requested explanations or documentation acceptable to the City, whichever is later.

Section 7. Termination of Agreement for Cause

If, through any cause, the Attorney shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Attorney shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Attorney of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. All finished or unfinished documents, data, studies, surveys and reports or other material (to include without limitation data and information kept on computer, disk, video, tape, etc.) prepared by the Attorney arising out of or connected with this Agreement are the property of the City and shall be delivered to the City by or upon the effective date of termination or upon request. The Attorney shall be entitled to

receive compensation in accordance with the payment provisions of Section 5 of this Agreement only for work completed to the City's satisfaction in accordance with Section 5 of this Agreement and the other terms of this Agreement.

Section 8. Termination for Convenience of City

The City may terminate this Agreement at any time by giving written notice to the Attorney of such termination and specifying the effective date of such termination. All finished or unfinished documents and other materials as described in Section 7 are the property of the City and shall be delivered to the City by or upon the effective date of execution of this section. The Attorney shall be entitled to receive compensation in accordance with the payment provisions of Section 5 of this Agreement only for work completed to the City's satisfaction in accordance with Section 5 of this Agreement and the other terms of this Agreement. If this Agreement is terminated due to the fault of the Attorney, Section 7 of this Agreement shall govern the rights and liabilities of the parties.

Section 9. Causes Beyond Control

In the event the Attorney is prevented by a cause or causes beyond control of the Attorney from performing any obligation of this Agreement, non-performance resulting from such cause or causes shall not be deemed to be a breach of this Agreement, which will render the Attorney liable for damages or give rights to the cancellation of the Agreement for cause, provided that Attorney duly and timely notifies the City in writing of the cause or causes, which writing must be titled "Cause or Causes Beyond Control of Attorney." However, when such cause or causes cease to prevent performance, the Attorney shall exercise all reasonable diligence to resume and complete performance of the obligation with the least possible delay. The phrase "cause or causes beyond control," as used in this section, means any one or more of the following causes which are not attributable to the fault or negligence of the Attorney and which prevent the performance of the Attorney: fire, explosions, acts of God, war, orders or law of duly constituted public authorities, and other major uncontrollable and unavoidable events, all of the foregoing which must actually prevent the Attorney from performing the terms of the Agreement as set forth herein. Events which are peculiar to the Attorney and would not prevent another Attorney from performing, including, but not limited to financial difficulties, are not causes beyond the control of the Attorney. Based on Attorney's "Cause or Causes Beyond Control of Attorney," the City will determine whether the event preventing the Attorney from performing is a cause beyond the Attorney's control.

Section 10. Modifications

- (A) The parties may mutually agree to modify the terms of the Agreement only by means of an agreement in writing signed by both parties. Modifications to the Agreement shall be incorporated into the Agreement by written amendments.
- (B) It is expressly understood that the City may require changes in the scope of services and an unreasonable refusal by the Attorney to agree to modification in the scope of services will be the basis for termination of the Agreement for cause.

Section 11. Equal Employment Opportunity

The Attorney will not discriminate against any employee or applicant for employment in violation of law, to include without limitation, because of race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Attorney shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam

era. Such actions shall include, but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; selection for training, including apprenticeship; and participation in recreational and educational activities. The Attorney agrees to post in conspicuous places in its office available for employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause. The Attorney will, in all solicitations or advertisements for employees placed by or on behalf of the Attorney; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, physical handicap, age, status as a disabled veteran, or veteran of the Vietnam era. The Attorney will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement.

Section 12. Interest of Members of City and Others

No officer, member or employee of the City and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

Section 13. Non-Assignability

- (A) The Attorney shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the City, thereto; provided, however that claims for money due or to become due to the Attorney from the City under this Agreement may be assigned by court order or to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the City, or the Attorney shall be responsible to the City for any moneys due the assignee of this Agreement which are paid directly to the Attorney.
- (B) The Attorney shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the City.

