

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

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

City of Palmer, Alaska
Regular City Council Meeting
June 13, 2017, at 7 PM
City Council Chambers
231 W. Evergreen Avenue, Palmer
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. Introduction of **Ordinance No. 17-009-Z-1-SL**: Amending the Zoning Map to Revise the Designation of Tax Parcel C8, Located in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations..... Page 3
 - b. Introduction of **Ordinance No. 17-010-Z-2-SL**: Amending the Zoning Map to Revise the Designation of Lot 8, Lot 7 and the West One-half of Lot 6, Block 3, T A Smith Subdivision Located in Section 33, Township 18 North, Range 2 East, Seward Meridian from R-2, Low Density Residential to CG – General Commercial with Special Limitations, Page 49
 - c. **Action Memorandum No. 17-038**: Authorizing the City Manager to Negotiate and Execute a Contract with AlasConnect, LLC, for Information Technology Services in the Amount Not to Exceed \$114,000.00 Annually..... Page 71
 2. Approval of Minutes of Previous Meetings
 - a. May 9, 2017, Regular Meeting Page 89
 - b. May 23, 2017, Regular Meeting Page 95
- E. Communication and Appearance Requests
 1. Presentation from the Board of Economic Development
- F. Reports
 1. City Manager's Report Page 101
 2. City Clerk's Report Page 111
 3. Mayor's Report Page 117
 4. City Attorney's Report
- G. Audience Participation
- H. Public Hearing
 1. **Resolution No. 17-020**: Accepting and Appropriating a Grant Offer from the Federal Aviation Administration (FAA) in an Amount up to \$7,827,300.00 for Runway 16/34 Rehabilitation and Related Improvements at the Warren "Bud" Woods Palmer Municipal Airport and Authorizing the City Manager to Negotiate and Execute the Grant when Offered Page 131

- I. Action Memoranda
 - 1. **Action Memorandum No. 17-039:** Authorizing the City Manager to Negotiate and Execute a Construction Management and Related Additional Engineering Design Contract with HDL Engineering Consultants in the Amount of \$682,455.00 for the Construction Management of the Airport Improvements Project, Contingent Upon Receiving a Federal Aviation Administration Grant Page 155
 - 2. **Action Memorandum No. 17-040:** Authorizing the City Manager to Negotiate and Execute a Contract for the Construction of the "Rehabilitation of Runway 16/34 and Related Improvements" Project (Bid No. 17-04PW) to Pruhs Construction Company, LLC, in the Amount of \$6,404,078.20, Contingent Upon Receiving a Federal Aviation Administration Grant Page 165
 - 3. **Action Memorandum No. 17-041:** Authorizing the City Mayor to Negotiate and Enter into an Agreement with the State of Alaska Regarding Improvements and Maintenance as Part of the Glenn Highway Reconstruction, MP 32-44 Project Page 173
 - 4. **Action Memorandum No. 17-042:** Authorizing the City Manager to Negotiate and Execute a New Temporary Lease Agreement with Alaska Air Fuel, Inc., for Lease Lot 2, Block 3, of Apron D, Palmer Municipal Airport for the Purpose of Operating an Air/Ground Fuel and Cargo Business Page 183
 - 5. **Action Memorandum No. 17-043:** Approving a Council Community Grant in the Amount of \$3,000.00 to the Palmer Museum of History and Art to Support Midsummer Garden and Art Faire Page 223

- J. Record of Items Placed on the Table

- K. Audience Participation

- L. Council Member Comments

- M. Adjournment

Tentative 2017 Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
June 27	Special	6 pm	Audit Report
June 27	Regular	7 pm	
July 11	Special	6 pm	PRCRAB Joint Mtg.
July 11	Regular	7 pm	
July 25	Regular	7 pm	
Aug 8	Regular	7 pm	
Aug 22	Regular	7 pm	

City of Palmer
Ordinance No. 17-009-Z-1-SL

Subject: Amending the Zoning Map to Revise the Designation of Tax Parcel C8, Located in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations

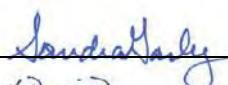
Agenda of: June 13, 2017

Council Action: Adopted Denied
 Amended: _____

Originator Information:

Originator: Community Development Director Sandra Garley

Department Review:

Route to:	Department Director:	Signature:	Date:
X	Community Development		5/22/17
X	Finance		5/23/17
	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 (✓):

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

Funds are (✓):

- | | | |
|--------------------------|--------------|---------------------|
| <input type="checkbox"/> | Budgeted | Line item(s): _____ |
| <input type="checkbox"/> | Not budgeted | _____ |

Director of Finance Signature: 

Attachment(s):

- Ordinance No. 17-009-Z-1-SL
- Planning and Zoning Commission Resolution No. 17-004 with Findings of Facts
- Staff Report
- Public Notice and Vicinity Map for Commission Public Hearing of May 18, 2017
- Zoning Map Amendment Application
- Written Comments Received for Commission Hearing

Summary Statement:

If approved, Ordinance No. 17-009-Z-1-SL will rezone Tax Parcel C8 located in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations.

Background:

This vacant parcel was subdivided from its parent parcel on August 23, 2002, and is located between the MTA Events Center and the Palmer Job Corps facility. The only property in the surrounding area that is zoned R-1 is Mountain Rose Estates, a Planned Unit Development. The other surrounding properties consist of low density, high density and public uses. Both Mountain Rose Estates and Mountain Rose East Condos located to the south of the parcel are senior housing developments.

This parcel was annexed into the City in 2003 as part of a large annexation. At the time this parcel was annexed, the Code stated that all land annexed into the City, except for public land, was automatically classified as R-1, Single-family Residential upon annexation. The Code was changed in October, 2004 when the T-Transitional District was adopted by City Council. This parcel was annexed into the City prior to the creation of the T-Transitional District and therefore, was automatically zoned R-1, Single-family Residential.

On April 16, 2015, the Planning and Zoning Commission conducted a public hearing for a rezone request from R-1, Single-family Residential to R-4, High Density Residential submitted by John Weaver for Valley Residential Services. The applicant proposed to build 88 units of affordable housing, but during discussion, the Commission determined that straight rezoning to R-4 would not control the way the final project was constructed. The motion to approve the requested rezone was unanimously defeated.

On August 20, 2015, the Planning and Zoning Commission conducted a public hearing on a preliminary proposal for a Planned Unit Development (PUD) project of 88 affordable dwelling units on this property submitted by John Weaver for Valley Residential Services. The motion to approve the PUD with amendments was passed unanimously. However, residents of Mountain Rose Estates Condominium Owners Association twice appealed the Commission's decision to grant preliminary approval of the PUD to the Hearing Officer. The Hearing Officer ultimately affirmed the Commission's decision. Mountain Rose then appealed the Commission's decision to the Alaska Superior Court. The Case is still currently in the appeals process.

On May 18, 2017, the Commission conducted a public hearing on a request submitted by Cameron Johnson for AMG & Associates to rezone this 9.3 acre parcel to R-4 with Special Limitations to construct 84 units of senior housing. Following this hearing, the Commission unanimously voted to recommend approval of the requested rezone to R-4 with the Special Limitations requested by the applicant.

Staff has spoken with John Weaver of Valley Residential Services who has confirmed that Valley Residential Services will withdraw their application for Planned Unit Development project upon the approval of the requested rezone from R-1 to R-4 with the requested Special Limitations as submitted by for AMG & Associates, LLC.

During the May 18, 2017 Planning and Zoning meeting, a request was made by a representative of Mountain Rose Estates that the requirement in PMC 17.27.068 for a 6 ½ foot fence separating R-1 from R-4 be waived. Cameron Johnson of AMG & Associates, LLC agrees that this will be beneficial for both parties.

Administration's Recommendation:

Adopt Ordinance No. 17-009-Z-1-SL to amend the Zoning Map to revise the designation of Tax Parcel C8 located in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with the following Special Limitations as requested by the applicant:

- 1) Any development to be restricted to senior housing
- 2) Maximum overall density of 84 units
- 3) Two story height limitation
- 4) Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
- 5) 200' building setback from the southern property boundary
- 6) 20' landscape screening easement to be provided at southern property boundary
- 7) Parking stall ratio not to exceed 1.70 parking stalls per unit

Planning & Zoning Commission Information:	
Initiated By:	Planning and Zoning Commission
Public Hearing:	May 18, 2017
Action:	Approved
Vote:	Unanimous
City Council Information:	
Introduced by:	City Manager Wallace
Date:	June 13, 2017
Public Hearing:	
Action:	
Vote:	
Yes:	No:

CITY OF PALMER, ALASKA

ORDINANCE NO. 17-009-Z-1-SL

An Ordinance of the Palmer City Council Amending the Zoning Map to revise the designation of Tax Parcel C8, located in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations

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 provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Authority and legislative findings. Pursuant to 17.80.040, the City Council hereby adopts the following zoning map amendment in accordance with the legislative findings set below:

WHEREAS, the City of Palmer Planning and Zoning Commission (the Commission) received an application on April 28, 2017 from applicant, Cameron Johnson of AMG & Associates, LLC as authorized representative for owners Duaine Arthur Richards and Ardith Eleanor Richards, Co-Trustees of the Richards Family Trust, Sid A. Richards, Brandon J. Blake, James Donald Smith, Jr. and Pierre J. Nicolet of Tax Parcel C8, located in Section 4, Township 17 North, Range 2 East, Seward Meridian, Alaska to rezone the subject property from being zoned R-1, Single-family Residential to R-4, High Density Residential with Special Limitations; and

WHEREAS, the Commission duly gave required notices, held its required public hearing on May 18, 2017, and voted 6 in favor and 0 opposed to recommend that such amendment to the zoning map be approved; and

WHEREAS, the Commission adopted findings of fact in Commission Resolution No. 17-004 as to the need, justification and effect of the change of zoning on May 18, 2017; and

WHEREAS, the City Council duly gave required notices, held its required public hearing on this date, and has duly considered the request to rezone the property, all evidence and testimony presented including any comments of the persons attending the public hearing, the findings of fact set forth in Planning and Zoning Commission Resolution No. 17-004, and the recommendation of the Commission; and

Section 4. The City of Palmer Zoning Districts map dated December 2014 is hereby amended to revise the zoning designation of Tax Parcel C8, located in Section 4, Township 17 North, Range 2 East, Seward Meridian, Alaska from being zoned R-1, Single-family Residential to R-4, High Density Residential with the following Special Limitations:

- 1) Any development to be restricted to senior housing
- 2) Maximum overall density of 84 units
- 3) Two story height limitation
- 4) Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
- 5) 200' building setback from the southern property boundary
- 6) 20' landscape screening easement to be provided at southern property boundary
- 7) Parking stall ratio not to exceed 1.70 parking stalls per unit

Section 5. Effective Date. Ordinance No. 17-009-Z-1-SL shall take effect upon adoption by the Palmer City Council.

Passed and approved this _____ day of _____, 2017.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

PALMER PLANNING AND ZONING COMMISSION

RESOLUTION NO. 17-004

A RESOLUTION OF THE PALMER PLANNING AND ZONING COMMISSION RECOMMENDING CITY COUNCIL APPROVE A ZONING MAP AMENDMENT FOR TAX PARCEL C8 TO BE REZONED FROM R-1, SINGLE-FAMILY RESIDENTIAL TO R-4, HIGH DENSITY RESIDENTIAL WITH SPECIAL LIMITATIONS, LOCATED IN SECTION 4, TOWNSHIP 17 NORTH, RANGE 2 EAST, SEWARD MERIDIAN, ALASKA

WHEREAS, Cameron Johnson of AMG & Associates, LLC as authorized representative for owners Duaine Arthur Richards and Ardith Eleanor Richards, Co-Trustees of the Richards Family Trust, Sid A. Richards, Brandon J. Blake, James Donald Smith, Jr. and Pierre J. Nicolet have initiated a zoning map amendment application to change the zoning designation for Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations; and

WHEREAS, a request for a zoning map amendment must be reviewed by the Planning and Zoning Commission and a recommendation reflecting the findings of the Commission must be forwarded to the City Council; and

WHEREAS, On May 2, 2017, 180 public hearing notices were mailed to property owners within 1,200' of the site in accordance with 17.80.030. Notification of the public hearing was published in the Frontiersman on May 12, 2017. A total of 15 written comments were received in response, with 9 in favor of, 3 opposed and 3 no objection; and

WHEREAS, Goal 2 of Chapter 6, Land Use, from the 2006 Palmer Comprehensive Plan states, "Maintain high quality residential neighborhoods; promote development of a range of desirable new places to live in Palmer."; and

WHEREAS, Objective A under Goal 2 goes on to state "Promote a diverse range of quality housing, from attractive higher density housing in or near downtown, to outlying housing in more rural settings."; and

WHEREAS, Objective A also lists senior housing as one of the three categories of housing the City in particular wishes to promote; and

WHEREAS, Goal 2 of Chapter 6 recognized one of Palmer's many assets to be water and sewer connections which would permit higher density housing. Another asset mentioned is the chance to have a residence within walking distance of stores, restaurants and places to work; and

WHEREAS, Chapter 4 Public Services, Facilities & Infrastructure, Goal 2, under Objective B Senior Services states the city should "provide and sustain public services and facilities to serve the senior population. Keep Palmer an attractive place to live for people of all stages of life.

The following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17, and the Comprehensive Plan:

Fact 1:

- a) The proposed zone change to R-4, High Density Residential with Special Limitations would support Goal 2, Chapter 6 and Goal 2, Chapter 4 of the Comprehensive Plan by promoting a diverse range of quality housing, particularly the 84 units of senior housing which is a category of housing the City wishes to promote, and
- b) By providing quality of life amenities such as the 200' buffer to the existing senior housing, a community center, and an interior open space including a dog park to accommodate the pets of residents in this development.

Fact 2:

- a) The parcel's location is surrounded by a mix of public, business, high density residential and planned unit development uses. Among the surrounding districts and established uses are Palmer Job Corps, Mountain Rose Estates, MTA Events Center, Palmer Junior Middle School and nearby are Mountain Rose East Condos and Eagle Ridge apartment building.
- b) If rezoned to R-4, High Density Residential with the Special Limitations requested by the applicant, this parcel would be compatible with surrounding zoning districts and existing uses, and would allow for future development of this parcel for senior housing.
- c) The requested special limitations will ensure that this rezone to R-4, High Density Residential would be limited to senior housing that is compatible with the existing nearby public uses, higher density residential uses and the existing senior housing planned unit development (Mountain Rose Estates).

Fact 3:

- a) Public facilities such as schools and utilities are adequate to support the proposed change. There will be little to no impact on public schools since one of the special limitations of the rezone request restricts development to senior housing.
- b) Another listed special limitation of the rezone request is for a reduction in the required amount of parking for this parcel since it is restricted to senior housing which will result in a lower level of traffic that will be generated by this development.
- c) The availability of water and sewer lines to accommodate a high-density development on this parcel have previously been confirmed by Public Works.

Fact 4:

- a) The Matanuska-Susitna Borough is the fastest growing region in Alaska and the over 65 population is the fastest growing segment of that growth. According to the Alaska Department of Labor and Workforce Development, Research & Analysis Division, the over 55 population in Palmer had increased from 1,079 in 2010 to 1,306 by 2016.

- b) This undeveloped property was automatically zoned R-1 upon annexation. Surrounding neighborhoods east of South Chugach are comprised of a mix of residential, public and business uses. The proposed change to R-4, High Density Residential with Special Limitations for this parcel is compatible with the variety of the surrounding area's public uses, businesses, high density residential uses and established senior housing.

Fact 5:

- a) The proposed zone change is consistent with the public welfare in that it provides an opportunity to add needed senior housing in Palmer and does not grant this parcel any special privilege as the requested zone change is consistent with the adjacent Planned Unit Development and nearby properties zoned R-2 and R-4.

NOW, THEREFORE, BE IT RESOLVED that the Palmer Planning and Zoning Commission does hereby recommend the City Council approve the Zoning Map Amendment for Tax Parcel C8 located in Section 4, Township 17 North, Range 2 East, Seward Meridian, Alaska to R-4, High Density Residential with the following Special Limitations:

- 1) Any development to be restricted to senior housing
- 2) Maximum overall density of 84 units
- 3) Two story height limitation
- 4) Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
- 5) 200' building setback from the southern property boundary
- 6) 20' landscape screening easement to be provided at southern property boundary
- 7) Parking stall ratio not to exceed 1.70 parking stalls per unit

Passed by the Planning and Zoning Commission of the City of Palmer, Alaska, this 18th day of May, 2017.



Dan Lucas, Chairman



Kimberly A. McClure
Planning & Code Compliance Technician



Community Development Zone Change Application **Staff Report to Commission**

PART I. GENERAL INFORMATION

Location:	Located South of East Cope Industrial Way and is adjacent to the MTA Events Center and Palmer Job Corps Site; Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian
Site Address:	
Request:	Rezone from R-1, Single-family Residential to R-4, High Density Residential with the following applicant requested Special Limitations: 1) Any development to be restricted to senior housing 2) Maximum overall density of 84 units 3) Two story height limitation 4) Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive) 5) 200' building setback from the southern property boundary 6) 20' landscape screening easement to be provided at southern property boundary 7) Parking stall ratio not to exceed 1.70 parking stalls per unit
Applicant & Owner:	Cameron Johnson of AMG & Associates, LLC as authorized representative for owners Duaine Arthur Richards and Ardith Eleanor Richards, Co-Trustees of the Richards Family Trust, Sid A. Richards, Brandon J. Blake, James Donald Smith, Jr. and Pierre J. Nicolet
Public Hearing Date:	May 18, 2017
Notification Requirements:	In accordance with 17.80.030 By May 2, 2017, 180 public hearing notices were mailed to Property owners within 1,200' of the site. Notification of the public hearing was published in the Frontiersman on May 12, 2017. A total of 15 written comments were received in response, with 9 in favor of, 3 opposed and 3 no objection.

PART II. BACKGROUND

Site Information:

This parcel was subdivided from its parent parcel on August 23, 2002 into Parcel B1 by Waiver Resolution Serial No. 2002-142-PWm recorded as Reception No. 2002-018272-0. The parcel is accessed by East Cope Industrial Way. This parcel was annexed into the City in 2003 as part of a large annexation. The property is currently undeveloped.

The applicant requests the change due to lack of sites within the city limits with the necessary amenities to support a quality senior housing project.

Nearby properties and uses include Mountain Rose Estates, MTA Events Center, Job Corps, Terra Surveys and an R-4 High Density Residential zoning district containing multi-family housing units.

Parcel Size:

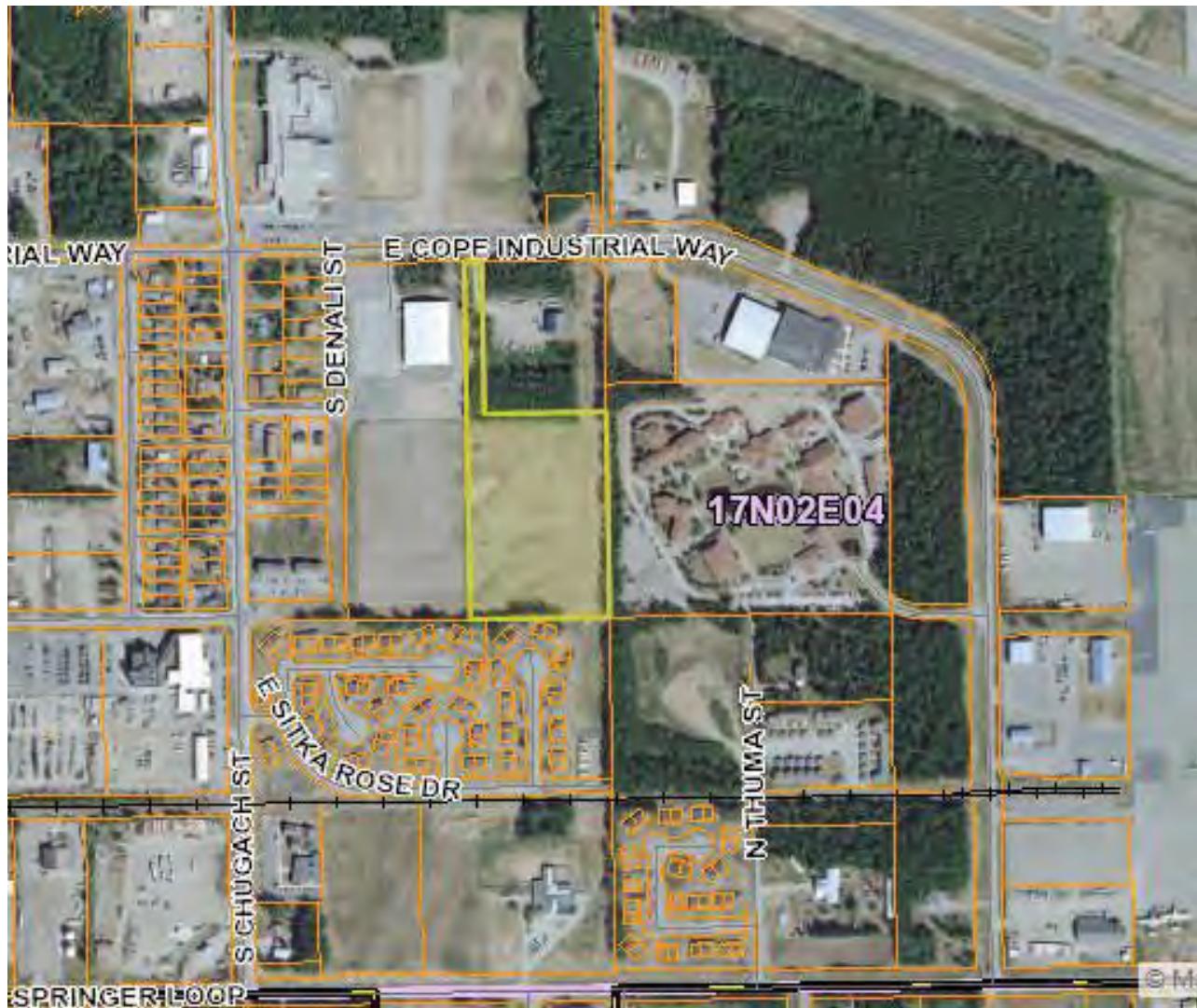
9.30 gross acres

Existing Zoning:

R-1 Single-family Residential; property is undeveloped

Surrounding Land Uses:

	Zoning	Land Use for surrounding areas
North	P & BP	Palmer Junior Middle School and Terra Surveys
South	R-1 with PUD	Mountain Rose Estates
East	P	Palmer Job Corps
West	P	MTA Events Center



Considerations:

The **intent of the R-1**, Single-family Residential District is to establish a district in which the principal use of land is for single-family dwellings and to prohibit community and individual use of land and any other use which would substantially interfere with development or continuation of single-family dwellings. The **intent of the R-4**, High Density Residential District is for residential areas with a combination of multiple-family structures and single-family residences with a high population density which permits some nonresidential uses that are compatible with the residential character of the district.

- Adjacent to this parcel is only one parcel that is zoned R-1. That R-1 parcel is a Planned Unit Development, Mountain Rose Estates. The other adjacent parcels are zoned for P-Public Use, (MTA Events Center and Job Corps) and BP- Business Park (Terra Surveys).

Code Requirements:

Minimum R-4, High Density Residential District lot requirements are - a lot width of 60 feet and a minimum lot area of 7,200 square feet, and the R-4 district requires provision of 2,700 sq. feet of land area for each dwelling unit.

