

Mayor Edna B. DeVries  
Deputy Mayor Richard W. Best  
Council Member Steve Carrington  
Council Member Linda Combs  
Council Member Sabrena Combs  
Council Member David Fuller  
Council Member Pete LaFrance

City Attorney Michael Gatti  
City Clerk Norma I. Alley, MMC  
City Manager Nathan Wallace

**City of Palmer, Alaska**  
**City Council Meeting**  
**August 28, 2018, at 7 PM**  
City Council Chambers  
231 W. Evergreen Avenue, Palmer  
[www.cityofpalmer.org](http://www.cityofpalmer.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. 18-072:** Authorizing the City Manager to Negotiate and Enter into a Contract with Bering Marine Corporation for the Purchase and Delivery of 100 Tons of Road Salt in the Amount of \$16,830.00..... Page 3
  - b. **Action Memorandum No. 18-073:** Authorizing the City Manager to Enter into a Sole Source Procurement and Execute a Contract with National Meter & Automation for Badger Water Meters and Supplies in the Amount of \$25,464.00 ..... Page 23
  - c. **Action Memorandum No. 18-074:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Stephen J. and Heidi R. Hastings for a Lease on Block 3, Lease Lot 21, Palmer Municipal Airport for the Purpose of Establishing a Business Use Aircraft Hangar ..... Page 27

### E. REPORTS

1. City Manager's Report ..... Page 69
2. City Clerk's Report ..... Page 75
3. Mayor's Report ..... Page 79
4. City Attorney's Report

### F. AUDIENCE PARTICIPATION

### G. PUBLIC HEARING

1. **Ordinance No. 18-005:** Amending Palmer Municipal Code Title 14 Pertaining to Signs . Page 81

### H. ACTION MEMORANDA

### I. RECORD OF ITEMS PLACED ON THE TABLE

### J. AUDIENCE PARTICIPATION

### K. COUNCIL MEMBER COMMENTS

### L. EXECUTIVE SESSION

1. Matter which by Law, Municipal Charter, or Ordinances are Required to be Confidential – Pending Litigation Attorney Client Communication: William Pedersen et al vs. City of Palmer Case No. 3PA-17-01409CI (Note: action may be taken following the executive session)

2. Subjects That Tend to Prejudice the Reputation and Character of Any Person – City Manager's Evaluation (Note: action may be taken following the executive session)

**M. ADJOURNMENT**

**Tentative 2018 Palmer City Council Meetings**

<b>Meeting Date</b>	<b>Meeting Type</b>	<b>Time</b>	<b>Notes</b>
<b>Sept 11</b>	Regular	7 pm	
<b>Sept 25</b>	Regular	7 pm	
<b>Oct 8</b>	Special	6 pm	Election Certification
<b>Oct 9</b>	Regular	7 pm	
<b>Oct 16</b>	Special	6 pm	1 <sup>st</sup> Budget Public Hearing
<b>Oct 23</b>	Special	6 pm	Budget
<b>Oct 30</b>	Special	6 pm	Budget
<b>Nov 6</b>	Special	6 pm	Budget
<b>Nov 13</b>	Regular	7 pm	
<b>Nov 20</b>	Special	6 pm	Budget
<b>Nov 27</b>	Special	6 pm	Budget
<b>Nov 27</b>	Regular	7 pm	
<b>Dec 4</b>	Special	6 pm	Budget
<b>Dec 11</b>	Special	6 pm	Budget
<b>Dec 11</b>	Regular	7 pm	Budget Adoption (2 <sup>nd</sup> Public Hearing)

**City of Palmer  
Action Memorandum No. 18-072**

**Subject:** Authorizing the City Manager to Negotiate and Enter into a Contract with Bering Marine Corporation for the Purchase and Delivery of 100 Tons of Road Salt in the Amount of \$16,830.00

**Agenda of:** August 28, 2018

**Council Action:**     **Approved**                       **Amended:** \_\_\_\_\_  
                                   **Denied**

**Originator Information:**

**Originator:**    City Manager

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u>  √  </u>	Finance	<u><i>[Signature]</i></u>	<u>08/08/2018</u>
_____	Fire	_____	_____
_____	Police	_____	_____
<u>  √  </u>	Public Works	<u><i>[Signature]</i></u>	_____

**Approved for Presentation By:**

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

**Certification of Funds:**

Total amount of funds listed in this legislation:    \$ 16,830.00

This legislation (√):

- Creates revenue in the amount of:                      \$ \_\_\_\_\_
- Creates expenditure in the amount of:                      \$ 16,830.00
- Creates a saving in the amount of:                      \$ \_\_\_\_\_
- Has no fiscal impact

Funds are (√):

- Budgeted                      Line item(s): 01-17-40-6066
- Not budgeted                      \_\_\_\_\_

Director of Finance Signature: *[Signature]*

**Attachment(s):**

- Contract Pricing

**Summary Statement:**

This Action Memorandum authorizes the City's annual purchase of salt and sand mix for winter street maintenance and ice control.

This purchase will utilize the governmental procurement provision of City code (PMC 3.21.230). This allows the City, without the use of the competitive bidding procedure, to use another governmental bid process through bid extension.

In this case, the State of Alaska solicited bids for the supply of Type 1 sodium chloride in bulk. Bering Marine Corporation was awarded the contract. Under that contract, the City will purchase 100 tons of road salt at a per ton cost of \$168.30 delivered to Palmer, for a total cost of \$16,830.00.

**Administration's Recommendation:**

To approve Action Memorandum No. 18-072 Authorizing the City Manager to Negotiate and Enter into a Contract with Bering Marine Corporation for the Purchase and Delivery of 100 Tons of Road Salt in the Amount of \$16,830.

<b>CONTRACT AWARD</b>	<b>STATE OF ALASKA</b> Department of Transportation & Public Facilities Statewide Contracting & Procurement (3132 Channel Drive, Suite 350) P.O. Box 112500 Juneau, Alaska 99811-2500	<b>CONTRACT AWARD NUMBER</b>  <b>2518H029</b>
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ORDERING DEPARTMENT: <b>Department of Transportation &amp; Public Facilities</b> <b>Statewide Contracting &amp; Procurement</b> <b>P.O. Box 112500</b> <b>Juneau, Alaska 99811-2500</b>	COMMODITY CODE  19246	DATE OF CONTRACT <b>February 2, 2018</b>
	NUMBER & PERIOD OF RENEWAL OPTIONS <b>Four (4) One-Year</b>	PR NO. / DATE ASSIGNED <b>N/A</b>
	DATE INITIAL CONTRACT BEGINS <b>February 2, 2018</b>	DATE INITIAL CONTRACT ENDS <b>February 28, 2019</b>

CONTRACTOR: <b>Bering Marine Corporation</b> ADDRESS: <b>6400 South Airpark Place</b> <b>Anchorage, Alaska 99502</b>  CONTACT NAME: <b>Rick Gray</b> TELEPHONE NUMBER: <b>907-249-0204 fax: 907-245-1744</b> EMAIL: <b>rickg@lynden.com</b>	GS VENDOR CODE:
	ISSUED IN ACCORDANCE WITH BID #: <b>2518H029</b> DATED: <b>December 18, 2017</b>
	PRICE ADJ. REQ. PRIOR TO EACH: December 15 - no later than January 15
	CPI/PPI BASE INDEX POINTS & MO/YR:
	REVIEW DATE: Dec. 1      RENEWALS EXPIRE (MO/YR): Feb. 2023
ESTIMATED VALUE OF INITIAL TERM: <b>\$3,500,000.00</b> REBID: <b>12/2023</b>	

**SEND INVOICE IN DUPLICATE TO:**  Ordering Department      OR       As Specified in Description

**NOTE:** This order constitutes a binding commitment between the State and the contractor listed hereon. Unauthorized modification without the expressed prior approval of the contracting authority will result in a financial obligation on the contractor and/or unauthorized State personnel making the change.

**DESCRIPTION**

Contract for the as-needed purchase of Sodium Chloride, Type 1 in bulk form for delivery to various locations within Alaska for the Department of Transportation & Public Facilities. All terms and conditions of ITB #2518H029 apply.

CONTRACT TERMS: February 2, 2018 through February 28, 2019 with four (4) one-year renewal options.

ORDERS: Individual Purchase Orders will be issued by the Regional Procurement Offices on an as-needed basis with no guaranteed maximum quantities. **Minimum orders will be 30 tons.**

PRICES: **Prior to September 30, 2018**, the price per ton for most locations noted in the Price List is **\$154.50**, excluding the following locations which are: **Cordova \$214.50 / Juneau \$170 / Sitka \$260.24**

At any time during the contract period, new F.O.B. Points may be added. The price per ton for a new destination shall be the same as the nearest priced delivery destination with the State reimbursing the additional freight costs.

Orders placed **after September 30, 2018** shall be at the following rate (plus freight to final destination):

CDPP	Price	Deliver
Anchorage	\$271.63/ton	30 days ARO
Fairbanks	\$338.25/ton	30 days ARO
Valdez	\$328/ton	30 days ARO
Seattle	\$150/ton	30 days ARO

INVOICES: Send invoices to the address on the ordering agency's Purchase Order. **Additional shipping costs for new delivery destinations shall be invoiced as a separate line item with the actual receipts attached.**

CONTRACTING AUTHORITY NAME <b>Becky Gattung</b>	TITLE <b>Procurement Specialist IV</b>	SIGNATURE 
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TELEPHONE NUMBER: <b>(907) 465-8949</b>	PAGE 1 OF 1
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**IMPORTANT:**  
1. Contract award number and ordering department name must appear on all invoices and documents relating to this order.  
2. The State is registered for tax free transactions under Chapter 32, IRS Code, Registration No. 92-601185. Items are for the exclusive use of the State and not for resale.

DISTRIBUTION:	ORIGINAL TO CONTRACTOR ONE COPY TO JUNEAU GENERAL SERVICES ONE COPY TO RECEIVING DEPARTMENT SUPPLY SECTION
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**Lot No. 1: Sodium Chloride; Type 1 (Bulk)**

<u>F.O.B. Point</u>	<u>Mark For</u>	<u>Quantity (Tons)</u>	<u>Price/Tn</u>	<u>Total Extended Price</u>	<u>Deliver Not Before</u>	<u>Deliver No Later Than</u>
<b><u>Lot 1(A): Central Region</u></b>						
Anchorage	Anchorage M&O	1000	\$154.50	\$154,500.00	July 2, 2018	<a href="#">August 15, 2018</a>
Anchorage Int'l Airport	AIA	150	\$154.50	\$23,175.00	July 2, 2018	October 1, 2018
Cascade	Cascade	600	\$154.50	\$92,700.00	July 2, 2018	<a href="#">August 31, 2018</a>
Chulitna	Chulitna	900	\$154.50	\$139,050.00	July 2, 2018	<a href="#">August 31, 2018</a>
Homer Shop / MP 169	Homer Hwys	1235	\$154.50	\$190,807.50	July 2, 2018	<a href="#">September 15, 2018</a>
Homer Pit #3 / MP #160	Homer Hwys	127	\$154.50	\$19,621.50	July 2, 2018	<a href="#">September 15, 2018</a>
King River	King River	700	\$154.50	\$108,150.00	July 2, 2018	<a href="#">August 31, 2018</a>
Ninilchik	Ninilchik	565	\$154.50	\$87,292.50	July 2, 2018	<a href="#">September 15, 2018</a>
North Kenai	North Kenai	396	\$154.50	\$61,182.00	July 2, 2018	<a href="#">September 15, 2018</a>
Palmer	Palmer	2338	\$154.50	\$361,221.00	July 2, 2018	<a href="#">August 31, 2018</a>
Quartz Creek	Quartz Creek	633	\$154.50	\$97,798.50	July 2, 2018	August 31, 2018
Seward	Seward	94	\$154.50	\$14,523.00	July 2, 2018	<a href="#">September 15, 2018</a>
Seward Crown Point	Seward Crown Pt.	780	\$154.50	\$120,510.00	July 2, 2018	<a href="#">September 15, 2018</a>
Silvertip	Silvertip	750	\$154.50	\$115,875.00	July 2, 2018	<a href="#">August 15, 2018</a>
Soldotna	Soldotna	1285	\$154.50	\$198,532.50	July 2, 2018	<a href="#">September 15, 2018</a>
Soldotna Sterling Remote / MP 77	Sterling Remote	102	\$154.50	\$15,759.00	July 2, 2018	<a href="#">September 15, 2018</a>
Talkeetna	Talkeetna	130	\$154.50	\$20,085.00	July 2, 2018	<a href="#">August 31, 2018</a>
Wasilla	Wasilla	600	\$154.50	\$92,700.00	July 2, 2018	<a href="#">August 31, 2018</a>
Willow	Willow	1200	\$154.50	\$185,400.00	July 2, 2018	<a href="#">August 31, 2018</a>

**Lot 1(A) Totals:** Total Tonnage: **13585**

Total Extended Price Lot 1(A): **\$2,098,882.50**

**Lot 1(B): Southcoast Region:**

<u>F.O.B. Point</u>	<u>Mark For</u>	<u>Quantity (Tons)</u>	<u>Price/Tn</u>	<u>Total Extended Price</u>	<u>Deliver Not Before</u>	<u>Deliver No Later Than</u>
Juneau	Juneau	700	\$170.00	\$119,000.00	July 2, 2018	<a href="#">September 17, 2018</a>
Sitka	Sitka	25	\$260.24	\$6,506.00	July 2, 2018	October 31, 2018

**Lot 1(B) Totals:** Total Tonnage: **725**

Total Extended Price Lot 1(B): **\$125,506.00**

**Lot No. 1: Sodium Chloride; Type 1 ( Bulk) (cont.)**

**Lot 1(C): Northern Region:**

<u>F.O.B. Point</u>	<u>Mark For</u>	<u>Quantity (Tons)</u>	<u>Price/Tn</u>	<u>Total Extended Price</u>	<u>Deliver Not Before</u>	<u>Deliver No Later Than</u>
Cantwell	Cantwell	300	\$154.50	\$46,350.00	July 2, 2018	September 20, 2018
Cordova	Cordova	100	\$214.50	\$21,450.00	July 2, 2018	September 20, 2018
Delta	Delta	100	\$154.50	\$15,450.00	July 2, 2018	August 29, 2018
Ernestine	Ernestine	70	\$154.50	\$10,815.00	July 2, 2018	September 7, 2018
Fairbanks	Fairbanks	1200	\$154.50	\$185,400.00	July 2, 2018	September 20, 2018
Healy	Healy	200	\$154.50	\$30,900.00	July 2, 2018	September 20, 2018
Nelchina	Nelchina	60	\$154.50	\$9,270.00	July 2, 2018	September 7, 2018
Nenana	Nenana	50	\$154.50	\$7,725.00	July 2, 2018	September 20, 2018
Northway	Northway	50	\$154.50	\$7,725.00	July 2, 2018	August 29, 2018
MP 184 Richardson	Paxson	60	\$154.50	\$9,270.00	July 2, 2018	September 7, 2018
Slana	Slana	60	\$154.50	\$9,270.00	July 2, 2018	September 7, 2018
Tazlina	Tazlina	80	\$154.50	\$12,360.00	July 2, 2018	September 7, 2018
Thompson Pass	Thompson Pass	100	\$154.50	\$15,450.00	July 2, 2018	September 20, 2018
Tok	Tok	100	\$154.50	\$15,450.00	July 2, 2018	August 29, 2018
Trims	Trims	120	\$154.50	\$18,540.00	July 2, 2018	August 29, 2018
Valdez	Valdez	275	\$154.50	\$42,487.50	July 2, 2018	September 20, 2018

**Lot 1(C) Totals:** Total Tonnage: 2925  
 Total Extended Price Lot 1(C): \$457,912.50

**Lot No. 1: Sodium Chloride; Type 1 ( Bulk) (cont.)**

**Lot 1(D): Northern Region - Future Years Estimated Quantities:**

<u>F.O.B. Point</u>	<u>Mark For</u>	<u>Estimated Quantity (Tons)</u>	<u>Price/Tn</u>	<u>Total Extended Price</u>
Birch Lake	Birch Lake	100	\$154.50	\$15,450.00
Chitina	Chitina	100	\$154.50	\$15,450.00

**Lot 1(D) Totals:** Total Tonnage: 200  
 Total Extended Price Lot 1(D): \$30,900.00

**Lot No. 1: Sodium Chloride; Type 1 ( Bulk) (cont.)**

**Lot 1(E) As-Needed Quantities:**

<u>*CDPP</u>	<u>Minimum Order</u>	<u>Price/Tn</u>	<u>Total Extended Price</u>	<u>Deliver:</u>
Anchorage:	30 tons	<u>\$271.63</u>	<u>\$8,148.90</u>	<u>30 days ARO</u>
Fairbanks:	30 tons	<u>\$338.25</u>	<u>\$10,147.50</u>	<u>30 days ARO</u>
Valdez:	30 tons	<u>\$328.00</u>	<u>\$9,840.00</u>	<u>30 days ARO</u>
Seattle:	30 tons	<u>\$150.00</u>	<u>\$4,500.00</u>	<u>30 days ARO</u>
<b>Total Extended Price Lot 1(E):</b>			<b><u>\$32,636.40</u></b>	

\* CDPP = the Contract Designated Pricing Point as defined on page 9 of the ITB

Delivery of "as-needed quantity" orders is required no later than thirty (30) days after receipt of order. By signature on page one of the ITB, the bidder . guarantees delivery of these auxiliary orders within 30 days after receipt of order.