Section 14. Interest of Attorney

The Attorney covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. The Attorney further covenants that in the performance of this Agreement it shall not knowingly employ any person having any such interest and that it shall reasonably inquire of all its employees to determine that they have no such interest.

Section 15. Findings Confidential

Except as required by law, including court orders directing disclosure, any reports, information, data, etc., given to or prepared or assembled by the Attorney under this Agreement which the City requests to be kept confidential shall not be made available to any individual or organization by the Attorney without the prior written approval of the City.

Section 16. Officials Not to Benefit

No members of the Congress of the United States and no resident commissioner shall be admitted to any share or part thereof or to any benefit to arise from this Agreement. No member of the legislature or officer of the

state of Alaska or the City shall be admitted to any share or part hereof or to any benefit to arise from this Agreement.

Section 17. Publication Production and Use of Materials

No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

Section 18. Audits and Inspections of Records

- (A) At any time during normal business hours and as often as the City may deem necessary, there shall be made available for examination all of Attorney's records with respect to all matters covered by this Agreement and Attorney will permit representatives of the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement. Except in case of emergency, Attorney must make such records available upon five (5) days' notice. In case of emergency, Attorney must make such records available immediately upon request. In performing such audits and investigations, the City and its representatives shall not unduly interfere with the ability of Attorney to perform his duties under this Agreement.
- (B) Attorney files will be retained in accordance with City's Records Retention Schedule. Attorney will provide the City Clerk with a report and obtain written authorization prior to destruction of any records.
- (C) Upon termination of this agreement, all Attorney's records will be turned over to the City Clerk as described in Section 7.

Section 19. Jurisdiction; Choice of Law

Any civil action arising from this Agreement shall be brought in the superior court for the third judicial district of the state of Alaska at Palmer. The law of the state of Alaska shall govern the rights and obligations of the parties.

Section 20. Non-Waiver

The failure of the City at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the City thereafter to enforce every provision hereof.

Section 21. Permits Laws and Taxes

The Attorney shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. In performing its obligations under this Agreement, Attorney shall comply with all applicable statutes, ordinances, rules, and regulations. The Attorney shall pay all taxes pertaining to its performance under this Agreement.

Section 22. Relationship of the Parties

The Attorney shall perform its obligations hereunder as an independent contractor of the City. The City may administer this Agreement and monitor the Attorney's compliance with this Agreement but shall not supervise or otherwise direct the Attorney except to provide recommendations and to provide approvals pursuant to this Agreement.

Section 23. Administration of this Agreement

- (A) The City Manager or designee will be the representative of the City administering this Agreement.
- (B) The services to be furnished by the Attorney shall be administered by the City Manager. If Attorney is unable to serve for any reason to perform his obligations under this Agreement, the Attorney shall appoint a successor in interest, but such appointment will be subject to a written approval of the City.

Section 24. Integration

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, either oral or written, between the parties. To the extent they are not inconsistent with the terms of this Agreement; the following documents are incorporated by reference into this Agreement as if fully set forth herein:

Section 25. City Held Harmless

- (A) The Attorney shall indemnify, defend, save, and hold the City harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act, error or omission of the Attorney or any sub-Attorney as a result of the Attorney's or any sub-Attorney's performance pursuant to this Agreement.
- (B) The Attorney shall not indemnify, defend, save, and hold the City harmless from any lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of wrongful or negligent acts, errors or omissions solely of the City occurring during the course of or as a result of the performance of this Agreement.
- (C) Where lawsuits, actions, claims or liability, including reasonable attorney's fees and costs, arise out of wrongful or negligent acts of both the Attorney and the City occurring as a result of the performance of this Agreement, the Attorney shall indemnify, defend, save and hold the City harmless from only that portion of the lawsuit, action, claim or liability, including reasonable attorney's fees and costs, arising out of or related to any wrongful or negligent act, error or omission of the Attorney or any sub-Attorney as a result of the Attorney's or any sub-Attorney's performance pursuant to this Agreement.

Section 26. Interpretation and Enforcement

This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The titles of sections in this Agreement are not to be construed as limitations or definitions but are for identification purposes only.