- The 9.3 acre parcel exceeds the minimum lot width and lot area requirement for R-4. The proposed 84 units of senior housing at 2,700 square feet per unit requires 226,800 sq. feet of lot area. At 9.3 acre, or 405,108 sq. ft. the parcel exceeds the minimum lot area per dwelling unit requirement.

PART III. FINDINGS OF FACT

PMC 17.80.036.C The report of the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience, and for a map amendment show whether:

Fact 1) The proposed change is in accordance with the borough and city comprehensive plans;

Applicant's response:

The proposed change meets the city's objective to promote a diverse range of desirable quality new housing, from attractive high density in or near downtown to outlying housing in more rural settings.

Staff finds the following support in the Comprehensive Plan:

- Goal 2 of Chapter 6, Land Use, from the 2006 Palmer Comprehensive Plan states, "Maintain high quality residential neighborhoods; promote development of a range of desirable new places to live in Palmer."
- Objective A under Goal 2 goes on to state "Promote a diverse range of quality housing, from attractive higher density housing in or near downtown, to outlying housing in more rural settings."
- Objective A also lists senior housing as one of the three categories of housing the City in particular wishes to promote.
- Goal 2 of Chapter 6 recognized one of Palmer's many assets to be water and sewer connections which would permit higher density housing. Another asset mentioned is the chance to have a residence within walking distance of stores, restaurants and places to work.

- Chapter 4 Public Services, Facilities & Infrastructure, Goal 2, under Objective B Senior Services states the city should “provide and sustain public services and facilities to serve the senior population. Keep Palmer an attractive place to live for people of all stages of life.”

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17, and the Comprehensive Plan:

- a) The proposed zone change to R-4, High Density Residential with Special Limitations would support Goal 2, Chapter 6 and Goal 2, Chapter 4 of the Comprehensive Plan by promoting a diverse range of quality housing, particularly the 84 units of senior housing which is a category of housing the City wishes to promote, and
- b) By providing quality of life amenities such as the 200' buffer to the existing senior housing, a community center, and an interior open space including a dog park to accommodate the pets of residents in this development.

Fact 2) *The proposed change is compatible with surrounding zoning districts and the established land use pattern;*

Applicant's response:

Yes. The established land use pattern uses R4 high density residential as a buffer to those districts having a higher intensity. The subject site borders R1 to the South that will be protected by a 200ft setback and a fence along the southern property line used as a buffer.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The parcel's location is surrounded by a mix of public, business, high density residential and planned unit development uses. Among the surrounding districts and established uses are Palmer Job Corps, Mountain Rose Estates, MTA Events Center, Palmer Junior Middle School and nearby are Mountain Rose East Condos and Eagle Ridge apartment building.
- b) If rezoned to R-4, High Density Residential with the Special Limitations requested by the applicant, this parcel would be compatible with surrounding zoning districts and existing uses, and would allow for future development of this parcel for senior housing.
- c) The requested special limitations will ensure that this rezone to R-4, High Density Residential would be limited to senior housing that is compatible with the existing nearby public uses, higher density residential uses and the existing senior housing planned unit development (Mountain Rose Estates).

Fact 3) *Public facilities such as schools, utilities and streets are adequate to support the proposed change;*

Applicant's response:

Schools will not be affected as the subject site is age restricted to seniors. Utilities will be extended to the subject site and are sufficient to support the proposed change. The current infrastructure is adequate for a senior project with low levels of traffic.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) Public facilities such as schools and utilities are adequate to support the proposed change. There will be little to no impact on public schools since one of the special limitations of the rezone request restricts development to senior housing.
- b) Another listed special limitation of the rezone request is for a reduction in the required amount of parking for this parcel since it is restricted to senior housing which will result in a lower level of traffic that will be generated by this development.
- c) The availability of water and sewer lines to accommodate a high-density development on this parcel have previously been confirmed by Public Works.

Fact 4) *Changed conditions affecting the subject parcel or the surrounding neighborhood support the proposed change:*

Applicant's response:

Yes, conditions affecting the subject site and the Palmer community have changed and warrant the zone change of the subject property from R1 to R4. See project details for more information.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The Matanuska-Susitna Borough is the fastest growing region in Alaska and the over 65 population is the fastest growing segment of that growth. According to the Alaska Department of Labor and Workforce Development, Research & Analysis Division, the over 55 population in Palmer had increased from 1,079 in 2010 to 1,306 by 2016.
- b) This undeveloped property was automatically zoned R-1 upon annexation. Surrounding neighborhoods east of South Chugach are comprised of a mix of residential, public and business uses. The proposed change to R-4, High Density Residential with Special Limitations for this parcel is compatible with the variety of the surrounding area's public uses, businesses, high density residential uses and established senior housing.

Fact 5) *The proposed change is consistent with the public welfare and does not grant a special privilege to the owner(s).*

Applicant's response:

The proposed change is consistent with the greater public welfare and will serve a growing senior population in the surrounding Palmer community and will not grant a special privilege to the owners of the site.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The proposed zone change is consistent with the public welfare in that it provides an opportunity to add needed senior housing in Palmer and does not grant this parcel any special privilege as the requested zone change is consistent with the adjacent Planned Unit Development and nearby properties zoned R-2 and R-4.

PART III. STAFF RECOMMENDATION

Based on the information provided by the applicant, staff finds this proposal to rezone Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations is consistent with and in conformance with the Palmer Comprehensive Plan for the R-4 High Density Residential district.

If following the Public Hearing, Commission finds that the applicant's proposal conforms to the Palmer Comprehensive Plan and Zoning Code provisions, then staff recommends that the Commission approve this request for rezoning Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian from R-1, Single-family Residential to R-4, High Density Residential with the following Special Limitations and forward a recommendation for approval to the City Council:

- 1) Any development to be restricted to senior housing
- 2) Maximum overall density of 84 units
- 3) Two story height limitation
- 4) Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
- 5) 200' building setback from the southern property boundary
- 6) 20' landscape screening easement to be provided at southern property boundary
- 7) Parking stall ratio not to exceed 1.70 parking stalls per unit



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

May 2, 2017

Dear Property Owner:

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment Application for Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, initiated by Cameron Johnson, authorized representative of the property owners. The property is located south of E. Cope Industrial Way and is adjacent to the MTA Events Center and Palmer Job Corps site in Palmer, Alaska. This property is currently zoned R-1, Single-family Residential. The request is to rezone the property to R-4, High Density Residential with the following Special Limitations:

Any development to be restricted to senior housing	Maximum overall density of 84 units
Two story height limitation	Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
200' building setback from the southern property boundary	20' landscape screening easement to be provided at southern property boundary
Parking stall ratio not to exceed 1.70 parking stalls per unit	

The map on the reverse side of this notice indicates the location of the subject parcel. For additional information on the R-4, High Density Residential District, please refer to Palmer Municipal Code Chapter 17.27 – High Density Residential District, located online at: www.cityofpalmer.org.

The Commission will hold a Public Hearing to consider this application and to allow for public comments as well. The meeting will be held on May 18, 2017 at 7:00 p.m., in the City Council Chambers located at 231 West Evergreen Avenue, Palmer, Alaska.

If you wish to comment on this issue, you may do so by attending the public hearing or by providing written comments to the Planning and Zoning Commission by May 12, 2017. Written comments may be mailed to Department of Community Development, 645 E. Cope Industrial Way, Palmer, Alaska, faxed to (907) 745-5443 or emailed to me at: kmclure@palmerak.org.

Sincerely,


Kimberly McClure, Planning & Code Compliance Technician

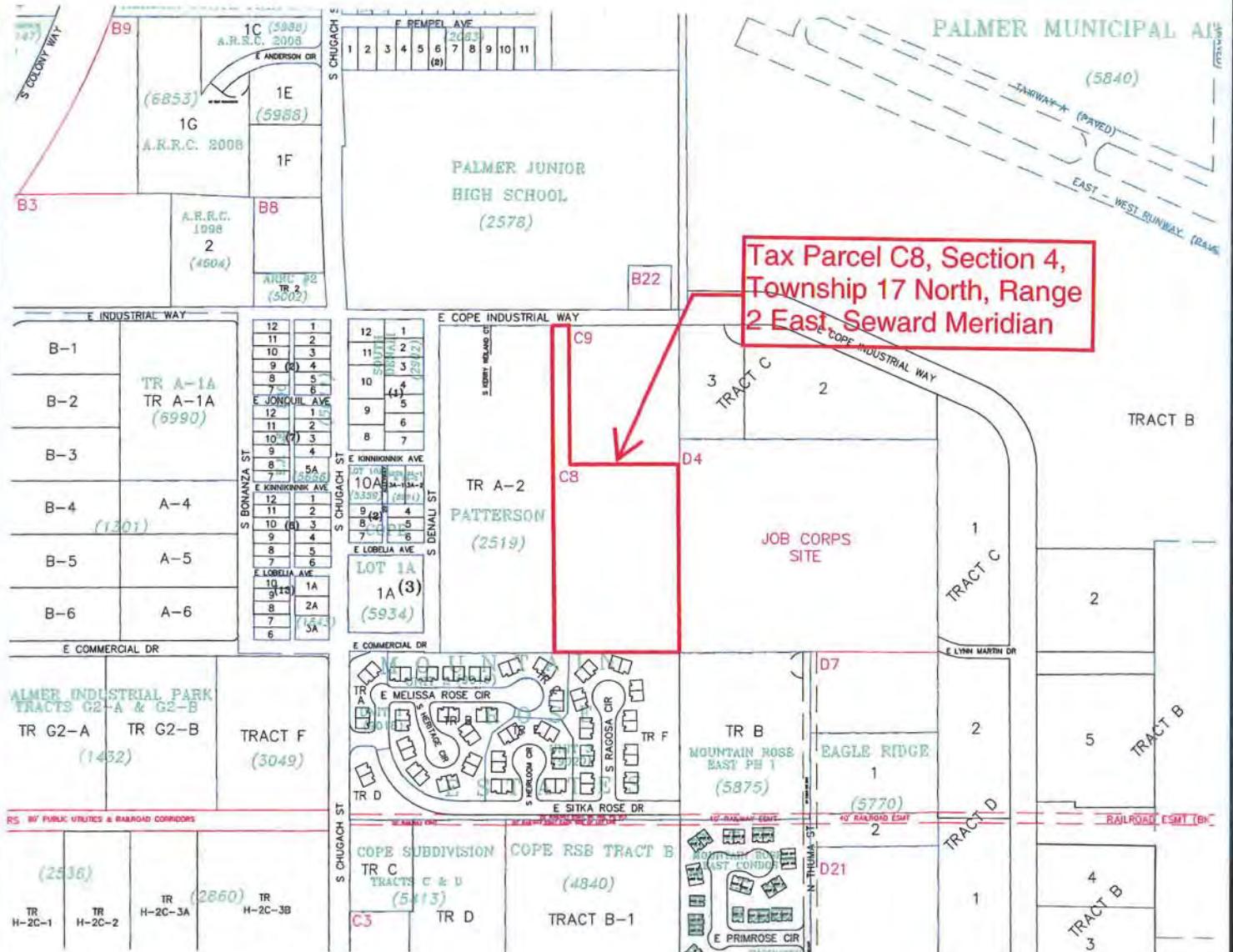
★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name: _____

Address: _____

VICINITY MAP



Request for Rezone from R-1, Single-family Residential to R-4, High Density Residential with Special Limitations for Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, located south of E. Cope Industrial Way and adjacent to MTA Events Center and Palmer Job Corps site in Palmer, Alaska.



Received

APR 28 2017

City of Palmer

16633 Ventura Blvd., Suite 1014
Encino, California 91436

Land Planning, Finance & Development

Tel. 818-380-2600

Fax. 818-380-2603

Kimberly McClure
Planning & Code Compliance Technician
City of Palmer – Community Development
645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone (907) 761-1306

Re: Legal Description: TOWNSHIP 17N RANGE 2E SECTION 4 LOT C8
Application for Zone Change from R-1 SFR to R-4 HDR with special limitations

Dear Ms. McClure,

This application respectfully seeks approval of a zone change to reclassify the 9.3 acres of vacant land legally described as TOWNSHIP 17N RANGE 2E SECTION 4 LOT C8 from R-1 (Single Family Residential) to R-4 (Multi-Family with special limitations). Special limitations hereby listed forthwith:

- Any development to be restricted to senior housing
- Maximum overall density of 84 units
- Two story height limitation
- Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
- 200' building setback from the southern property boundary
- 20' landscape screening easement to be provided at southern property boundary
- Parking stall ratio not to exceed 1.70 parking stalls per unit

We are currently considering developing an 84 unit residential senior housing project on the property. In order to mitigate any potential concerns, the change will be in accordance with the aforementioned special limitations. The project design will further ensure the privacy of the single family homes to the South and overall beautification of the site by dedicating a portion of the site to greenbelt and open space area.

Regarding the special limitation to the parking stall ratio not to exceed 1.70 parking stalls per unit: Over the last 15 years we have developed over 50 senior housing projects through-out the country. We generally provide between .75 and 1 parking spaces per unit in an affordable senior project. We have found this parking ratio to be more than adequate for this type of project. In senior project where we've been required to provide 1.50+ parking stalls per unit, we've ended up with large parking lots in which many of the parking spaces rarely get used. It ends up negatively impacting the desirability, functionality, aesthetics, drainage and usable open space of the project. We would rather dedicate that area to additional landscaping or open space. We are currently proposing 142 parking stalls to be shared by both phases of the Whispering Winds Senior Apartments. This provides a ratio of 1.70 parking stalls



16633 Ventura Blvd., Suite 1014
Encino, California 91436

Land Planning, Finance & Development

Tel. 818-380-2600

Fax. 818-380-2603

per unit, with each unit being provided one covered parking space. This is more than adequate in our opinion and experience in development senior housing. We also work with Mat Su Senior services who will be providing transit services for residents who need transportation to medical appointments, grocery shopping, trips to the senior center, etc.

We hope these factors we plan to incorporate in our design will satisfy any potential concerns regarding the proposed future development of the property. The request for zone change is to have flexibility in what type of residential uses we can develop on the vacant land. We would honor any limitations or conditions applied to the zone change. Enclosed please find the following:

- Planning & Zoning Application
- Check for \$250
- Architectural and Site plan submittal package

Should you have any questions regarding the application, please feel free to call me at 818-8255488.
Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "CJ".

Cameron Johnson

Applicant / Owner



Received

APR 28 2017

City of Palmer

City of Palmer Department of Community Development

645 E. Cope Industrial Way, Palmer, Alaska 99645
Telephone: (907) 745-3709 * Fax: (907) 745-5443

Zoning Map Amendment Application

Applicant: AMG and Associates, LLC

Legal Description of Properties covered by this application (use additional sheets if necessary):

TOWNSHIP 17N RANGE 2E SECTION 4 LOT C8

Requested District Change (i.e., from - to): R1 SFR TO R4 HDR with special limitations

Reason for request: Lack of sites within the city limits with the necessary amenities to support a quality senior housing project.

Please provide a written narrative explaining the following:

1. Is the proposed change in accordance with the borough and city comprehensive plan?

The proposed change meets the city's objective to promote a diverse range of desirable quality new housing, from attractive high density in or near downtown to outlying housing in more rural settings.

2. How is the proposed change compatible with surrounding zoning districts and the established land use pattern?

Yes. The established land use pattern uses R4 high density residential as a buffer to those districts having a higher intensity. The subject site borders R1 to the South that will be protected by a 200ft setback and a fence along the southern property line used as a buffer.

3. Are public facilities such as schools, utilities and streets adequate to support the proposed change?

Schools will not be affected as the subject site is age restricted to seniors. Utilities will be extended to the subject site and are sufficient to support the proposed change.

The current infrastructure is adequate for a senior project with low levels of traffic.

4. Do changed conditions affecting the subject parcel or the surrounding neighborhood support the proposed change?

Yes, conditions affecting the subject site and the Palmer community have changed and warrant the zone change of the subject property from R1 to R4. See projects details for more information.

5. Is the proposed change consistent with public welfare and will it grant a special privilege to the owners?

The proposed change is consistent with the greater public welfare and will serve a growing senior population in the surrounding Palmer community and will not grant a special privilege to the owners of the site.

Date of application: 4/25/2017

\$250.00 Filing fee paid:

Signature of owner or owner's authorized representative

16633 Ventura Blvd. Suite 1014, Encino, CA 91436

Address

818 825-5488

Phone/contact number



Received

APR 27 2017

City of Palmer

**City of Palmer
Department of Community Development**

645 E. Cope Industrial Way, Palmer, Alaska 99645
Telephone: (907) 745-3709 * Fax: (907) 745-5443

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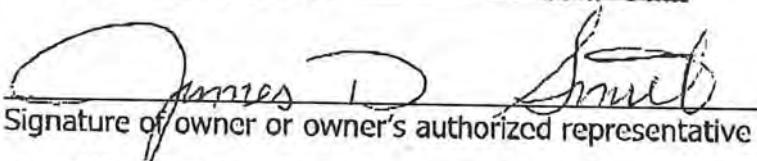
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\$250.00 Filing fee paid:



Signature of owner or owner's authorized representative

16633 Ventura Blvd. Suite 1014, Encino, CA 91436

Address

818 825-5488

Phone/contact number

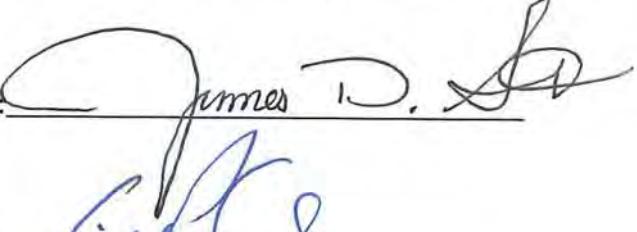
Received

MAY 05 2017

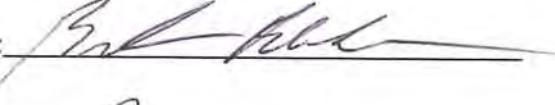
To: City of Palmer Planning and Zoning Commission (Kimberly McClure **City of Palmer**)
From: James Smith Representative of Property Parcel C8 Section 4, Township 17
North, Range 2 East, Seward Meridian
Re: Rezoning R1 Residential to R4 High Density Residential with Special Limitations.
Date: 05/04/2017

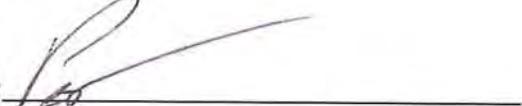
James Smith will represent the ownership group of this particular property. The ownership group has authorized Cameron Johnson of AMG the authorized representative of the property owners to move forward with the City of Palmer on request for rezoning the property from R1 Residential to R4 High Density Residential with Special Limitations spelled out by the City of Palmer.

This agreement is made valid by the signing of the members on the date signed by each.

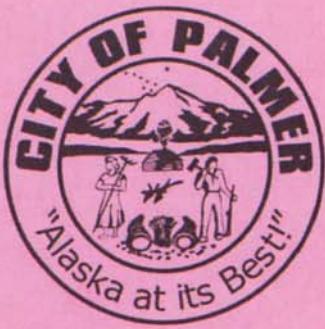
Signed:  Date: 5/04/2017

Signed:  Date: 5/04/2017

Signed:  Date: 5-4-2017

Signed:  Date: 5-4-2017

RICHARDS FAMILY TRUST
Signed: Duane Richards
Dorothy Richards Date: 5-04-2017



PALMER COMMUNITY DEVELOPMENT

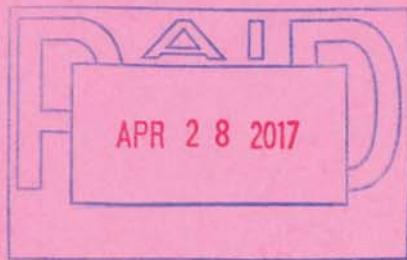
ATTN: Joan E. Patterson
645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709 • Fax: 907-745-5443
www.cityofpalmer.org

Invoice No.: CD17-024

Invoice Date: 04/28/2017

Sold To: AMG & ASSOCIATES LLC
16633 VENTURA BLVD., STE. 1014
ENCINO, CA 91436

Qty	Description	Price
1	REQUEST FOR ZONING MAP AMENDMENT T17N, R2E, S4, TAX PARCEL C-8 NHN E. COPE INDUSTRIAL WAY	\$250.00



01-00-00-3427

TOTAL

\$250.00

This invoice must be paid within 30 DAYS or further collection procedures will be taken.



AERIAL

**WHISPERING WINDS SENIOR
APARTMENTS**

DG GROUP ARCHITECTURE

PLLC
Baldwin Wilcox

ALASKA • ALBERGUE • CALIFORNIA • COLORADO • HAWAII • KANSAS • LOUISIANA • MARYLAND • NEW MEXICO • NEVADA • NORTH DAKOTA • OREGON • TEXAS • UTAH • VIRGINIA • WASHINGTON • WISCONSIN

SCPE INDUSTRIAL WAY

1

DG GROUP ARCHITECTURE
100 E. STATE STREET, SUITE 100
EAGLE, IDAHO 83621-1916
(208) 461-0202
Fax: (208) 461-2867

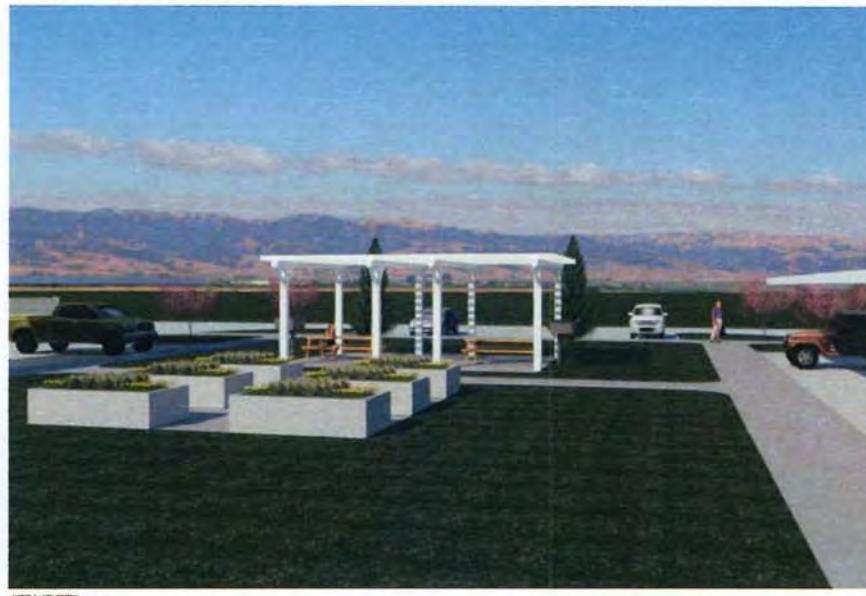
ALABAMA - ARKANSAS - CALIFORNIA - COLORADO - FLORIDA - GEORGIA - HAWAII - ILLINOIS - INDIANA - KANSAS - KENTUCKY - LOUISIANA - MARYLAND - MASSACHUSETTS - MINNESOTA - MISSOURI - NEBRASKA - NEW JERSEY - NEW MEXICO - NEW YORK - NORTH CAROLINA - OHIO - OKLAHOMA - OREGON - PENNSYLVANIA - SOUTH CAROLINA - TEXAS - UTAH - VERMONT - VIRGINIA - WASHINGTON - WISCONSIN - WYOMING

WHISPERING WINDS SENIOR APARTMENTS

A2.1



NORTH COURTYARD



SITE AMENITIES

PROJECT

**WHISPERING WINDS SENIOR
APARTMENTS**

PROJECT

A3.1



SOUTH ELEVATION



EAST ELEVATION



WEST ELEVATION



NORTH ELEVATION



BOARD & BATTEN
COLOR TO MATCH JAMES HARDIE "HONEY TAN"



SIDING - 4" REVEAL
COLOR TO MATCH JAMES HARDIE "HEATHERED MOSS"



SIDING - 6" REVEAL
COLOR TO MATCH JAMES HARDIE "HONEY BROWN"



SHINGLE/SHAKE SIDING
COLOR TO MATCH JAMES HARDIE "HONEY TAN"



TRIM BOARDS, BELLY BANDS, FASCIA, DOWNSPOUT AND RAILING SYSTEMS
COLOR TO MATCH JAMES HARDIE "HONEY TAN"



STONE VENEER
COLOR TO MATCH INOVIA "TIMBERLINE COUNTRYWAY"



PABCO FIBERGLASS SHINGLES
COLOR TO MATCH INOVIA "TIMBERLINE COUNTRYWAY"

DG GROUP ARCHITECTURE PLLC

1021 STATE STREET, SUITE 100
EUGENE, OREGON 97401
(541) 484-0022
(800) 481-5857

ALBUQUERQUE, NEW MEXICO
LOMITA, CALIFORNIA
LEWISTON, IDAHO
MANITOONISH, BRITISH COLUMBIA, CANADA

WHISPERING WINDS SENIOR APARTMENTS

PROJECT

A4.1

SCHEMATIC SET / NOT END CONSTRUCTION

REVISIONS



4/18/17
DE
AMQ17-7

PALMER, AK

April 25, 2017

Received

APR 28 2017

City of Palmer

City of Palmer
Planning and Zoning Commission
645 E. Cope Industrial Way
Palmer, AK 99645



Dear Sirs,

I am writing you on behalf of the Mat-Su Coalition on Housing and Homelessness (MSCHH). The MSCHH supports the opportunity for all Mat-Su Valley seniors to acquire affordable housing so that seniors can live a more independent and fulfilling life.