**GRAND TOTAL EXTENDED PRICE- LOT NO. 1 (A+B+C+D+E):**

**\$2,745,837.40**

Manufacturer/Supplier: Mitsubishi Canada LTD.

Product/Brand Name: ESSA Deicing Salt



INVITATION TO BID

ITB NO. 2518H029

RETURN THIS BID TO THE ISSUING OFFICE AT:



Department of Transportation & Public Facilities
Statewide Contracting & Procurement
P.O. Box 112500
(3132 Channel Drive, Suite 350)
Juneau, Alaska 99811-2500

THIS IS NOT AN ORDER

DATE ITB ISSUED: December 18, 2017

ITB TITLE: Highway De-icer – Sodium Chloride in Bulk

SEALED BIDS MUST BE SUBMITTED TO THE STATEWIDE CONTRACTING AND PROCUREMENT SECTION. BIDS MUST BE TIME AND DATE STAMPED BY THE PURCHASING SECTION PRIOR TO 2:00 PM ON JANUARY 12, 2018, AT WHICH TIME THEY WILL BE PUBLICLY OPENED.

DELIVERY LOCATION: See "Bid Schedule" and "Attachment A".

DELIVERY DATE: See "Bid Schedule".

F.O.B. POINT: FINAL DESTINATION

IMPORTANT NOTICE: If you received this solicitation from the State's "Online Public Notice" web site, you must register with the Procurement Officer listed on this document to receive notification of subsequent amendments. Failure to contact the Procurement Officer may result in the rejection of your offer.

BIDDER'S NOTICE: By signature on this form, the Bidder certifies that:

- (1) the Bidder has a valid Alaska business license, or will obtain one prior to award of any contract resulting from this ITB. If the Bidder possesses a valid Alaska business license, the license number must be written below or one of the following forms of evidence must be submitted with the bid:
- a canceled check for the business license fee;
- a copy of the business license application with a receipt date stamp from the State's business license office;
- a receipt from the State's business license office for the license fee;
- a copy of the Bidder's valid business license;
- a sworn notarized statement that the Bidder has applied and paid for a business license;
(2) the price(s) submitted was arrived at independently and without collusion and that the Bidder is complying with:
- the laws of the State of Alaska;
- the applicable portion of the Federal Civil Rights Act of 1964;
- the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and
- all terms and conditions set out in this Invitation to Bid (ITB).

If a Bidder fails to comply with (1) at the time designated in the ITB for opening the State will disallow the Alaska Bidder Preference. If a Bidder fails to comply with (2) of this paragraph, the State may reject the bid, terminate the contract, or consider the Contractor in default. Bids must be also submitted under the name as appearing on the Bidder's current Alaska business license in order to receive the Alaska Bidder Preference.

Form containing bidder information: Becky Gattung (Contracting Officer), Bering Marine Corporation (Company Submitting Bid), 91-1278545 (Federal Tax ID Number), Rick Gray (Authorized Signature), 59191 (Alaska Business License Number), and qualification questions regarding business and veteran preferences.

**BID SCHEDULE**

May other State of the Alaska political subdivisions such as municipalities, boroughs and school districts at their option purchase from this contract? *The Bidder's response does not affect the evaluation of the bid nor award of the contract.*

(Check one) yes \_\_\_ no X

The Bid Schedule [pages 22-23] is available in MS Excel format upon request.

Ordering Address:

Business Name: Bering Marine Corporation

6400 S. Airpark Place

Mailing Address: \_\_\_\_\_

Anchorage, AK 99502

\_\_\_\_\_  
Rick Gray  
Contact: \_\_\_\_\_

(907)249-0204  
Phone: \_\_\_\_\_

Toll Free: \_\_\_\_\_

(907)245-1744  
Fax: \_\_\_\_\_

rickg@lynden.com  
Email: \_\_\_\_\_

**BID RESPONSE CHECKLIST:**

1. Completed and sign Page One
2. Technical Specification Sheets (page 9)
3. Certified Lab Test Results (page 9)
4. Material Safety Sheet (page 9)
5. Bid Guarantee (page 14)
6. Completed Bid Schedule (pages 20-22)  
\*Note: Bidders need not respond to all lots, but all items within the lot(s) submitted must be priced. Only lots submitted for the State's consideration are required with your bid response.
7. All Mandatory Return Amendments



**EXPORTADORA DE SAL, S. A. DE C. V.**

GUERRERO NEGRO, BAJA CALIFORNIA SUR  
MEXICO

TEL: (615) 157 51 00  
FAX: (615) 157 04 77  
TLX: 52562 ESGNME



FAX COVER SHEET

DATE:	JANUARY 04, 2018
TO:	MR. KENTARO NAGAO MS ROSE WONG
COMPANY:	MITSUBISHI INTERNATIONAL CORP.
REFERENCE:	CERTIFICATE OF ANALYSIS CRYSTAL SIZE ANALYSIS

TO FAX No:	MIC HOUSTON
FROM:	BIOL. FERNANDO HEREDIA URIBE
NUMBER OF PAGES INCLUDING COVER:	1

**MESSAGE:**

PLEASE BE INFORMED OF CHEMICAL AND SIZE ANALYSIS RESULTS PERFORMED AT CEDROS LOADING TERMINAL ON SHIPMENT OF REFERENCE, AS FOLLOWS:

**SHIPMENT B/L DATE:**

**DESTINATION PLANT:**

**VESSEL'S VOYAGE:** STOCK PILE

**QUANTITY:** M.T. DEICE SALT

CHEMICAL COMPOSITION ( DRY BASIS )					SCREEN		METRIC TONS	
					MESH	% PASING	HOLD	TONS
MOISTURE	%	<u>2.82</u>			3 /4"	<u>100.00</u>	1	
	%				1 /2"	<u>100.00</u>	2	
CALCIUM	as Ca <sup>+2</sup>	<u>0.048</u>	as CaO	<u>0.067</u>	3/8"	<u>97.17</u>	3	
					4/M	<u>33.63</u>	4	
MAGNESIUM	as Mg <sup>+2</sup>	<u>0.027</u>	as MgO	<u>0.044</u>	8/M	<u>13.72</u>	5	
					30/M	<u>0.73</u>	6	
SULFATES	as S04 <sup>-2</sup>	<u>0.163</u>	as SO3	<u>0.136</u>	-30/M	<u>0.00</u>	7	
INS MATTER		<u>0.015</u>		<u>0.015</u>				
NaCl	DRY	<u>99.71</u>						
NaCl	WET	<u>96.90</u>						
							<b>TOTAL</b>	<b>0</b>

FERNANDO HEREDIA U.  
QUALITY CONTROL DEPARTMENT

CCP. MR. YUJI, FUJITAKE



# Exportadora de Sal, S.A. de C.V.

## SAFETY DATA SHEET

### 1. Identification

- (a) **Product name:** Regular salt (Sodium Chloride)
- (b) **Common names or synonyms:** Halite, common salt, sea salt
- (c) **Recommended use:** Chemical Industry Application
- (d) **Company Information:** Exportadora de Sal S. A. de C.V.  
Av. Baja California S/N  
Guerrero Negro, Baja California Sur 23940, México  
Telephone number / Fax:  
+ 52 615 157 51 00 / + 52 615 157 04 77  
Website: [www.essa.com.mx](http://www.essa.com.mx)  
Emergency telephone number 01 (800) 713 83 12

### 2. Hazard(s) Identification

(a) **GHS Classification:**

- Code: H319  
Hazard Statements: Causes serious eye irritation.  
Hazard Class: Serious eye damage/eye irritation.

Pictogram:



Signal Word:

Warning

(b) **Precautionary Statements P-Codes:**

Prevention Precautionary Statements:

- **P264** Wash thoroughly after handling
- **P280** Wear protective gloves/protective clothing/eye protection/face protection.

Response Precautionary Statements:

- **P305+P351+P338** IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses if present and easy to do - continue rinsing.
- **P313** Get medical advice/attention.

### 3. Composition/Information on Ingredients



## Exportadora de Sal, S.A. de C.V.

(a) Chemical name:	Sodium Chloride (NaCl)	
(b) Common names and synonyms:	Halite, common salt, sea salt	
(c) CAS number:	7647-14-5	
(d) Chemical Analysis:	(%dry weight)	
	Sodium Chloride	99.60% min.
	Calcium, as Ca	0.06% max.
	Magnesium, as Mg	0.03% max.
	Sulfate, as SO <sub>4</sub>	0.20% max.
	Insoluble	0.03% max.

### 4. First-Aid Measures

<b>Inhalation</b>	If dust from the material is inhaled, remove the affected person immediately to fresh air. Call a physician if symptoms develop or persist.
<b>Ingestion</b>	Rinse mouth thoroughly with water immediately. Give plenty of water to drink. Never give anything by mouth to an unconscious person. If swallowed, do NOT induce vomiting. Seek medical attention in severe cases or if large amounts ingested.
<b>Skin</b>	Wash off with soap and water. Get medical attention if irritation develops and persists.
<b>Eye contact</b>	If contact with eye(s) occurs, wash with copious amounts of water for approximately 15 minutes holding eyelid (s) open. If symptoms persist seek medical attention.

### 5. Fire-Fighting Measures

- (a) **Suitable extinguishing media:** Use water spray, alcohol-resistant foam, dry chemical or carbon dioxide.
- (b) **Advice for firefighters:** Wear self-contained breathing apparatus for firefighting if necessary.
- (c) **Other Fire Fighting Hazards:** Explosion occurs when molten salt at 1100 °C in accidental contact with water.

### 6. Accidental Release Measures

- (a) **Personal precautions:** Avoid breathing dust, vapors, mist or gas.



## Exportadora de Sal, S.A. de C.V.

- (b) **Methods and material for containment and cleaning up:** Use appropriate tools to put the spilled solid in a convenient waste disposal container. Finish cleaning by spreading water on the contaminated surface and dispose of according to local and regional authority requirements.

### 7. Handling and Storage

- (a) **Precautions for safe handling:** Provide appropriate exhaust ventilation at places where dust is formed. Minimize dust generation and accumulation. Avoid breathing dust. Avoid contact with eyes. Avoid contact with water and moisture. Keep away from strong acids. May evolve chlorine gas when in contact with strong acids. Hydrogen chloride release above 1400°F.
- (b) **Conditions for safe storage:** Avoid wet conditions as product will cake and become hard; becomes hygroscopic at 75% relative humidity; avoid contact with strong acids.

### 8. Exposures Controls/Personal Protection

- (a) **Appropriate engineering controls:** Use process enclosures, local exhaust ventilation, or other engineering controls to keep airborne levels below recommended exposure limits. If user operations generate dust, fume or mist, use ventilation to keep exposure to airborne contaminants below the exposure limit.
- (b) **Protective equipment:**
- **Respiratory:** Not normally required when using this product. If necessary, use only respiratory protection authorized in U.S. Federal OSHA Respiratory Protection Standard (29 CFR 1910.134).
  - **Eye:** Safety glasses are recommended to prevent eye contact.
  - **Hand and body:** protective gloves and clothing are recommended to prevent skin contact.

### 9. Physical and Chemical Properties

- |  |  |
|--|--|
| (a) <b>Appearance:</b>                                   | Solid, colorless, transparent cubic crystals or white. |
| (b) <b>Odor:</b>   | Odorless   |
| (c) <b>pH:</b>   | 6.7-7.3 (Aqueous solution is neutral)                  |
| (d) <b>Melting point:</b>                                | 800.7°C  |
| (e) <b>Boiling point:</b>                                | 1465°C   |
| (f) <b>Flash point:</b>                                  | Not flammable  |
| (g) <b>Evaporation rate:</b>                             | Not available  |
| (h) <b>Flammability (solid, gas):</b>                    | Not available  |
| (i) <b>Upper/lower flammability or explosive limits:</b> | Not available  |
| (j) <b>Vapor pressure:</b>                               | 1 mm Hg at 1589° F                                     |



## Exportadora de Sal, S.A. de C.V.

(k) Vapor density:	None Found
(l) Relative density:	2.16 (H <sub>2</sub> O = 1)
(m) Solubility:	36.0 g/100 g of water at 25°C
(n) Partition coefficient: n-octanol/water:	Not available
(o) Auto-ignition temperature:	Not available
(p) Decomposition temperature:	Not available
(q) Viscosity:	Viscosity of saturated aqueous solution = 1.93 mPa-s

### 10. Stability and Reactivity

- (a) **Reactivity:** The product is stable and non-reactive under normal conditions of use, storage and transport.
- (b) **Chemical stability:** Stable under normal temperature, pressure and conditions of use and storage.
- (c) **Possibility of hazardous reactions:** Hygroscopic. Reacts with most nonnoble metals such as iron or steel, building materials (such a cement). Reactions with bromium trifluoride and lithium are violent. Reaction of sodium chloride with water at > 1100 ° is explosive.
- (d) **Conditions to avoid:** Extremes of temperature, dust generation, exposure to moist air or water and incompatible materials.
- (e) **Incompatible Materials:** Strong oxidizing agents, metals, strong acids, alkali metals (lithium), bromine trifluoride, nitro compounds, dichloromaleic anhydride + urea.
- (f) **Hazardous decomposition product:** may evolve chlorine gas when in contact with strong acids. Possibly chlorine, nitrogen and sodium containing compounds.

### 11. Toxicological Information

- (a) **Information on the likely routes of exposure:**
  - **Inhalation:** Dusts may be irritating.
  - **Ingestion:** Ingestion of large quantities can irritate the stomach.
  - **Skin:** Irritation after prolonged contact.
  - **Eye:** Dust may be irritating.
- (b) **Symptoms related to the physical, chemical and toxicological characteristics:** Eye and skin contact: Exposure may cause temporary irritation, redness, or discomfort. For ingestion, consuming less than a few grams would not be harmful. The following effects were observed after ingesting an excessive quantity: nausea and vomiting, diarrhea, cramps, restlessness, irritability, dehydration, water retention, nose bleed, gastrointestinal tract damage, fever, sweating, sunken eyes, high blood pressure, muscle weakness, dry mouth and nose, shock, cerebral edema (fluid on brain), pulmonary edema (fluid in lungs), blood cell shrinkage, and



## Exportadora de Sal, S.A. de C.V.

brain damage (due to dehydration of brain cells). Death is generally due to cardiovascular collapse or CNS damage.

- (c) **Numerical measures of toxicity:** Oral LD50 (rat); 3,000 mg/kg
- (d) **Carcinogenicity:** This product is not considered to be a carcinogen by IARC, ACGIH, NTP, or OSHA.

### 12. Ecological information

- (a) **Ecotoxicity:** This material is water soluble and occurs naturally, and is unlikely to have any long-term effect on the environment. However, large or frequent applications or spills can have a potentially damaging effect on the environment.
- (b) **Degradability:** No data available.
- (c) **Bioaccumulative potential:** No data available.
- (d) **Mobility in soil:** This material is water soluble and is expected to move rapidly with surface water or ground water flows.

### 13. Disposal considerations

Waste must be disposed of in accordance with federal, state and local environmental control regulations.

### 14. Transport information

- (a) **UN number:** None
- (b) **UN proper shipping name:** Non-regulated Material
- (c) **Transport hazard class:** None
- (d) **Packing group:** None
- (e) **Marine pollutant:** No
- (f) **Transport in bulk according to Annex II of MARPOL 73/78 and the IBC Code:** is not considered dangerous goods.

### 15. Regulatory information





## Exportadora de Sal, S.A. de C.V.

### 16. Other information, including date of preparation or last revision

Issue date 06/May/2014

Revision date 20/December/2017

Version # 02

HMIS rating: Health: 1 Flammability: 0 Physical hazard: 0 Personal protection: A

All statements, technical information and recommendations contained herein are, the best of our knowledge, reliable and accurate; however, no warranty, either expressed or implied is made with respect thereto, nor will any liability be assumed for damages resultant from the use of the material described.

It is the responsibility of the user to comply with all applicable federal, state and local laws and regulations. It is also the responsibility of the user to maintain a safe workplace. The user should consider the health hazards and safety information provided herein as a guide and should take the necessary steps to instruct employees and to develop work practice procedures to ensure a safe work environment.

This information is not intended as a license to operate under, or a recommendation to practice or infringe upon any patent of this Company or others covering any process, composition of matter or use.