Section 27. Attorney Insurance

- (A) The Attorney will maintain during the contract attorney's errors and omissions insurance in the amount of at least \$1,000,000 per claim and \$2,000,000 aggregate, with a deductible no greater than \$25,000. In addition, if the policy is a claims-made policy; the Attorney must maintain such policy of insurance after the termination of the contract for a period of six years or alternatively obtain an extended reporting endorsement (tail coverage) for six years after the termination providing the same coverage, or a combination of the two. Attorney shall annually provide the City with a certificate of insurance for errors and omissions insurance from attorney's insurance company showing the then-current coverage limits (including extended reporting endorsement, if applicable).
- (B) The Attorney will, at its own expense, secure and maintain and file a certificate of insurance with the City with acceptable insurance coverage, including defense and indemnification of the City. The insurance policies will be secured with insurance companies that are admitted carriers to State of Alaska or an approved Surplus Lines carrier in State of Alaska with an AM Best rating of A- or better.
- (1) Comprehensive General Liability or Commercial General Liability Coverage: Limit \$1,000,000 per claim and \$2,000,000 aggregate Bodily Injury and Property Damage, combined Single Limit. Coverage to include:
- Premises Operation
 - Products/Completed Operations
 - Independent Contractors
 - Blanket Contractual
 - Broad Form Property Damage
- (2) Worker's Compensation Insurance in compliance with the laws of the State of Alaska, AS 23.30, et. seq., and federal jurisdiction where the work is being performed, covering all employees engaged in the performance of the work specified in this Agreement. Employer's liability limits shall be: \$100,000 each accident; \$500,000 disease--policy limit; and \$100,000 disease--each employee.
- (3) Comprehensive Automobile Liability: Limit \$1,000,000 Bodily Injury and Property Damage, Combined Single Limit. Coverage to include all owned or rented/leased vehicles driven by employees engaged in the performance of the work specified in this Agreement.
- (4) Unemployment Insurance by payment of employment security taxes for all employees hired by the Attorney to work on this project. In the event of the Attorney's failure to pay such taxes, the City will withhold an amount sufficient to pay such taxes from any payments owed to the Attorney by the City. The City also reserves the right to contact the Alaska State Department of Labor, to determine whether unemployment security taxes have been paid by the Attorney. The City further reserves the right to withhold that portion of employment security taxes owed to any employees pending notification of the Attorney's unemployment security tax clearance from the Alaska State Department of Labor.
- (5) Cyber Liability: Limit \$1,000,000 endorsed to include third party coverage for the City of Palmer.

- (C) A lapse in insurance coverage is a material breach of this Agreement, which may result in immediate termination of the Agreement, pursuant to Section 7 for Cause.
- (D) Each policy of insurance required by this section shall provide for no less than 30 days' advance notice to the City prior to cancellation. Each policy (other than for worker's compensation and Errors and Omissions) shall name the City as an additional insured. Each policy shall be endorsed to waive all rights of subrogation against the City by reason of any payment made for claims under the above coverage. Attorney's insurance coverage shall be primary to any coverage carried by the City, which covers the work specified in this Agreement.

Section 28. Understanding

The Attorney acknowledges that the Attorney has read and understands the terms of this Agreement, has had the opportunity to review the same with counsel of its choice, and is executing this Agreement of his own free will.

Section 29. Severability

If any section or clause of this Agreement is held invalid by a court of competent jurisdiction, or is otherwise invalid under the law, the remainder of this Agreement shall remain in full force and effect.

Section 30. Compliance with Law

Attorney shall comply with all applicable Federal, State of Alaska and City laws, regulations, and ordinances in performing his duties hereunder.