As you know, there is an escalating demand for affordable senior housing in the Mat-Su Valley. The population increases in this demographic is far outstripping the construction of available housing. Palmer has been selected to have a quality senior housing project constructed in close proximity to downtown Palmer. This new community is being developed by Pacific West Communities, Inc. and AMG & Associates, LLC and will be managed locally by Valley Residential Services. Both Pacific and AMG are experienced, quality organizations that consistently achieve high standards with their housing projects. They have a proven track record of providing high quality developments with timely execution and community satisfaction. Pacific West is the developer/owner of over 140 developments in 13 western states consisting of over 12,000 units. AMG & Associates is the developer/owner of over 5,000 units throughout western United States and is currently building 78 units of senior housing in Wasilla.

Whispering Winds Senior Apartments is a proposed 84-unit project to be completed in two phases; Phase 1 to begin in 2018 and Phase 2 in 2020. The December 2016 Mat-Su Senior Services Environmental Scan conducted by the McDowell Group, Inc. indicates there is a severe and unmet demand for new, quality affordable senior housing in the Mat-Su Valley and Palmer. Without a commitment and investment to expand the housing infrastructure available, these gaps will continue to increase due to the high growth rates of seniors anticipated over time. Whispering Winds will consist of 40 1BR units and 44 2BR units for a total of 128 total bedrooms and will be restricted to seniors (55+). Amenities will include a community gathering room with kitchen, a business center, an exercise room with equipment, covered parking, a community garden, a fenced dog park, walking trails and a 24 hour on-site resident manager.

MSCHH is in full support of this proposed application. It is our belief that this housing project will make a major contribution toward providing quality, safe and affordable housing for seniors in the Mat-Su Valley. We thank you for your support in our collective efforts to respond to the increasing demand for more affordable senior housing in the City of Palmer.

Sincerely,

John Rozzi

Chair, Mat-Su Coalition on Housing and Homelessness

Received

MAY 16 2017

City of Palmer

Mat-Su Senior Services

May 15, 2017

Cameron Johnson
AMG & Associates, LLC
16633 Ventura Blvd, Suite 1014
Encino, CA 91436

**Re: Support Letter
Whispering Woods Senior Apartments (Palmer, Alaska)
Up to 84 Units Senior Housing**

Dear Mr. Johnson:

The Palmer Senior Citizens Center, Inc. dba Mat-Su Senior Services supports the additional development of senior housing in the Palmer area due to the identified needs as per the Mat-Su Senior Environmental Scan 2016 provided by the Mat-Su Health Foundation. The decision was made to support this project following information that our senior neighbors at Mountain Rose Estates also supports this project.

The Mat-Su Senior Services (MSSS), a 501(c)(3) non-profit senior services organization, provides senior services to seniors living in the Matanuska Borough since October 1980. MSSS proposes to provide the following services for future residents of the proposed senior apartments:

- Transportation Services to ensure safe, appropriate access to medical appointments, senior centers, grocery shopping, etc.
- Congregate Meals at one of the area senior centers provides proper nutrition and social contacts;
- Home Delivered Meals to ensure seniors who cannot attend a congregate meal have a daily visit and proper nutrition;
- Chore Services to ensure seniors living environment is safe, clean, and healthy;
- Respite Services to provide an opportunity for caregivers to take a needed break to ensure they remain healthy so they can continue to care for their loved one(s);
- Adult Day Services for eligible seniors for a safe, secure day program;
- Isolation Prevention activities to keep seniors engaged and involved in their community;
- Exercise opportunities to encourage healthy living, prevent falls, and activity;
- Access to pool table, library, computers, etc. at the Palmer Senior Center.

The services will vary dependent on feedback and requests from project residents. MSSS proposes to provide these services to qualified residents of Whispering Woods Senior Apartments. If the current management arrangement is unsuccessful, MSSSS would be interested in negotiating a management agreement with you in the future.



Palmer Senior Citizens Center, Inc. 1132 S. Chugach Street, Palmer, Alaska 99645

Phone (907) 745-5454~Fax (907) 746-5173~Email pscc@mtaonline.net





Mat-Su Senior Services

We look forward to working with you on this senior affordable housing project. Our mission is to promote honor, dignity, security, and independence for older Alaskans and to assist them in maintaining meaningful, quality lives. MSSS strives to provide Mat-Su Seniors with the individual services they require to remain autonomous and avoid premature institutionalization.

If you have any questions, or would like additional information, please do not hesitate to contact me at rachelg@matsuseniors.com or 907-745-5454.

Sincerely,



Rachel E. Greenberg
President & CEO



Palmer Senior Citizens Center, Inc. 1132 S. Chugach Street, Palmer, Alaska 99645 
Phone (907) 745-5454~Fax (907) 746-5173~Email pscc@mtaonline.net



Kimberly McClure

From: Kimberly McClure
Sent: Monday, May 08, 2017 8:22 AM
To: '2olbones@gci.net'
Subject: RE: [EXTERNAL]May 2, 2017 request for rezoning tax parcel C8

Your comments will be forwarded to the Planning and Zoning Commission for their consideration.

Thank you,

Kimberly McClure
Planning & Code Compliance Technician
City of Palmer – Community Development
645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone (907) 761-1306
<mailto:kmclure@palmerak.org>

From: Samuel D Tribble [<mailto:2olbones@gci.net>]
Sent: Friday, May 05, 2017 10:21 AM
To: Kimberly McClure <kmclure@palmerak.org>
Subject: [EXTERNAL]May 2, 2017 request for rezoning tax parcel C8

We are delighted to see this opportunity for growth of our city.

Samuel D and Gillian Tribble
691A East Primrose Circle
Palmer AK 99646
Telephone number 746-4840



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

May 2, 2017

Received

MAY 08 2017

City of Palmer

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

Dear Property Owner:

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment Application for Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, initiated by Cameron Johnson, authorized representative of the property owners. The property is located south of E. Cope Industrial Way and is adjacent to the MTA Events Center and Palmer Job Corps site in Palmer, Alaska. This property is currently zoned R-1, Single-family Residential. The request is to rezone the property to R-4, High Density Residential with the following Special Limitations:

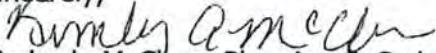
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Parking stall ratio not to exceed 1.70 parking stalls per unit	

The map on the reverse side of this notice indicates the location of the subject parcel. For additional information on the R-4, High Density Residential District, please refer to Palmer Municipal Code Chapter 17.27 – High Density Residential District, located online at: www.cityofpalmer.org.

The Commission will hold a Public Hearing to consider this application and to allow for public comments as well. The meeting will be held on May 18, 2017 at 7:00 p.m., in the City Council Chambers located at 231 West Evergreen Avenue, Palmer, Alaska.

If you wish to comment on this issue, you may do so by attending the public hearing or by providing written comments to the Planning and Zoning Commission by May 12, 2017. Written comments may be mailed to Department of Community Development, 645 E. Cope Industrial Way, Palmer, Alaska, faxed to (907) 745-5443 or emailed to me at: kmccleure@palmerak.org.

Sincerely,


Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

This senior development will make good neighbors for us and good proximity to services for the new residences.

Name: Carl and Judy Divinyi
Address: 1740A S. Ragosa Cir

Carl and Judy Divinyi
1740A S. Ragosa Cir
Palmer, AK 99645-6786





DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

Received

MAY 09 2017

City of Palmer

May 2, 2017

Dear Property Owner:

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<i>yes yes yes</i>	
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Sincerely,

Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of) (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

We will all be old people - I'm use. Senior Center and not 300 children for schools we don't have -

Name: Mary Ann Anderson (since 1945)

Address: 1740 A. Do. Heritage Cir, Palmer, AK - 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

May 2, 2017

Received

MAY 09 2017

City of Palmer

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

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If you wish to comment on this issue, you may do so by attending the public hearing or by providing written comments to the Planning and Zoning Commission by May 12, 2017. Written comments may be mailed to Department of Community Development, 645 E. Cope Industrial Way, Palmer, Alaska, faxed to (907) 745-5443 or emailed to me at: kmclure@palmerak.org.

Sincerely,

Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of) (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name:

K(Kenneth) Wayne PRICE

Address:

*681 E PRIMROSE Cr Unit B, Palmer AK
99645*



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

May 2, 2017

Received

MAY 10 2017

City of Palmer

Dear Property Owner:

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment Application for Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian, initiated by Cameron Johnson, authorized representative of the property owners. The property is located south of E. Cope Industrial Way and is adjacent to the MTA Events Center and Palmer Job Corps site in Palmer, Alaska. This property is currently zoned R-1, Single-family Residential. The request is to rezone the property to R-4, High Density Residential with the following Special Limitations:

Any development to be restricted to senior housing	Maximum overall density of 84 units
Two story height limitation	Access to site to be restricted to Cope Industrial Way (except for EVA entrance from Commercial Drive)
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Parking stall ratio not to exceed 1.70 parking stalls per unit	

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Sincerely,

Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician

☆ ☆

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name: James E Brown owner 1745B S. Heritage MRE

Mail -Address: 901 S. Gunny sack Rd. Palmer Ak 99645

James E Brown



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

May 2, 2017

Received

MAY 11 2017

City of Palmer

Mail: 231 W. Evergreen Ave.
 Location: 645 E. Cope Industrial Way
 Palmer, AK 99645-6748
 Phone: 907-745-3709
 Fax: 907-745-5443
www.cityofpalmer.org

Dear Property Owner:

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Sincerely,

Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of) (NOT in favor of) (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Spec.

There is enough apartment buildings in city
limits already.

Name: _____

Address: _____

Kimberly McClure

From: Carol Moorman <carolm@mtaonline.net>
Sent: Thursday, May 11, 2017 10:32 AM
To: Kimberly McClure
Subject: [EXTERNAL]Rezoning request

I am in favor of the zoning request to enable a senior housing development. This is a good fit for the area which has several other senior services in close proximity.

Carol L. Moorman
445B E Melissa Rose Circle
Palmer, AK 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Received

MAY 11 2017

City of Palmer

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

May 2, 2017

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Sincerely,

Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician



For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name: PATRICIA A. COLLIER - Patricia A. Collier 5-10-17

Address: 475-B MELISSA ROSE CIR, PALMER, AK 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Received

MAY 12 2017

City of Palmer

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library DirectorMail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

May 2, 2017

Dear Property Owner:

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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of) (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

THIS WILL BRING MORE PEOPLE INTO THE COPS
TAX BASE & Fill A NEED For QUALITY HousiNG
THAT IS NEEDED in COP. Also will support business's.

Name: Zid Richards

Address: 1444 S. Chugach St.



DEPARTMENT OF COMMUNITY DEVELOPMENT

Received

MAY 12 2017

City of Palmer

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

May 2, 2017

Dear Property Owner:

www.cityofpalmer.org

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Sincerely,

Kimberly Amerson

Kimberly McClure, Planning & Code Compliance Technician

A horizontal row of 30 black five-pointed stars, evenly spaced, used as a decorative separator at the bottom of the page.

or the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection) to issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

*TOO MANY UNITS - LOOK LIKE GHETTO
LEAVE @ SINGLE FAMILY*

Name: _____

P. Leckwold

Address:

Box 1008

PASWIER DK 99648



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

Received

MAY 12 2017

City of Palmer

May 2, 2017

Dear Property Owner:

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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name: Charles E MartinAddress: 355 E Melissa Rose Cir # B - Palmer AK 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

May 2, 2017

Received

MAY 12 2017

City of Palmer

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

We have no objection at this time PROVIDED ALL THE CONDITIONS ARE IMPLEMENTED AND ENFORCED. VOA NEEDS TO WITHDRAW ITS APPROVED PUD

Name: Jenn & Richard Krause

Address: 360A Melissa Rose Circle, Palmer, AK 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

May 2, 2017

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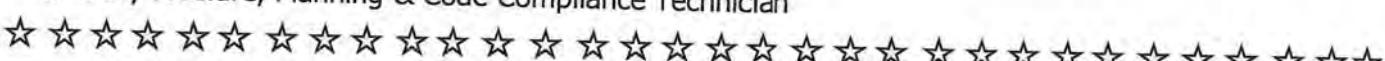
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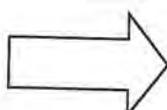
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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician



For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.



On May 16, 2017, Laura LeMieux called in a verbal "in favor of" the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

Received

MAY 16 2017

City of Palmer

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

May 2, 2017

Dear Property Owner:

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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

PROVIDED, the conditions imposed with this development are followed, and inforced, and the VOA withdraws the PUD

Name: Helen Woodings

Address: 1745 Heritage Cir-A, Palmer



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
DirectorDavid Meneses
Building InspectorBeth Skow
Library Director

RECEIVED

MAY 16 2017

City of Palmer

May 2, 2017

Dear Property Owner:

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Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

☆ ☆

For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Name: Barbara Kuhn

Address: 430 A Melissa Rose Circle Palmer AK
'99645

City of Palmer
Ordinance No. 17-010-Z-2-SL

Subject: Amending the Zoning Map to Revise the Designation of Lot 8, Lot 7 and the West One-half of Lot 6, Block 3, T A Smith Subdivision Located in Section 33, Township 18 North, Range 2 East, Seward Meridian from R-2, Low Density Residential to CG – General Commercial with Special Limitations

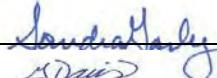
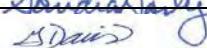
Agenda of: June 13, 2017

Council Action: Adopted Amended: _____
 Denied

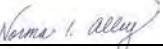
Originator Information:

Originator: Community Development Director Sandra Garley

Department Review:

Route to:	Department Director:	Signature:	Date:
X	Community Development		5/22/17
X	Finance		5/23/17
	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 (✓):

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

Funds are (✓):

- | | | |
|--------------------------|--------------|---------------------|
| <input type="checkbox"/> | Budgeted | Line item(s): _____ |
| <input type="checkbox"/> | Not budgeted | _____ |

Director of Finance Signature: 

Attachment(s):

- Ordinance No. 17-010-Z-2-SL
- Planning and Zoning Commission Resolution No. 17-003 with Findings of Facts
- Ordinance No. 05-025-Z-6-SL (Background Information on adjacent lot)
- Staff Report
- Public Notice and Vicinity Map for Commission Public Hearing of May 18, 2017
- Zoning Map Amendment Application
- Written Comments Received for Commission Hearing

Summary Statement:

If approved, Ordinance No. 17-010-Z-2-SL will rezone Lot 8, Lot 7 and the West one-half of Lot 6, Block 3, T A Smith Subdivision from R-2, Low Density Residential to CG – General Commercial with Special Limitations.

Background:

These lots are surrounded by commercial and low density residential uses. Until recently, the subject lots contained structures but those structures have been demolished. These lots are currently vacant.

Located to the west of the lots is Tract 1-A; the north portion of this tract was rezoned from R-2 to CG in May 2005 with Special Limitations to limit access to Arctic Avenue. Located to the south of these lots is Tract 3, a commercially zoned tract and the former location of Chickadee's.

With the recently completed extension of Bogard Road connecting the Parks Highway to the Glenn Highway at the W. Arctic Avenue intersection, commercial activity will continue to increase in this area.

The owners are requesting the zone change to allow these lots to have the same zoning designation as Tract 1-A and Tract 3 for a future replat combining the lots and tracts together into one new parcel for future commercial development while continuing to limit access to Arctic Avenue for the property.

Administration's Recommendation:

Adopt Ordinance No. 17-010-Z-2-SL to amend the Zoning Map to revise the designation of Lot 8, Lot 7 and the West one-half of Lot 6, Block 3, T A Smith Subdivision located in Section 33, Township 18 North, Range 2 East, Seward Meridian from R-2, Low Density Residential to CG – General Commercial with the following Special Limitation:

- 1) Expansion of the Special Limitation on Tract 1-A to limit access to Arctic Avenue to include these lots

Planning & Zoning Commission Information:
 Initiated By: Planning and Zoning
 Commission
 Public Hearing: May 18, 2017
 Action: Approved
 Vote: Unanimous
 City Council Information:
 Introduced by: City Manager Wallace
 Date: June 13, 2017
 Public Hearing:
 Action:
 Vote:
 Yes: _____ No: _____

CITY OF PALMER, ALASKA

ORDINANCE NO. 17-010-Z-2-SL

An Ordinance of the Palmer City Council Amending the Zoning Map to revise the designation of Lot 8, Lot 7 and the West one-half of Lot 6, Block 3, T A Smith Subdivision located in Section 33, Township 18 North, Range 2 East, Seward Meridian from R-2, Low Density Residential to CG – General Commercial with Special Limitations

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 provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Authority and legislative findings. Pursuant to 17.80.040, the City Council hereby adopts the following zoning map amendment in accordance with the legislative findings set below:

WHEREAS, the City of Palmer Planning and Zoning Commission (the Commission) received an application on April 19, 2017 from applicant, Robert and Barbara Fisher, owner of Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith subdivision, located in Section 33, Township 18 North, Range 2 East, Seward Meridian, Alaska to rezone the subject property from being zoned R-2, Low Density to CG - General Commercial with Special Limitations; and

WHEREAS, the Special Limitation requests expansion of the Special Limitation on Tract 1-A to limit access to Arctic Avenue to include these lots; and

WHEREAS, the Commission duly gave required notices, held its required public hearing on May 18, 2017, made a written report of its decision as to such need, justification and effect of

the change of zoning in Commission Resolution No. 17-003, and voted 6 in favor and 0 opposed to recommend that such amendment to the zoning map be approved; and

WHEREAS, the Commission adopted finding of fact in Commission Resolution No. 17-003 as to the need, justification and effect of the change of zoning on May 18, 2017; and

WHEREAS, the City Council duly gave required notices, held its required public hearing on this date, and has duly considered the request to rezone the property, all evidence and testimony presented including any comments of the persons attending the public hearing, the findings of fact set forth in Planning and Zoning Commission Resolution No. 17-003, and the recommendation of the Commission; and

Section 4. The City of Palmer Zoning Districts Map dated December, 2014, is hereby amended to revise the zoning designation of Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith subdivision, located in Section 33, Township 18 North, Range 2 East, Seward Meridian, Alaska from being zoned R-2, Low Density Residential to CG - General Commercial with the following Special Limitation:

- 1) Expansion of the Special Limitation on Tract 1-A to limit access to Arctic Avenue to include these lots

Section 5. Effective Date. Ordinance No. 17-010-Z-2-SL shall take effect upon adoption by the Palmer City Council.

Passed and approved this _____ day of _____, 2017.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

PALMER PLANNING AND ZONING COMMISSION

RESOLUTION NO. 17-003

A RESOLUTION OF THE PALMER PLANNING AND ZONING COMMISSION RECOMMENDING CITY COUNCIL APPROVE A ZONING MAP AMENDMENT FOR LOT 8, LOT 7 AND THE WEST ONE-HALF OF LOT 6, BLOCK 3, TA SMITH SUBDIVISION TO BE REZONED FROM R-2, LOW DENSITY RESIDENTIAL TO CG - GENERAL COMMERCIAL WITH SPECIAL LIMITATIONS, LOCATED WITHIN SECTION 33, TOWNSHIP 18 NORTH, RANGE 2 EAST, SEWARD MERIDIAN, ALASKA

WHEREAS, Robert and Barbara Fisher have initiated a zoning map amendment application to change the zoning designation for Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, TA Smith subdivision from R-2, Low Density Residential to CG – General Commercial; and

WHEREAS, a request for a zoning map amendment must be reviewed by the Planning and Zoning Commission and a recommendation reflecting the findings of the Commission must be forwarded to the City Council; and

WHEREAS, by May 2, 2017, 201 public hearing notices were mailed to property owners within 1,200' of the site in accordance with 17.80.030. Notification of the public hearing was published in the Frontiersman on May 12, 2017. A total of 1 written comment was received in response, with 0 in favor of, 1 opposed and 0 no objection; and

WHEREAS, Chapter 7, Economic Vitality, of the City of Palmer Comprehensive Plan Goal 3 identifies the need for strengthening Palmer's role as a place to shop for residents of Palmer, residents of surrounding areas and visitors; and

WHEREAS, Objective A of Goal 3, of the Plan mentions the need to provide space for commercial expansion; set high standards to ensure quality development. Objective A also notes that commercial growth is essential to Palmer's quality of life and economic health; and

WHEREAS, Objective A of Goal 3 notes that the Comprehensive Plan policies are intended to ensure appropriate and sufficient land is zoned to encourage investors and business owners to make investments that expand the commercial products and services available in Palmer; and

WHEREAS, Chapter 7 Goal 4 of the Comprehensive Plan encourages new commercial developments, so residents of Palmer, residents of surrounding areas, and visitors can find the goods and services they need in Palmer; and

WHEREAS, Chapter 5, Transportation, of the Comprehensive Plan under Goal 1 notes that the City should work to control access to commercial development along the Glenn Highway; and

WHEREAS, Chapter 6, Land Use, of the Comprehensive Plan Goal 1 under Objective A recommends guiding growth and development patterns by providing adequate space for expansion of commercial uses along the Glenn Highway.