**CERTIFICATE OF ANALYSIS**

Nr.	IQQ-1710-0421
VESSEL	" PACIFIC CEBU "
LOADING DATE	OCTOBER 09 <sup>TH</sup> / 10 <sup>TH</sup> , 2017
PORT	PATILLOS, CHILE
CARGO	DE-ICING SALT
NOC	NOC 001 H
BUYER	BERING MARINE CORPORATION
COUNTRY	U.S.A.
HOLDS	1 - 2 - 3 - 4 - 5
TOTAL LOADING	51,282 MT

**1. Chemical Analysis (dried basis)**

Determination	Unit	Specification	Result
Sodium Chloride (as NaCl)	(%)	97.00 Min	98.70
Total Moisture	(%)	0.4 Max	0.2 <sup>(*)</sup>
YPS	(mg/kg)	85 ± 15	83

(\*) Natural moisture before the loading = 0.09 %. Additional moisture according to buyer requirement.

**2. Sieve Analysis**

Sieve Size	Unit	Specifications	Result
USA Sieve 1/2"	(%)	100 Passing	100
USA Sieve 3/8"	(%)	95 - 100 Passing	97
USA Sieve 4	(%)	20 - 90 Passing	71
USA Sieve 8	(%)	10 - 60 Passing	48
USA Sieve 30	(%)	0 - 12 Passing	12

**TEST METHODS**

Na Cl	= ASTM NORM E 534-98 (2003), K+S METHOD MAL Nr. 20
Total Moisture	= GRAVIMETRIC METHOD, K+S CHILE METHOD MAL Nr 43
Decahydrate YPS	= SPECTROPHOTOMETRIC METHOD, K+S METHOD MAL Nr 19
Sieve analysis	= ASTM NORM D 632 - 01, K+S METHOD MAL Nr 26

 Copy to: VP Operations and Supply Chain  
 Head of Technical Center  
 Head of North Operations  
 Head of Industrial Bulk  
 Maritime Department  
 Transportation and Storage Department  
 Quality Assurance Area



 MAURICIO LOPEZ B.  
 MARSS IQUIQUE

 Patillos, October 11<sup>th</sup>, 2017

Página 1 de 1

In accepting this preliminary report it is agreed that the extent of the obligation of this Company with respect there to is limited to furnishing a surveyor believed to be competent, and in the making of this certificate the surveyor is acting impartially and to the best of his ability and no liability shall attach to the Company or the surveyor for the accuracy thereof. Our responsibility can never exceed the amount of our fees.



## SAFETY DATA SHEET

### 1-CHEMICAL PRODUCT AND COMPANY IDENTIFICATION

PRODUCT NAME	SODIUM CHLORIDE
COMPANY IDENTIFICATION	K+S Chile S. A.
ADDRESS	Costanera Sur Río Mapocho 2730, Of. 601, Santiago - Chile
EMERGENCY TELEPHONE	(56)(2) 2469 6000 - (56)(2) 600 369 6000

### 2.-COMPOSITION / INFORMATION ON INGREDIENTS

CHEMICAL NAME	SODIUM CHLORIDE
CHEMICAL FORMULA	NaCl
SYNONYM	SALT, ROCK SALT
CAS # :	7647-14-5
EC # :	231-598-3
MOLECULAR WEIGHT	58.45 g/mol
PRODUCT CODES :	NOC 001 H
% BY WEIGHT	≥ 97.0%

### 3.-HAZARDS IDENTIFICATION

**POTENTIAL ACUTE HEALTH EFFECTS: SLIGHTLY HAZARDOUS IN CASE OF SKIN CONTACT (IRRITANT), OF EYE CONTACT (IRRITANT), OF INGESTION, OF INHALATION**

### 4.- FIRST AID MEASURES

**INHALATION:** REMOVE TO FRESH AIR. GET MEDICAL ATTENTION FOR ANY BREATHING DIFFICULTY  
**INGESTION:** IF LARGE AMOUNTS WERE SWALLOWED, GIVE WATER TO DRINK AND GET MEDICAL ADVICE  
**SKIN CONTACT:** WASH EXPOSED AREA WITH SOAP AND WATER. GET MEDICAL ADVICE IF IRRITATION DEVELOPS.  
**EYE CONTACT:** IMMEDIATELY FLUSH EYES WITH PLENTY OF WATER FOR AT LEAST 15 MINUTES, LIFTING UPPER AND LOWER EYELIDS OCCASIONALLY. GET MEDICAL ATTENTION IF IRRITATION PERSISTS.



#### 5-FIRE FIGHTING MEASURES

**FIRE:** NOT CONSIDERED TO BE A FIRE HAZARD  
**EXPLOSION:** NOT CONSIDERED TO BE AN EXPLOSION HAZARD  
**FIRE EXTINGUISHING MEDIA:** USE ANY MEANS SUITABLE FOR EXTINGUISHING SURROUNDING FIRE

#### 6-ACCIDENTAL RELEASE MEASURES

VENTILATE AREA OF LEAK OR SPILL. WEAR APPROPRIATE PERSONAL PROTECTIVE EQUIPMENT. SWEEP UP AND CONTAINERIZE FOR RECLAMATION OR DISPOSAL. VACUUMING OR WET SWEEPING MAY BE USED TO AVOID DUST DISPERSAL. SMALL AMOUNTS OF RESIDUE MAY BE FLUSHED TO SEWER WITH PLENTY WATER

#### 7-HANDLING AND STORAGE

KEEP IN A TIGHTLY CLOSED CONTAINER, STORED IN A COOL, DRY, VENTILATED AREA. PROTECT AGAINST PHYSICAL DAMAGE. CONTAINERS OF THIS MATERIAL MAY BE HAZARDOUS WHEN EMPTY SINCE THEY RETAIN PRODUCT RESIDUES (DUST SOLIDS); OBSERVE ALL WARNINGS AND PRECAUTIONS LISTED FOR THE PRODUCT

#### 8-EXPOSURE CONTROLS / PERSONAL PROTECTION

**PERSONAL RESPIRATORS :** FOR CONDITIONS OF USE WHERE EXPOSURE TO DUST OR MIST IN APPARENT AND ENGINEERING CONTROLS NOT FEASIBLE, PARTICULATE RESPIRATOR (NIOSH TYPE 95 OR BETTER FILTERS) MAY BE WORN  
**SKIN PROTECTION:** WEAR GLOVES AND CLEAN BODY-COVERING CLOTHING  
**EYE PROTECTION:** USE CHEMICAL SAFETY GOGGLES. MAINTAIN EYE WASH FOUNTAIN AND QUICK-DRENCH FACILITIES IN WORK AREA

#### 9-PHYSICAL AND CHEMICAL PROPERTIES

APPEARANCE	WHITE CRYSTALS
ODOR	ODORLESS
pH	5 - 8
MELTING POINT	800 °C
BOILING POINT (1013 hPa)	1461 °C
SPECIFIC GRAVITY (20 °C)	2.17 g/cc
SOLUBILITY (WATER, 20 °C)	358 g/L



#### 10-STABILITY AND REACTIVITY DATA

**STABILITY:** STABLE UNDER CONDITIONS OF USE AND STORAGE. HYGROSCOPIC.  
**INCOMPATIBILITIES:** LITHIUM, BROMINE TRIFLUORIDE  
**SPECIAL REMARKS ON REACTIVITY:** REACT WITH MOST NONNOBLE METALS SUCH AS IRON OR STEEL BUILDING MATERIALS (SUCH AS CEMENT)

#### 11-TOXICOLOGICAL INFORMATION

**ACUTE TOXICITY :** LD 50 ( ORAL,RAT ) : 3000 mg / Kg  
**SPECIFIC SYMPTOMS IN ANIMAL STUDIES:** EYE IRRITATION TES (RABBIT): SLIGHT IRRITATIONS  
**SUBACUTE TO CHRONIC TOXICITY**  
NONCARCINOGENIC IN ANIMAL EXPERIMENTS  
NO MUTAGENIC EFFECT IN ANIMAL EXPERIMENTS  
NO IMPAIRMENT OF REPRODUCTIVE PERFORMANCE SUSPECTED  
NO TERATOGENIC EFFECT IN ANIMAL EXPERIMENTS  
**FURTHER TOXICOLOGICAL INFORMATION**  
**AFTER EYE CONTACT:** SLIGHT IRRITATIONS  
**AFTER SWALLOWING OF LARGE AMOUNTS:** NAUSEA, VOMITING

#### 12-ECOLOGICAL INFORMATION

**BIOLOGIC DEGRADATION:** METHODS FOR DETERMINATION OF BIODEGRADABILITY ARE NOT APPLICABLE TO INORGANIC SUBSTANCES  
**BEHAVIOR IN ENVIRONMENTAL COMPARTMENTS:** CONCENTRATION IN ORGANISM IS NOT TO BE EXPECTED  
**FURTHER ECOLOGICAL DATA:** NO ECOLOGICAL PROBLEMS ARE TO BE EXPECTED WHEN THE PRODUCT IS HANDLED AND USED WITH DUE CARE AND ATTENTION

#### 13-DISPOSAL CONSIDERATIONS

**PRODUCT:** SWEEP IN DRY. IF NECESSARY DISPOSED THE WASTE IN COMPLIANCE WITH THE RESPECTIVE NATIONAL REGULATIONS, ELSE DISPOSE OF THE WASTE WITH PLENTY OF WATER  
**PACKAGING:** MUST BE DISPOSED OF IN COMPLIANCE WITH THE COUNTRY SPECIFIC REGULATIONS



#### 14-TRANSPORT INFORMATION

NOT SUBJECT TO TRANSPORT REGULATIONS

#### 15-REGULATORY INFORMATION

**EINECS:** THIS PRODUCT IS ON THE EUROPEAN INVENTORY OF EXISTING COMMERCIAL CHEMICAL SUBSTANCES  
**WHMIS (CANADA):** NOT CONTROLLED UNDER WHMIS

#### 16-OTHER INFORMATION

THE SAFETY DATA SHEET (SDS) RELATES TO SAFETY REPORT AND CAN NOT TO TAKE ACCOUNT ALL POSSIBLE SITUATIONS TO HAPPEN IN A PLACE OF SPECIFIC WORK, THUS, THE MSDS IS ONLY PART OF PREVENTION PROGRAM RISK  
THE DATA SUPPLIED BY K+S Chile S. A. ARE BASED UPON OUR CURRENT KNOWLEDGE. THESE DATAS ONLY DESCRIBE THE PRODUCT WITH REGARD TO THE APPROPRIATE SAFETY PRECAUTIONS IT DOES NOT REPRESENT A GUARANTEE OF THE PROPERTIES OF THE PRODUCT

**DATE OF EMISSION:** NOVEMBER 23<sup>TH</sup> OF 2017

**City of Palmer  
Action Memorandum No. 18-073**

**Subject:** Authorizing the City Manager to Enter into a Sole Source Procurement and Execute a Contract with National Meter & Automation for Badger Water Meters and Supplies in the Amount of \$25,464.00

**Agenda of:** August 28, 2018

**Council Action:**     **Approved**                       **Amended:** \_\_\_\_\_  
                                   **Denied**

**Originator Information:**

**Originator:**    City Manager

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u>  √  </u>	Finance	<u><i>[Signature]</i></u>	<u>08/08/2018</u>
_____	Fire	_____	_____
_____	Police	_____	_____
<u>  √  </u>	Public Works	<u><i>[Signature]</i></u>	<u>07/06/2017</u>

**Approved for Presentation By:**

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

**Certification of Funds:**

Total amount of funds listed in this legislation:    \$ 25,464.00

This legislation (√):

- Creates revenue in the amount of:                      \$ \_\_\_\_\_
- Creates expenditure in the amount of:                      \$ 25,464.00
- Creates a saving in the amount of:                      \$ \_\_\_\_\_
- Has no fiscal impact

Funds are (√):

- Budgeted                      Line item(s): 02-01-10-6053
- Not budgeted

Director of Finance Signature: *[Signature]*

**Attachment(s):**

- National Meter & Automation, Badger Meter Quote – July 2018

**Summary Statement:**

This AM requests approval to purchase new repair parts to rebuild meters, meter heads, and new meters from National Meter & Automation. PMC 3.21.230 allows for governmental and proprietary purchases.

The City has approximately 2,100 Badger water meters in service throughout Palmer. The City purchases Badger water meters and accessories from National Meter & Automation annually to issue to new customers and replace old, failing meters.

Limiting the source of water meters and meter parts to Badger to maintain a consistent inventory of meter equipment and to ensure water meters are compatible with meter reading equipment allows the water department to work more effectively and efficiently.

The Department of Public Works budgets annually for the maintenance and replacement of water meters and system components.

**Administration's Recommendation:**

To approve Action Memorandum No. 18-073 Authorizing the City Manager to Enter into a Sole Source Procurement and Execute a Contract with National Meter & Automation for Badger Water Meters and Supplies in the Amount of \$25,464.00.





# QUOTATION

7220 South Fraser Street  
 Centennial, CO 80112  
 Phone: 303.339.9100  
 Fax: 303.649.1017

DATE: July 31, 2018  
 QUOTED BY: Erik Twenge  
 CUSTOMER EMAIL: [rpittman@palmerak.org](mailto:rpittman@palmerak.org)

**BILL TO:** CITY OF PALMER

**SHIP TO:** CITY OF PALMER

SALESPERSON	PAYMENT TERMS	SHIPPING METHOD	SHIPPING TERMS	SUBJECT TO REVIEW
ERIK TWENGE	Net 30 Days	Best Way	Included with orders \$25K+	10.31.18

QTY	Product Description	UNIT PRICE	AMOUNT
3	3" TURBO SERIES METER WITH INTERGRAL STRAINER W/ FLANGES, GASKETS, NUTS AND BOLTS,HRE-8DIAL, ORION CE, 10FT LEAD, REMOTE ANTENNA MOUNTS (64394-029)	\$1,232.50	\$3,697.50
2	2" TURBO SERIES METER WITH INTERGRAL STRAINER W/ FLANGES, GASKETS, NUTS AND BOLTS,HRE-8DIAL, ORION CE, 10FT LEAD, REMOTE ANTENNA MOUNTS (64394-029)	\$957.60	\$1,915.20
2	2" M-170 DISC METER WITH FLANGES, GASKETS, NUTS AND BOLTS, HRE-8DIAL, ORION CE, 10FT LEAD, REMOTE ANTENNA MOUNTS (64394-029)	\$788.55	\$1,577.10
4	1" M-70 DISC METER WITH CONNECTORS AND GASKETS, HRE-8DIAL, ORION CE, 10FT LEAD, REMOTE ANTENNA MOUNTS (64394-029)	\$326.55	\$1,306.20
80	5/8"X3/4" M-25 DISC METER WITH CONNECTORS AND GASKETS, HRE-8DIAL, ORION CE, 10FT LEAD, REMOTE ANTENNA MOUNTS (64394-029)	\$212.10	\$16,968.00

<b>SUBTOTAL</b>	\$25,464.00
<b>SALES TAX</b>	-
<b>FREIGHT</b>	Add
<b>TOTAL</b>	\$25,464.00

**Sales Tax:** To be quoted at time of order

**Est. Lead Time:** 4 to 6 weeks ARO

**THANK YOU FOR YOUR BUSINESS!!**

This quotation is an offer subject to the Terms and Conditions available on our website:

[www.nationalmeter.com/legal](http://www.nationalmeter.com/legal)



**City of Palmer  
Action Memorandum No. 18-074**

**Subject:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Stephen J. and Heidi R. Hastings for a Lease on Block 3, Lease Lot 21, Palmer Municipal Airport for the Purpose of Establishing a Business Use Aircraft Hangar


**Agenda of:** August 28, 2018

**Council Action:**     **Approved**                       **Amended:** \_\_\_\_\_  
                                   **Defeated**




**Originator Information:**

**Originator:**    City Manager

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		8/10/18
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

**Approved for Presentation By:**

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

**Certification of Funds:**


Total amount of funds listed in this legislation:    \$ 1,660.00

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>1,660.00</u>
<input type="checkbox"/>	Creates expenditure in the amount of:	\$ _____
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

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

Director of Finance Signature: 

**Attachment(s):**

- Draft Lease Agreement 18-001 & (Exhibit A)
- Draft Memorandum of Lease
- Plot Plan
- Lease Application

**Summary Statement/Background:**

Mr. Stephen "Jamie" Hastings, a commercial pilot with Pen Air Service and a licensed CF1/I flight instructor, wishes to build a commercial business use hangar for his now expanding flight instruction and aircraft rentals at the Palmer Municipal Airport. Mr. Hastings is currently operating at the airport under a commercial operating agreement, four rented tie down spaces and a rental agreement with a T-hangar owner.

A new dedicated hangar and lease lot will allow the Hastings to properly invest in their business venture and give them the space needed to expand their operations. In addition to flight instruction and aircraft rental, Mrs. Hastings manufactures wing covers and plans to open an airport Café and pilots lounge to not only serve their customers, but all airport users and visitors alike. The Hastings own numerous aircraft and purchase aircraft to use in their business or resell after repairs are completed.