Section 31. Notices

Any notice required pertaining to the subject matter of the Agreement shall be personally delivered or mailed by prepaid first-class, registered, or certified mail to the following address:

City: City Manager
 City of Palmer
 231 W. Evergreen Ave.
 Palmer, AK 99645

Attorney: Heath Law, LLC
 1700 E. Bogard Rd
 Wasilla, Alaska 99654

CITY OF PALMER:

ATTORNEY:

 John Moosey, City Manager

 Sarah Heath, Attorney At Law

**City of Palmer
Action Memorandum No. 21-065**

Subject: Approving a Council Community Grant to Palmer Hockey Association for Alaska Army National Guard Stars & Stripes Hockey Tournament

Agenda of: November 23, 2021

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

Originator Information:

Originator: Mr. 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: \$ **3,000**


- 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): 01-02-10-6068 Budget remaining \$4,250
- Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

- 1. Grant Application Review Rubric
- 2. Council Community Grant Application

Summary Statement/Background:

The Stars & Stripes Tournament is an annual high school varsity hockey event hosted by Palmer Hockey Association that celebrates Veterans Day and brings teams, families, and servicemen and women to Palmer each year. This event supports the council’s strategic priorities by celebrating our attractions as well as providing a significant economic benefit to the City of Palmer. In 2019, the tournament brought in eight teams of 240 players and approximately 800 spectators. The 2021 tournament will be bigger. Ten of the twelve teams scheduled for the tournament will be utilizing Palmer’s lodging, restaurants, retail, and attractions over the course of three days and a national holiday. This event will generate approximately \$51,000 of revenue for City of Palmer businesses and will be held at the MTA Events Center. This event is the largest Varsity high school hockey tournament in the state.

Per Palmer Municipal Code 2.04.160(F), I have reviewed the application for completeness, and am forwarding the application to City Council for Council’s consideration.

In February, 2014, the City Council adopted Ordinance NO. 14-043, which established the Council Community Grant Program. The City Council approved \$12,000.00 in the Community Council Grants line item for 2021.

Legislation #	Organization	Amount Approved	Remaining	Date Approved
	Beginning Balance-2021 Budget		\$12,000.00	
AM 21-017	Hatcher Pass Avalanche Center	\$5,000.00	\$7,000.00	3/9/21
AM 21-026	Who Let the Runners Out	\$1,000.00	\$6,000.00	4/13/21
AM 21-033	Alaska Farmland Trust	\$250.00	\$5,750.00	5/11/21
AM 21-057	The Ice Maze	\$1,500.00	\$4,250.00	10/12/21
AM 21-065	Stars & Stripes Tournament			
AM 21-066	Aim High Hockey Tournament			

Administration’s Recommendation:

Approve Action Memorandum No. 21-065.

Project Name: ALASKA Army National Guard Stars & Stripes Tower Date Received: 11.9.21

Reviewer Name: JOHN MOOSEY Date Reviewed: 11.16.21

Has the event previously received City funding? Y N List Years/Amounts:
 If yes, was the Post Event Report completed? Y N

Required Elements:

- Accessible to all members of the community
- Takes place in/within one mile of Palmer City Limits

		Expectations			Points
		10 pts	7 pts.	3-0 pts	
Accessibility & Strategic Priorities	The application clearly states the economic benefits, and the reader/evaluator easily understands the benefits to the community and residents of the city.	The application states the benefits; however, it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the city.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the city.		10
	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.		10
Fiscal	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.		10
	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or must use reason to understand the overall budget for the project.	The application does not include a project budget, or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.		10
Benefit	The application clearly states how the community will benefit because of the event.	The application states the degree of benefits; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine the how the community will benefit because of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefit because of this grant.		7
Reporting	The application clearly states how and when the city will receive a post event report on this project.	The application attempts to address how a post event report will be given to the city; however, it is unclear, and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the city or the reviewer/evaluator cannot determine how the report will be presented.		10
				Total:	57

The maximum financial benefit to the City of Palmer is stated \$ 51K for sales tax of \$1,500



City of Palmer • City Clerk's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: (907) 761-1301 • Fax: (907) 761-1340

Council Community Grant Application

Program Information

Program, service, project, or event title: Alaska Army National Guard Stars & Stripes Tournament
Date(s) of program, service, project, or event: November 11, 12 and 13, 2021