The following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17, and the Comprehensive Plan:

Fact 1:

- a) The proposed change would support the objectives and goals of the City's Comprehensive Plan by encouraging commercial development and expansion of over two acres of commercial uses at the intersection of the Glenn Highway and W. Arctic Avenue (the old Glenn Highway) which are major transportation links in Palmer road system.
- b) This new commercial node will provide over two acres of land for the development of commercial activities that will increase the availability of goods and services for residents and travelers along the highway.
- c) By special limitation, this new commercial development will only have access from the south from W. Arctic Avenue.
- d) The new extension of Bogard Road connecting the Parks Highway to the Glenn Highway at the W. Arctic Avenue intersection will increase the number of travelers along the Glenn Highway who can stop to shop for goods and services at the new commercial development by accessing this property via W. Arctic Avenue.

Fact 2:

- a) The property in question is contiguous to CG Commercial General zoning property on the west side. The entire south side of the block between the Glenn Highway and S. Alaska Street is zoned General Commercial and has existing commercial businesses with access from West Arctic Avenue.
- b) The remaining five lots on Block 3 of TA Smith Subdivision will remain their R-2 Low Density Residential zoning designation and will continue to have their access off W. Auklet Avenue. The special limitations of the proposed rezone will prevent the use of W. Auklet by commercial traffic.
- c) The proposed change will simplify the process for the property owners to combine these lots with the adjacent tracts that are already zoned General Commercial with access from W. Arctic Avenue, thereby encouraging the future development of these lots for commercial use of the property that would be compatible with the established commercial and residential uses in the surrounding zoning districts.

Fact 3:

- a) The property owners are currently in the platting process to combine these lots with the adjacent commercially zoned tracts, specifically Tract 1-A which has access restricted to West Arctic Avenue, a major collector street that is adequate for any new commercial traffic.

- b) Utilities are available to serve the proposed use of property as General Commercial; Public Works Department has commented that their main concern is that no structures are built over the sewer main that will be in the middle of the property if combined.
- c) The proposed change is from R-2, Low Density Residential to CG, General Commercial; there would be little to no impact on public schools since the proposed change would be for a commercial use. The nearest public school is located 2,533 feet from the proposed rezoning.

Fact 4:

- a) The extension of Bogard Road from the intersection of W. Arctic Avenue and the Glenn Highway from Palmer High School to the Parks Highway have created a new transportation corridor which increases traffic passing by the property in question and makes commercial development more viable for this property.
- b) The proposed rezone request would match the zoning of the surrounding tracts to make the process easier to re-plat the lots and tracts into one large commercially zoned parcel with direct access onto W. Arctic Avenue and would be compatible with the surrounding commercially zoned properties.

Fact 5:

- a) The proposed change does not grant the owner any special privilege as the property in question is contiguous to existing Commercial zoning and business development; other property owners of land contiguous to commercially zoned lots on major transportation routes may request a zone change to commercial.
- b) The proposed change is consistent with the public welfare by permitting the future use of these properties to be developed for commercial activity for the benefit of Palmer residents and visitors.

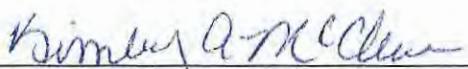
NOW, THEREFORE, BE IT RESOLVED that the Palmer Planning and Zoning Commission does hereby recommend the City Council approve the Zoning Map Amendment for Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, TA Smith subdivision from R-2, Low Density Residential to CG – General Commercial with the following Special Limitation:

- 1) Expansion of the Special Limitation on Tract 1-A to limit access to Arctic Avenue to include these lots

Passed by the Planning and Zoning Commission of the City of Palmer, Alaska, this 18th day of May, 2017.



Dan Lucas, Chairman



Kimberly A. McClure
Planning & Code Compliance Technician

* *Background
Information on adjacent
lot*

Introduced by: City Manager Healy
 Date: May 10, 2005
 Public Hearing: May 24, 2005
 Action: June 14, 2005 Adopted
 Vote: Unanimous

CITY OF PALMER, ALASKA

ORDINANCE NO. 05-025-Z-6-SL

AN ORDINANCE REZONING TRACT 1, T.A. SMITH SUBDIVISION FROM R2 (MEDIUM DENSITY RESIDENTIAL DISTRICT) TO CG (GENERAL COMMERCIAL DISTRICT)

WHEREAS, in accordance with PMC 17.80.010, the City of Palmer Planning and Zoning Commission (the Commission) instituted an action to rezone the below described properties from R2 (Medium Density Residential District) to CG (General Commercial District); and

WHEREAS, the Commission duly gave required notices, held its required public hearing on April 21, 2005, and made its written report (as contained in the minutes of the Commission's April 21 meeting) of its findings as to such need, justification and effect of the change of zoning and recommended that such amendment to the zoning map be approved; and

WHEREAS, the City Council duly gave required notices, held its required public hearing on May 24, 2005, and has duly considered the request to rezone the property, all evidence and testimony presented including any comments of the persons attending the public hearing, and the report and actions of the Commission, and being fully advised in the premises.

NOW THEREFORE:

Section 1. The City Council hereby amends the City of Palmer Zoning Map designation for the following described properties from R2 (Medium Density Residential District) to CG (General Commercial District) with the listed special limitations:

A parcel of property located in the Palmer Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

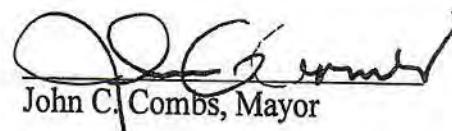
Tract 1, T.A. Smith Subdivision

- A. The rezone shall become effective after Tract 1 and Tract 2 of the T.A. Smith subdivision have been replatted into one lot, and duly recorded with the State of Alaska;
- B. Access to the replatted property is restricted to the south side of the parcel on West Arctic Avenue or on the Glenn Highway as permitted by the State of Alaska;
- C. The above limitations are a minimal limitation and are subject to any greater restrictions and limitations required by law;
- D. In accordance with PMC 17.80.040B.2.b, this rezoning ordinance becomes effective only upon the written consent of the owner of the property and the fully signed consent form being delivered to the city clerk within 60 days of the recording of the new plat

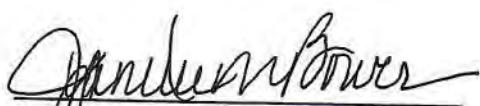
otherwise, this ordinance is not effective and the property is not rezoned.

Section 2. Effective Date. This ordinance shall become effective immediately upon its adoption and the provisions of Sections 1.A and D as listed above.

Adopted by the City Council of the City of Palmer, Alaska, 24th day of May, 2005.



John C. Combs, Mayor



Janette M. Bower, City Clerk



Community Development Zone Change Application **Staff Report to Commission**

PART I. GENERAL INFORMATION

Location:	Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith Subdivision
Site Address:	160 & 152 West Auklet Avenue
Request:	To re-zone the Lots from R-2, Low Density Residential to CG, General Commercial
Applicant & Owner:	Robert and Barbara Fisher
Public Hearing Date:	May 18, 2017
Notification Requirements:	In accordance with 17.80.030 By May 2, 2017, 201 public hearing notices were mailed to Property owners within 1,200' of the site. Notification of the public hearing was published in the Frontiersman on May 12, 2017. A total of 1 written comment was received in response, with 0 in favor of, 1 opposed and 0 no objection.

PART II. BACKGROUND

Site Information:

Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, have access from West Auklet Avenue. The Lots are between Tract 1-A, T A Smith, which is zoned CG, General Commercial and Lot 5-1, Block 3, T A Smith, which is zoned R-2, Low Density Residential.

The original plat of T A Smith, Plat No. 18-211 was approved by City Council in 1955; and the revised plat of T A Smith, Plat No. 64-6 was approved by the Chairman of the City Planning Commission on May 20, 1963 as being compliant with subdivision regulations of the City of Palmer Planning Commission.

The northern portion of Tract 1-A was rezoned from R-2 to CG in May 2005. Special limitations included access only from Arctic Avenue and combining of two lots existing in 2005 into one lot now known as Tract 1-A.

The Borough has recently completed the extension of Bogard Road connecting the Parks Highway to the Glenn Highway at the W. Arctic Avenue intersection.

Parcel Size:

Lot 8 is 0.16 gross acres; Lot 6-1 (Lot 7 & west one-half of Lot 6) is 0.24 gross acres

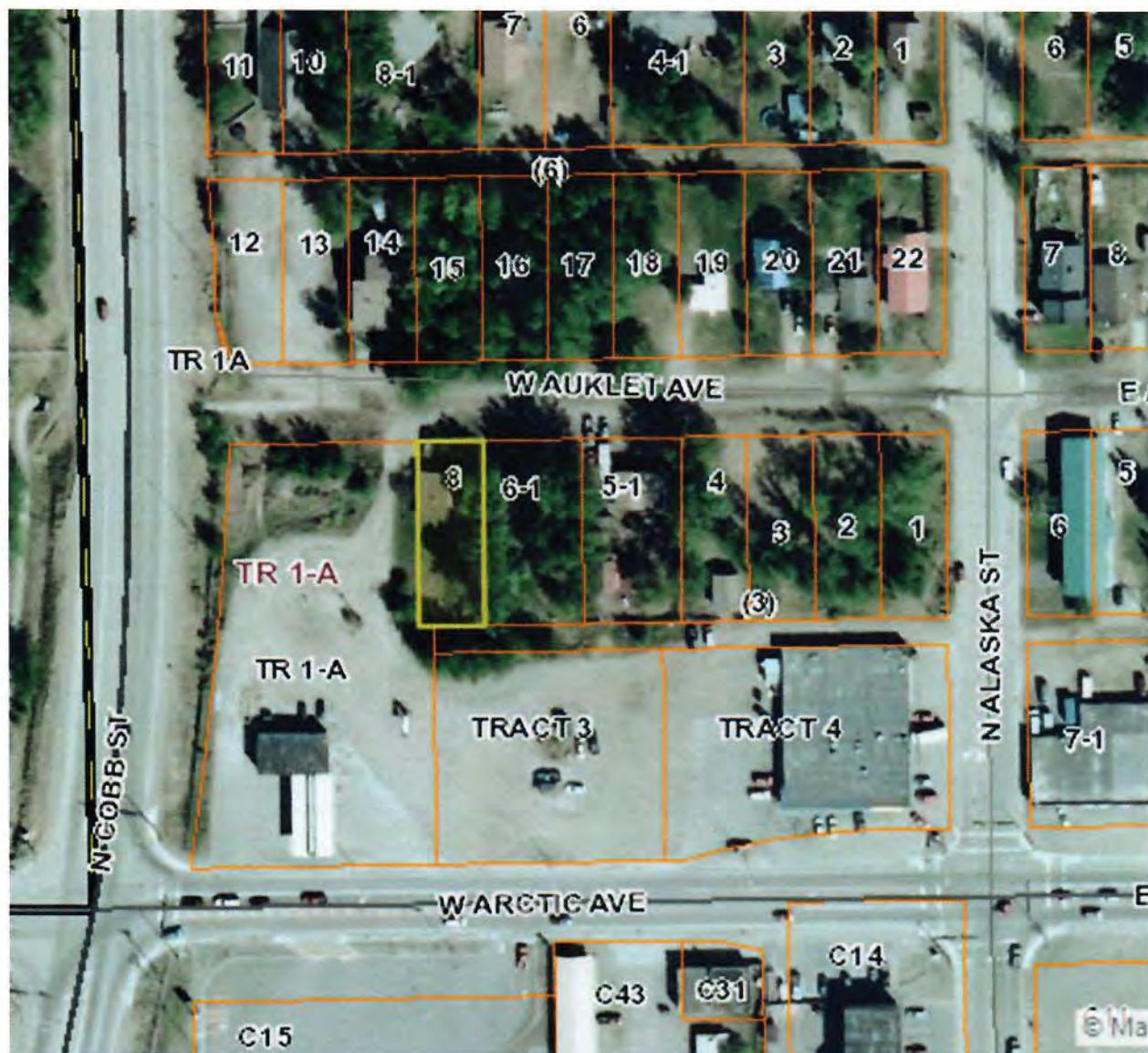
- The owners are requesting these lots to have the same CG General Commercial zoning designation as Tract 1-A and Tract 3 of T A Smith for a future replat that combines all the lots and tracts into one new CG General Commercial tract containing 2.29 acres

Existing Zoning:

R-2, Low Density Residential

Surrounding Land Uses:

	Zoning	Land Use for surrounding areas
North	R-2	Low density residential
South	CG	Coffee stand
East	R-2	Residential
West	CG	Former business, Chickadee's



Considerations:

The **intent of the R-2**, Low Density Residential District is to allow for residential areas with a combination of multifamily structures consisting of four or fewer dwelling units, single-family residences and a low-to-medium population density. The **intent of the CG-General Commercial** District is to allow the principal use of land for commercial enterprises to provide for commercial enterprises which serve the needs of a large population and a large land area, and to provide a centralization of service by allowing heavier uses.

- The residence/structures that were on Lot 8 have recently been demolished; the Lots are vacant.
- The owners are requesting these lots to have the same zoning designation as Tract 1-A and Tract 3 of T A Smith for a future replat that combines all the lots and tracts into one new tract containing 2.29 acres.

Code Requirements:

In the CG-General Commercial District, the required minimum lot width is 60 feet and the required minimum lot area is 7,200 square feet.

Lot 8 is 50 feet in width; Lot 6-1 consists of Lot 7, which is 50 feet in width and the west one-half of Lot 6 which is 25 feet in width. Lots 8 and 7 each contain 7,000 square feet and the west half of Lot 6 contains 3,500 square feet.

PART III. FINDINGS OF FACT

PMC 17.80.036.C The report of the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience, and for a map amendment show whether:

Fact 1) The proposed change is in accordance with the borough and city comprehensive plans;

Applicant's response:

The 2 and 1/2 lots are to be combined with two adjoining CG Zoned Tracts creating a 2.20 acre parcel. The parcel is located in the northeast quadrant of the N. Glenn Highway and W. Arctic Ave. intersection, an area well suited for commercial use. The lots also have frontage on W. Auklet Ave. a residential street but access onto the street will not be allowed as all commercial traffic will be from W. Arctic Ave via the re-plat.

Staff finds the following support in the Comprehensive Plan:

- Chapter 7, Economic Vitality, of the City of Palmer Comprehensive Plan Goal 3 identifies the need for strengthening Palmer's role as a place to shop for residents of Palmer, residents of surrounding areas and visitors.
- Objective A of Goal 3, of the Plan mentions the need to provide space for commercial expansion; set high standards to ensure quality development. Objective A also notes that commercial growth is essential to Palmer's quality of life and economic health.

- Objective A of Goal 3 notes that the Comprehensive Plan policies are intended to ensure appropriate and sufficient land is zoned to encourage investors and business owners to make investments that expand the commercial products and services available in Palmer.
- Chapter 7 Goal 4 of the Comprehensive Plan encourages new commercial developments, so residents of Palmer, residents of surrounding areas, and visitors can find the goods and services they need in Palmer.
- Chapter 5, Transportation, of the Comprehensive Plan under Goal 1 notes that the City should work to control access to commercial development along the Glenn Highway.
- Chapter 6, Land Use, of the Comprehensive Plan Goal 1 under Objective A recommends guiding growth and development patterns by providing adequate space for expansion of commercial uses along the Glenn Highway.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17, and the Comprehensive Plan:

- a) The proposed change would support the objectives and goals of the City's Comprehensive Plan by encouraging commercial development and expansion of over two acres of commercial uses at the intersection of the Glenn Highway and W. Arctic Avenue (the old Glenn Highway) which are major transportation links in Palmer road system.
- b) This new commercial node will provide over two acres of land for the development of commercial activities that will increase the availability of goods and services for residents and travelers along the highway.
- c) By special limitation, this new commercial development will only have access from the south from W. Arctic Avenue.
- d) The new extension of Bogard Road connecting the Parks Highway to the Glenn Highway at the W. Arctic Avenue intersection will increase the number of travelers along the Glenn Highway who can stop to shop for goods and services at the new commercial development by accessing this property via W. Arctic Avenue.

Fact 2) *The proposed change is compatible with surrounding zoning districts and the established land use pattern;*

Applicant's response:

The lots are adjacent to other commercial and residential (R-2) property. The lots will be combined with two adjoining commercial tracts so access on to a residential street (W. Auklet Ave.) will no longer be necessary or allowable for this type (CG) of zoning. The new access is from W. Arctic Ave., a collector street suitable for commercial traffic.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The property in question is contiguous to CG Commercial General zoning property on the west side. The entire south side of the block between the Glenn Highway and S. Alaska Street is zoned General Commercial and has existing commercial businesses with access from West Arctic Avenue.
- b) The remaining five lots on Block 3 of TA Smith Subdivision will remain their R-2 Low Density Residential zoning designation and will continue to have their access off W. Auklet Avenue.

The special limitations of the proposed rezone will prevent the use of W. Auklet by commercial traffic.

- c) The proposed change will simplify the process for the property owners to combine these lots with the adjacent tracts that are already zoned General Commercial with access from W. Arctic Avenue, thereby encouraging the future development of these lots for commercial use of the property that would be compatible with the established commercial and residential uses in the surrounding zoning districts.

Fact 3) *Public facilities such as schools, utilities and streets are adequate to support the proposed change;*

Applicant's response:

The new lot is for commercial use with no anticipated living facilities so there will be no or very limited impact on the local public schools. The new lot is served with City water and City sewer. There is also onsite connections to the power and telephone grid. The lot fronts on and will access onto W. Arctic a state owned road capable of handling commercial traffic.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The property owners are currently in the platting process to combine these lots with the adjacent commercially zoned tracts, specifically Tract 1-A which has access restricted to West Arctic Avenue, a major collector street that is adequate for any new commercial traffic.
- b) Utilities are available to serve the proposed use of property as General Commercial; Public Works Department has commented that their main concern is that no structures are built over the sewer main that will be in the middle of the property if combined.
- c) The proposed change is from R-2, Low Density Residential to CG, General Commercial; there would be little to no impact on public schools since the proposed change would be for a commercial use. The nearest public school is located 2,533 feet from the proposed rezoning.

Fact 4) *Changed conditions affecting the subject parcel or the surrounding neighborhood support the proposed change;*

Applicant's response:

Combining the lots with the adjoining tracts will provide the new tract with direct frontage and access onto W. Arctic Ave., a collector road. The replat negates the need for access onto W. Auklet Ave. a residential use road not suited for traffic generated from commercial property.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The extension of Bogard Road from the intersection of W. Arctic Avenue and the Glenn Highway from Palmer High School to the Parks Highway have created a new transportation corridor which increases traffic passing by the property in question and makes commercial development more viable for this property.
- b) The proposed rezone request would match the zoning of the surrounding tracts to make the process easier to re-plat the lots and tracts into one large commercially zoned parcel with

direct access onto W. Arctic Avenue and would be compatible with the surrounding commercially zoned properties.

Fact 5) The proposed change is consistent with the public welfare and does not grant a special privilege to the owner(s).

Applicant's response:

The proposed change is consistent with public welfare as the new Tract will take access from a road classified to handle commercial traffic. The proposed change will not be granting a special privilege to the owner(s) as the zoning and platting code allows lots to be re-platted.

Staff finds the following facts support a finding that this zone change is in accordance with the Zoning Code, Title 17:

- a) The proposed change does not grant the owner any special privilege as the property in question is contiguous to existing Commercial zoning and business development; other property owners of land contiguous to commercially zoned lots on major transportation routes may request a zone change to commercial.
- b) The proposed change is consistent with the public welfare by permitting the future use of these properties to be developed for commercial activity for the benefit of Palmer residents and visitors.

PART III. STAFF RECOMMENDATION

Based on the information provided by the applicant and comments received from the public, staff recommends approval of the requested rezone and that the Special Limitation on Tract 1-A to limit access to Arctic Avenue be expanded to include these two lots.

Staff also finds the request to rezone Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith from R-2, Low Density Residential to CG – General Commercial, is consistent with and in conformance with the Palmer Comprehensive Plan.

If following the Public Hearing, Commission finds that the applicant's proposal conforms to the Palmer Comprehensive Plan and Zoning Code provisions, then staff recommends that the Commission approve this request for rezoning Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith subdivision from R-2, Low Density Residential to CG – General Commercial and forward a recommendation for approval to the City Council.



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

May 1, 2017

Dear Property Owner:

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment Application for Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith Subdivision, initiated by Robert Fisher, owner. The properties are located at 152 and 160 West Auklet Avenue, Palmer, Alaska.

The properties are zoned R-2, Low Density Residential. The request is to rezone the properties to CG – General Commercial. The map on the reverse side of this notice indicates the location of the subject parcels. For additional information on the General Commercial District, please refer to Palmer Municipal Code Chapter 17.32 – General Commercial District, located online at: www.cityofpalmer.org.

The Commission will hold a Public Hearing to consider this application and to allow for public comments as well. The meeting will be held on May 18, 2017 at 7:00 p.m., in the City Council Chambers located at 231 West Evergreen Avenue, Palmer, Alaska.

If you wish to comment on this issue, you may do so by attending the public hearing or by providing written comments to the Planning and Zoning Commission by May 12, 2017. Written comments may be mailed to Department of Community Development, 645 E. Cope Industrial Way, Palmer, Alaska, faxed to (907) 745-5443 or emailed to me at: kmcclure@palmerak.org.

Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

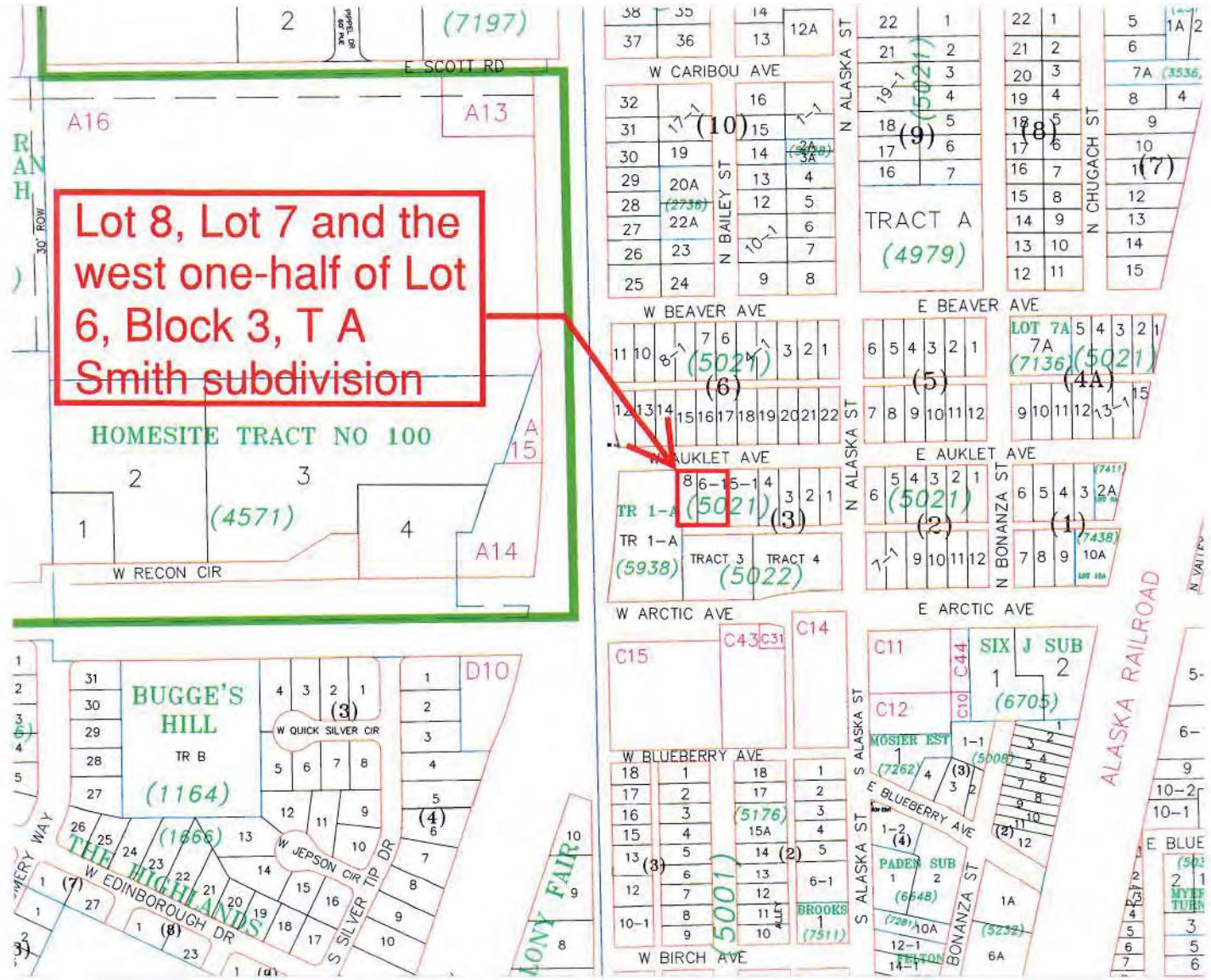
☆ ☆

For the following reason, I am (please circle) (in favor of), (NOT in favor of),
(have no objection to) the issuance of the proposed re-zone from R-2 to CG.