This fall, Mr. Hastings intends to clear and grub the lot and then begin building construction efforts in the spring of 2019.

The FAA has already provided guidance and concurrence with the non-aeronautical use portion of their hangar proposal and the Café portion of their lease agreement has been modified to include a non-aeronautical rate of 2 cents higher for that portion of the building and lease lot use.

**Administration's Recommendation:**

To approve Action Memorandum No. 18-074 Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Stephen J. and Heidi R. Hastings for a lease on Block 3, Lease Lot 21, Palmer Municipal Airport for the purpose of establishing a business use aircraft hangar.



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

**PALMER MUNICIPAL AIRPORT  
LEASE AGREEMENT No. 18-001**

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**City of Palmer**

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

**PALMER MUNICIPAL AIRPORT  
LEASE AGREEMENT No. 1X-XXX**

This LEASE AGREEMENT is made and entered into this \_\_\_\_\_ (date), 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 **Stephen J. Hastings and Heidi R. Hastings**, 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 21  
Containing 0.55 acres or 24,048 square feet, more or less  
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: **Flight Instruction, Aircraft Rental, Aircraft Storage & Maintenance, Aeronautical Manufacturing and pilots lounge.**
- C. Lessee shall use the Premises for the following Non-Aeronautical uses only, and for no other: **Airport Café** and any other non-aeronautical activity is strictly prohibited, unless an approved amendment to this lease is adopted and fair market value rates for Non-aeronautical areas are applied.

**Section 1.2 Term and Renewal**

- A. The term of the lease shall be for a period of **25 years**, commencing on the 1<sup>st</sup> day of September 2018 (the "Commencement Date") and ending on the 31<sup>st</sup> day of August 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 \$1,660.00 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: 80% Aeronautical Use or 19,230.40 square feet X \$0.065 cents per square foot and 20% Non-Aeronautical Use or 4,809.60 square feet X \$0.085 cents per square foot)
1. In addition, Lessee shall pay the prorated amount from execution of lease to June 31, 2019 for \$1,373.48 ( $\$4.55 \times 302$  days), Less the \$500.00 lease application fee received on August 9, 2018 and a \$1,200.00 lot development credit to be applied to the prorated portion and the annual sum due July 1, 2019 or initial prorated sum of \$1,333.48 due July 1, 2019. ( $\$1,373.48 + \$1,660.00 = 3,033.48 - \$1,700.00 = \$1,333.48$ )
  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. ( $0.12\% / 365 = .00033 \times \$1,660.00 = \$0.55$  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: 75' x 60' Aircraft Hanger & Office.
  - 2. 18,000 square foot paved apron with gravel perimeter
  - 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, 2019**. 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 June 15, 2019, 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 August 31, 2020.
- 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 statute, 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 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: Stephen J. and Heidi R. Hastings  
575 W. Jackfish Road  
Wasilla, AK. 99654

**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: \_\_\_\_\_  
Nathan E. Wallace, City Manager

Date: \_\_\_\_\_

**NOTARY**

STATE OF ALASKA )  
 )ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, 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.

\_\_\_\_\_  
Notary Public in and for Alaska

My commission expires: \_\_\_\_\_

**LESSEE: Stephen J. Hastings and Heidi R. Hastings**

By: \_\_\_\_\_  
Stephen J. Hastings

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Heidi R. Hastings

Date: \_\_\_\_\_



**NOTARY**

STATE OF ALASKA )  
 )ss.  
THIRD JUDICIAL DISTRICT )

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stephen J. Hastings, 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 \_\_\_\_\_, 2018, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Heidi R. Hastings, 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.

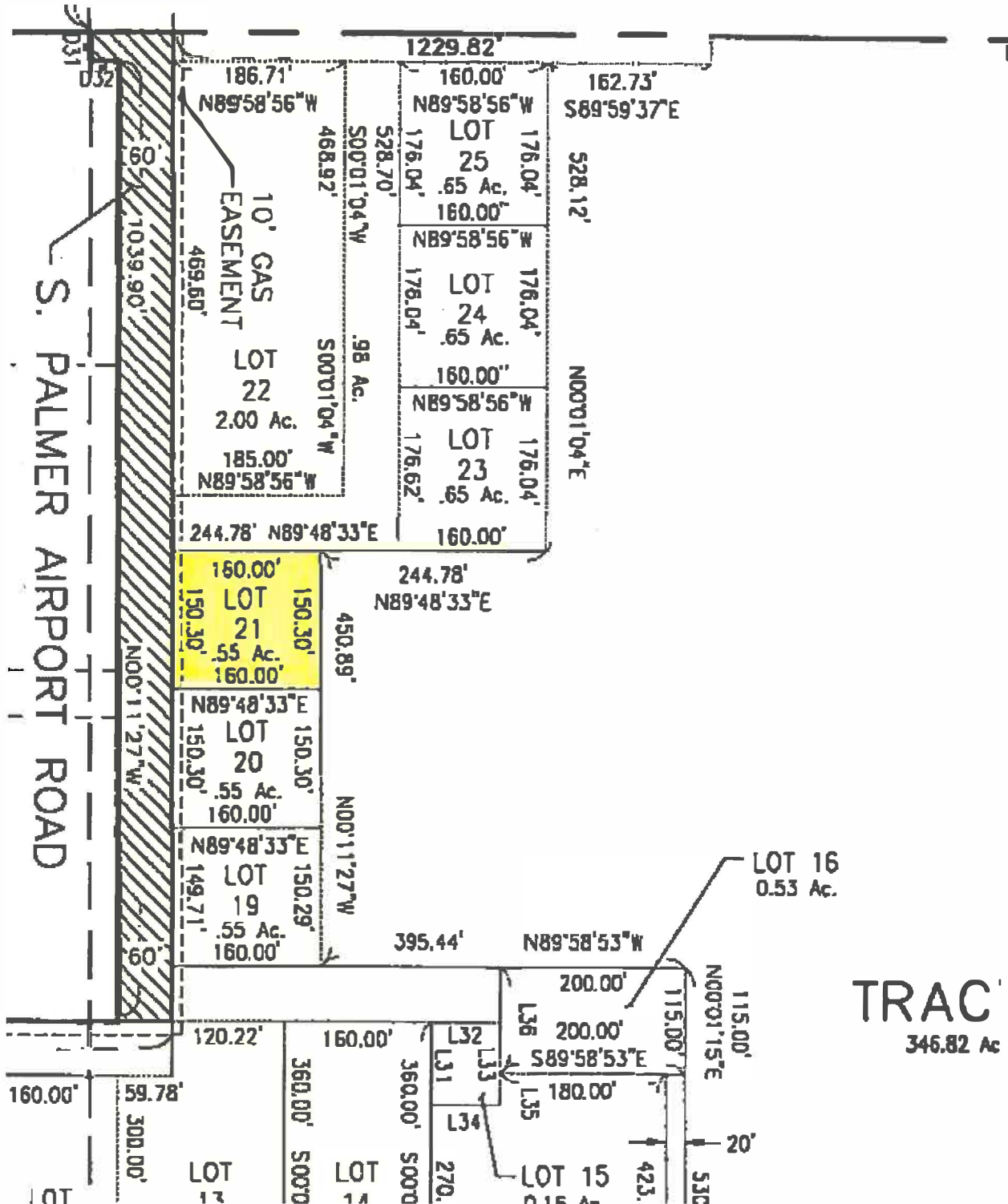
\_\_\_\_\_  
Notary public in and for Alaska

My commission expires: \_\_\_\_\_

EXHIBIT "A"

PMA LEASE NO. 18-001

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 21





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

**PALMER MUNICIPAL AIRPORT  
MEMORANDUM OF LEASE AGREEMENT No. 18-001**

This is a Memorandum of Lease Agreement No. 18-001 made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2018, 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 Stephen J. Hastings and Heidi R. Hastings, hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 18-001 between the parties hereto dated the \_\_\_\_\_ day of \_\_\_\_\_ 2018, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 18-001, are more particularly described as follows:

A parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 21  
Containing 0.55 acres or 24,048 square feet, more or less  
See Attached "Exhibit A"

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

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced **on September 1, 2018** as set forth within the terms of the Lease. The Term of the Lease Agreement shall be 25 years from the Commencement Date as stated in the written Lease. The initial term shall commence on the date hereof and terminate on **August 31, 2043**. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 18-001, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

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

Lessee's address: Stephen J. Hastings and Heidi R. Hastings  
575 W. Jackfish Road.  
Wasilla, AK. 99654

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 18-001; it being distinctly understood and agreed that said Lease Agreement No. 18-001 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 18-001 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease and addendum. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 18-001. In the event of any inconsistency between the terms of the Lease Agreement 18-001 and this instrument, the terms of the Lease Agreement No. 18-001, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

**LESSOR: CITY OF PALMER**

By: \_\_\_\_\_  
Nathan E. Wallace, City Manager

Date: \_\_\_\_\_

**LESSEE: Stephen J. Hastings and Heidi R. Hastings**

By: \_\_\_\_\_  
Stephen J. Hastings

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Heidi R. Hastings

Date: \_\_\_\_\_

**NOTARY**

STATE OF ALASKA             )  
  )ss.  
THIRD JUDICIAL DISTRICT   )

THIS IS TO CERTIFY that on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, Nathan E. Wallace, to me known and known to me to be the identical individual described in and who executed the within and foregoing Memorandum of Lease, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

**NOTARY**

STATE OF ALASKA             )  
  )ss.  
THIRD JUDICIAL DISTRICT   )

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stephen J. Hastings, 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 \_\_\_\_\_, 2018, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Heidi R. Hastings, 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: \_\_\_\_\_

DRAFT

Electric

Sewer

SOUTH AIRPORT ROAD

Natural Gas

Driveway

Snow Storage Area

Storage Area

160.00'

60'

Hangar Area

50'

Office / Retail / Café Area

25'

2 Story

Parking Area

Driveway

75' SET BACK

PAVED APRON AREA

150.30'

Water

APRON A

ACCESS

**PLOT PLAN**

LESSEE: Stephen & Heidi Hastings

LOT: PMA Lease Lot 21

DATE: August 9, 2018



# PALMER Alaska

## WARREN "BUD" WOODS PALMER MUNICIPAL AIRPORT

### LAND LEASE APPLICATION

Applicants Name: Stephen & Heidi Hastings

Lessee Name: \_\_\_\_\_  
(If different than Applicant)

Address: 575 W. Jackfish Rd  
Wasilla AK 99654

Phone No.: (1) 907-306-7224 (2) 907-306-7204

E Mail Address: heidihast@hotmail.com

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: hangar - flight instruction,  
airport cafe - wing covers, aircraft rental, pilot lounge

Airport Lease Lot Requested: # 21    Second Choice: #20



**SITE DEVELOPMENT:**

Cost Estimate of Proposed Site Improvements: \$ 6,000

Description of Site Improvements: clear trees, put in gravel  
(Include size of gravel / asphalt paving area) 18,000 sq ft of asphalt

Cost Estimate of Proposed Building Improvements: \$ 400,000

Description of Building Improvements: ICF Block Hangar  
(Include size of hangar and type of structure) 75x160 ICF Block

Date of Plans & Specifications Submittal: February 2019

Date of Start of Construction: Spring 2019

Date of Completion: Fall 2019

- 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.

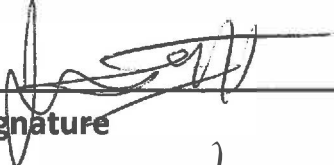
**SITE PLAN: (To include the Following)**

- 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:**

  
\_\_\_\_\_  
Signature

*July 30, 2018*  
\_\_\_\_\_  
Date

*Stephen Hastings*  
\_\_\_\_\_  
Printed Name

# WELLS FARGO BANK

3002

WASILLA 581 W PARKS HWY WASILLA AK 99654

DATE 8-9-18

PAY TO THE ORDER OF City of Palmer \$ 500.00  
Five Hundred and 00/100 DOLLARS

STEPHEN J HASTINGS III  
575 W JACK FISH RD  
WASILLA AK 99654-0302





**Report to Council**  
 City Manager Nathan Wallace  
 August 28, 2018

**Staff Update and analysis (July 2018):**

**Police Department:**

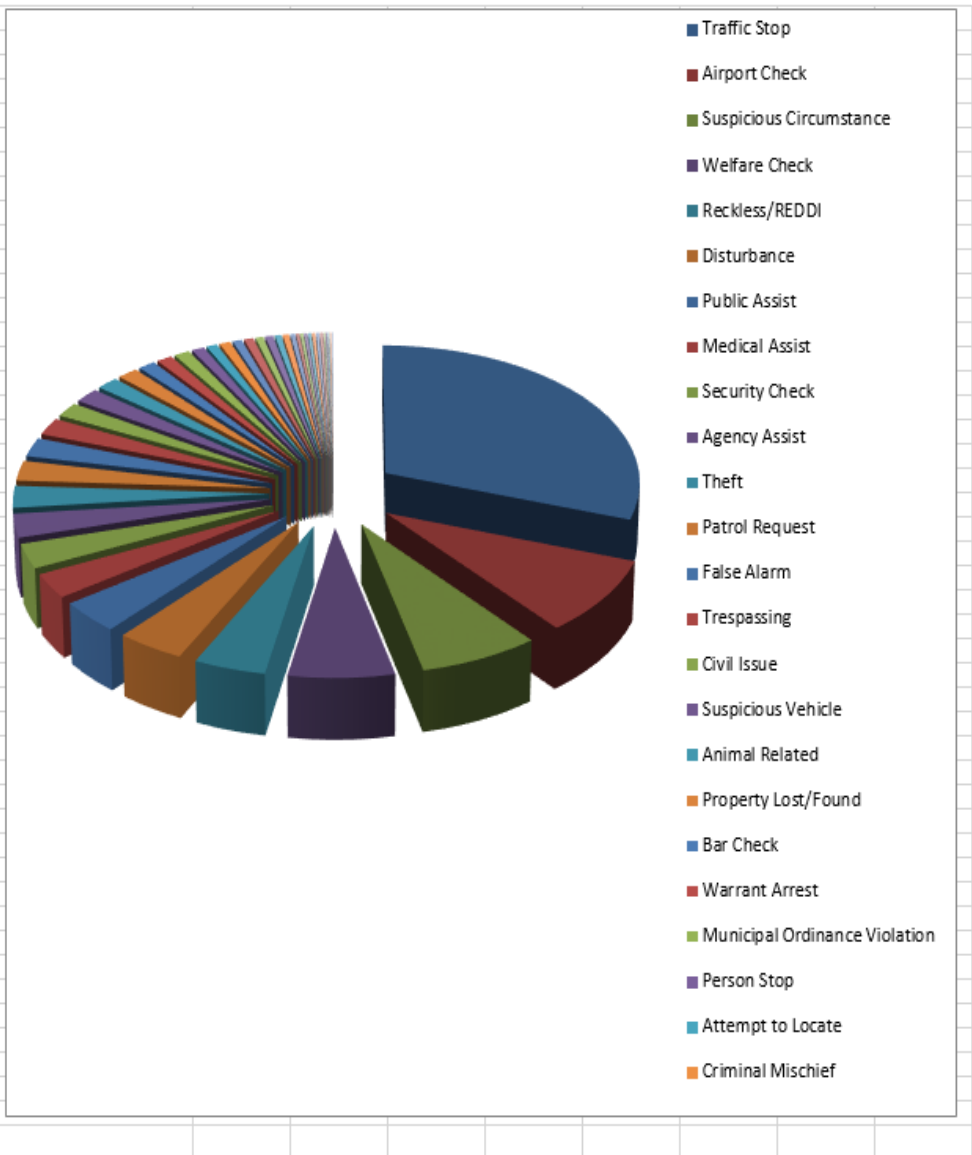
Total calls: 941 up from 824 in June

Call breakdown - 38%(June –38%) traffic/vehicle related, 19%(June - 21%) checks (welfare/property), 17%(June - 18%) citizen assistance, 26%(June -23 %) other.

Patrol Calls  
 July, 2018

CAD REPOF

Traffic Stop	286
Airport Check	83
Suspicious Circumstance	67
Welfare Check	59
Reckless/REDDI	40
Disturbance	38
Public Assist	35
Medical Assist	27
Security Check	27
Agency Assist	26
Theft	24
Patrol Request	22
False Alarm	21
Trespassing	19
Civil Issue	16
Suspicious Vehicle	16
Animal Related	14
Property Lost/Found	13
Bar Check	11
Warrant Arrest	10
Municipal Ordinance Violation	10
Person Stop	8
Attempt to Locate	7
Criminal Mischief	7
Public Appearance	6
Traffic Hazard	6
Assault	5
Traffic Complaint	5
Drug Information	4
Misconduct Involving Controlled Substance	4
Airport Suspicious Circumstance	3
Harassment	2
Motor Vehicle Accident	2
Noise Complaint	2
Runaway Juvenile	2
Shoplifting	2
Stolen Vehicle	2
Warrant Arrest Attempt	2
Aircraft Accident	1
Disorderly Conduct	1
DUI	1
Domestic Violence Service	1
Fire	1
Fraud	1
Illegal Use of Credit Card	1
Indecent Exposure	1
<b>Total</b>	<b>941</b>



**Fire Department:** Calls: 67(57 – June) in July 2018, up by 15% from last month, up by 27% from last year  
 Fire: 17(4 - June), Rescue: 20(20 - June), Hazard: 1(6 - June), Good intents: 14(14 - June), False alarm: 11(6 – June),  
 Special Incident: 0(0 - June), Service call: 4(6 - June), Overpressure/explosion/overheat: 0(0 – June).