Applicant Information

Name: Palmer Hockey Association
Address: P.O. Box 1471
City: Palmer State: Alaska Zip: 99645
Phone: 907-775-2808 Email: palmerhockeypresident@gmail.com

Organization Information

Name of organization/group: Palmer Hockey
Type of organization/group: Non-profit Volunteer group Other: _____

Funding Request

Amount of Request: \$ 3,000
Matching funds provided by applicant: \$ 8,340
Type of funds requesting: Cash In-Kind In-Kind Type: MTA rink time

Remittance Information

Remit Payment to: Palmer Hockey Association
Address mail check to: P.O. Box 1471
City: Palmer State: AK Zip: 99645
Phone: 907-775-2808 Email: _____



Eligibility

Describe how your program, service, project or event meets the eligibility guidelines.

From November 11 to November 13, the Palmer Hockey Association (PHA) will be hosting a high school varsity hockey tournament at the MTA Events Center. This tournament will feature 12 teams from across Alaska. The venue is a public facility and all members of the public are invited. The event will feature 10 teams from outside of Palmer.

PHA has an elected Treasurer, and the previous Treasurer is a Certified Public Accountant. The two work on financial matters for the PHA. Additionally, Palmer Hockey Association utilizes a Board of Directors which regularly reviews financial reports and has sound management and financial practices in place.

PHA is a non-profit 501(c)3 corporation.

Grant funds will be used towards ice bills at the MTA Events Center, in Palmer, Alaska. Any funds not used will be returned to the City of Palmer.

Project Summary Information

In the space below, provide a concise, one paragraph summary of your proposed program, service, project or event and how it benefits the community as well as how this supports the Council's strategic priorities.

The Stars & Stripes Tournament is an annual high school varsity hockey event hosted by Palmer Hockey Association that celebrates Veterans Day and brings teams, families, and servicemen and women to Palmer each year. This event supports the Council's strategic priorities by celebrating our history of men and women in service, by showcasing Palmer and its businesses, beauty, and attractions, as well as providing a significant economic benefit to the City of Palmer. In 2019, the tournament brought in eight teams of 240 players and approximately 800 spectators. The 2021 tournament will be bigger. Ten of the 12 teams scheduled for the tournament and will be utilizing Palmer's lodging, restaurants, retail, and attractions over the course of three days and a national holiday. This event will generate approximately \$51,000 of revenue for City of Palmer businesses and will be held at the MTA Events Center.

This event is the largest Varsity high school hockey tournament in the state.

Project Scope of Work

Please list the steps to be taken to conduct the program, service, project or event. Be sure to address issues such as: beginning and ending date, who will work to conduct the event/project, clean-up team, where is the project going to occur (location).

The event will begin on November 11, 2021 and will end on November 13, 2021. The event will be conducted by the Palmer Hockey Association which is 100% volunteers. Event registration and marketing has already begun with a total of 12 teams registered for the tournament. Palmer Hockey Association will manage all the logistics and execution of the event including team communications, set up, hospitality, scheduling, clean up and a Veterans Day ceremony. The event will be held at the MTA Events Center, 1317 S Kerry Weiland Lane in Palmer, Alaska.

Community Benefit

Please indicate how the results of your program, service, project or event will enhance economic development or generally benefit the city of Palmer. Describe the expected number of participants to be attracted by the event or project. Please explain how your organization will evaluate the community benefit of your event. Examples might include surveys, registrations, sign-in sheets, number of people served, etc.

The community benefit will be measured by the number of teams, number of players, coaches and managers in attendance of the event and their associated economic impact in Palmer. Approximately 2000 people will attend the three-day event as measured by daily count tallies and schedules. The 2021 Stars and Stripes Tournament will bring in approximately \$51,000 of revenue for City of Palmer businesses through utilizing Palmer's lodging, restaurants, retail, and attractions over the course of three days and a national holiday.