Name: _____

Address: _____

VICINITY MAP



Request for Rezone from R-2, Low Density Residential District to C-G, General Commercial District for Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith Subdivision located at 152 & 160 W. Auklet Avenue in Palmer, Alaska.

Received

APR 19 2017

City of Palmer

City of Palmer

Department of Community Development

645 E. Cope Industrial Way. Palmer Alaska 99645

Telephone: (907) 745-3709 *Fax: (907) 745-5443

Zoning Map Amendment Application

Applicant: *Robert and Barbara Fisher*

Legal Description of Properties covered by this application:

Lots 8,7 and W1/2 Lot 6 Block 3, T.A.Smith Subdivision (Note: the W1/2 Lot 6 was created by deed)

Requested District Change (i.e., from-to): *From R-2 to CG*

Reason for request: *To allow these lots to have the same zoning designation as Tract A-1 and Tract 3 T. A. Smith for a future replat that combines all the lots and tracts into one new tract containing 2.29 acres.*

Please provide a written narrative explaining the following:

1. Is the proposed change in accordance with the borough and city comprehensive plan?

The 2 and 1/2 lots are to be combined with two adjoining CG Zoned Tracts creating a 2.20 acre parcel. The parcel is located in the northeast quadrant of the N. Glenn Highway and W. Arctic Ave. intersection, an area well suited for commercial use. The lots also have frontage on W. Auklet Ave. a residential street but access onto the street will not be allowed as all commercial traffic will be from W. Arctic Ave. via the re-plat.

2. How is the proposed change pattern compatible with the surrounding zoning districts and the established land use patterns?

The lots are adjacent to other commercial and residential (R-2) property. The lots will be combined with two adjoining commercial tracts so access on to a residential street

combined with two adjoining commercial tracts so access on to a residential street (W. Auklet Ave.) will no longer be necessary or allowable for this type (CG) of zoning. The new access is from W. Artic Ave., a collector street suitable for commercial traffic.

3. Are public facilities such as schools, utilities and streets adequate to support the proposed change?

The new lot is for commercial use with no anticipated living facilities so there will be no or very limited impact on the local public schools.

The new lot is served with City water and City sewer. There is also onsite connections to the power and telephone grid.

The lot fronts on and will access onto W. Arctic a state owned road capable of handling commercial traffic.

4. Do changed conditions affecting the subject parcel or the surrounding neighborhood support the proposed change?

Combining the lots with the adjoining tracts will provide the new tract with direct frontage and access onto W. Artic Ave., a collector road. The replat negates the need for access onto W. Auklet Ave. a residential use road not suited for traffic generated from commercial property.

5. Is the proposed change consistent with public welfare and will it grant a special privilege to the owners?

The proposed change is consistent with public welfare as the new Tract will take access from a road classified to handle commercial traffic. The proposed change will not be granting a special privilege to the owner(s) as the zoning and platting code allows lots to be re-platted.

Date of application: _____

\$250.00 Filing fee paid: ✓

Kent & Fils
Signature of owner or owner's authorized representative

P.O. Box 520209 Big Lake Ak 99652
Address

907 354-9401
Phone/contact number



PALMER COMMUNITY DEVELOPMENT

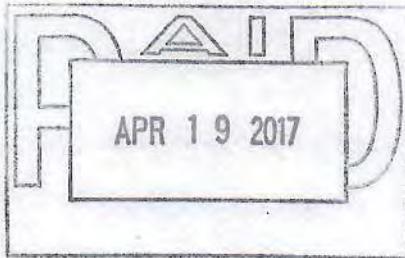
ATTN: Joan E. Patterson
645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709 • Fax: 907-745-5443
www.cityofpalmer.org

Invoice No.: CD17-022

Invoice Date: 04/19/2017

Sold To: BARBARA & ROBERT FISHER
P.O. BOX 520209
BIG LAKE, AK 99652

Qty	Description	Price
1	REQUEST FOR ZONING MAP AMENDMENT T.A. Smith, Lots 6-1 & 8, Block 3 152 & 160 W. Auklet Ave.	\$250.00



01-00-00-3427

TOTAL
\$250.00

This invoice must be paid within 30 DAYS or further collection procedures will be taken.

Return this copy with remittance.



Request, if rezoned, DEPARTMENT OF COMMUNITY DEVELOPMENT
there be no access for
motorized vehicles from these lots
onto W. Auklet.

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

May 1, 2017

Received

MAY 10 2017

Dear Property Owner:

City of Palmer

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
Fax: 907-745-5443
www.cityofpalmer.org

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment Application for Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith Subdivision, initiated by Robert Fisher, owner. The properties are located at 152 and 160 West Auklet Avenue, Palmer, Alaska.

The properties are zoned R-2, Low Density Residential. The request is to rezone the properties to CG – General Commercial. The map on the reverse side of this notice indicates the location of the subject parcels. For additional information on the General Commercial District, please refer to Palmer Municipal Code Chapter 17.32 – General Commercial District, located online at: www.cityofpalmer.org.

The Commission will hold a Public Hearing to consider this application and to allow for public comments as well. The meeting will be held on May 18, 2017 at 7:00 p.m., in the City Council Chambers located at 231 West Evergreen Avenue, Palmer, Alaska.

If you wish to comment on this issue, you may do so by attending the public hearing or by providing written comments to the Planning and Zoning Commission by May 12, 2017. Written comments may be mailed to Department of Community Development, 645 E. Cope Industrial Way, Palmer, Alaska, faxed to (907) 745-5443 or emailed to me at: kmcclure@palmerak.org.

Sincerely,

Kimberly McClure

Kimberly McClure, Planning & Code Compliance Technician

★ ★

For the following reason, I am (please circle) (in favor of), (NOT in favor of),
(have no objection to) the issuance of the proposed re-zone from R-2 to CG.

I am against rezoning as stated in this letter.
The tunnel for children & adults is located in this
area to let people cross the Glen Hi and children
Name: Katie L. Roussey

Address: P.O. Box 140 - Palmer, AK 99645

play on this block. I see a potential danger for them
if this becomes a general commercial area.
It should remain R-2. Page 66 of 281 might also increase
dangerous traffic on W. Auklet St.

City of Palmer
Action Memorandum No. 17-038

Subject: Authorizing the City Manager to Negotiate and Execute a Contract with AlasConnect, LLC, for Information Technology Services in an Amount Not to Exceed \$114,000.00 Annually

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

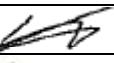
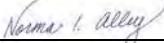
Originator Information:

Originator: City Manager Nathan Wallace

Department Review:

Route to:	Department Director:	Signature:	Date:
	Community Development		
X	Finance		5/26/17
	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: \$ \$114,000.00

This legislation (v):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>\$114,000.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (v):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>01-01-05-6096 Computer Services</u>
<input type="checkbox"/>	Not budgeted	

Director of Finance Signature: 

Attachment(s):

- Notice of Intent to Award
- Notice of Qualified Proposers
- Draft Agreement

Summary Statement:

The previous agreement for IT services expired on March 31, 2017, the current agreement was terminated May 10, 2017, due to a hearing officer rejection of the Notice of Intent to Award. All proposals from that Request for Proposal (RFP) were subsequently rejected and a new RFP was developed. A new request for proposals was published in May with responses from three providers.

There were no protests of this award.

The attached contract is what was negotiated to provide a Notice of Intent to Award in accordance with Palmer Municipal Code 3.21.210(D).

The contract is for a 2-year period with the ability to renew for three additional one year periods.

Administration's Recommendation:

To approve Action Memorandum No. 17-038 Authorizing the City Manager to Negotiate and Execute a Contract with AlasConnect for Information Technology (IT) Services in an amount not to exceed \$114,000.00 annually.

Nathan E. Wallace
City Manager



City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645-6952
Phone (907) 761-1317
nwallace@palmerak.org
www.cityofpalmer.org

May 30, 2017

TO: Robert Thurston, AlasConnect – rdt@alasconnect.com
Dylan McDonald, Alaska Communciations – dylan.mcdonald@acsalaska.com
Melissa Steen, C.S.G., Inc. – msteen@csgak.com

RE: NOTICE OF A QUALIFIED LIST OF PROPOSERS-IT Support Services

This is the City of Palmer's Notice of a Qualified List of proposers and identifies the most qualified proposer for the contract for **IT Support Services**. The most qualified proposer is identified as **AlasConnect, LLC..**

Three proposals were received and after the proposals were reviewed and scored based on criteria listed in the Request for Proposals, AlasConnect, LLC scored the highest. Alaska Communications was the next qualified proposer. The score sheet summary is attached.

In accordance with Palmer Municipal Code 3.21.210, the City will enter into discussions with the most qualified proposer, if discussions do not result in a fair and reasonable contract, then the next qualified proposer will be contacted for discussions. Once discussions are concluded a Notice of Intent to Award will be published prior to council approval and reasonable access by competing proposers to the successful proposal will be available upon request.

Upon final Notice of Intent to Award a protest in accordance with Palmer Municipal Code 3.21.290 B maybe be requested.

Respectfully,

Nathan Wallace
City Manager

Attachment: Scoresheet summary

Overall Score- Total					
Alphabetically listed proposers	AlasConnect		Alaska Communications		C.S.G
Management Plan (135 max)	125		118		108
Proposal Clarity (105 max)	102		101		83
Strategic Partnerships (60 max)	57		59		35
Total	284		278		226

Overall Score- Reviewer 1					
Alphabetically listed proposers	AlasConnect		Alaska Communications		C.S.G
Management Plan (45 max)	40		40		38
Proposal Clarity (35 max)	32		33		30
Strategic Partnerships (20 max)	18		19		5
Total	90		92		73

Overall Score- Reviewer 2					
Alphabetically listed proposers	AlasConnect		Alaska Communications		C.S.G
Management Plan (45 max)	40		35		30
Proposal Clarity (35 max)	35		33		28
Strategic Partnerships (20 max)	20		20		15
Total	95		88		73

Overall Score- Reviewer 3					
Alphabetically listed proposers	AlasConnect		Alaska Communications		C.S.G
Management Plan (45 max)	45		43		40
Proposal Clarity (35 max)	35		35		25
Strategic Partnerships (20 max)	19		20		15
Total	99		98		80

Nathan E. Wallace
City Manager



City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645-6952
Phone (907) 761-1317
nwallace@palmerak.org
www.cityofpalmer.org

May 31, 2017

TO: Robert Thurston, AlasConnect – rdt@alasconnect.com
Dylan McDonald, Alaska Communciations – dylan.mcdonald@acsalaska.com
Melissa Steen, C.S.G., Inc. – msteen@csgak.com

RE: NOTICE OF INTENT TO AWARD -IT Support Services

This is the City of Palmer's Notice of Intent to Award the contract for **IT Support Services to AlasConnect, LLC** which is determined to be the most advantageous to the city at the Palmer City Council meeting scheduled for **7:00 P.M., June 13, 2017** in the Council Chambers at Palmer City Hall, 231 W. Evergreen Avenue, in Palmer.

Three proposals were received and after the proposals were reviewed and scored based on criteria listed in the Request for Proposals, AlasConnect, LLC scored the highest.

In accordance with Palmer Municipal Code (PMC) 3.21.210, the City entered into discussions with the most qualified proposer, AlasConnect, discussions resulted in a fair and reasonable contract. Discussions are concluded and reasonable access by competing proposers to the successful proposal will be available upon request in accordance with PMC 3.21.210 D.

In accordance with PMC 3.21.290 B., a protest based upon alleged improprieties in an intended award of a contract must be filed with the Palmer City Manager (with a copy previously served upon the intended awardee) within two business days after the issuance of this notice of intent to award - in this case, by **5 p.m., Friday, June 2, 2017**. Failure to meet this time line shall constitute a waiver of the protesting party's rights and a bar on any further action regarding this matter.

Respectfully,

A handwritten signature in blue ink, appearing to read "Nathan Wallace".

Nathan Wallace
City Manager

Professional and Data Center Services Agreement

Between

**City of Palmer
231 W. Evergreen Ave
Palmer, AK 99645**

And

**AlasConnect, Inc
612 Illinois St
Fairbanks, AK 99701**

June 2017

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Professional Services Agreement
CITY OF PALMER
and
ALASCONNECT, INC

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Attachment A – Scope of Services
Attachment B – Request for Proposal

Professional Services Agreement

This Professional and Data Center Services Agreement (“Agreement”) is made effective Date, 2017 (“Effective Date”), by and between CITY of Palmer (“CITY”) and Proposer.

WHEREAS, CITY desires to retain the services of Proposer to manage, operate, maintain and oversee its corporate computer, network, communication and application systems;

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements of the Parties herein contained, the Parties hereto, intending to be legally bound hereby agree as follows:

1. SERVICES, COMPENSATION AND MANNER OF PAYMENT

Proposer shall provide those services listed in A (Schedule of Services) below, as detailed in Attachment A, to CITY for the term of the Agreement. CITY agrees to pay all fees for aforementioned services.

A. Schedule of Services and Fees:

Insert Schedule

On request by CITY, the following “As Needed Services” may be rendered by Proposer on an as needed basis:

B. Schedule of As Needed Services:

Insert Schedule

Payment due upon receipt of invoice. Any outstanding balance after the first day of the following month shall accrue interest at the rate of one and one half percent (1.5%) per month or any part thereof, or the maximum rate permitted by law, whichever is less, until paid.

All invoices must be submitted in duplicate and addressed as follows:

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

Payment shall be remitted to Proposer at the following address:

AlasConnect, LLC
ATTN: Accounts Receivable
PO Box 71217
Fairbanks, AK 99707
USA

2. NOTICES

The primary address and contact for receipt of any Notice required by this Agreement is listed below. Each Party will give the other Party Notice if the address or contact changes.

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

Telephone: (907) 761-1317

AlasConnect LLC
ATTN: Administration
612 Illinois St.
Fairbanks, AK 99701
Telephone: (907) 459-4900

For all purposes of this Agreement, Notice will be in writing, delivered by:

- i. Regular or certified US Postal Service delivery,
- ii. Commercial courier, or
- iii. Hand delivery between the Parties

Facsimile Notice and Notice by electronic mail will be deemed courtesy. All Notices, shall be deemed to have been duly given (a) three business days after being deposited with the US Postal Service, postage pre-paid; (b) one business day after being deposited with a commercial courier; or (c) when hand delivered. Either party may from time to time change the notice address set forth above by delivering Notice to the other party in accordance with this section setting forth the new address and the date on which it will become effective.

3. TERM OF AGREEMENT

This Agreement is for a term commencing on the Effective Date and continuing for a period of two (2) years, unless terminated in accordance with the provisions of this Agreement in Section 4 or Section 5.

CITY shall have the option, to renew the contract on current terms for up to three (3) additional one year periods at the completion of the initial contract term.

4. VOLUNTARY TERMINATION

CITY may elect to unilaterally terminate this Agreement by providing thirty (30) day Notice to Proposer, paying all fees due until the final date of termination.

In the event of voluntary termination of this Agreement by CITY, Proposer shall make all good faith efforts to transition CITY to replacement services. Proposer shall provide a complete time and materials quote for those required materials and services to fully migrate CITY to a new IT infrastructure. CITY shall be responsible for the cost of all such replacement materials and services, but is not obligated to purchase them from Proposer.

5. DEFAULT TERMINATION

The occurrence of one or more of any of the following events shall constitute a Default by Proposer under this Agreement:

- i. Proposer fails to perform, observe or comply with any of the terms, provisions, agreements, covenants or conditions of this Agreement and such failure shall continue thirty (30) days after receipt of Notice from CITY of such failure by Proposer.

In the event of a default by Proposer, CITY shall have the right to terminate this Agreement without penalty. Proposer shall be responsible for making all good faith efforts to assist CITY with transition to other replacement services.

The occurrence of one or more of any of the following events shall constitute a Default by CITY under

this Agreement:

- i. CITY fails to pay when due any fee or monetary charge due to Proposer under this Agreement and when due and payable and such failure continues for a period of thirty (30) days after Notice from Proposer of such failure; or
- ii. CITY fails to perform, observe or comply with any of the terms, provisions, agreements, covenants or conditions of this Agreement and such failure shall continue for thirty (30) days after receipt of Notice from Proposer of such failure by CITY.

In addition to any other rights or remedies, in the event of a default by CITY, Proposer shall have the right to terminate this Agreement.

In the event of termination of this Agreement due to Default by CITY or Proposer, Proposer shall make all good faith efforts to transition CITY to replacement services. Proposer shall provide a complete time and materials quote for those required materials and services to fully migrate CITY to a new IT infrastructure. CITY shall be responsible for the cost of all such replacement materials and services, but is not obligated to purchase them from Proposer.

6. MODIFICATIONS

All modifications to this Agreement shall be mutually agreed to by both parties in writing (email is acceptable).

The total monthly recurring fee in Section 1 reflects the minimum monthly recurring fee for the term of the Agreement. Additional services may be provided as per Attachment B (Request for Proposal), however the scope of service may not be reduced below the levels set forth in Section 1.

If Proposer proceeds with providing additional services before a written modification is agreed to, Proposer shall not be required to continue to provide additional services if the CITY does not agree to the modification for those additional services.

7. RELATIONSHIP

For all work performed for CITY under this Agreement, Proposer acts as an independent contractor and not as an employee of CITY. Consistent with that designation Proposer shall have the right to supervise, hire, fire and direct its own employees, agents, contractors and assistants. Unless otherwise specifically provided in this Agreement, Proposer shall provide and pay for all labor, transportation, and other services necessary for the proper execution and completion of the services to be provided under this Agreement. Proposer and CITY understand and agree that the relationship between the Parties is not, and shall not be construed as, that of employer and employee, partnership, joint venture, joint employment, dual employment, teaming agreement or any other legal relationship other than an independent contractor relationship.

Consistent with the terms, provisions, agreements, covenants or conditions of this Agreement, CITY relies on Proposer's best independent professional judgment in choosing the methods and means by which Proposer fulfills its responsibilities under this Agreement, subject to specific conditions and requests of CITY as may be communicated to Proposer.

Proposer or its subcontractors shall furnish all tools, equipment and vehicles necessary to perform the services specified under this Agreement.

8. CONFIDENTIALITY

In the course of service under this Agreement, a party may have access to information that is confidential and proprietary to the other party ("Confidential Information"). For the purposes of this

Agreement, Confidential Information of a party means information, ideas, materials or other subject matter of such party, whether disclosed orally, in writing or otherwise, that is provided under circumstances reasonably indicating that it is confidential or proprietary. Additionally, Confidential Information includes, without limitation, technical information or data, product ideas, methodologies, algorithms; and all personnel, client, contracts and financial information. Without limiting the generality of the foregoing, Proposer shall treat as Confidential Information all CITY data that is stored on a server or other storage device which is provided or managed by Proposer.

Proposer and CITY agree to ensure that Confidential Information is not inadvertently disclosed, altered or distributed publicly or to third parties.

Proposer will ensure that any employee or subcontractors of Proposer with access to infrastructure containing Confidential Information will have signed a confidentiality agreement with Proposer and shall be trained on the importance of proper handling of Confidential Information.

All vendor employees with access to the City network will be required to undergo fingerprint background checks, training and be required to maintain Criminal Justice Information System (CJIS) security standards at all times.

9. DEFENSE AND INDEMNIFICATION

Proposer shall indemnify, hold harmless, and defend the CITY from and against any claim of, or liability for negligent acts of Proposer under this Agreement. Proposer shall not be required to indemnify the CITY for a claim of, or liability for, the independent negligence of the CITY. If there is a claim of, or liability for, the joint negligent error or omission of Proposer and the independent negligence of the CITY, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Proposer" and "CITY," as used within this article, include the employees, agents and other Proposers/contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the CITY's selection, administration, monitoring, or controlling of Proposer and in approving or accepting Proposer's work.

10. INSURANCE

It is specifically agreed between the parties executing this Agreement that it is not intended by any of the provisions of the Agreement to create in the public or any member thereof a third party benefit hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.

It is highly recommended that Proposer confer with their respective insurance companies or brokers to determine if their insurance program complies with the CITY's Insurance requirements.

Proposer shall procure and maintain the following insurances:

A. Minimum Limits of Insurance

Proposer shall maintain limits no less than:

1. General Liability:

\$300,000 combined single limit per occurrence for bodily injury, property damage, personal injury and advertising injury. The general aggregate limit shall be \$300,000. The general aggregate limits shall apply separately to each project.

If the general liability insurance is written on a claims made form, Proposer shall provide insurance for a period of two years after final payment of this Agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this Agreement.

2. Auto Liability:

\$100,000 combined single limit per accident for bodily injury and property damage.

3. Worker's Compensation and Employers Liability:

Workers' Compensation shall be statutory as required by the State of Alaska. Employer's liability shall be endorsed to the following minimum limits:

Bodily injury by Accident	-	\$100,000 each accident
Bodily injury by Disease	-	\$100,000 each employee
Bodily injury by Disease	-	\$500,000 policy limit

4. Professional Liability:

\$500,000 combined single limit per occurrence. The general aggregate limit shall be \$500,000. The professional liability insurance shall be maintained in effect until final acceptance by the CITY of the completed project.

If the professional liability insurance is written on a claims made form, Proposer shall provide insurance for a period of two years after final payment of this Agreement. The policy(s) shall evidence a retroactive date, no later than the beginning of this Agreement.

5. Excess Liability:

In order to meet the required minimum limits of insurance it is permissible for Proposer to combine an excess liability or umbrella policy with the general liability, auto liability or employer's liability. In the instance where Proposer purchases an excess liability or umbrella policy the occurrence limit and the aggregate limit may be of the same amount.