## Palmer Fire & Rescue

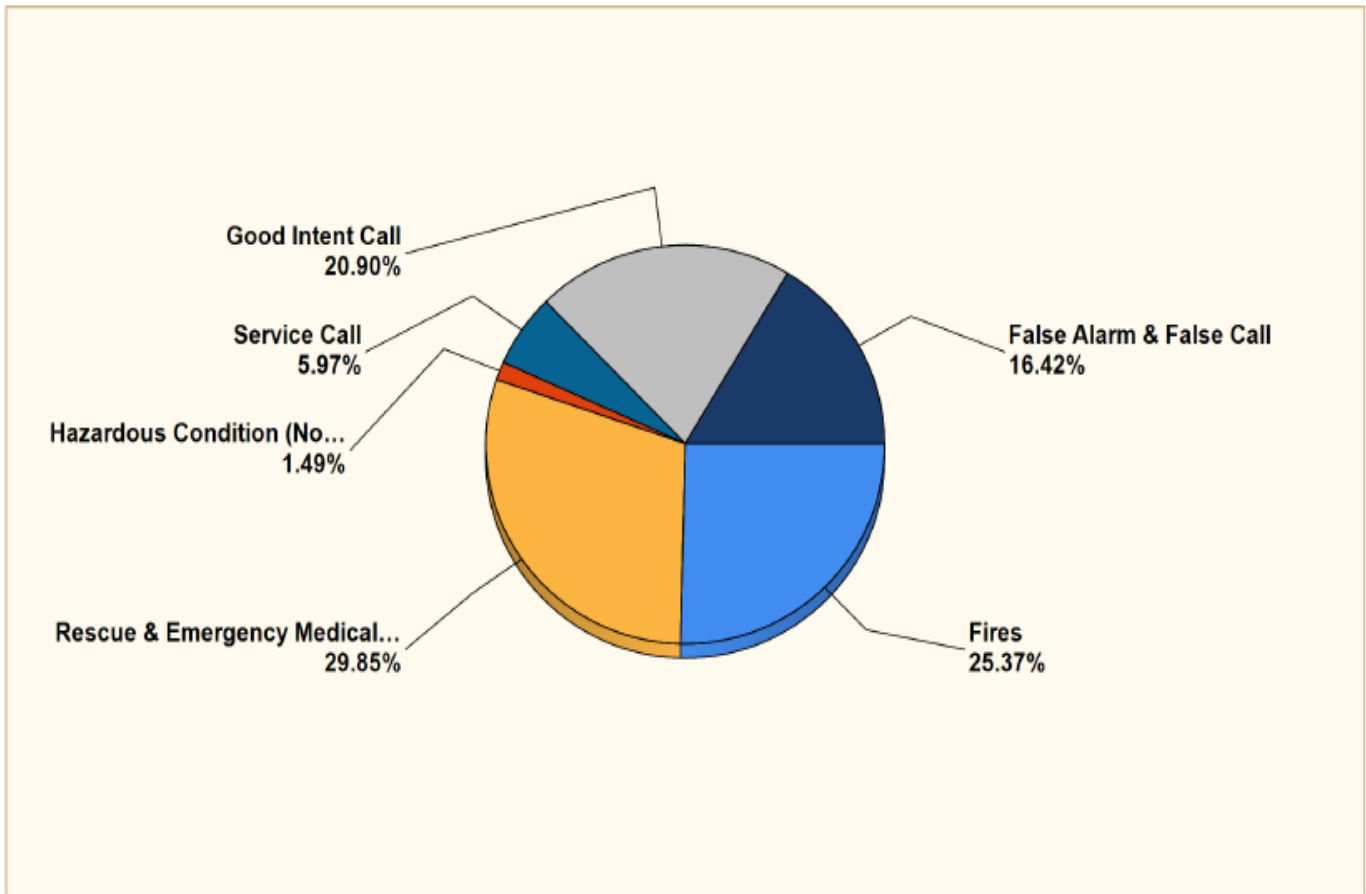


Palmer, AK

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### Breakdown by Major Incident Types for Date Range

Zone(s): All Zones | Start Date: 07/01/2018 | End Date: 07/31/2018



MAJOR INCIDENT TYPE	# INCIDENTS	% of TOTAL
Fires	17	25.37%
Rescue & Emergency Medical Service	20	29.85%
Hazardous Condition (No Fire)	1	1.49%
Service Call	4	5.97%
Good Intent Call	14	20.90%
False Alarm & False Call	11	16.42%
<b>TOTAL</b>	<b>67</b>	<b>100.00%</b>



**Report to Council**  
 City Manager Nathan Wallace  
 August 28, 2018

**Detailed Breakdown by Incident Type**

INCIDENT TYPE	# INCIDENTS	% of TOTAL
112 - Fires in structure other than in a building	1	1.49%
118 - Trash or rubbish fire, contained	1	1.49%
131 - Passenger vehicle fire	1	1.49%
137 - Camper or recreational vehicle (RV) fire	1	1.49%
138 - Off-road vehicle or heavy equipment fire	1	1.49%
142 - Brush or brush-and-grass mixture fire	7	10.45%
143 - Grass fire	1	1.49%
151 - Outside rubbish, trash or waste fire	4	5.97%
311 - Medical assist, assist EMS crew	11	16.42%
321 - EMS call, excluding vehicle accident with injury	4	5.97%
322 - Motor vehicle accident with injuries	2	2.99%
324 - Motor vehicle accident with no injuries.	1	1.49%
350 - Extrication, rescue, other	2	2.99%
460 - Accident, potential accident, other	1	1.49%
561 - Unauthorized burning	3	4.48%
571 - Cover assignment, standby, moveup	1	1.49%
611 - Dispatched & cancelled en route	7	10.45%
622 - No incident found on arrival at dispatch address	5	7.46%
631 - Authorized controlled burning	1	1.49%
651 - Smoke scare, odor of smoke	1	1.49%
715 - Local alarm system, malicious false alarm	1	1.49%
730 - System malfunction, other	1	1.49%
733 - Smoke detector activation due to malfunction	1	1.49%
735 - Alarm system sounded due to malfunction	1	1.49%
741 - Sprinkler activation, no fire - unintentional	1	1.49%
743 - Smoke detector activation, no fire - unintentional	1	1.49%
744 - Detector activation, no fire - unintentional	1	1.49%
745 - Alarm system activation, no fire - unintentional	4	5.97%
<b>TOTAL INCIDENTS:</b>	<b>67</b>	<b>100.00%</b>



**Report to Council**  
 City Manager Nathan Wallace  
 August 28, 2018

**Community Development:**

**Library:**

**Patrons:**

**June**

**July**

*Total Registered Patrons*

*13,918*

*13,993*

Total Mat-Su Borough Resident Patrons

10,737

10,801

Total City of Palmer Resident Patrons

3,181

3,192

New Library Users

**97**

**75**

**Usage:**

**June**

**July**

Patron Visits/Count

11,998

11,982

Reference Questions

1,427

1,658

Library Computer Sessions

2,017

2,424

WIFI Sessions

1,418

1,522

Circulation (PPL items)

11,158

10,908

Magazine circulation

606

545

Take Home Paperbacks

143

481

**Programs:**

Children's Programs                      63 Events              2,947 Participants                      56 Events              3,162 Participants

Class Visits                                      4 Events                      62 Participants                      5 Events                      64 Participants

Young Adult Programs                      72 Events                      320 Participants                      37 Events                      142 Participants

Adult Programs                                      11 Events                      82 Participants                      9 Events                      54 Participants

**Total Library Programs                      150 Events                      3,411 Participants                      107 Events                      3,422 Participants**

Community Events                                      14 Events                      133 Participants                      111 Events                      160 Participants

**Total Events                                      164 Events                      3,544 Participants                      218 Events                      3,582 Participants**

**Building and Compliance:**

Compliance Letters dispatched: 1(0 - June) (unsightly premise), 1(1 - June) (clean up follow up), and 14 (11 - June) (permit follow ups), other: 23(3 - June)





**Building Department Report  
 JULY 2018**

Permit Type	Count	Total Valuation	Permit Fees Collected	Plan Review Fees Collected
Building Permit	7	\$425,892.00	\$4,665.25	\$2,557.00
Sign Permit	4	\$32,500.00	\$667.00	
Fence Permit	1	\$1,800.00	\$26.00	
<b>Totals</b>	<b>12</b>	<b>\$460,192.00</b>	<b>\$5,358.25</b>	<b>\$2,557.00</b>

**TYPE OF PERMITS:**

Applicant	Valuation	Type of Work	Permit Fee	Plan Review Fee
Mat Valley Federal Credit Union	\$32,000.00	Sign	\$569.00	
Valley Fair Mall LLC	\$113,153.00	COM Alteration	\$1,194.00	\$776.00
Matanuska Telephone Assoc.	\$220,000.00	COM Alteration	\$1,855.50	\$1,206.00
Olson, A. Grant	\$1,800.00	Fence	\$26.00	
State of Alaska DNR	\$24,999.00	COM Alteration	\$435.50	\$283.00
Purcell, Roger & Bethany	\$2,500.00	RES Alteration	\$92.50	
First Baptist Church Palmer	\$13,000.00	COM New	\$248.25	\$161.25
Choi, David	\$10,000.00	COM Alteration	\$201.50	\$130.75
Combs, Linda A.	\$0.00	Temporary Sign	\$0.00	
Mat Valley Federal Credit Union	\$0.00	Temporary Sign	\$0.00	
Barrett-Godwin, Kelly	\$500.00	Sign	\$98.00	
Ralph, Wynona	\$42,240.00	RES Addition	\$638.00	

**YEAR TO DATE COMPARISON:**

Year	Building Permits	Sign Permits	Fence Permits	Year to Date Valuation	Year to Date Permit Fees	Year to Date Plan Review Fees
2009	54	8	22	\$13,482,861.00	\$76,821.50	
2010	62	22	10	\$18,309,195.00	\$94,183.50	
2011	65	17	14	\$3,803,908.00	\$37,172.00	
2012	60	21	7	\$17,204,592.00	\$102,859.25	
2013	46	11	12	\$10,067,760.00	\$67,975.75	
2014	58	24	8	\$12,471,715.00	\$82,617.00	
2015	71	16	10	\$8,584,580.00	\$71,969.25	
2016	56	27	12	\$31,333,851.00	\$158,832.75	\$17,308.75
2017	48	10	14	\$3,384,521.00	\$32,486.10	\$11,821.50
2018	57	17	8	\$11,885,624.00	\$81,843.00	\$34,648.25



**Golf Course:**

	<b>June</b>	<b>July</b>	<b>July 2017</b>
<b>Operational Days:</b>	30	31	31
<b>Number of Rounds:</b>	2,780	3,525	3,300
<b>Green Fees:</b>	63,875.00	65,431.00	46,934.00
<b>Cart Rental:</b>	22,909.00	26,520.00	22,273.00
<b>Club Rental:</b>	1,515.90	1,490.00	1,640.00
<b>Driving Range:</b>	5,747.50	7,026.75	4,929.00
<b>Merchandise Sales:</b>	40,412.40	34,457.55	31,874.31
<b>Snack Bar:</b>	13,331.90	18,482.75	16,522.75
<b>Beer &amp; Wine:</b>	11,236.75	13,417.25	10,396.00



Norma I. Alley, MMC  
City Clerk

Phone: (907) 745-3271  
Direct: (907) 761-1321  
Fax: (907) 761-1340

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

**TO:** Palmer City Council  
**FROM:** Norma I. Alley, MMC *Norma I. Alley*  
**SUBJECT:** City Clerk's Report for the August 28, 2018, Council Meeting

1. October 2, 2018, Regular Election Update

I've attached a "Your Vote Counts" flyer highlighting how just a few votes have made the difference in determining outcomes for city of Palmer, state and federal issues and races. Every vote truly makes a difference!

I did an outreach for absentee ballot requests this year and received a positive response. I obtain a monthly report from the MSB on all the absentee ballot applications they've received from Palmer residents. A letter and application were mailed to voters indicating they are also eligible to vote in the city election. Out of 21 letters sent, 14 applications were returned and I anticipate four will be returned in the next two weeks. As of August 20, I have a total of 16 applications, which has exceeded last year of 10.

**Important Election Dates:**

- **Voter Registration:** Last day to register to vote or update your voter registration information is Sunday, September 2. Registration can be done online at <http://www.elections.alaska.gov/>.
- **Early Voting:** September 17 - October 1
  - MSB: M-F from 8:00 a.m. – 5:00 p.m.
  - DOE:
    - September 17 – September 29
      - M-F from 9:00 a.m. – 7:00 p.m.
      - Sat. from 10:00 a.m. – 3:00 p.m.
    - October 1:
      - 9:00 a.m. – 5:00 p.m.
- **Last Day to Request an Absentee Ballot:** September 25
- **Canvass Board:** October 5 at 2:00 p.m. in City Hall Council Chambers
- **Certification of Election:** October 8 at 6:00 p.m. at City Hall

2. Tentative Upcoming Meetings

Tentative Future Meeting Schedule			
Meeting Date	Meeting Type	Time	Notes
Sept 11	Regular	7 pm	
Sept 25	Regular	7 pm	
Oct 8	Special	6 pm	Election Certification
Oct 9	Regular	7 pm	
Oct 16	Special	6 pm	1 <sup>st</sup> Budget Public Hearing

# YOUR VOTE COUNTS

## Don't ever think your vote doesn't count, because in...

**2015** – EIGHT votes made the difference in electing Richard W. Best to the City Council.

**2016** – 17 votes made the difference in electing Steve Carrington and David Fuller got 22 more votes than Steve electing both of them to the City Council.

**2017** – FOUR votes made the difference in electing Sabrena Combs to the City Council.

### ... AND IN ALASKA...

**1978** - Jay Hammond won the nomination for Governor over Walter Hickel in the Primary Election by just 98 votes statewide. That's less than 1/4 vote per precinct!

**1978** - ONE vote elected Tim Kelly to his Senate seat in District F

**1982** - TWO votes gave the nomination for State Senate in District J to David McCracken in the Primary Election

**1984** - ONE vote gave Mary Ratcliff the nomination for State Representative of House District 12 in the Primary Election

**1986** - 17 votes (less than one vote per precinct) elected Rick Uehling Senator from District H, Seat B, out of 14,389 votes cast

**1992** - FIVE votes gave Al Vezey the nomination for State Representative of House District 32 in the Primary Election (less than one vote per precinct)

**1994** - 1.1 votes per precinct elected Tony Knowles as Governor and Fran Ulmer as Lt. Governor out of 216,668 votes cast in the General Election

**1996** - ONE vote gave Ann Spohnholz the nomination for State Representative of House District 21 in the Primary Election

**1998** - A TIE was broken by a flip of the coin to elect Wayne Morgan after a runoff election for a school board seat in the Kuspuk School District

**1999** - A TIE was broken by a flip of the coin to elect Larry Wilson to a school board seat in the Bering Strait School District

**2003** - FOUR votes determined the outcome of a school board race in the City & Borough of Juneau!

**2006** – A TIE was broken by a flip of the coin to determine the winner of the House District 37 Democratic Primary results in which incumbent Representative Carl Moses lost his seat to challenger Bryce Edgmon.

**2008** – FOUR votes made the difference for Republican Mike Kelly over Democrat Karl Kassel for House District 7.

**2010** – In the 2010 Primary election 4 votes made the difference in the House District 18 race in favor of Dan Saddler; and 12 votes made the difference giving Eric Feige the State House District 12 Republican nomination.