Detailed Budget

Revenue:

Source:	Cash	In-Kind	Total
Admission	\$ 1,000	\$ _____	\$ 1,000
Advertising	\$ 4,000	\$ _____	\$ 4,000
Coupon Book sales	\$ 1,000	\$ _____	\$ 1,000
Shoot-a-thon	\$ 15,000	\$ _____	\$ 15,000
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Totals	\$ 21,000	\$ _____	\$ 21,000

Expenditures:

Item/Service:	Cash	In-Kind	Total
Ice Rental	\$ 11,340	\$ _____	\$ 11,340
Referees	\$ 6,840	\$ _____	\$ 6,840
Hospitality	\$ _____	\$ 1,000	\$ 1,000
Event Mgmt./Volunteers	\$ _____	\$ 3,500	\$ 3,500
Printing	\$ 1,500	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
Totals	\$ 19,680	\$ 4,500	\$ 24,180

Matching Funding Source

Describe source of matching funding. Have alternate sources of funding been explored?

Matching funds will be solicited and raised by members and players of Palmer Hockey Association. In-kind support for this event will be provided by volunteers and local families of Palmer Hockey Association.

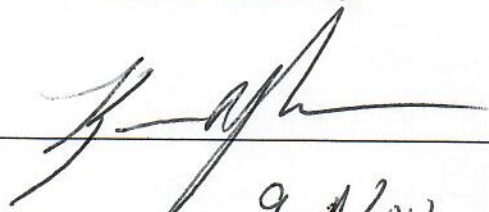
Post Event Report

Describe how you propose to provide a post-event report with details on the economic impact, how funding was spent on the sole purpose for which it was awarded, and if any unspent money is to be returned to the city (provide an expected date).

A post event report will be developed with information gathered by polling each team that traveled from outside of Palmer as to their lodging, meals and other expenses within Palmer. Additionally, a financial report will be provided detailing how the funding was spent on the 2021 Stars and Stripes Tournament. No funds are expected to be extra as monies will be applied to the ice bill of the event. There is an anticipated economic benefit for Palmer businesses of over \$51,000.

Applications may be submitted at any time to the address listed above. Please allow at least six weeks lead time for application review and City Council agenda scheduling.

Applicant signature: _____



Date: _____

9 Nov 2020

For Office Use Only

Date received by City Clerk's Office: _____

City Council agenda date: _____

Action Memorandum No.: _____

City Council:

Approved

Denied

Amount Approved: _____

\$

Date applicant notified of request outcome: _____

I-9 Form Submitted (for taxable organizations only): _____

**City of Palmer
Action Memorandum No. 21-066**

Subject: Approving a Council Community Grant to Palmer Hockey Association for Air Force Aim High Junior Varsity Hockey Tournament

Agenda of: November 23, 2021

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

Originator Information:

Originator: Mr. 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: \$ **2,000**


- 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): 01-02-10-6068 Budget remaining \$4,250
- Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Grant Application Review Rubric
2. Council Community Grant Application

Summary Statement/Background:

The Air Force Aim High Tournament is the first year of an annual high school junior varsity hockey event hosted by Palmer Hockey Association that shows the junior varsity expertise. This event supports the Council’s strategic priorities by celebrating our history of men and women in service, by showcasing Palmer and its businesses, beauty, and attractions, as well as providing a significant economic benefit to the city of Palmer. The 2021 tournament is estimated to bring in 400 spectators. Six of the ten teams scheduled for the tournament will be utilizing Palmer’s lodging, restaurants, retail, and attractions over the course of four days. This event will generate approximately \$15,700 of revenue for City of Palmer businesses and will be held at the MTA Events Center. This event is the largest Junior Varsity high school hockey tournament in the state.

Per Palmer Municipal Code 2.04.160(F), I have reviewed the application for completeness, and am forwarding the application to City Council for Council’s consideration.

In February, 2014, the City Council adopted Ordinance NO. 14-043, which established the Council Community Grant Program. The City Council approved \$12,000.00 in the Community Council Grants line item for 2021.