B. Deductibles and Self-Insured Retention

Prior to work commencing any deductible or self-insured retention must be declared and approved by the CITY. Proposer may be requested to demonstrate how the deductible or self-insured retention will be funded in the event of a claim. At the option of the CITY, Proposer shall reduce or eliminate such deductibles or self-insured retention as respects the CITY, its officers, officials, employees and volunteers; or Proposer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability, Automobile Liability

a. The CITY, its Administrator, officers, officials, employees and volunteers are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of Proposer; products and completed operations of Proposer premises owned, occupied or used by Proposer or automobiles owned, leased, hired or borrowed by Proposer. The coverage shall contain no

special limitation on the scope of protection afforded to the CITY, its Administrator, officers, officials, employees and volunteers.

- b. Proposer's insurance coverage shall be primary insurance as respects the CITY, its Administrator, officers, officials, employees and volunteers. any insurance or self-insurance maintained by the CITY, its Administrator, officers, officials, employees and volunteers shall be excess of Proposer insurance and shall not contribute to it.
- c. Proposer insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employer's Liability

The insurer shall agree to waive all rights of subrogation against the CITY, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by Proposer or any subcontractor for the CITY.

3. All Insurance

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of Proposer or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the CITY. Such notice shall be mailed by Proposer to the attention of the CITY's Purchasing Officer.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-.

E. Verification of Coverage

Proposer shall furnish the CITY with certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms acceptable to the CITY. All certificates are to be received and approved by the CITY before work commences. The CITY reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Subcontractors

Proposer shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all requirements stated herein.

G. Lapse in Coverage

A lapse in insurance coverage is a material breach of this Agreement which shall result in immediate termination of the Agreement, pursuant to Section 5.

11. FORCE MAJEURE

Neither Party shall be considered to have Defaulted for failure or delay of performance if caused by: an act of war, hostility, or sabotage; labor strikes or actions; act of nature; electrical, internet, or

telecommunication outage that is not caused by the obligated party; government restrictions (including the denial or cancellation of any license); or other event outside the reasonable control of the obligated party. Both Parties will use reasonable efforts to mitigate the effect of a force majeure event. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures.

If either party is rendered wholly or partly unable to perform its obligation under this Contract because of Force Majeure, that party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that:

- a. either party is rendered wholly or partly unable to perform its obligation under this Contract because of Force Majeure, that party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that: the suspension of performance must be of no greater scope and of no longer duration than is required by the Force Majeure;
- b. no obligations of either party, including the payment of money, which arose before the occurrence causing the suspension of performance will be excused as a result of the occurrence; and
- c. the non-performing party uses its best efforts to remedy its inability to perform.

12. PERMITS, LAWS AND TAXES

Proposer shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to the performance under this Agreement. All actions taken by Proposer under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. Proposer shall pay all taxes pertaining to its performance under this Agreement.

13. EQUAL EMPLOYMENT OPPORTUNITY

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

B. The Consultant shall keep such records and submit such reports concerning the equal opportunity employment provisions set forth in subsection 13(A) for applicants for employment and employees as the CITY may require.

14. INTEREST of MEMBERS OF CITY and OTHERS

No officer, member or employee of the CITY and no member of its governing body, and no other public official of the governing body shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any corporation, partnership or association in which they are, directly or indirectly, interested or having any personal or pecuniary interest, direct or indirect, in this

Agreement or the proceeds thereof.

15. DISPUTE RESOLUTION

All disputes or claims under this Contract may be settled informally between the parties through discussion and negotiation as follows:

1. If a claim or dispute arises and is not resolved by representatives of the parties within twenty (20) days, the parties shall, within twenty (20) days after the end of this period, prepare and exchange their written positions, concerning the disputes or claims, attaching all relevant documents as necessary.
2. Within twenty (20) days of receipt of such written positions, executives who have the authority shall meet to settle the dispute.

16. CHOICE OF LAW

Any civil action arising from this Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Palmer. The laws of the State of Alaska shall govern the rights and the obligations of the parties under this Agreement.

17. SEVERABILITY

If any provision of this Agreement is held unenforceable, all remaining provisions of this Agreement shall remain in full force and effect.

18. ASSIGNABILITY

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

B. Proposer shall not delegate duties or otherwise subcontract work or services under this Agreement without the prior written approval of the CITY.

19. ENTIRE AGREEMENT

This Agreement and its exhibits attached hereto contain the entire agreement of the Parties with respect this Agreement. This Agreement cancels and supersedes all prior negotiations, agreements and understandings with respect thereto, both written and oral, including any proposals submitted by Proposer.

20. NON-WAIVER

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

21. INTERPRETATION

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

22. SIGNATURES

IN WITNESS WHEREOF, CITY and Proposer have executed this Agreement as of the dates set forth below.

For CITY

By: _____ Dated: _____

For Proposer

By: _____ Dated: _____

**City of Palmer, Alaska
City Council Minutes**

**Regular Meeting
May 9, 2017**

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on May 9, 2017, at 7:00 pm in the council chambers, Palmer, Alaska.

Mayor DeVries called the meeting to order at 7:00 pm.

B. ROLL CALL

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

Edna DeVries, Mayor
Steve Carrington
Peter LaFrance

Linda Combs, Deputy Mayor – arrived at 7:03 pm
David Fuller

Council Members Best and Hanson were absent and excused.

Also in attendance were the following:

Nathan Wallace, City Manager
Cynthia L. Cartledge, City Attorney

Norma I. Alley, MMC, City Clerk
Bernadette Packa, CMC, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member LaFrance.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 17-033:** Authorizing the City Manager to Negotiate and Execute an Assumption of Proprietary Lease from Chad Nuttall & David Nuttall to Ken & Jackie Williams for Palmer Hangars Owners Association Unit No. 9 Lease Lot 11, Block 3 at the Palmer Municipal Airport
2. Approval of Minutes of Previous Meetings
 - a. April 11, 2017, Special Meeting
 - b. April 11, 2017, Regular Meeting

Main Motion: To Approve Consent Agenda and Minutes

Moved by:	Fuller
Seconded by:	LaFrance
Action:	Motion carried unanimously by all members present
In favor:	Carrington, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Combs, Hanson

E. COMMUNICATION AND APPEARANCE REQUESTS

Item 1 – Presentation of a Proclamation for Older American’s Month

Mayor DeVries read and presented the proclamation.

Item 2 – Presentation of a Proclamation for Memorial Day

Mayor DeVries read the proclamation.

Item 3 – Presentation from Mat-Su Health Foundation Chief Executive Officer Elizabeth Ripley and Director of Programs Dr. Melissa Kemberling:

- Provided an overview of the Mat-Su Health Foundation (MSHF) and its three focus areas;
- Highlighted results from the 2016 Mat-Su Community Health Needs Assessment;
- Noted 50% of an individual’s health status was related to poverty, education, housing, and inequality;
- Announced creation of a community resource center in the new MSHF building in Wasilla to help provide connection to the services and supports;
- Spoke to plans to virtually connect the resource center across the borough and noted the focus would be to connect people to the social services which already exist; and
- Encouraged the Council to remember the health impact in all policy.

Deputy Mayor Combs expressed appreciation to the presenters for the presentation.

F. REPORTS

Item 1 – City Manager’s Report

City Manager Nathan Wallace:

- Highlighted his written report;
- Addressed the outcome of the IT Contract Appeal stating the judge rejected the Notice of Intent to Award;
- Noted two diseased trees at the Visitor’s Center were to be removed;
- Noted the City Street Sweeper was down and a replacement had to be rented;
- City Manager Wallace provided an update on potential funding sources for the DEA Officer. The proposed borough budget included \$75,000.00 toward funding the position, and the Mat-Su Health Foundation was considering a grant application for an additional \$75,000.00;
- Spoke to the City Clean-Up taking place on the weekend and encouraged everyone to join the effort by volunteering; and
- Fielded questions from the Council.

Item 2 – City Clerk’s Report

City Clerk Norma Alley:

- Highlighted her written report;
- Addressed the upcoming AML Summer Conference;
- Handed out material provided by Deputy Mayor Combs to the Council; and
- Shared a letter from Jan Newman from the Parks, Recreation, and Cultural Resources Advisory Board.

Item 3 – Mayor’s Report

Mayor DeVries:

- Highlighted her written report;
- Commented on throwing out the Opening Pitch for the Palmer Little league;
- Remarked on Alaska’s Top 40 Under 40 for 2017; and
- Reminded Council of the upcoming Palmer Pride awards.

G. AUDIENCE PARTICIPATION

Larry Hill:

- Expressed appreciation from the 49th State Street Rodders for help from the City over the weekend;
- Spoke in favor of the Council having the final word on a Planned Unit Development;
- Addressed the lack of follow-up from staff regarding concerns shared on Conditional Use Permits; and
- Spoke to boards and commissions performance issues.

Emily Davenport:

- Spoke in agreement with Mr. Hill; and
- Expressed confidence in the City Council.

James Roy spoke against a planned development near First Street and Second Street.

Julie Zendle agreed with Larry Hill.

Larry Zendle concurred with Larry Hill.

H. PUBLIC HEARINGS

Item 1 – Ordinance No. 17-007: Repealing Chapter 17.84 of the Palmer Municipal Code in its Entirety and Adopting a New Chapter 17.84 Planned Unit Development

Mayor DeVries asked for a staff report. City Manager Wallace explained the format of the packet included both the old and new language. He pointed out the new version was a permit process rather than a rezone/overlay zone process, and it does provide final authority to the Council.

Mayor DeVries opened the public hearing.

Larry Hill:

- Spoke in appreciation of the permitting processes and zoning of living in the City of Palmer; and
- Believed adoption of Ordinance No. 17-007 would remove needed authority from the Council.

Hearing no objection, Mayor DeVries closed the public hearing.

Main Motion: To Adopt Ordinance No. 17-007 as Amended

Moved by:	Hanson
Seconded by:	Carrington
Action:	Motion carried unanimously by all members present
In favor:	Carrington, Combs, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Hanson

Item 2 - Ordinance No. 17-008: Adopting a City of Palmer Parks, Recreation and Outdoor Facilities Memorial and Donation Policy

Mayor DeVries requested a staff report. City Manager Wallace noted the ordinance was not adopting code, but rather an operating procedure put into effect by the City Manager. He noted it also included plans for life cycle funding for all donations.

Mayor DeVries opened the public hearing. Seeing no one come forward to speak and hearing no objection from the council, the public hearing was closed.

Main Motion: To Adopt Ordinance No. 17-008

Moved by:	Combs
Seconded by:	Fuller
Action:	
In favor:	
Opposed:	
Absent:	

Motion to Postpone: To Postpone to May 23 Meeting with Another Public Hearing

Moved by:	Carrington
Seconded by:	Combs
Action:	Motion carried unanimously by all members present
In favor:	Carrington, Combs, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Hanson

Item 3 - Action Memorandum No. 17-035: Directing the City Clerk to Notify the State of Alaska of the City Council's Statement of Non-objection to Liquor License #5566 for Matanuska Brewing Company, Located at 513 S. Valley Way

Mayor DeVries requested a staff report. City Clerk Alley noted a City of Palmer Business License was obtained by the Matanuska Brewing Company since preparation of packet documents. No comments were received from the public regarding the license application.

Mayor DeVries opened the public hearing. Seeing no one come forward to speak and hearing no objection from the council, the public hearing was closed.

Main Motion: To Authorize Action Memorandum No. 17-035

Moved by:	Combs
Seconded by:	Carrington
Action:	Motion carried unanimously by all members present
In favor:	Carrington, Combs, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Hanson

The council took a brief recess from 9:01 pm to 9:10 pm.

I. ACTION MEMORANDA

Item 1 – Action Memorandum No. 17-034: Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Dr. Louis M. Packer and Ellen R. Varosi, for Their Newly Formed LP HANGAR, LLC for a Lease on Block 3, Lease Lot 25, Palmer Municipal Airport for the Purpose of Establishing a Personal Use Aircraft Hangar

Mayor DeVries requested a staff report.

City Manager Wallace provided an overview of the lease process and plans for the property.

Main Motion: To Authorize Action Memorandum No. 17-034

Moved by:	LaFrance
Seconded by:	Fuller
Action:	Motion carried unanimously by all members present
In favor:	Carrington, Combs, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Hanson

Item 2 - Action Memorandum No. 17-036: Authorizing the City Manager to Negotiate and Execute a Contract with Roger Hickel Construction, Inc. for General Construction of the Waste Water Treatment Plant Facilities Upgrade, in an Amount not to Exceed \$9,514,000.00

Mayor DeVries requested a staff report.

City Manager Wallace provided an overview of the bid process and negotiations. A discussion with USDA resulted in a rescope of the project. There was only one responsive bidder to the rescope.

Main Motion: To Authorize Action Memorandum No. 17-036

Moved by:	Fuller
Seconded by:	Combs
Action:	Motion carried unanimously by all members present
In favor:	Carrington, Combs, DeVries, Fuller, LaFrance
Opposed:	None
Absent:	Best, Hanson

J. RECORD OF ITEMS PLACED ON THE TABLE

Packet of Information Provided by Deputy Mayor Combs
Parks Recreation and Cultural Resources Advisory Board Letter
2016 Mat-Su Community Health Needs Assessment

K. AUDIENCE PARTICIPATION

L. COUNCIL MEMBER COMMENTS

Council Member Carrington:

- Commented on attendance of the car show; and
- Commended City Manager Wallace on the sewer project.

Council Member LaFrance:

- Reminded everyone of Bike to Work Week; and
- Expressed appreciation of the Manager's presentation on the health initiative; and
- Expressed a desire to have the parking lot spruced up when the repaving takes place.

Council Member Fuller:

- Expressed appreciation to Dave Meneses for the outreach presentation to the Friday Fling vendors;
- Provided an overview on the success of Who Let the Girls Out 5K race;
- Commented on racers wanting to establish Palmer as a base of operations for future endeavors; and
- Appreciated the great report provided by the Hatcher Pass Avalanche Center.

Deputy Mayor Combs:

- Provided an overview of the information she provided on the Palmer Veterans and Pioneer Home;
- Commented on the success of Who Let the Girls Out;
- Noted attendance of the Mat-Su Miners dinner;
- Commented on attending the 49th State Street Rodders car show; and
- Commented on being a judge at the World Fair at Academy Charter School.

M. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 9:34 pm.

Approved this 13th day of June, 2017.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

**City of Palmer, Alaska
City Council Minutes**

**Regular Meeting
May 23, 2017**

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on May 23, 2017, at 7:00 pm in the council chambers, Palmer, Alaska.

Mayor DeVries called the meeting to order at 7:00 pm.

B. ROLL CALL

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

Edna DeVries, Mayor
Richard Best
David Fuller
Peter LaFrance

Linda Combs, Deputy Mayor
Steve Carrington
Brad Hanson

Also in attendance were the following:

Nathan Wallace, City Manager
Michael Gatti, City Attorney

Norma I. Alley, MMC, City Clerk
Bernadette Packa, CMC, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council Member Hanson.

D. APPROVAL OF AGENDA

1. Approval of Minutes of Previous Meetings
 - a. April 25, 2017, Regular Meeting

Main Motion: To Approve Agenda and Minutes

Moved by:	Best
Seconded by:	Combs
Action:	Motion carried unanimously by all members present
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

E. COMMUNICATION AND APPEARANCE REQUESTS

Item 1 – Sister School Student Delegation from the Middle and High School

Instructor Carla Swick introduced the group. Each student recited an introduction in Japanese and then in English. They all shared their hopes and expectations for their upcoming trip to Japan in June and thanked the Council for its support.

Monetary checks were presented to the group by Tawna Lang, from Palmer Saroma Kai, and by Mayor Edna DeVries, from the City Council.

The Council took a brief recess for a group photo.

Item 2 – Presentation on the Matanuska-Susitna Borough Long Range Plan from Mat-Su Borough Planner II Jessica Smith

Jessica Smith's presentation:

- Explained the purpose of a Long Range Transportation Plan was to determine what transportation needs would be in twenty years, and how that differs from use today;
- Noted the process used for development of the current plan;
- Supplied addresses and phone numbers to make comment on the Long Range Transportation Plan by contacting www.MSBLRTP2035.com, planning@matsugov.us, or 907-861-8514; and
- Strongly encouraged everyone to share their thoughts and concerns about the proposed plan.

F. REPORTS

Item 1 – City Manager's Report

City Manager Nathan Wallace:

- Highlighted his written report;
- Expressed appreciation to the Palmer Dispatch staff for a job well done;
- Anticipated receipt of a Notice to Proceed on the Wastewater Treatment Facility from the United States Department of Agriculture within the week;
- Provided an update on the Airport Paving project;
- Spoke to concerns regarding the Greater Palmer Fire Service Area contract renewal; and
- Fielded questions from the Council.

Item 2 – City Clerk's Report

City Clerk Norma Alley:

- Noted a change to the meeting schedule;
- Provided an update on the election season;
- Noted the deadline for ballot propositions; and
- Fielded questions from the Council.

Item 3 – Mayor's Report

Mayor DeVries:

- Highlighted her written report;
- Commented on speeding issues;
- Noted Crowley's Open House scheduled for May 24, 2017; and
- Commented on attendance of a Mayors and Managers Meeting where a 3% Summer Sales tax was proposed by the Mat-Su Borough School District Administration.

Item 4 – City Attorney's Report

Michael Gatti:

- Commented on hearing from the Alaska Municipal League Executive Director concerning state legislation HB5004 addressing sales tax; and
- Suggested the Council review the bill and become aware of its impact on local communities.

G. AUDIENCE PARTICIPATION

Steve Colligan:

- Spoke in favor of the creation of a public utility for dispatch services to utilize resources more efficiently.

Jill Valerius:

- Spoke to the success of the Palmer Spring Classic; and
- Expressed appreciation for the Bike Repair Station located near the Palmer Depot building.

Robert Trout:

- Suggested a reduced water and sewer fee be established for "snowbirds," individuals whose homes remain vacant while they are out of state for several months during the winter.

John Sliwinski, owner of Alaska Air Fuel:

- Spoke to its mission of providing fuel to rural locations;
- Commented on a Notice to Vacate received from the City;
- Expressed a need for better communication with the City; and
- Commented on business plans for the future.

Mary Smith, owner and publisher of Edible Alaska:

- Introduced herself and supplied a recent copy of the magazine.

Jim Sykes:

- Encouraged the Council to work to provide continued quality fire and safety services; and
- Requested the Council provide input to the Mat-Su Borough Assembly concerning a borough tax.

Don King:

- Spoke in support of Alaska Air Fuel; and
- Requested the City meet with Alaska Air Fuel and come to a resolution.

Eric Mohrmann:

- Commented on the excellent quality of work performed by the Palmer Fire Department; and
- Requested the City work to renew its Greater Palmer Fire Service Area contract.

Rick Howe:

- Commented on his service over the last 30 years and having had the tools necessary;
- Spoke to asset limitations provided by the borough; and
- Spoke to working together to get the job done.

Eugene Carl Haberman:

- Spoke to conflicts in meeting dates; and
- Addressed a Mat-Su Borough bid process error.

Bentley Surdyk:

- Spoke to a lack of communication between Alaska Air Fuel and the City of Palmer; and
- Noted he believed things could be worked out.

The Council took a brief recess from 8:55 pm to 9:11 pm.

H. PUBLIC HEARINGS

Item 1 – Ordinance No. 17-008: Adopting a City of Palmer Parks, Recreation and Outdoor Facilities Memorial and Donation Policy (Pending Motion) (2nd Public Hearing)

Mayor DeVries requested a staff report. City Manager Wallace pointed out the ordinance was establishing policy, not code.

Mayor DeVries opened the public hearing.

Dot Helm:

- Spoke to development of the policy; and
- Provided clarification concerning legacy (life cycle) funding.

Hearing no objection, Mayor DeVries closed the public hearing.

Discussion ensued by the Council.

Main Motion: To Adopt Ordinance No. 17-008

Moved by:	Combs
Seconded by:	Fuller
Action:	
In favor:	
Opposed:	

Motion to Postpone: To postpone to the July 11, 2017, meeting in order to allow staff to make the following changes: remove all references to memorial, change the reference from purchase to donation where appropriate, and remove the last line from the first paragraph of 4.B. ~~The Board must approve all text and graphics for the donation plaques.~~

Moved by:	Best
Seconded by:	Combs
Action:	Motion carried unanimously by all members present
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

Item 2 - Resolution No. 17-019: Authorizing the Sale of 1.34 Acres of the Parcel of Land Located at 2390 S. Glenn Highway to the Alaska Department of Transportation and Public Facilities in Accordance with Palmer Municipal Code 3.20.080.D in the Amount of \$64,600.00

City Clerk Alley clarified an error in the agenda which confused this property with another property also for sale. No pending motion existed, and this would be the first public hearing on Resolution No. 17-019.

Mayor DeVries requested a staff report. City Manager Wallace pointed out the property was the Church Estate. He noted the appraisal came in higher than the appraisal done for the City last year.

Mayor DeVries opened the public hearing.

Eugene Carl Haberman:

- Commented on the need for an additional public hearing on Resolution No. 17-019; and
- Suggested the need for additional information prior to the Council making a decision.

Hearing no objections, Mayor DeVries closed the public hearing.

Council Member Hanson missed not having the comparison properties included in the packet. He also asked if the utilities easement was within these 1.34 acres or if there was the possibility of a future request for an additional portion of the property for use as an easement.

Council Member Best noted a plat map showing existing structure and improvement detail was needed.

Main Motion: To Approve Resolution No. 17-019

Moved by:	LaFrance
Seconded by:	Combs
Action:	Motion carried by a 6-1 voice vote
In favor:	Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	Best

I. ACTION MEMORANDA

Item 1 - Action Memorandum No. 17-037: Authorizing the City Manager to Negotiate and Execute a Two Year Agreement, With up to Three One-Year Extensions, with the City of Wasilla in which Palmer Will Act as a Secondary Public Safety Answering Point in the Event of Overflow Calls to the Primary Public Safety Answering Point

Main Motion: To Authorize Action Memorandum No. 17-037

Moved by:	Combs
Seconded by:	Fuller
Action:	Motion carried unanimously by all members present
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

Council Member Hanson noted a responsibility to the people to provide quality trusted service for less cost. Deputy Mayor Combs and Council Member Carrington concurred with Council Member Hanson's comments.

J. RECORD OF ITEMS PLACED ON THE TABLE

Long Range Transportation Plan Road Improvement Map provided by Mat-Su Borough Planner
Edible Alaska Magazine for Spring 2017 provided by Mary Smith

K. AUDIENCE PARTICIPATION

Eugene Carl Haberman:

- Noted the more complicated an issue was the more important it was for the public to be heard.

L. COUNCIL MEMBER COMMENTS

Council Member Carrington:

- Noted he would like to see the issue with Alaska Air Fuel reconciled without violating anything with the FAA; and
- Requested acquisition of and updated election map only showing City of Palmer precincts.

Council Member LaFrance:

- Expressed appreciation to the City for the repairs being done on south Alaska Street; and
- Requested support to pursue a Parks and Trails Grant with funds from the easement sale. Council Member Hanson offered support.

Council Member Best:

- Thanked the public for showing up and expressing their thoughts and opinions; and
- Expressed displeasure concerning the suggested formation of a single fire service dispatching unit for the entire borough.

Council Member Hanson agreed with Council Member Best.

Council Member Fuller:

- Commented on the Friday Fling kick-off last week; and
- Encouraged everyone to visit Alaska Pickers, a new business in town, opening June 3, 2017.

Deputy Mayor Combs:

- Recapped the numerous events which took place in Palmer on May 13, 2017, including the High School Regional Track Meet, City Clean-up Day, Opening Day for Little League, Bike Blessing, Palmer Art Walk, Bike Classic, and appearance of the first Tour Bus for the season; and
- Encouraged everyone to attend Colony Days events on June 9, 10, and 11.