**... AND NATIONWIDE...**

**1845** - ONE vote brought Texas into the Union

**1868** - ONE vote saved President Andrew Johnson from impeachment

**1876** - ONE vote gave Rutherford Hayes the presidency of the United States

**1939** - ONE vote passed the selective service act

**1960** - ONE vote per precinct elected John F. Kennedy President

**1978** - in Fullerton, California, a Democratic candidate for the State of California's legislature lost by TEN votes in a primary election where 32,000 votes were cast



# **Mayor's Memo**

**Council Meeting report -August 28, 2018**

## **UP COMING EVENTS**

- ❖ **Mayor/Manager meeting – Sept 20 Palmer; October 25 Houston**
  
- ❖ **Agenda Setting Meeting – August 30 and Sept 13**
- ❖ **Cash Mob – August 30**
- ❖ **Radio – Mayor – September 21**
- ❖ **State Fair – August 23 – September 3 – Make Some Memories**
- ❖ **Fair Parade – August 25**
- ❖ **Job Corp Workforce luncheon – October 25**
- ❖ **October 4 – Mat Su College Anniversary**
- ❖ **Community Luncheon – Sept. 27**
- ❖ **Potato Bowl – September 28**

### **ENDING ITEMS**

- **Flag Pole by Library,**
- **Electric stands on South Alaska,**
- **tennis courts request,**
- **Rotary Daron Park,**
- **4 Way Stop Inner and Outer Springer,**

*Edna DeVries Mayor*





**City of Palmer  
Ordinance No. 18-005**

**Subject:** Amending Palmer Municipal Code Title 14 Pertaining to Signs

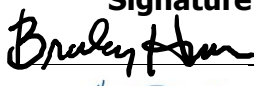

**Agenda of:** August 14, 2018 – Introduction  
August 28, 2018 – Public Hearing

**Council Action:**     **Adopted**                       **Amended:** \_\_\_\_\_  
                                  **Defeated**



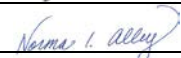
**Originator Information:**

**Originator:**    City Manager

**Department Review:**

Route to:	Department Director:	Signature:	Date:
_____	Community Development		<u>7/23/18</u>
_____	Finance		<u>7/23/18</u>
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

**Approved for Presentation By:**

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

**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: 

**Attachment(s):**

- Ordinance No. 18-005
- Planning and Zoning Minutes of July 19, 2018
- PMC Title 14 Signs (Current Code with highlighted changes and strike throughs)

**Summary Statement:**

The text amendment will update and amend Title 14 to include purpose and intent language, definitions, text amendments and severability.

**Background:**

The Sign Ordinance has not been updated since 1994. During a recent request for clarification of Palmer Municipal Sign Code, Title 14, it was determined that the sign code needed a comprehensive review and update to meet the current needs of the community.

After review and discussion with the Building Inspector, staff drafted proposed amendments to PMC Title 14 Signs for review and recommendation by the Planning and Zoning Commission.

At the July 19, 2018 Planning and Zoning meeting, the Commission discussed and reviewed the draft Ordinance and agreed with the proposed changes to the Sign Code. The Commission unanimously voted to move forward to City Council a recommendation to adopt the proposed changes to Title 14, Signs of the Palmer Municipal Code.

**Administration's Recommendation:**

Adopt Ordinance No. 18-005 amending portions of Title 14 Signs of the Palmer Municipal Code.

**LEGISLATIVE HISTORY**

Introduced by: City Manager Wallace  
Date: August 14, 2018  
Public Hearing: August 28, 2018  
Action:  
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

**Ordinance No. 18-005**

**An Ordinance of the Palmer City Council Amending Portions of Title 14 Signs of the Palmer Municipal Code**

WHEREAS, in accordance with PMC 17.04.050, the City of Palmer Planning and Zoning Commission (the Commission) instituted an action regulations and requirements for structures, and;

WHEREAS, the Commission reviews and amends as necessary Title 14 to ensure that the regulations and standards are applicable to the current needs of the community, and;

WHEREAS, the Commissions has reviewed and found areas of Title 14 that need modification to meet the needs of our community.

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 14.04.022 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.022 A-Frame.**

"A-frame sign" A two-faced a-frame or sandwich board style sign which is readily movable and has no permanent attachment to a building, structure or the ground.

Section 4. Palmer Municipal Code Section 14.04.024 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.024 Animated sign.**

"Animated sign" a sign with a fixed or changing display/message composed of a series of lights that may be changed by electrical, electronic or computerized process or remote control.

Section 5. Palmer Municipal Code Section 14.04.082 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.082 Canopy sign.**

“Canopy sign” A permanent roof like structure providing protection from the elements, such as a service station gas pump island that is either entirely freestanding or attached to a building one side with posts supporting the opposite side.

Section 6. Palmer Municipal Code Section 14.04.105 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.105 Clear sight triangle.**

“Clear sight triangle” means a triangular area on any corner lot formed by measuring from the point of intersection of the front and exterior side lot lines a distance of 25 feet (25’) along said front and side lot lines and connecting the points so established; there shall be no obstruction of vision between a height of two (2’) feet and ten (10’) feet above the centerline grade of the street within the clear sight triangle.

Section 7. Palmer Municipal Code Section 14.04.192 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.192 Feather Flag.**

“Feather Flag” means an upright portable sign that contains a harpoon-style pole or staff driven into the ground for support or supported by means of an individual stand.

Section 8. Palmer Municipal Code Section 14.04.322 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.322 Monument Sign.**

“Monument sign” means a two-sided sign attached to a permanent foundation or decorative base and not attached or dependent on support from any building, pole, posts or similar uprights. Monument signs include ground signs.

Section 9. Palmer Municipal Code Section 14.04.324 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.04.324 Mural (Noncommercial).**

“Noncommercial mural” means any mosaic, painting, or graphic art which is professionally applied to a building and which does not contain any commercial sign copy, including, but not limited to, brand name, product name, logo, trademark, or other commercial message.

Section 10. Palmer Municipal Code Section 14.04.340 is hereby repealed (new language is underlined and deleted language is stricken):

**~~14.04.340 Nonconforming sign.~~**

~~A “nonconforming sign” is:~~  
  
~~A. A sign which was not erected legally and does not comply with subsequently enacted restrictions and regulations; or~~

~~B. A sign which does not conform to the sign code requirements and for which a special permit has not been issued.~~

Section 11. Palmer Municipal Code Section 14.04.350 is hereby amended to read as follows (new language is underlined and deleted language is stricken):

**14.04.350 Nonconforming sign, legal.**

A "legal nonconforming sign" is:~~A. A~~ a sign which was erected legally but does not comply with subsequently enacted restrictions and regulations; or

~~B. A sign which does not conform to the sign code requirements but for which a special permit has been issued.~~

Section 12. Palmer Municipal Code Section 14.08.005 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.08.005 Purpose.**

It is the intent of this chapter to establish a framework of comprehensive sign standards for Palmer that reflect the community decision to preserve and enhance the natural, scenic environment of Palmer; promote the health, safety and welfare of the community; protect property values; allow flexibility, encouraging variety and good design; recognize the importance of appropriate signage for Palmer's economic vitality; and allow adequate avenues for both commercial and noncommercial messages, recognizing free speech by regulating signs in a content-neutral manner. It is the purpose of this chapter to authorize the use of signs that:

A. Promote and accomplish the goals and objectives of the comprehensive plan;

B. Facilitate economic development through the identification of businesses and organizations in the community;

C. Are aesthetically pleasing and of appropriate scale, are integrated with surrounding buildings and landscape in order to meet the community's expressed desire for quality development, and which protect prominent viewsheds;

D. Promote the free flow of traffic and protect pedestrians and motorists from injury through well-designed signs that are unlikely to distract drivers to a dangerous degree;

E. Prevent property damage, personal injury, and litter from signs which are improperly constructed, poorly maintained, or made of nondurable materials.

Section 13. Palmer Municipal Code Section 14.08.010(H) is hereby amended to read as follows (new language is underlined and deleted language is stricken):

**14.08.010 Signs prohibited.**

H. Audio signs; except where they are an audio menu sign for a drive-thru;

Section 14. Palmer Municipal Code Section 14.08.020(I)(J)(K)(L) is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.08.020 Signs not requiring permits.**

I. Non-commercial mural;

J. Governmental signs;

K. Signs on vehicles;

L. Audio menu signs;

Section 15. Palmer Municipal Code Section 14.08.030(B) is hereby added and subsequent subsection relettered to read as follows (new language is underlined and deleted language is stricken):

**14.08.030 Lighting.**

B. The following lights are permitted:

1. Internal illumination;

2. Halo;

3. Area;

4. Direct;

5. Exposed neon

B C. The following lights are prohibited:

1. An exposed electric lamp with an external reflector and without a light screen or comparable diffusion;
2. An exposed electric lamp in excess of 20 watts unless a screen is attached;
3. Any revolving beacon or beam;
4. Any flashing illumination;
5. Any illuminated sign in a residential zoning district except as permitted in this chapter.

Section 16. Palmer Municipal Code Section 14.08.050(C) is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.08.050 Sign setback requirements.**

C. Lots on the corner must comply with the Clear Sight Triangle requirements.

Section 17. Palmer Municipal Code Section 14.08.080 is hereby amended and subsequent subsections relettered to read as follows (new language is underlined and deleted language is stricken):

**14.08.080 Signs permitted in commercial, ~~and industrial~~, airport, agricultural and fairgrounds districts.**

The following signs are allowed in commercial, ~~and industrial~~, airport, agricultural and fairgrounds districts:

A. All types of signs authorized by and conforming to the requirements of PMC 14.08.020 and 14.08.060;

B. One freestanding sign per premises; where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed two freestanding signs per premises;

~~C. One roof sign per premises;~~

~~D. One wall sign per occupancy; where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed the total number of street frontages;~~

~~E. One awning sign per occupancy, not to exceed 35 percent of the surface area of the awning;~~

~~F. One marquee sign per occupancy, not to exceed two square feet in sign area for each linear foot of marquee front and side;~~

~~G. One under-canopy sign per occupancy. No part of any under-canopy sign shall be less than seven feet above an adjacent walkway or parking area;~~

~~H. One projecting sign per occupancy with direct access to the building exterior. For occupancy frontages of 20 feet or more, the sign may project a maximum of six feet with a maximum height of four feet. For occupancy frontages of less than 20 feet, the sign may project a maximum of six feet with a maximum height of four feet and total area less than 17 square feet. All signs are to have a minimum of 10 feet of clearance. Projecting signs will not be allowed in any part of a public way used by motor vehicles;~~

~~I. Where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed two freestanding signs per premises;~~

~~J. Changeable copy signs;~~

~~1. Manual changeable;~~

~~2. Animated:~~

- ~~(a) A sign whose alphabetic, pictographic, or symbolic informational content can be changed or altered on a fixed display screen composed of electronically illuminated segments;~~
- ~~(b) A sign with action, motion, or an illusion of either, or changing colors which require either electrical, solar or wind powered energy;~~
- ~~(c) A sign with automatic changing copy, flashing copy or lights, revolving signs, and signs with stroboscopic lights, intermittent lights, beacons or any other type or style of lights; and~~
- ~~(d) Electronic display screens, electronic message centers, and billboards/off-premises signs with digital technologies~~

K. Banners.

1. Banners are limited to no more than 10 percent of the front wall area;

2. Banners may not be used as permanent signage;

3. Banners are limited to two 30-day placements per calendar year and no more than two banners may be displayed on any exterior building surface during this 30-day period;

4. Temporary banners for events or activities sponsored by non-profit organizations may be authorized for an additional 30 cumulative days in any one calendar year;
5. Temporary Seasonal Sales. A nonrenewable five-week temporary banner permit may be issued for seasonal and holiday related sales.
6. Notwithstanding any section of the Palmer Municipal Code, the owner or person in possession of a banner in violation of this title shall remove the banner upon order of the city. For purposes of this section, any portion of any day in which a banner is displayed shall be counted as one full day. (Ord. 12-016 § 5, 2012; Ord. 466 § 3, 1994)

J. A-frame, sandwich and Upright signs; must be located on-premise and are temporary in nature

Section 18. Palmer Municipal Code Section 14.08.250 is hereby added to read as follows (new language is underlined and deleted language is stricken):

**14.08.250 Severability.**

If any provision, clause, sentence or paragraph of this chapter or its application to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of this chapter, which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

Section 19. Effective Date. Ordinance No. 18-005 shall take effect upon adoption by the City of Palmer City Council.

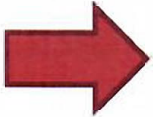
**Passed and approved** this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Edna B. DeVries, Mayor

\_\_\_\_\_  
Norma I. Alley, MMC, City Clerk



[The Commission exited Committee of the Whole on Short Term Rentals at 8:27 p.m. There were no objections]



3. **IM 18-007:** Consideration of Text Amendment to Palmer Municipal Code Title 14 Signs.

Director Hanson provided a staff report directing attention to draft Ordinance No. 18-0xx in the packet (pp 87-92) along with pertinent highlighted sections of Title 14 related to Sign Definitions and Sign Regulations (pp. 93-108) for the Commission’s review and if approved, move the Ordinance forward to the Council with a recommendation for adoption.

Following review and brief discussion, the Commission had no objections.

**Main Motion: To recommend approval of Ordinance No. 18-0XX, An Ordinance of the Palmer City Council Amending Portions of Title 14 Signs of the Palmer Municipal Code and move forward to City Council for consideration and adoption.**

Moved by:	Petty
Seconded by:	Wohlbach
Action:	Motion carried unanimously by roll call vote of all members present.
In favor:	Corbin, Wohlbach, Ornquist, Benedetto, Thom-Bernier, Petty, Lucas
Opposed:	None

K. PLAT REVIEWS: There were no plat reviews.

L. PUBLIC COMMENTS:  
There were no persons wishing to speak on a topic not on the agenda.

M. STAFF REPORT: Director Hanson:  
• Reported Agenda item for the August 16 meeting: Alaska Demolition-Palmer Reclamation Site, 5-Year review and public hearing on its request for modification of conditional use permit in addition to a zoning amendment.

N. COMMISSIONER COMMENTS:  
  
The Commission extended welcome to new Commissioners Corbin and Wohlbach. There were no other comments.

O. ADJOURNMENT:  
There being no further business, the meeting adjourned at 8:32 p.m.

**APPROVED by the Planning and Zoning Commission this \_\_\_\_ day of \_\_\_\_\_, 2018.**

## Chapter 14.04

### Sections: **DEFINITIONS**

- 14.04.010 Generally.
- 14.04.020 Abandoned sign.
- 14.04.022 A-Frame Signs.
- 14.04.024 Animated Signs
- 14.04.030 Audio sign.
- 14.04.040 Awning.
- 14.04.050 Awning sign.
- 14.04.060 Banner.
- 14.04.070 Building official.
- 14.04.080 Cabinet sign.
- 14.04.082 Canopy sign.
- 14.04.090 Changeable copy sign (automatic).
- 14.04.100 Changeable copy sign (manual).
- 14.04.105 Clear sight triangle
- 14.04.110 Clearance (of a sign).
- 14.04.120 Construction sign.
- 14.04.130 Copy.
- 14.04.140 Directional/information sign.
- 14.04.150 Double/multiple-faced sign.
- 14.04.160 Electrical sign.
- 14.04.170 Electronic message center.
- 14.04.180 Facade.
- 14.04.190 Face of sign.
- 14.04.192 Feather Flag
- 14.04.200 Festoons.
- 14.04.210 Flashing sign.
- 14.04.220 Freestanding sign.
- 14.04.230 Frontage.
- 14.04.240 Frontage, building.
- 14.04.250 Government sign.
- 14.04.260 Height (of a sign).
- 14.04.270 Illuminated sign.
- 14.04.280 Lot.
- 14.04.290 Maintenance.
- 14.04.300 Mansard.
- 14.04.310 Marquee.
- 14.04.320 Marquee sign.
- 14.04.322 Monument
- 14.04.324 Mural (Noncommercial)
- 14.04.330 Nameplate.
- ~~14.04.340 Nonconforming sign.~~
- 14.04.350 Nonconforming sign, legal.
- 14.04.360 Occupancy.
- 14.04.370 Off-premises sign.
- 14.04.380 On-premises sign.
- 14.04.390 Owner.
- 14.04.400 Painted wall sign.
- 14.04.410 Parapet.
- 14.04.420 Pole cover.
- 14.04.430 Political sign.

- 14.04.440 Portable sign.
- 14.04.450 Premises.
- 14.04.460 Prohibited sign.
- 14.04.470 Projecting sign.
- 14.04.480 Public way.
- 14.04.490 Real estate sign.
- 14.04.500 Roof sign.
- 14.04.510 Roofline.
- 14.04.520 Rotating sign.
- 14.04.530 Sign.
- 14.04.540 Sign, area of.
- 14.04.550 Special event.
- 14.04.560 Subdivision identification sign.
- 14.04.570 Temporary sign.
- 14.04.580 Under-canopy sign.
- 14.04.590 Use.
- 14.04.600 Wall sign.
- 14.04.610 Window sign.
- 14.04.620 Yard sign.
- 14.04.630 Zoning district.

**14.04.010 Generally.**

For the purposes of this title, the words and phrases set forth in this chapter are given the following meanings. (Ord. 466 § 3, 1994)

**14.04.020 Abandoned sign.**

“Abandoned sign” means a sign which no longer identifies or advertises a bona fide business, lessor, service, owner, product, or activity, or for which no legal owner can be found. (Ord. 466 § 3, 1994)

**14.04.022 A-Frame.**

“A-frame sign” A two-faced a-frame or sandwich board style sign which is readily movable and has no permanent attachment to a building, structure or the ground.

**14.04.024 Animated sign.**

“Animated sign” a sign with a fixed or changing display/message composed of a series of lights that may be changed by electrical, electronic or computerized process or remote control.