Legislation #	Organization	Amount Approved	Remaining	Date Approved
	Beginning Balance-2021 Budget		\$12,000.00	
AM 21-017	Hatcher Pass Avalanche Center	\$5,000.00	\$7,000.00	3/9/21
AM 21-026	Who Let the Runners Out	\$1,000.00	\$6,000.00	4/13/21
AM 21-033	Alaska Farmland Trust	\$250.00	\$5,750.00	5/11/21
AM 21-057	The Ice Maze	\$1,500.00	\$4,250.00	10/12/21
AM 21-065	Stars & Stripes Tournament			
AM 21-066	Aim High Hockey Tournament			

Administration’s Recommendation:

Approve Action Memorandum No. 21-066.

Project Name: Av Force Ann High Jr. Varsity Hockey Tournament Date Received: 11-9-21

Reviewer Name: John Mooney Date Reviewed: 11-2-21

Has the event previously received City funding? Y N List Years/Amounts:
 If yes, was the Post Event Report completed? Y N

Required Elements:

- Accessible to all members of the community
- Takes place in/within one mile of Palmer City Limits

		Expectations			Points
		10 pts	7 pts.	3-0 pts	
Accessibility & Strategic Priorities	The application clearly states the economic benefits, and the reader/evaluator easily understands the benefits to the community and residents of the city.	The application states the benefits; however, it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the city.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the city.		10
	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.		10
Fiscal	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.		10
	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or must use reason to understand the overall budget for the project.	The application does not include a project budget, or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.		10
Benefit	The application clearly states how the community will benefit because of the event.	The application states the degree of benefits; however, it is not clear, and the reviewer/evaluator must assume or use reason to determine the how the community will benefit because of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefit because of this grant.		7
Reporting	The application clearly states how and when the city will receive a post event report on this project.	The application attempts to address how a post event report will be given to the city; however, it is unclear, and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the city or the reviewer/evaluator cannot determine how the report will be presented.		10
				Total:	57

The event is anticipated to benefit our business community at \$15,700. Tax revenue to the city of Palmer would be \$471



City of Palmer • City Clerk's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: (907) 761-1301 • Fax: (907) 761-1340

Council Community Grant Application

Program Information

Program, service, project, or event title: Air Force Aim High Junior Varsity Hockey Tournament
Date(s) of program, service, project, or event: January 5, 6, 7, 8 2022

Applicant Information

Name: Palmer Hockey Association
Address: P.O. Box 1471
City: Palmer State: Alaska Zip: 99645
Phone: 907-775-2808 Email: palmerhockeypresident@gmail.com

Organization Information

Name of organization/group: Palmer Hockey
Type of organization/group: Non-profit Volunteer group Other: _____

Funding Request

Amount of Request: \$ 2,000
Matching funds provided by applicant: \$ 9,282
Type of funds requesting: Cash In-Kind In-Kind Type: MTA rink time

Remittance Information

Remit Payment to: Palmer Hockey Association
Address mail check to: P.O. Box 1471
City: Palmer State: AK Zip: 99645
Phone: 907-775-2808 Email: _____



Eligibility

Describe how your program, service, project or event meets the eligibility guidelines.

From January 5 to January 8, 2022, the Palmer Hockey Association (PHA) will be hosting a high school junior varsity hockey tournament at the MTA Events Center. This tournament will feature 10 teams from across Alaska. The venue is a public facility and all members of the public are invited. The event will feature 6 teams from outside of Palmer.

PHA has an elected Treasurer, and the previous Treasurer is a Certified Public Accountant. The two work on financial matters for the PHA. Additionally, Palmer Hockey Association utilizes a Board of Directors which regularly reviews financial reports and has sound management and financial practices in place.

PHA is a non-profit 501(c)3 corporation.

Grant funds will be used towards ice bills at the MTA Events Center, in Palmer, Alaska. Any funds not used will be returned to the City of Palmer.

Project Summary Information

In the space below, provide a concise, one paragraph summary of your proposed program, service, project or event and how it benefits the community as well as how this supports the Council's strategic priorities.