Mayor DeVries:

- Mentioned being approached concerning the possibility of installing a 70-foot flag pole at the library, and requested Council feedback on the idea be submitted to the City Clerk.

M. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 10:26 pm.

Approved this 13th day of June, 2017.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
1	Waste Water Treatment Plant Upgrades: MMBR and Secondary Clarifiers to meet EPA/ADEC permit	\$9,000,000- \$14,000,000 (revised estimate after 65%~ \$12,610,290)	August 2020		\$842,107 as of January	Funding Sources On hand: State Grant \$2.5M State Grant: \$145k Enterprise or GF: \$600,000 Applied
a	Engineering/Design to EPA and ADEC (65%)	\$ 900,000	December	Complete	\$842,107 APPROVED	
b	Material Bid (MMBR system components)		December	Complete		
c	Material Bid Award (MMBR system components)	\$ 1,100,000	December	Complete	\$918,760 APPROVED	
d	Financing options(USDA and/or interim financing)		January/February	Complete		State Grant for FY 18 not available-GF loan
e	Permitting from DEC and State Fire Marshall		February	Complete		DEC permit and Fire Marshall review approved and on hand
f	Construction Bid Doc (95%/Final) to USDA		February	Complete		Submitted to USDA for review
g	Construction Bid		April	Complete		New bid \$9.5M April 28
h	Bond Resolution to Council		February	Complete		
i	Construction Bid Award (pending financing) to Council	\$ 9,500,000	May	Complete		NOIA and NTP published
j	Townhall on financing and construction schedule		June			Discuss construction schedule, noise/dust mitigation, financing
k	Construction Commence		June	Started		Contractor Mobil underway
l	Secondary Clarifier Construction Commence		UNK			
m	MMBR System on line for testing		July 2018			
n	MMBR System testing complete		April 2019			
o	Secondary Clarifiers on line		August 2020			

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
2	Rehabilitate RW 16/34 & Related Improvements	\$10,000,000- \$11,500,000	October 2017	Pre-Liminary Application Approved by FAA		Funding Sources On hand: State Grant: \$400K COP: \$225k Anticipated FAA: \$9.375M - \$10.781M
a	Engineering/Design in 2 Phases	Phase 1 \$237,913 Phase 2 \$182,579 Total \$420,492	May-17	Phase I nearing completion	\$237, 913 APPROVED	
b	Project Initiation		December	Complete		
c	Stakeholder Coordination		December	Complete		
d	Surveying & Mapping		Jan-17	Ongoing		
e	Geotechnical Evaluation		December	Ongoing		
f	Engineer's Design Report (35%)		Jan-17	Complete		EDR 35% to FAA for Review & Comment 01/10/2017
g	Phase 2 Design funding approval		Jan-17	Complete	\$182,759 Approved	
h	Construction Safety & Phasing Plan		Mar-17	Complete		
i	Final Design and submission to FAA		Apr-17	Complete		Approved by FAA
j	Townhall on project		June	Complete		FAA Fly-in
k	Bid & Grant Assistance		Apr-17	On going		With FAA for final approval
l	Bids Due		May-17	Complete		Due May 18
m	Award & Grant Acceptance from FAA	\$7,827,300.00	June			Anticipated soon
n	Construction Mobilization		June			
o	Runway Closed		August 2017			
p	Supplemental FAA Funding	\$1,406,250.00	August 2017			If other Airport Sponsor \$ Becomes Available will require City Match approval
q	Supplemental COP Funding	\$93,750.00	August 2017			
r	Project Completion		October 2017			Ribbon cutting ceremony

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
3	Replace boiler in the Palmer Library.	\$50,000.00	September 2017		\$48,798.00	
a	Engineering and Design	\$4,900.00	In hand	Complete	\$4,900	Engineering documents have been completed by T3 Alaska
b	General Contractor Bid	\$44,100.00	Complete	Awarded	\$43,898.00	Bid awarded to Pinnacle Mechanical
c	Project work and completion		1-Sep-17	Scheduling		Pinnacle's initial mechanical eqpt submittals have been reviewed and approved and eqpt is on order. Some of the eqpt has a 6 week delivery time and this will push back the window for the project to mid -July (potentially)

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
4	Replace heating system in the Palmer FSS.	\$30,000.00	September 2017		\$10,000.00	
a	Engineering and Design	\$10,000.00	February 2017	Complete	\$10,000	Documents are complete and being reviewed by Wolf Architecture
b	General Contractor Bid	\$20,000.00	TBD	Not Started		Awaiting FAA lease renewal and scheduling of asbestos abatement
c	Project work and completion		October 2017	Not Started		Will establish start and completion dates with winning contractor after bidding process is complete. This project will be tied in with the FSS required FAA upgrade project.

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
5	Palmer FSS interior improvements	\$54,500.00	September 2017	Awaiting new lease signing by FAA	\$8,500.00	
a	Architectural Services and Design	\$8,500.00	February 2017	Complete	\$8,500	Documents are complete and being reviewed by Wolf Architecture
b	General Contractor Bid	\$46,000.00	TBD	Not Started		Awaiting FAA lease renewal and scheduling of asbestos abatement
c	Project work and completion		October 2017	Not Started		Will establish start and completion dates with winning contractor after bidding process is complete. This project will be tied in with the FSS heating system replacement project.

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
6	City Hall and Fire Station 3-1 Parking Lot Upgrade	\$100,000.00	Aug 2017			
a	Engineering and Design	~\$15,000		Complete		HDL is conducting design work for the project and will assist with bid process when complete. Expect documents for bid by mid-June.
b	Paving Contractor Bid	\$85,000.00	May 2017	Not Started		Will attempt to coordinate with Airport Runway project if possible.
c	Project work and completion		Aug 2017	Not Started		Project will be broken into 2x phases. 1) Front and employee parking lots 2) Fire Station driveway

	Project Description	Estimated Budget/Cost	Planned Completion	Status	Expenditures	Comments
7	Bogard Road Booster Station to provide adequate pressure and flow for the western portion of Bogard Rd Water Main Extension Project.	\$1,420,000.00	TBD	Land Prep and Engineering Drawings Working	\$118,595.00	Through use of remaining grant funds (14-DC-125), PW has contracted HDL Engineering for Preliminary Engineering and site preparation.
a	HDL conduct preliminary engineering work and booster station site prep	\$118,595.00	July 2017	Working	\$118,595.00	65% Construction and Engineering drawings/specs are complete and have been reviewed and returned to HDL. HDL is incorporating the changes and updates. Once complete we plan to go to bid for initial site prep.

Nathan E. Wallace
City Manager

City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645-6952
Phone (907) 761-1317
nwallace@palmerak.org
www.cityofpalmer.org



MEMORANDUM

TO: CITY COUNCIL
FROM: Nathan E. Wallace, City Manager
DATE: June 7, 2017
RE: Waiver of Formal Procedures-Contract Award

*N. Wallace
6/7/17*

In accordance with Palmer Municipal Code (PMC) 3.21.380, I have the waived formal procedures of PMC 3.21.090 Council approval of contracts. I have taken this action as there was not sufficient time to comply with the waived requirements and it was in the best interest of the city to do so.

The contract was for relocating electrical service at the wastewater treatment plant in order for construction to not incur a city induced delay. There was a miscommunication in March 2017 when the city was applying to have the electrical line relocated prior to any construction beginning. The quote and contract were overlooked in the process of construction bidding and award procedures.

The timeliness of this contract was of the utmost importance to not delay the construction work and potentially incur penalties later if consent decree timelines are not met.

In accordance with PMC 3.21.090 the following information is provided:

1. The selected contractor is Matanuska Electric Association (MEA)
2. The contract price is \$62,000
3. The nature of the contract is to relocate a primary powerline that is in conflict with the project and to provide new power service to the wastewater treatment plant
4. The using department is Public Works
5. The time for the performance of the contract is immediately until completed (estimated to be no later than June 21, 2017)

There is not a requirement to use a competitive source selection as this work and contract is with a local utility provider and conforms with PMC 3.21.230 A.1. Governmental and proprietary procurement.

An action memorandum with the contract will be provided at the June 27th, 2017 council meeting.

###

Applicable code sections:

3.21.280 Waiver of formal procedures.

A. The city manager may waive, in writing, some or all of the formal procedures of this chapter when there is not sufficient time to comply with the waived requirements or the best interests of the city will be served by such action.

B. All contracts for which formal procedures are waived under this section shall be reported to the council at its next meeting. The report shall contain the information described in PMC [3.21.090](#) and shall summarize the reasons for proceeding under this section. (Ord. 644 § 4, 2004)

3.21.090 Council approval of contracts.

A. No contract for supplies, services, professional services or construction whereby the city is obligated to pay more than \$15,000 may be executed unless the council has first approved a memorandum setting forth the essential terms of the contract. To the extent applicable for particular contracts, the following essential terms shall be set forth:

1. The identity of the selected contractor and all contractors contacted;
2. The contract price;
3. The nature and quantity of the performance that the city shall receive under the contract;
4. The using department; and
5. The time for performance under the contract.

3.21.230 Governmental and proprietary procurements.

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

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



Norma I. Alley, MMC
City Clerk

Phone: (907) 745-3271
Direct: (907) 761-1321
Fax: (907) 745-0930

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 June 13, 2017, Council Meeting

1. The monthly Boards & Commissions attendance spreadsheets are attached.
 - a. AAC
 - b. BED
 - c. PRCRAB
 - d. P&ZC
2. Alaska Airlines Group Mileage – EasyBiz Company

It was requested to look into the possibility of a mileage account where the city could “pool” our travel miles. Alaska Airlines provides a service like this called an EasyBiz Company. In order to qualify, the city would have to spend \$5,000.00 in a 15-month period. Our qualifying airline travel to Juneau each year is a budget of \$800. The City Clerk’s Office budgets around \$250 a year for airline travel. Based on the budget, the city does not qualify for the EasyBiz Company program.

3. Records Management Training

On April 4 and 12, I attended records management workshops. Both proved to be valuable and provided great insight to Alaska records management. I walked away with insight on ways to improve the records management program. Some items needed to be implemented immediately and others could be added to the project list. A few areas in need of attention were:

- Update to the Records Retention Schedule
- Update to the Social Media Policy
- Creation of a Records Migration Policy.
- Examination of a records management program to facilitate long term accessibility and ensure an auto-migration component for compliance with records retention and destruction.

4. Election Meeting

I met with Borough Clerk staff to debrief on the 2016 election and brainstorm possible enhancements for 2017. Discussion was mostly centered around Precinct 11-070 Election Official Chair Gerry Keeling retiring as an election worker, the impacts of filling her position, and the nationwide decline in election official volunteers.

I also obtained a new precinct register map, which is now hanging on the wall in the Council Chambers.

5. Upcoming Meetings

The tentative meetings schedule is attached.

Tentative Future Meeting Schedule			
Meeting Date	Meeting Type	Time	Notes
June 27	Special	6 pm	Audit Report
June 27	Regular	7 pm	
July 11	Special	6 pm	PRCRAB Joint Mtg.
July 11	Regular	7 pm	
July 25	Regular	7 pm	
Aug 8	Regular	7 pm	
Aug 22	Regular	7 pm	
Sept 12	Regular	7 pm	
Sept 26	Regular	7 pm	
Oct 9	Special	6 pm	Election Certification
Oct 10	Regular	7 pm	
Oct 17	Special	6 pm	2018 Budget
Oct 24	Special	6 pm	2018 Budget
Oct 24	Regular	7 pm	
Nov 7	Special	6 pm	2018 Budget
Nov 14	Special	6 pm	2018 Budget
Nov 14	Regular	7 pm	
Nov 21	Special	6 pm	2018 Budget
Nov 28	Special	6 pm	2018 Budget
Nov 28	Regular	7 pm	
Dec 5	Special	6 pm	2018 Budget
Dec 12	Special	6 pm	2018 Budget
Dec 12	Regular	7 pm	Budget Adoption
Dec 26	Regular	7 pm	
Jan 9, '18	Regular	7 pm	

City of Palmer

Airport Advisory Commission Members

PMC 2.25.020. There is created a city airport advisory commission which shall consist of seven members.

Seat	Board Member	Term Expires
A	John Lee	Oct. 2019
B	Kenneth More	Oct. 2019
C	Jeff Helmericks	Oct. 2017
D	Andrew Weaver	Oct. 2018
E	Joyce Momarts	Oct. 2017
F	Shannon Jardine	Oct. 2019
G	Allan Linn	Oct. 2018

PMC 2.25.140.B. Cause for removal. In addition, a board member may be removed by the council if, during any 12-month period while in office: 1) The board member is absent from three regular meetings without excuse; or 2) The board member is absent from six regular meetings.

2017 Attendance Record

Board Member	Jan	Feb	Mar	Apr	May *	June	July	Aug	Sept	Oct	Nov	Dec
Lee	✓	✓	✓	✓								
More	✓	✓	✓	✓								
Helmericks	U	✓	✓	✓								
Weaver	✓	✓	✓	E								
Momarts	E	✓	✓	✓								
Jardine	✓	✓	✓	✓								
Linn	✓	✓	✓	✓								

2016 Attendance Record

Board Member	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Lee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
More	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Helmericks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Weaver											E	✓
Momarts	E	✓	✓	✓	✓	✓	✓	✓	E	✓	✓	✓
Jardine											✓	✓
Linn										✓	✓	✓

* Meeting Cancelled

** Special Meeting

✓ - Present

E - Excused

U - Unexcused Absence

V - Vacant

City of Palmer

Board of Economic Development Members

PMC 2.30.010.A. There is created a city board of economic development which shall consist of seven members.

Seat	Board Member	Term Expires
A	LaMarr Anderson	Oct. 2017
D	Christopher Chappel	Oct. 2018
B	Peter Christopher	Oct. 2019
E	Janet Kincaid	Oct. 2019
C	Lorie Koppenberg	Oct. 2018
F	Tendra Nicodemus	Oct. 2017
G	Dusty Silva	Oct. 2018
CC	David Fuller	Oct. 2017
PZC	Not Yet Appointed	Oct. 2017

PMC 2.30.140.B. Cause for removal. In addition, a board member may be removed by the council if, during any 12-month period while in office: 1) The board member is absent from three regular meetings without excuse; or 2) The board member is absent from six regular meetings.

2017 Attendance Record

Board Member	Jan	Feb	Mar	Mar **	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Anderson	E	✓	✓	✓	✓	✓							
Chappel	✓	✓	✓	✓	✓	✓							
Christopher	✓	✓	✓	E	✓	✓							
Kincaid	✓	E	✓	✓	✓	✓							
Koppenberg	✓	✓	E	✓	✓	✓							
Nicodemus	✓	✓	✓	✓	✓	E							
Silva	✓	✓	✓	✓	✓	✓							
Fuller	✓	✓	✓	✓	✓	✓							
PZ&C	V	V	V	V	V	V							

2016 Attendance Record

Board Member	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Anderson	*	✓	✓	✓	✓	E	✓	✓	✓	✓	✓	✓
Chappel	*	✓	✓	✓	✓	✓	✓	✓	✓	✓	E	✓
Christopher											✓	✓
Kincaid											✓	✓
Koppenberg	*	E	✓	✓	E	✓	✓	✓	✓	✓	E	✓
Nicodemus	*	E	✓	✓	✓	E	E	E	✓	✓	E	✓
Silva	*	✓	✓	✓	✓	✓	✓	E	✓	✓	✓	✓
Fuller												✓
PZ&C	V	V	V	V	V	V	V	V	V	V	V	V

* Meeting Cancelled

E – Excused Absence

** Special Meeting

U – Unexcused Absence

✓ – Present

V – Vacant

City of Palmer

Parks, Recreation and Cultural Resources Advisory Board Members

PMC 2.22.010.A. There is created a city board for parks, recreation and cultural resources which shall consist of seven members.

Seat	Board Member	Term Expires
A	Stephanie Allen	Oct. 2017
F	Meggie Aube-Trammell	Oct. 2018
D	Shannon Connelly	Oct. 2019
B	Jo Ehmann	Oct. 2018
C	Dot Helm	Oct. 2017
E	Jan Newman	Oct. 2017
G	Fran Seager-Boss	Oct. 2017

PMC 2.22.140.B. Cause for removal. In addition, a board member may be removed by the council if, during any 12-month period while in office: 1) The board member is absent from three regular meetings without excuse; or 2) The board member is absent from six regular meetings.

2017 Attendance Record

Board Member	Jan	Feb	Mar	Mar **	Apr	May *	June	July	Aug	Sept	Oct	Nov	Dec
Allen	E	✓	✓	E	✓								
Aube-Trammell	✓	✓	✓	✓	✓								
Connelly	✓	✓	✓	✓	✓								
Ehmann	✓	✓	✓	✓	✓								
Helm	✓	✓	✓	✓	✓								
Newman	✓	E	✓	E	✓								
Seager-Boss	✓	✓	E	E	✓								

2016 Attendance Record

Board Member	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Allen	✓	✓	U	E	✓	E	✓	✓	✓	✓	✓	✓
Aube-Trammell	✓	✓	✓	✓	✓	✓	✓	✓	E	✓	✓	✓
Connelly											✓	✓
Ehmann	✓	✓	E	✓	✓	E	✓	E	✓	✓	✓	✓
Helm	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Newman	✓	E	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Seager-Boss			E	✓	E	✓	✓	✓	✓	U	U	✓

* Meeting Cancelled

** Special Meeting

✓ – Present

E – Excused Absence

U – Unexcused Absence

City of Palmer

Planning & Zoning Advisory Commission Members

PMC 2.20.010.A. There is created a city planning and zoning commission which shall consist of seven members who shall be nominated by the mayor and confirmed by the city council. All members must be residents of the city.

Seat	Commission Member	Term Expires
A	Gena Ornquist	Oct. 2017
B	Erik Cordero-Giorgana	Oct. 2019
C	Merry Maxwell	Oct. 2018
D	Kristy Thom Bernier	Oct. 2019
E	Dan Lucas	Oct. 2017
F	David Petty	Oct. 2018
G	Douglas Cruthers	Oct. 2018

PMC 2.20.321.C. Cause for removal. In addition, a commissioner may be removed by the council if, during any 12-month period while in office: 1) The commissioner is absent from three regular meetings without excuse; or 2) The commissioner is absent from six regular meetings.

2017 Attendance Record

Commissioner	Jan	Feb	Mar	Apr **	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ornquist	✓	*	✓	✓	✓	✓							
Cordero-Giorgana	✓	*	E	U	U	✓							
Maxwell	✓	*	✓	E	✓	E							
Thom Bernier	✓	*	✓	✓	E	✓							
Lucas	✓	*	✓	✓	✓	✓							
Petty	✓	*	✓	✓	✓	✓							
Cruthers	E	*	E	✓	✓	✓							

2016 Attendance Record

Commissioner	Jan	Feb	Mar	Apr **	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ornquist											✓	✓
Cordero-Giorgana											U	E
Maxwell	✓	*	✓	✓	E	✓	✓	✓	✓	E	E	✓
Thom Bernier											✓	✓
Lucas	✓	*	✓	✓	✓	✓	E	✓	✓	✓	✓	✓
Petty	✓	*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cruthers	✓	*	✓	✓	✓	U	✓	✓	✓	✓	✓	✓

* Meeting Cancelled

** Special Meeting

✓ – Present

E – Excused Absence

U – Unexcused Absence

V – Vacant

Mayor's Memo

Council Meeting report – June 13, 2017

OUTREACH:

- **Airport Fly-In**
- **Alaska Pickers Grand Opening**
- **Workforce Luncheon at Job Corp**
- **Memorial Day at the Wall**

UP COMING EVENTS:

- ✓ **Town Hall meeting on Sewer Project**
- ✓ **Outreach to High school age student(s) for Boards and Commission**
- ✓ **Mayor's Minute on Radio – June 9**
- ✓ **Mat Su Health Foundation – ground breaking – June 13 11 AM**
- ✓ **Colony Days – June 9-11**
- ✓ **Governor's Prayer Breakfast – Anchorage – June 24**
- ✓ **Mayor/Manager's meeting – June 15 Houston - 3:30**
- ✓ **MS Ride for the Cure – June 25 – Fair Grounds by depot 9:30 AM**
- ✓ **Mat Su Miners/City of Palmer – July 26 – 7 pm**
- ✓ **Palmer Pride – July 28 – starting thinking of Citizen of Year; Business Person of the Year; New Business of the Year –**
- ✓ **Beautiful Lawn/Gardens – we will be getting lawn markers for the winners to display on their lawns**

Leaders choose the right things to do

and managers do those things.



2017

Position Statements

**Approved by AML Membership
November 2016**

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**Kathie Wasserman, Executive Director
kathie@akml.org**



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Local Control

Article X of the Alaska State Constitution makes mention, throughout, of “maximum local self-government...” The Alaska Supreme Court has used this section to make close calls in favor of municipalities in many court proceedings. While Title 29 lays out the laws under which a municipal government must operate, liberal construction is given to municipalities under the State Constitution.

Due to the large geographical land mass of Alaska; due to the different cultures that are in place in the many large areas of Alaska; due to the differing array of climates and environment experienced by each area of Alaska; and due to the differing infrastructure, facilities and services provided within each area, it is common knowledge that most “one size fits all” legislation that might attempt to envelop the entire State does not usually work well in Alaska. Therefore, it is imperative that, unless prohibited by law, municipalities closest to the electorate be able to provide their constituents with the laws, services, benefits, and taxation that the local populations, through their local elected officials, feel is appropriate.

The Alaska Municipal League has always based their positions upon two guiding principles: Does it allow for maximum local control, and/or does it create an unfunded mandate.



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Revenue Sharing

The State's Constitution entrusts state government with managing the state's resources to the maximum benefit of all Alaskans. The Constitution also promotes maximum self-governance at the local level. It is therefore incumbent upon the Governor and Legislature to manage and distribute the wealth of Alaska's resources to local governments each and every year. Predictable, dependable, and direct Revenue Sharing is therefore required for the State to meet its Constitutional obligations. To that end, the State should designate a specific long-term funding source that would perpetually sustain the Municipal Revenue Sharing Program.



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PERS/TRS Unfunded Liability

Management of Alaska's public retirement system has always been the responsibility of State government. Participating municipalities have had no choice but to rely on information provided by the State when making decisions regarding their own contributions to the system. Decades of improper accounting and inaccurate actuarial data provided by the State to municipalities, has now created a huge unfunded pension liability that can no longer be accurately apportioned among all participating employers. The League recognizes that there is municipal responsibility to participate in solving this fiscal problem. However, as the primary responsible party and the only entity with the long-term resources to effectively deal with the magnitude of the issue, the State should incorporate into its long-term fiscal planning strategy a leading position that ensures this ongoing obligation is met, while maintaining close coordination with participating employers to avoid the potential of shifting too great a burden to local governments.

The Alaska Municipal League strongly supports reforms that would allow flexibility with regards to the management of the local government workforce (i.e., termination study costs, below-the-floor penalties).



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Fiscal Policy

It is critical for the State to establish long-term financial policy as opposed to short-term reactive approaches that primarily focus on annual revenue/expenditure fluctuations or fiscal austerity. Accumulation of reserves during good years should continue as part of that policy, however draws from reserves during lean years should be more process driven and not as subject to political bartering.