**14.04.030 Audio sign.**

“Audio sign” means any sign with loudspeakers, sirens or any electronic or mechanical devices intended for producing noise. Vehicles operating legally upon roadways are not included. (Ord. 466 § 3, 1994)

**14.04.040 Awning.**

“Awning” means a shelter projecting from and supported by the exterior wall of a building constructed of nonrigid materials on a supporting framework. (Ord. 466 § 3, 1994)

**14.04.050 Awning sign.**

“Awning sign” means a sign painted on, printed on or attached flat against the surface of an awning. (Ord. 466 § 3, 1994)

**14.04.060 Banner.**

“Banner, flag or pennant” means any cloth, bunting, plastic, paper, or similar nonrigid material without a frame used for advertising purposes attached to any structure, staff, pole, or line, not including official flags of the United States, the state of Alaska, and other states, counties, municipalities, official flags of foreign nations and nationally or internationally recognized organizations. (Ord. 12-016 § 3, 2012; Ord. 466 § 3, 1994)

**14.04.070 Building official.**

“Building official” means the city manager or such person as is authorized to administer and enforce this title. (Ord. 466 § 3, 1994)

**14.04.080 Cabinet sign.**

“Cabinet sign” means a complete, fully enclosed unit or module of a sign. (Ord. 466 § 3, 1994)

**14.04.082 Canopy sign.**

“Canopy sign” A permanent roof like structure providing protection from the elements, such as a service station gas pump island that is either entirely freestanding or attached to a building one side with posts supporting the opposite side.

**14.04.090 Changeable copy sign (automatic).**

“Changeable copy sign (automatic)” means a sign on which the copy changes automatically on a lamp bank or through mechanical means, e.g., electronic message centers, electrical or electronic time and temperature units. (Ord. 466 § 3, 1994)

**14.04.100 Changeable copy sign (manual).**

“Changeable copy sign (manual)” means a sign on which copy is changed manually in the field, e.g., reader boards with changeable letters. (Ord. 466 § 3, 1994)

**14.04.105 Clear sight triangle.**

“Clear sight triangle” means a triangular area on any corner lot formed by measuring from the point of intersection of the front and exterior side lot lines a distance of 25 feet (25’) along said front and side lot lines and connecting the points so established; there shall be no obstruction of vision between a height of two (2’) feet and ten (10’) feet above the centerline grade of the street within the clear sight triangle.

**14.04.110 Clearance (of a sign).**

“Clearance (of a sign)” means the smallest vertical distance between the grade of the adjacent street, street curb or sidewalk and the lowest point of any sign, including framework and embellishments, extending over that grade. (Ord. 466 § 3, 1994)

**14.04.120 Construction sign.**

“Construction sign” means a temporary sign identifying the owner, architect, contractor, subcontractors, material suppliers and/or financial institutions participating in construction on the property on which the sign is located. (Ord. 466 § 3, 1994)

**14.04.130 Copy.**

“Copy” means the wording and advertising graphics on a sign surface in either permanent or removable letter form. (Ord. 466 § 3, 1994)

**14.04.140 Directional/information sign.**

“Directional/information sign” means an on-premises sign giving directions, instruction or facility information and which may contain the name or logo of an establishment but no advertising copy, i.e., parking or exit and entrance signs. (Ord. 466 § 3, 1994)

**14.04.150 Double/multiple-faced sign.**

“Double/multiple-faced sign” means a sign with two or more message faces. (Ord. 466 § 3, 1994)

**14.04.160 Electrical sign.**

“Electrical sign” means a sign or sign structure in which electrical connections, lighting or fixtures are used. (Ord. 466 § 3, 1994)

**14.04.170 Electronic message center.**

See “Changeable copy sign (automatic).” (Ord. 466 § 3, 1994)

**14.04.180 Facade.**

“Facade” means the entire building front including the parapet. (Ord. 466 § 3, 1994)

**14.04.190 Face of sign.**

“Face of sign” means the area of a sign on which the copy is placed. (Ord. 466 § 3, 1994)

**14.04.192 Feather Flag.**

“Feather Flag” means an upright portable sign that contains a harpoon-style pole or staff driven into the ground for support or supported by means of an individual stand.

**14.04.200 Festoons.**

“Festoons” means a string of ribbons, tinsel, small flags or pinwheels. (Ord. 466 § 3, 1994)

**14.04.210 Flashing sign.**

“Flashing sign” means a sign which contains an intermittent or sequential flashing light source used primarily to attract attention. (Ord. 466 § 3, 1994)

**14.04.220 Freestanding sign.**

“Freestanding sign” means a sign supported by poles, braces or a foundation and not attached to any building. (Ord. 466 § 3, 1994)

**14.04.230 Frontage.**

“Frontage” means the length of the property line of any one premises along a public way which it borders. (Ord. 466 § 3, 1994)

**14.04.240 Frontage, building.**

“Building frontage” means the length of an outside building wall on a public way. (Ord. 466 § 3, 1994)

**14.04.250 Government sign.**

“Government sign” means any temporary or permanent sign erected and maintained by or under the direction of the city, borough, state or federal government. (Ord. 466 § 3, 1994)

**14.04.260 Height (of a sign).**

“Height (of a sign)” means the vertical distance measured from the highest point of the sign to the grade of the adjacent street or the surface grade beneath the sign, whichever is less. (Ord. 466 § 3, 1994)

**14.04.270 Illuminated sign.**

“Illuminated sign” means a sign with an artificial light source incorporated internally or a sign which is illuminated by a light intended primarily for that purpose wherever situated. (Ord. 466 § 3, 1994)

**14.04.280 Lot.**

“Lot” means a distinct parcel of land for ownership and tax purposes which is delineated and fixed on a plat filed for record. (Ord. 466 § 3, 1994)

**14.04.290 Maintenance.**

For the purposes of this title, “maintenance” means the cleaning, painting, repair or replacement of defective parts of a sign in a manner that does not alter the basic copy, design or structure of the sign. (Ord. 466 § 3, 1994)

**14.04.300 Mansard.**

“Mansard” means a sloped roof or roof-like facade architecturally comparable to a building wall. (Ord. 466 § 3, 1994)

**14.04.310 Marquee.**

“Marquee” means a permanent roof-like structure or canopy of rigid material supported by and extending from the facade of a building (compare “Awning” and “Projecting sign”). (Ord. 466 § 3, 1994)

**14.04.320 Marquee sign.**

“Marquee sign” means any sign attached to or supported by a marquee structure. (Ord. 466 § 3, 1994)

**14.04.322 Monument Sign.**

“Monument sign” means a two-sided sign attached to a permanent foundation or decorative base and not attached or dependent on support from any building, pole, posts or similar uprights. Monument signs include ground signs.

**14.04.324 Mural (Noncommercial).**

“Noncommercial mural” means any mosaic, painting, or graphic art which is professionally applied to a building and which does not contain any commercial sign copy, including, but not limited to, brand name, product name, logo, trademark, or other commercial message.

**14.04.330 Nameplate.**

“Nameplate” means a nonelectric on-premises identification sign, not exceeding four square feet in area, giving only the name, address, and/or occupation of the occupant or group of occupants. (Ord. 466 § 3, 1994)

~~**14.04.340 Nonconforming sign.**~~

~~A “nonconforming sign” is:~~

~~A. A sign which was not erected legally and does not comply with subsequently enacted restrictions and regulations; or~~

~~B. A sign which does not conform to the sign code requirements and for which a special permit has not been issued. (Ord. 466 § 3, 1994)~~

**14.04.350 Nonconforming sign, legal.**

A “legal nonconforming sign” is:

~~A. A sign which was erected legally but does not comply with subsequently enacted restrictions and regulations; or~~

~~B. A sign which does not conform to the sign code requirements but for which a special permit has been issued. (Ord. 466 § 3, 1994)~~

**14.04.360 Occupancy.**

“Occupancy” means the portion of a building or premises owned, leased, rented or otherwise occupied for a given use. (Ord. 466 § 3, 1994)

**14.04.370 Off-premises sign.**

“Off-premises sign” means a sign structure advertising an establishment, merchandise, commodity, service, profession or entertainment, which is not sold, produced, manufactured or furnished at the property on which said sign is located, e.g., billboards or outdoor advertising. (Ord. 466 § 3, 1994)

**14.04.380 On-premises sign.**

“On-premises sign” means a sign which pertains to the use of the premises on which it is located. (Ord. 466 § 3, 1994)

**14.04.390 Owner.**

“Owner” means a person recorded as such on official records. For the purposes of this title, the owner of property on which a sign is located is presumed to be the owner of the sign unless facts contrary are officially recorded or otherwise brought to the attention of the building official, i.e., a sign leased from a sign company. (Ord. 466 § 3, 1994)

**14.04.400 Painted wall sign.**

“Painted wall sign” means any sign which is applied with paint or similar substance on the face of a wall. (Ord. 466 § 3, 1994)

**14.04.410 Parapet.**

“Parapet” means the extension of a false face or wall above the roof line. (Ord. 466 § 3, 1994)

**14.04.420 Pole cover.**

“Pole cover” means covers enclosing or decorating poles or other structural supports of a sign. (Ord. 466 § 3, 1994)

**14.04.430 Political sign.**

“Political sign” means a temporary sign used in connection with a local, state or national election or referendum. (Ord. 466 § 3, 1994)

**14.04.440 Portable sign.**

“Portable sign” means any sign designed to be moved easily and not permanently affixed to the ground or to a structure or building. (Ord. 466 § 3, 1994)

**14.04.450 Premises.**

“Premises” means a parcel of land with its appurtenances and buildings which, because of its unity of use, may be regarded as the smallest conveyable unit of real estate. (Ord. 466 § 3, 1994)

**14.04.460 Prohibited sign.**

“Prohibited sign” means a sign which does not meet the requirements of this title and which has not received legal nonconforming status. (Ord. 466 § 3, 1994)

**14.04.470 Projecting sign.**

“Projecting sign” means any sign, other than a flat wall sign, which is attached to and projects from a building wall or other structure not specifically designed to support the sign; and is a double-faced sign with the faces less than 12 inches apart. (Ord. 466 § 3, 1994)

**14.04.480 Public way.**

“Public way” means any street, alley, sidewalk, easement or similar parcel of land which is deeded, dedicated or otherwise permanently appropriated to the public for public use or access. (Ord. 466 § 3, 1994)

**14.04.490 Real estate sign.**

“Real estate sign” means a temporary sign advertising the real estate upon which the sign is located as being for rent, sale or lease. (Ord. 466 § 3, 1994)

**14.04.500 Roof sign.**

“Roof sign” means any sign erected over or on the roof of a building (compare “Mansard,” “Wall sign”). (Ord. 466 § 3, 1994)

**14.04.510 Roofline.**

“Roofline” means the top edge of a roof or building parapet, whichever is higher, excluding any cupolas, pylons, chimneys or minor projections. (Ord. 466 § 3, 1994)

**14.04.520 Rotating sign.**

“Rotating sign” means a sign in which the sign itself or any portion of the sign moves in a revolving or similar manner. Such motion does not refer to methods of changing copy. (Ord. 466 § 3, 1994)

**14.04.530 Sign.**

“Sign” means any device, structure, fixture, or placard using graphics, symbols, and/or written copy designed primarily for the purpose of advertising or identifying any establishment, products, goods, services or political organization, person or viewpoint of any kind when placed outdoors or in an exterior window in view of the general public. “Sign” includes a complex sign designed to permit dividing the surface up among advertisements (“cabinets”) for several different businesses or products or which consists of several different, physically connected facets, containing related or unrelated advertising, in a zigzag, double-faced, triangular, square, or other multifaceted design, with or without cabinets. (Ord. 466 § 3, 1994)

**14.04.540 Sign, area of.**

“Area of sign” means the gross area of each face of a sign, excluding the area of structural supports not used for any copy, graphics or lighting. (Ord. 466 § 3, 1994)

**14.04.550 Special event.**

“Special event” means an advertising event, such as “sale,” “grand opening” or “liquidation” for which the use of temporary signage and decorations is allowed to any separately owned business. (Ord. 466 § 3, 1994)

**14.04.560 Subdivision identification sign.**

“Subdivision identification sign” means a freestanding or wall sign identifying a recognized subdivision, condominium complex or residential development. (Ord. 466 § 3, 1994)

**14.04.570 Temporary sign.**

“Temporary sign” means a sign not constructed or intended for long-term use – erected for less than 30 days. (Ord. 466 § 3, 1994)

**14.04.580 Under-canopy sign.**

“Under-canopy sign” means a sign suspended beneath a canopy, ceiling, roof or marquee. (Ord. 466 § 3, 1994)

**14.04.590 Use.**

“Use” means the purpose for which a building, lot, sign or structure is intended, designed, occupied or maintained. (Ord. 466 § 3, 1994)

**14.04.600 Wall sign.**

“Wall sign” means a sign attached parallel to and extending not more than six inches from the wall of a building. This definition includes painted, individual letter, and cabinet signs, and a sign on a mansard. (Ord. 466 § 3, 1994)

**14.04.610 Window sign.**

“Window sign” means a sign installed inside a window and intended to be viewed from the outside. (Ord. 466 § 3, 1994)

**14.04.620 Yard sign.**

“Yard sign” means a temporary sign installed to advertise the sale of household goods of the seller not as a part of retail business and includes garage sales, rummage sales and moving sales. (Ord. 466 § 3, 1994)

**14.04.630 Zoning district.**

“Zoning district” means the land use designation for an area as established in the zoning ordinance, PMC Title 17. Commercial zoning districts include airport commercial, limited commercial and general commercial districts and any similar districts. Industrial zoning districts include airport industrial and industrial districts and any similar districts. Residential zoning districts include single-family residential, single-family residential estate, medium-density residential and agricultural districts and any similar districts. (Ord. 466 § 3, 1994)



**Chapter 14.08**  
**SIGN REGULATIONS**

Sections:

- 14.08.010 Signs prohibited.
- 14.08.020 Signs not requiring permits.
- 14.08.030 Lighting.
- 14.08.040 Maintenance.
- 14.08.050 Sign setback requirements.
- 14.08.060 Political signs.
- 14.08.070 Signs permitted in residential districts.
- 14.08.080 Signs permitted in commercial and industrial districts.
- 14.08.090 Signs permitted in public use districts.
- 14.08.100 Signs permitted in planned unit developments.
- 14.08.110 Anchoring.
- 14.08.120 Additional safety information.
- 14.08.130 Legal nonconforming signs.
- 14.08.140 Loss of legal nonconforming status.
- 14.08.150 Permits required.
- 14.08.160 Fees.
- 14.08.170 Appeals – Generally.
- 14.08.180 Appeal notice and hearing before commission.
- 14.08.190 Appeal notice and hearing before council.
- 14.08.200 Record of appeal from commission.
- 14.08.210 Written statements.
- 14.08.220 Appeal to superior court.
- 14.08.230 Enforcement authority.
- 14.08.240 Remedies and civil penalties.

**14.08.005 Purpose.**

It is the intent of this chapter to establish a framework of comprehensive sign standards for Palmer that reflect the community decision to preserve and enhance the natural, scenic environment of Palmer; promote the health, safety and welfare of the community; protect property values; allow flexibility, encouraging variety and good design; recognize the importance of appropriate signage for Palmer's economic vitality; and allow adequate avenues for both commercial and noncommercial messages, recognizing free speech by regulating signs in a content-neutral manner. It is the purpose of this chapter to authorize the use of signs that:

A. Promote and accomplish the goals and objectives of the comprehensive plan;

B. Facilitate economic development through the identification of businesses and organizations in the community;

C. Are aesthetically pleasing and of appropriate scale, are integrated with surrounding buildings and landscape in order to meet the community's expressed desire for quality development, and which protect prominent viewsheds;

D. Promote the free flow of traffic and protect pedestrians and motorists from injury through well-designed signs that are unlikely to distract drivers to a dangerous degree;

E. Prevent property damage, personal injury, and litter from signs which are improperly constructed, poorly maintained, or made of nondurable materials

**14.08.010 Signs prohibited.**

The following types of signs are prohibited in all zoning districts:

A. Abandoned signs;

- B. Signs that imitate, resemble or obstruct the view of traffic or government signs and signals;
- C. Signs attached to trees, utility poles, public benches, street lights, or signs placed on any public property or public way except government signs;
- D. Signs placed on vehicles or trailers which, as parked or located, are designed primarily to display said sign. (This does not apply to signs or lettering on buses, taxis, or vehicles operating during the normal course of business.);
- E. Off-premises signs except government signs;
- F. Portable signs including portable changeable copy signs;
- G. Automatic changeable copy signs, animated or flashing signs except as permitted in this chapter;
- H. Audio signs; **except where they are an audio menu sign for a drive-thru;**
- I. Signs which cause interference with radio, television or telephone reception;
- J. Any sign not complying with requirements of applicable ordinances or regulations or visibility of traffic at access points for vehicles;
- K. Any sign not authorized by this chapter or any sign permitted by this chapter for which a permit has not been obtained;
- L. Any sign using reflectors, mirrors, or other devices intended to focus or direct illumination from the sign to any other place;
- M. Signs exceeding a maximum height of 20 feet. (Ord. 466 § 3, 1994)

**14.08.020 Signs not requiring permits.**

The following types of signs are exempted from permit applications but must be in conformance with all other requirements of this title:

- A. Construction signs of 32 square feet or less. Such signs may be erected seven days prior to construction and shall be removed within 14 days of beneficial occupancy;
- B. Directional information signs entirely on private property.
- C. Holiday or special event decorations, pennants or festoons;
- D. Nameplates not exceeding four square feet;
- E. A sign relating to a temporary hazard to traffic;
- F. Real estate signs not exceeding four square feet in residential zoning districts or 32 square feet elsewhere. Such signs shall be removed 14 days following sale, rental or lease;
- G. One temporary yard sign not to exceed four square feet in sign area. Such signs shall not be displayed more than four days per sale. Erection of such temporary signs shall be limited in frequency to twice per year per premises;
- H. Window signs otherwise conforming to this title. (Ord. 12-016 § 4, 2012; Ord. 466 § 3, 1994)

**I. Non-commercial mural;**

**J. Governmental signs;**

**K. Signs on vehicles;**

**L. Audio menu signs;**

**14.08.030 Lighting.**

A. Signs in all zoning districts shall be arranged so that no light or glare is directed or reflected to adjoining lots and streets or into residential windows. Dark backgrounds shall be used where feasible to reduce glare.