The Air Force Aim High tournament is the first year of an annual high school junior varsity hockey event hosted by Palmer Hockey Association that shows the junior varsity expertise. This event supports the Council's strategic priorities by celebrating our history of men and women in service, by showcasing Palmer and its businesses, beauty, and attractions, as well as providing a significant economic benefit to the City of Palmer. The 2021 tournament is estimated to bring in 400 spectators. Six of the 10 teams scheduled for the tournament will be utilizing Palmer's lodging, restaurants, retail, and attractions over the course of four days. This event will generate approximately \$15,700 of revenue for City of Palmer businesses and will be held at the MTA Events Center.

This event is the largest Junior Varsity high school hockey tournament in the state.

Project Scope of Work

Please list the steps to be taken to conduct the program, service, project or event. Be sure to address issues such as: beginning and ending date, who will work to conduct the event/project, clean-up team, where is the project going to occur (location).

The event will be begin on January 5, 2022 and will end on January 8, 2022. The event will be conducted by the Palmer Hockey Association which is 100% volunteers. Event registration and marketing has already begun with a total of 10 teams registered for the tournament. Palmer Hockey Association will manage all the logistics and execution of the event including team communications, set up, hospitality, scheduling, clean up and a ceremonial puck drop by a member of the Armed Forces. The event will be held at the MTA Events Center, 1317 S Kerry Weiland Lane in Palmer, Alaska.

Community Benefit

Please indicate how the results of your program, service, project or event will enhance economic development or generally benefit the city of Palmer. Describe the expected number of participates to be attracted by the event or project. Please explain how your organization will evaluate the community benefit of your event. Examples might include surveys, registrations, sign-in sheets, number of people served, etc.

The community benefit will be measured by the number of teams, number of players, coaches and managers in attendance of the event and their associated economic impact in Palmer. Approximately 400 people will attend the four-day event as measured by daily count tallies and schedules. The 2021 Air Force Aim High tournament will bring in approximately \$15,700 of revenue for City of Palmer businesses through utilizing Palmer's lodging, restaurants, retail, and attractions over the course of four days.

Detailed Budget

Revenue:

Source:	Cash	In-Kind	Total
Advertising	\$ 4,000		\$ 4,000
Coupon Book sales	\$ 500		\$ 500
Shoot-a-thon	\$ 5,000		\$ 5,000
	\$		\$
	\$		\$
	\$		\$
Totals	\$ 9,500		\$ 9,500

Expenditures:

Item/Service:	Cash	In-Kind	Total
Ice Rental	\$ 4,782		\$ 4,782
Referees	\$ 4,500		\$ 4,500
Hospitality		\$ 1,000	\$ 1,000
Event Mgmt./Volunteers		\$ 1,500	\$ 1,500
Printing		\$ 200	\$ 200
	\$		\$
	\$		\$
Totals	\$ 9,282	\$ 2,700	\$ 11,982

Matching Funding Source

Describe source of matching funding. Have alternate sources of funding been explored?

Matching funds will be solicited and raised by members and players of Palmer Hockey Association. In-kind support for this event will be provided by volunteers and local families of Palmer Hockey Association.

Post Event Report

Describe how you propose to provide a post-event report with details on the economic impact, how funding was spent on the sole purpose for which it was awarded, and if any unspent money is to be returned to the city (provide an expected date).

A post event report will be developed with information gathered by polling each team that traveled from outside of Palmer as to their lodging, meals and other expenses within Palmer. Additionally, a financial report will be provided detailing how the funding was spent on the 2022 Air Force Aim High Tournament. No funds are expected to be extra as monies will be applied to the ice bill of the event. There is an anticipated economic benefit for Palmer businesses of over \$15,700.

Applications may be submitted at any time to the address listed above. Please allow at least six weeks lead time for application review and City Council agenda scheduling.

Applicant signature: [Handwritten Signature]
Date: 9 Nov 2021

For Office Use Only

Date received by City Clerk's Office: _____

City Council agenda date: _____

Action Memorandum No.: _____

City Council: Approved Denied

Amount Approved: \$ _____

Date applicant notified of request outcome: _____

I-9 Form Submitted (for taxable organizations only): _____