**B. The following lights are permitted:**

1. Internal illumination;

2. Halo

3. Area

4. Direct

5. Exposed neon

**B.C.** The following lights are prohibited:

1. An exposed electric lamp with an external reflector and without a light screen or comparable diffusion;

2. An exposed electric lamp in excess of 20 watts unless a screen is attached;

3. Any revolving beacon or beam;

4. Any flashing illumination;

5. Any illuminated sign in a residential zoning district except as permitted in this chapter. (Ord. 466 § 3, 1994)

**14.08.040 Maintenance.**

All signs shall be properly maintained. Exposed surfaces shall be clean and painted if paint is required. Defective parts shall be replaced. The building official or his designee shall have the right to order the repair or removal of any sign which is defective, damaged or substantially deteriorated. (Ord. 466 § 3, 1994)

**14.08.050 Sign setback requirements.**

A. The base of structural members supporting freestanding signs shall be set back at least three feet from any public way. Setback requirements have been modified for some sign types and zoning districts by other sections of this chapter.

B. No part of any sign other than a government sign shall encroach into a public way except as permitted in this chapter. (Ord. 466 § 3, 1994)

**C. Lots on the corner must comply with the Clear Sight Triangle requirements.**

**14.08.060 Political signs.**

Political signs are allowed in all districts, subject to the following regulations:

A. Political signs which do not exceed four feet by eight feet will be permitted for the period commencing no sooner than five months before a national, state or local election and ending not later than 15 days after that election, except that signs advocating candidates defeated in a primary election are to be removed 15 days after the primary election in which the candidate was defeated.

B. In single-family and suburban estate residential zoning districts, each political sign shall not exceed four square feet in area with the aggregate area of all signs on each lot not to exceed 32 square feet.

C. Political signs are to comply with other applicable regulations of this chapter.

D. Before any political sign is installed, a permit must be issued by the building official. A permit is good for one or more political signs. No permit shall be issued unless the applicant submits the signed guarantee of a property owner within the city that all of the applicant's political signs shall be removed within 15 days after the election. The

building official may, upon seven days' written notice, go upon the property where the offending sign exists and remove the sign and bill the guarantor for the cost of removal. (Ord. 466 § 3, 1994)

**14.08.070 Signs permitted in residential districts.**

The following signs are allowed in the single-family residential, single-family residential estate, medium density residential and agricultural zoning districts:

- A. All types of signs authorized by and conforming to the regulations of PMC 14.08.020 or 14.08.060;
- B. One freestanding or wall sign as a subdivision identification sign per neighborhood, subdivision or development, not to exceed 10 feet in height and 32 square feet in sign area. The sign shall be located at least 10 feet from a public way or property line. Illuminated signs except internally illuminated are permitted;
- C. For churches and synagogues, one freestanding sign not to exceed 10 feet in height and 32 square feet in sign area and one wall sign not to exceed 15 square feet in sign area. The signs shall be located at least 10 feet from a public way or property line. Illuminated signs except internally illuminated are permitted;
- D. For lawful home occupations, either one nameplate or one wall sign not to exceed four square feet in area;
- E. Setback requirements do not apply to yard signs, real estate signs or political signs; however, the signs may not encroach on a public way or property;
- F. Signs shall not exceed 10 feet in height. (Ord. 466 § 3, 1994)

**14.08.080 Signs permitted in commercial, ~~and industrial,~~ airport, agricultural and fairgrounds districts.**  
The following signs are allowed in **commercial, ~~and industrial,~~ airport, agricultural and fairgrounds districts.**

- A. All types of signs authorized by and conforming to the requirements of PMC 14.08.020 and 14.08.060;
- B. One freestanding sign per premises; **where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed two freestanding signs per premises;**
- ~~C. One roof sign per premises;~~
- ~~D. One wall sign per occupancy; where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed the total number of street frontages.~~
- ~~E. One awning sign per occupancy, not to exceed 35 percent of the surface area of the awning;~~
- ~~F. One marquee sign per occupancy, not to exceed two square feet in sign area for each linear foot of marquee front and side;~~
- ~~G. One under-canopy sign per occupancy. No part of any under-canopy sign shall be less than seven feet above an adjacent walkway or parking area;~~
- ~~H. One projecting sign per occupancy with direct access to the building exterior. For occupancy frontages of 20 feet or more, the sign may project a maximum of six feet with a maximum height of four feet. For occupancy frontages of less than 20 feet, the sign may project a maximum of six feet with a maximum height of four feet and a total area less than 17 square feet. All signs are to have a minimum of 10 feet of clearance. Projecting signs will not be allowed in any part of a public way used by motor vehicles;~~
- ~~I. Where an occupancy is on a corner, or has more than one street frontage, additional signs will be allowed on the additional frontage, but not to exceed two freestanding signs per premises;~~
- J. H. Changeable copy signs;
  - 1. Manual changeable;**

**2. Animated:**

- (a) A sign whose alphabetic, pictographic, or symbolic informational content can be changed or altered on a fixed display screen composed of electronically illuminated segments;
- (b) A sign with action, motion, or an illusion of either, or changing colors which require either electrical, solar or wind powered energy;
- (c) A sign with automatic changing copy, flashing copy or lights, revolving signs, and signs with stroboscopic lights, intermittent lights, beacons or any other type or style of lights; and
- (d) Electronic display screens, electronic message centers, and billboards/off-premises signs with digital technologies

**K I. Banners.**

1. Banners are limited to no more than 10 percent of the front wall area;
2. Banners may not be used as permanent signage;
3. Banners are limited to two 30-day placements per calendar year and no more than two banners may be displayed on any exterior building surface during this 30-day period;
4. Temporary banners for events or activities sponsored by non-profit organizations may be authorized for an additional 30 cumulative days in any one calendar year;
5. Temporary Seasonal Sales. A nonrenewable five-week temporary banner permit may be issued for seasonal and holiday related sales.
6. Notwithstanding any section of the Palmer Municipal Code, the owner or person in possession of a banner in violation of this title shall remove the banner upon order of the city. For purposes of this section, any portion of any day in which a banner is displayed shall be counted as one full day. (Ord. 12-016 § 5, 2012; Ord. 466 § 3, 1994)

**J. A-frame, sandwich and Upright signs; must be located on-premise and are temporary in nature**

**14.08.090 Signs permitted in public use districts.**

The following signs are allowed in public use zoning districts:

- A. All types of signs authorized by and conforming to the regulations of PMC 14.08.020 and 14.08.060;
- B. Any sign as allowed in this chapter for the zoning district that is adjacent to a particular side of the public use district. (Ord. 466 § 3, 1994)

**14.08.100 Signs permitted in planned unit developments.**

Signs in planned unit developments, as such uses are defined in the Palmer special land use district, will be standardized and the size, height and number of signs in the development will be negotiated as a part of the development contract in general conformity with the standards of this chapter. (Ord. 466 § 3, 1994)

**14.08.110 Anchoring.**

- A. No sign shall be suspended by nonrigid attachments allowing the sign to swing in the wind.
- B. All freestanding signs shall have self-supporting structures erected on or permanently attached to concrete foundations.
- C. All temporary signs or displays shall be braced or secured to prevent motion. (Ord. 466 § 3, 1994)

**14.08.120 Additional safety information.**

- A. No sign shall be erected, constructed or maintained so as to obstruct any fire escape, required exit, window or door opening used as a means of egress.

B. No sign shall be attached in any form, shape or manner which will interfere with any opening required for ventilation.

C. Signs shall be located in such a way as to comply with applicable federal, state and city safety standards. (Ord. 466 § 3, 1994)

**14.08.130 Legal nonconforming signs.**

Existing signs which do not conform to the specific provisions of this chapter may be eligible for the designation of “legal nonconforming”; provided, that:

A. Such signs are properly maintained and do not in any way endanger the public;

B. The sign was covered by a valid permit or variance or complied with all applicable laws on the date of adoption of this chapter. (Ord. 466 § 3, 1994)

**14.08.140 Loss of legal nonconforming status.**

A nonconforming sign shall lose its nonconforming status after:

A. The sign is relocated; or

B. The sign suffers damage or deterioration to the extent of 50 percent of the replacement value of the sign; or

C. The structure or size of the sign is altered in any way except towards compliance with this chapter. (Ord. 466 § 3, 1994)

**14.08.150 Permits required.**

A. Unless otherwise provided by this title, all signs shall require permits and payment of fees. No permit is required for the maintenance of a sign or for a change of copy on painted, printed or changeable copy signs.

B. To facilitate the issuance of permits, all applications shall include:

1. An accurate sketch or plan of the proposed sign, showing the dimensions and layout with colors and lettering, method of construction, structural supports, lighting and other pertinent information;

2. A sketch or photograph to identify the proposed location of the sign, sufficiently detailed to indicate the building, existing signs in the immediate area, traffic signals and signs, and lot lines if required;

3. Name and address of the owner of the sign;

4. Street address or location of the property on which the sign is to be located, along with the name and address of the property owner;

5. The type of sign or sign structure as defined by this chapter;

6. For signs any part of which extends into a public way, proof of insurance coverage of \$300,000 combined single limit (CSL) minimum with the city named as an additional insured. (Ord. 466 § 3, 1994)

**14.08.160 Fees.**

All applications for permits, variances or appeals shall be accompanied by a payment of the fee for each sign according to the current, adopted budget. (Ord. 07-029 § 28, 2007; Ord. 466 § 3, 1994)

**14.08.170 Appeals – Generally.**

A. Appeals – Standing. Any person or persons aggrieved by an action or determination taken under this chapter may appeal said action or determination.

B. Jurisdiction. Appeals of actions and determinations of the building official are heard by the planning and zoning advisory commission. Appeals of said actions and determinations of the commission are heard by the city council. Appeals of the actions of the council are heard by the superior court.

C. Time Limitation. An appeal of a decision of the building official, of the commission or of the city council must be filed within 30 days of the action or determination being appealed. Computation of the time period for filing an appeal shall commence with the date on which the action or determination is mailed or delivered to the parties involved. Any decision not appealed within these time limits shall become final.

D. Applications. The application for each appeal shall be filed with the city clerk, be in writing and contain at least the following information:

1. The name and address of the appellant;
2. A description of the action or determination from which the appeal is sought; and
3. The reason for the appeal which must show a grievance to the applicant.

E. Filing Fee. Each application appealing actions and determinations of the building official or the commission shall be accompanied by a filing fee as in PMC 14.08.160. (Ord. 466 § 3, 1994)

**14.08.180 Appeal notice and hearing before commission.**

A. Upon receipt of a valid application appealing an action or determination of the building official, the city clerk shall schedule an appeal hearing before the commission to be held within 45 days. All parties to the action or determination being appealed shall be provided with written notice not less than 15 days prior to the appeal hearing.

B. At the hearing the order of presentation is as follows:

1. The building official shall summarize the issues and state his/her decision;
2. The applicant shall present his/her evidence, including witnesses and documents;
3. The building official shall present his/her evidence, including witnesses and documents;
4. The applicant may close his/her presentation;
5. The building official may close his/her presentation.

C. The commission, the applicants and the administration may question any witness. Any person may be represented by counsel. The applicant must prove the facts by a preponderance of the evidence. All hearings shall be tape-recorded. Formal rules of evidence need not be followed.

D. A hearing, and any reconvening thereof, shall be open to the public.

E. Within 15 days following the hearing, the commission shall issue its decision in the form of written findings of fact and conclusions of law.

F. The findings of fact and conclusions of law shall reference specific evidence in the record and the controlling sections of this chapter and shall briefly explain the reasons for the decision. The commission may affirm, modify, vacate, set aside or reverse any decision brought before it for review, and may remand the case and direct the entry of such appropriate order, or require further proceedings to be had as may be justified under the circumstances.

G. The findings of fact and conclusions of law shall be signed by the presiding officer and filed with the clerk, who shall promptly mail a copy to the appellant. (Ord. 466 § 3, 1994)

**14.08.190 Appeal notice and hearing before council.**

A. Upon receipt of a valid application appealing an action or determination of the commission, the city clerk shall schedule an appeal hearing before the council to be held within 45 days. All parties to the action or determination being appealed shall be provided with written notice not less than 30 days prior to the appeal hearing.

B. An appeal hearing conducted by the council shall be on the basis of the record established before the commission and the record on appeal. The council may allow for oral presentations by the applicant and the administration. A time limit may be established for said presentations.

C. No new evidence shall be received or considered by the council hearing an appeal. Upon a showing of good cause, the council may remand the matter to the commission to receive and consider new evidence.

D. The hearing, and any reconvening thereof, shall be open to the public.

E. Within 15 days following the hearing, the council shall issue its decision in the form of written findings of fact and conclusions of law.

F. The findings of fact and conclusions of law shall reference specific evidence in the record and the controlling sections of this chapter and shall briefly explain the reasons for the decision. The council may affirm, modify, vacate, set aside or reverse any decision brought before it for review, and may remand the case and direct the entry of such appropriate order, or require further proceedings to be had as may be just under the circumstances.

G. Upon express vote, the council may adopt as its statement of findings and conclusions those findings and conclusions officially adopted by the commission.

H. The findings of fact and conclusions of law shall be signed by the mayor and filed with the clerk, who shall promptly mail a copy to the appellant. (Ord. 466 § 3, 1994)

**14.08.200 Record of appeal from commission.**

A. Upon receipt of a valid application appealing a decision of the commission, the record of appeal shall be prepared by the city clerk and provided to the council not less than five days prior to the hearing before the council, and shall consist of the following:

1. A verbatim transcript of the prior proceedings from which the appeal has been taken;
2. Copies of all memoranda, exhibits, correspondence, recommendations, analyses, maps, drawings, pictures, videos and other documents or exhibits submitted prior to the decision from which the appeal is taken;
3. A copy of all prior written actions, determinations and decisions, including findings and conclusions;
4. A list of the names and addresses of all persons appearing as witnesses at prior hearings; and
5. Any written statements filed pursuant to PMC 14.08.210.

B. The record of appeal shall be made available for public inspection in the city clerk's office not less than five days prior to the hearing date. (Ord. 466 § 3, 1994)

**14.08.210 Written statements.**

A. An appellant may file a written statement summarizing the facts and setting forth pertinent points and authorities in support of the points contained in the notice of appeal, provided such statement must be filed not less than 12 days prior to the date set for the appeal hearing.

B. Any interested party wishing to file a written statement in rebuttal to the appeal may do so, provided such statement must be filed not less than six days prior to the appeal hearing date. (Ord. 466 § 3, 1994)

**14.08.220 Appeal to superior court.**

An appeal from the council may be taken by any person to the superior court as provided by law. (Ord. 466 § 3, 1994)

**14.08.230 Enforcement authority.**

This title shall be enforced by the building official. (Ord. 466 § 3, 1994)



**14.08.240 Remedies and civil penalties.**

The city or an aggrieved person may institute a civil action against a person who violates a provision of this title or a term, condition or limitation imposed pursuant to this title. In addition to other relief, a civil penalty not to exceed \$300.00 may be imposed for each violation. Each day that a violation or an unlawful act or condition continues constitutes a separate violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. Upon application for injunctive relief and a finding of a violation or threatened violation, the superior court shall grant the injunction. (Ord. 466 § 3, 1994)

**14.08.250 Severability**

If any provision, clause, sentence or paragraph of this chapter or its application to any person or circumstances shall be held invalid, that invalidity shall not affect the other provisions of this chapter, which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.