When necessary, State budget cuts in one department's program area must be coordinated with complimentary programs in other departments. The same needs to occur between State and local municipal programs. To do otherwise will sacrifice critical service delivery and the health of the economy statewide. The League calls upon the Governor to provide Cabinet level leadership during budget formulation to balance these interrelated effects. At the legislative level the League asks that the Director of Management and Budget works closely with the Director of the Legislative Finance Division to assure that programs remain balanced during the Legislature's budget deliberations.

The Legislature must also ensure that State initiatives always include the necessary State resources required for implementation. Unfunded mandates to local governments are tantamount to unilaterally usurping critical local income and priorities.

State funding reductions to municipalities, when necessary, should occur over a number of years to provide those municipalities with the reaction time to make adjustments. New revenue sources, if considered, must always consider impacts to existing local government revenue sources first. Local municipal sources already in place must always take primacy over new State revenue schemes.

Education

Funding of Public School Districts: The Alaska Constitution provides that the State shall "establish and maintain a system of public schools." The State established school districts to be the basic unit for the administration of schools. The funding of these school districts is complex and segmented with Federal, State, and local sources. Additionally, State and Federal categorical funds are available to meet special circumstances, which adds to the complexity.

- Sudden alterations in funding and dramatic shifts in funding levels cause havoc as the districts try to implement programs. Thus, stability of funding is required for the adequate management of school districts. Funding levels will change; but *predictable, phased* increases (or reductions if necessary) are essential.
- Additionally, billions of State and local dollars have been expended on educational infrastructure, sudden reductions in funding inevitably cause the deferral in maintenance of this massive investment. Such deferral of maintenance increases the eventual price tag when minor maintenance issues become critical failures.

Local Control: One of the League's guiding principles is local control. AML recognizes that ultimate control of education rests with the State Legislature by constitutional dictate; but also recognizes that every educational mandate by the Legislature can impact other important locally developed programs. Every School District is unique with widely different populations, cultures, lifestyles, educational backgrounds, and expectations. AML therefore challenges the Legislature to maximize local control over education and to provide flexibility for local circumstance wherever possible.

Evaluation of School Performance: Evaluation of schools is a process of assessing and reporting a set of key indicators, such as student standardized test results, proficiency rates, graduation rates, drop-out rates, etc. This evaluation process should provide the community with the data on how well the students and district are performing, and to provide the school district with the benchmarks for programmatic improvement. The goal is to continuously improve local educational programs. Almost every new Administration brings a new performance or accountability program, with a different twist, tool, or plan requiring school district action or adaptation. Each alteration has the potential of interfering with the longitudinal evaluation data stream. Thus it is essential that each change be tailored to avoid that disruption. In Alaska, the evaluation process needs to be local, positive, and focused on continually enhancing the local educational performance.

Education Programs for Workforce Development: The primary task for Alaska's University System and the vocational technical centers in Alaska is to prepare Alaskans with the skills needed by Alaskan industries and employers. There are, of course, other tasks performed by these educational institutions, but preparing the populace to meet the economic and workforce needs in Alaska needs to be kept as the principal priority.

Energy

Energy Policy. Alaska's economy depends heavily on increasingly expensive gasoline and diesel fuel for heating, transportation, and electric power. Energy costs in rural areas are generally significantly higher, but vary widely depending on transportation costs, seasonal usage peaks, nearby petroleum development infrastructure, and many other factors. Wind and hydroelectric power are abundant and underdeveloped. Processing and distribution facilities to use some of the oil and gas produced in Alaska are virtually non-existent. There are extensive gas reserves, but no current way to get it to the lower 48 or other markets. Production, transportation, storage, and distribution systems to take advantage of these resources in Alaska must be developed immediately.

Alaska's current oil and gas energy policy is complicated and to some extent, driven by the industry and national political decisions which are outside Alaskan's control. Support, other than financial, should be provided to encourage new exploration and development of oil and gas resources. Alaska policy needs to emphasize the production, distribution, use and sale of our oil and gas resources to benefit all Alaskans.

Alaska's energy policy therefore requires a thorough review with emphasis on the needs of Alaska residents. Permitting and future development of energy resources need to emphasize "Alaska First." Processing facilities and distribution for Alaskans must be a very high priority. Other opportunities, although expensive, abound for the use of alternative energy from the sun, water, wind, and tidal surges. The technology to build and operate facilities utilizing some of Alaska's natural resources to provide biomass for heat and fuel also needs more emphasis. Revenues from a new natural gas pipeline must be made available for local communities and rural residents to draw upon for energy related grants or for low interest rate loans to help diversify sources and reduce energy costs.

Energy Planning. Alaska is one of the most energy rich states in the union, yet the cost of energy throughout the State is far above the national average. Most local governments have identified the cost of energy as a primary detrimental influence affecting quality of life and economic expansion within their communities.

As the State moves forward with plans to develop a North Slope LNG pipeline to tidewater, it is critical that strategic planning be started immediately at the State level to identify local energy needs statewide, and to develop a comprehensive plan to use either the natural gas itself, or the revenue from the sale of natural gas, to mitigate the high cost of energy throughout the State. This planning must occur in time to influence the design of any LNG pipeline and/or associated processing/shipping facilities, as to maximize the ability of those facilities to meet the strategic energy needs of the State.



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Transportation

Transportation infrastructure in Alaska includes much more than roads. When we say transportation we mean surface, air, trail, rail and water. All of these modes work together to move people, goods and services throughout our great state.

Transportation investment has been studied and proven to be a critical economic driver over and over again. Alaska's transportation infrastructure is pivotal to the state's economy and facilitates access to markets, supplies, and most of all, resources. Improving and investing in Alaska's transportation system will enhance the global competitiveness of Alaska business and economic opportunities for its people. Alaska needs new transportation infrastructure development to provide access to resources, reduce barriers for communities to participate in the economy, allow for safe and efficient transportation for all Alaskans, and to dramatically improve Alaskan's quality of life statewide. It is equally important to ensure the maintenance of our existing infrastructure.

Historically, the federal government has been funding 85%-90% of Alaska's transportation infrastructure budget. The Federal Highway Trust Fund is experiencing significant shortfalls, contributing to a decrease in federal funds for Alaska, which is not likely to rebound. The League therefore supports a State Transportation Fund with predictable funding that will provide continuity between Administrations and be applicable to all our modes of transportation.



Fishing

Alaska has over 34,000 miles of coastline on three different seas: Arctic Ocean, Pacific Ocean, and the Bering Sea. Over half of the nation's commercially harvested fish, crab and shrimp come from Alaska, nearly four times more than the next largest seafood producing state. A rich variety of other species, such as sea cucumbers, abalone, sea urchins, herring, etc. also come from Alaskan waters and provides unique export markets. More than eight of Alaska's ports consistently rate in the top 30 U.S. ports in terms of volume or value of seafood delivered. Seafood has been and remains one of Alaska's top export commodities.

The vast fishery resources of Alaska are of significant importance to the economies of the state and the nation. Local benefits from these resources are not uniformly spread throughout Alaska, but heavily concentrated in communities along the coast of Alaska. The economies of many Alaskan coastal communities are largely dependent on the fishing industry.

Throughout most of the state, there is also a subsistence and recreational need and lifestyle associated with fish resources. These are critically important sectors of our culture and economy that must also be considered in any resource management plan for the industry.

Revenues to local communities from fishing vary considerably and are dependent on a number of factors including the overall health and strength of various fisheries, quota allocations, changing management schemes, as well as the location of processors and the public and private docks or ports to which the catches are delivered. As state funding declines many of the coastal communities face major challenges to maintain community services provided, in part, to the large seasonal influx of fisherman. It will therefore be almost impossible to maintain these current ports and harbor facilities without some other sources of revenue, including consideration of recreational demand on these facilities. As the fishing industry adjusts to change, the state needs to review its current laws and regulations regarding the collection and distribution of revenues from fishery resources and ensure they are equitably allocated to Alaska's fishing communities.

Public Safety

The State provides needed public safety services to areas not covered by local law enforcement agencies (per AS 44.41.020) and assistance to municipal police departments with the enforcement of criminal laws (AS 18.65.090). It is also critical for the State to maintain all necessary training for Village Public Safety Officers (VPSOs) as they provide essential public safety services to communities that otherwise would not have law enforcement.

Municipalities often depend on the State, which has the responsibility for search and rescue operations (AS 18.60.120), to conduct search and rescues within their municipalities.

The State provides a criminal justice information system that is utilized by State and local law enforcement agencies (AS 44.41.020(b)) and is vital to municipal law enforcement, as it provides information unavailable through any other sources. Further, the State Crime Lab provides basic forensic services to law enforcement agencies free of charge. State and local law enforcement rely on these services for aiding in the investigation and prosecution of crimes and in solving other non-criminal cases.

The State has implemented and maintains an interoperable communication system that is used by an increasing number of public safety personnel in the state. This system allows for an increased range of operation and the ability to communicate with other local and state agencies. As long as the cost of these systems continues to be borne by the State, municipalities will continue to find them to be very useful tools.

The State operates the Public Safety Academy which trains many law enforcement officers and provides consistency with public safety services statewide. The training for municipal police officers at the academy is generally funded, upon request through the Alaska Police Standards Council (APSC). APSC is also responsible for setting the standards for police officers and for certifying police officers.

Some municipalities operate contract holding facilities for in-custody persons. These municipalities rely on funding from the State to operate these facilities. In lieu of this, the Department of Corrections or law enforcement would be required to transport prisoners at an increase in both time and state expense.

Emergency Medical Technician certifications and Paramedic licensing (required by AS 18.08.84 and 12 AAC 40.300-390 respectively) represent essential life safety functions of the state that must be continued. The required Division of Forestry training for response to wild land fires is also critically important to ensure the protection of all state lands and threatened nearby infrastructure. Funding for this program should be maintained.



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Economic Development

Economic development permeates all AML position statements. Effective communication between the Governor, the Legislature, and local governments is critical to the success of any strategic long range state or local economic development strategy.

Even though government cannot affect all the factors important to economic development, it can have a significant impact through both its traditional role as a public service provider and regulator, and its entrepreneurial role as a dealmaker and business recruiter. Of these two roles, the former is essential – government must provide quality basic services and an efficient regulatory environment if it wishes to create economic development. Providing further incentives to businesses are optional; whether it makes sense depends on what government can reasonably offer, the extent to which such offerings are necessary to attract or retain firms, and that the cost of such offerings can be fully funded by the State be entirely a local option.

Public policy can affect factors that are important to businesses, primarily through regulations, taxes, and incentives. It is therefore incumbent upon the Governor and Legislature to maintain a long-term commitment to Alaska's future by considering local stability and growth, as well as local community plans to develop and implement a comprehensive State vision for economic growth and diversification. Such a vision then needs to guide all future State policy and budgetary decisions.



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Minerals

Alaska's size and complex geology provide immense opportunity for a wide variety of minerals to occur, including coal, gold, copper, silver, molybdenum, zinc, and rare earth minerals. Before statehood, the mineral industry made up about 30% of the economy as compared to about 5% today. Vast untapped mineral reserves still exist.

Some of the disadvantages in Alaska are the distances from markets, lack of road systems to move the material, and in some cases, the lack of technology to develop and process the mineral. All these factors raise the cost of production and make it harder for the industry to compete with other parts of the U.S. and the world.

Alaska enjoys a unique position in that there are vast untapped minerals for the future. These minerals are available to be developed when needed. Such development should occur while incorporating the best environmental practices to protect the environment. Bonds need to be required to protect the resources and people in case of default.

AML supports and encourages research efforts, whether public or private, into new and improved methods to overcome Alaska's disadvantages, to negate potential adverse impacts, and to improve mineral recovery. Special emphasis should be aimed at improving discharge quality from mine operations and to reduce the risk of dam failures.

The Governor and Legislature need to be active advocates in the responsible development of our mineral resources.



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Clean Water

Alaska's abundance of rivers, lakes, wetlands, snowfields, and glaciers comprise an estimated 40% of the Nation's surface water. There are more than 12,000 rivers in Alaska, and three of those rivers, the Yukon, the Kuskokwim, and the Copper, are among the ten largest rivers in the United States. Alaska has more than 3 million lakes ranging from pond size to 1,000 square miles. Despite Alaska's wealth of water, its water resources are not uniformly distributed geographically or seasonally.

Water is highly important to Alaskans, not only for domestic use, but also for the fishing and tourism industries. Alaska needs to assure that policies are in place to protect the quality of its waters, while not inhibiting responsible development, and that those policies are reviewed and updated periodically to assure they include the most up to date and proven science, and are applicable to the unique characteristics of our state.

Alaska also needs to take an active role in the trans-boundary protection of rivers and streams. Treaties with Canada on the protection of rivers need to be reviewed to assure they include new technologies and practices.

All types of development need to account for the costs of putting the best mitigation practices in effect.

City of Palmer
Resolution No. 17-020

Subject: Accepting and Appropriating a Grant Offer from the Federal Aviation Administration (FAA) in an Amount up to \$7,827,300.00 for Runway 16/34 Rehabilitation and Related Improvements at the Warren "Bud" Woods Palmer Municipal Airport and Authorizing the City Manager to Negotiate and Execute the Grant when Offered

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

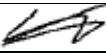
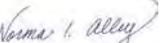
Originator Information:

Originator: Airport Superintendent Frank Kelley

Department Review:

Route to:	Department Director:	Signature:	Date:
	Community Development		
X	Finance		5/26/17
	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: \$ 7,827,300.00

This legislation (✓):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
X	Creates expenditure in the amount of:	\$ <u>7,827,300.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (✓):

X	Budgeted	Line item(s): <u>30-01-02-6225 & 30-30-10-6225 Matching Funds</u>
X	Not budgeted	<u>30-03-10-7128 FAA Airport Runway 16/34</u> <u>30-00-00-3379 FAA Grant</u>

Director of Finance Signature: 

Attachment(s):

- FAA Sponsor Assurances

Summary Statement:

The Warren "Bud" Woods Palmer Municipal Airport is a federally recognized municipal operated airport eligible for Federal Airport Improvement Program (AIP) grant funding for approved projects.

The FAA has approved the most recent Airport Layout Plan which identifies areas of future use and improvements. The City also has an approved Obstacle Action Plan that identifies areas in need of safety improvements. These documents together have resulted in a project that entails the following:

- Runway 16/34 Repaving and Shoulder Work
- Object Free Area (OFA) Improvements (Removal of Soil Mound, Tree Clearing & Toping, Sign Relocation)
- Runway Safety Area Expansion (North and South of Runway 16/34)
- Taxiway B Spot Repairs
- Large Aircraft Apron Expansion (Paving as Additive Alternates)
- Removal of Abandoned Service Road
- Re-Mark Crosswind Runway to 10/28
- 2,000 Feet of Additional Security Fencing (North East) After Tree Removal
- New and Relocated Compass Calibration Pad
- New Heliport and Helicopter Parking on South Ramp (Additive Alternate)

For the 2017 budget year, the City Council approved matching Capital Improvement funding of \$225,000.00 to be used in conjunction with a \$400,000.00 State of Alaska Grant No. 15 DC 128 DCCED for the Rehabilitation & Repaving of Runway 16/34. The City applied for a Federal Airport Improvement Program (AIP) grant in the amount of \$7,827,300.00.

Of this amount \$492,019.00 is non-federal funding.

City funds account for \$92,019 of the entire project funding.

Administration's Recommendation:

Approve Resolution No. 17-020 Accepting and Appropriating a Grant Offer from the Federal Aviation Administration (FAA) in an Amount up to \$7,827,300.00 for RW 16/34 Rehabilitation and Related Improvements and authorizing the Manager to execute the grant when offered.

Introduced by: City Manager Wallace

Date: June 13, 2017

Action:

Vote:

Yes:

No:

CITY OF PALMER, ALASKA

Resolution No. 17-020

A Resolution of the Palmer City Council Accepting and Appropriating a Grant Offer from the Federal Aviation Administration (FAA) in an Amount up to \$7,827,300.00 for Runway 16/34 Rehabilitation and Related Improvements at the Warren "Bud" Woods Palmer Municipal Airport and Authorizing the City Manager to Negotiate and Execute the Grant when Offered

WHEREAS, the City of Palmer maintains and operates the Warren "Bud" Woods Palmer Municipal Airport; and

WHEREAS, an Airport Layout Plan has been developed by the City and approved by the FAA for the Warren "Bud" Woods Palmer Municipal Airport; and

WHEREAS, the need for the 16/34 runway rehabilitation and related improvements are a priority with the FAA; and

WHEREAS, the City of Palmer anticipates approval of FAA grant funds of up to \$7,827,300.00 for the federal portion of the project; and

WHEREAS, the Airport Sponsor Assurances have been reviewed by the City of Palmer.

NOW THEREFORE, BE IT RESOLVED, by the Palmer City Council to accept and appropriate a Grant Offer from the Federal Aviation Administration (FAA) in an Amount up to \$7,827,300.00 for Runway 16/34 Rehabilitation and Related Improvements at the Warren "Bud" Woods Palmer Municipal Airport and to authorize the City Manager to negotiate and execute the grant when offered.

Approved by the Palmer City Council this _____ day of _____, 2017.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk



ASSURANCES

Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

- 1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

- 2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor.

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements.

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

- a. Title 49, U.S.C., subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.¹
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act – 5 U.S.C. 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.^{1,2}
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).¹
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.¹
- h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.¹
- l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.¹
- s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.¹
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.¹
- u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.¹
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.²
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

Executive Orders

- a. Executive Order 11246 - Equal Employment Opportunity¹
- b. Executive Order 11990 - Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 - Intergovernmental Review of Federal Programs
- e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction¹
- f. Executive Order 12898 - Environmental Justice

Federal Regulations

- a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].^{4, 5, 6}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
- d. 14 CFR Part 13 - Investigative and Enforcement Procedures 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- e. 14 CFR Part 150 - Airport noise compatibility planning.
- f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
- g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
- h. 29 CFR Part 1 - Procedures for predetermination of wage rates.¹
- i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.¹
- j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).¹
- k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).¹
- l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.³
- m. 49 CFR Part 20 - New restrictions on lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.^{1 2}
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.¹
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
- t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

Footnotes to Assurance C.1.

¹ These laws do not apply to airport planning sponsors.

² These laws do not apply to private sponsors.

³ 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

⁴ On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

- ⁵ Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
- ⁶ Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. Good Title.

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

- b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.
- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and

has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans,

specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal,

state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

- 1) Operating the airport's aeronautical facilities whenever required;
 - 2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - 3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or

to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

- 1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 - 2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
 - d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
 - e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
 - f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.
 - g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
 - h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
 - i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:
 - 1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or

operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

- 2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
 - 3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
 - c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

- a. It will keep up to date at all times an airport layout plan of the airport showing
 - 1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 - 2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and

roads), including all proposed extensions and reductions of existing airport facilities;

- 3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and
 - 4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.
- b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

- a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.
- b. Applicability
 - 1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 - 2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

- 3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.
- c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

 - 1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
 - 2) So long as the sponsor retains ownership or possession of the property.
- d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

“The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.”
- e. Required Contract Provisions.
 - 1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
 - 2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
 - 3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
 - 4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a

covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

- a) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
 - b) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
 - g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.
- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another

eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
- d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ (the latest approved version as of this grant offer) and included in this grant, and in accordance

with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition.

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

- a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-
 - 1) Describes the requests;
 - 2) Provides an explanation as to why the requests could not be accommodated; and
 - 3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

City of Palmer
Action Memorandum No. 17-039

Subject: Authorizing the City Manager to Negotiate and Execute a Construction Management and Related Additional Engineering Design Contract with HDL Engineering Consultants in the Amount of \$682,455.00 for the Construction Management of the Airport Improvements Project, Contingent Upon Receiving a Federal Aviation Administration Grant

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

Originator Information:

Originator: Airport Superintendent Frank J. Kelly

Department Review:

Route to:	Department Director:	Signature:	Date:
Community Development			
Finance		<i>S Davis</i>	5/23/17
Fire			
Police			
Public Works			

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<i>J. S. S.</i>	
City Attorney	<i>L. B.</i>	
City Clerk	<i>Norma L. Alley</i>	

Certification of Funds:

Total amount of funds listed in this legislation: \$ \$682,455.00

This legislation (✓):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>\$682,455.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (✓):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>30-01-02-6225 & 30-30-10-6225 City Matching Funds</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>FAA Grant</u>

Director of Finance Signature: *S Davis*

Attachment(s):

- HDL Engineering Consultants Proposal

Summary Statement:

For the 2017 budget year, the City Council approved matching capital Improvement funding of \$225K to be used in conjunction with a \$400K State of Alaska Grant No. 15 DC 128 DCCED for the Rehabilitation & Repaving of Runway 16/34. Based Upon Previous Engineering Estimates, it was Anticipated that the City's Matching Portion would be \$625K or (6.25%) and would be used in Conjunction with the Anticipated FAA Grant of \$9.375M or (93.75%) for an Estimated Total Project of \$10M. The HDL Engineering proposal for additional design, airport layout and obstacle plan, and construction administration is not to exceed \$682,455.00.

This includes administering the following construction and design work:

- Runway 16/34 Repaving and Shoulder Work
- Object Free Area (OFA) Improvements (Removal of Soil Mound, Tree Clearing & Toping, Sign Relocation)
- Runway Safety Area Expansion (North and South of Runway 16/34)
- Taxiway B Spot Repairs
- Large Aircraft Apron Expansion (Paving as Additive Alternates)
- Removal of Abandoned Service Road
- Re-Mark Crosswind Runway to 10/28
- 2,000 Feet of Additional Security Fencing (North East) After Tree Removal
- New and Relocated Compass Calibration Pad
- New Heliport and Helicopter Parking on South Ramp (Additive Alternate)

Administration's Recommendation:

To approve Action Memorandum No. 17-039 Authorizing the City Manager to Execute a Construction Management and Related Additional Engineering Design Contract with HDL Engineering Consultants in the amount of \$682,455.00 for the Construction Management of the Airport Improvements Project, Contingent upon Receiving a Federal Aviation Administration Grant.

May 23, 2017

Frank Kelly, Airport Superintendent
Chris Nall, Public Works Director
City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska 99645

RE: Amendment Proposal
Rehabilitate Runway 16/34 & Related Improvements
Warren "Bud" Woods Palmer Municipal Airport

CIVIL
ENGINEERING

GEOTECHNICAL
ENGINEERING

TRANSPORTATION
ENGINEERING

ENVIRONMENTAL
SERVICES

PLANNING

SURVEYING
& MAPPING

CONSTRUCTION
ADMINISTRATION

MATERIAL
TESTING

RIGHT-OF-WAY
SERVICES

Gentlemen:

HDL Engineering Consultants (HDL) is pleased to present this amendment proposal for additional design services, construction administration, inspection, and testing (CA) services, and updating the Airport Layout Plan (ALP) and Obstacle Action Plan (OAP) associated with the rehabilitation of Runway 16/34 and associated improvements at the Warren "Bud" Woods Palmer Municipal Airport. We propose to provide the services described below for the following not-to-exceed cost:

Additional Design Services	\$ 30,000
CA Services	\$633,625
ALP/OAP Update	<u>\$ 18,830</u>
Total Amendment	\$682,455

SCOPE OF WORK

ADDITIONAL DESIGN SERVICES

Large Aircraft Apron Expansion Justification. As the design was nearing completion, the FAA requested additional information from the City to justify the expansion of the large aircraft apron. HDL supported the City by providing a justification memo and cost estimates. The cost of this effort was **\$11,385**.

Heliport Design. During bidding, the City requested that HDL design a heliport to be included in the project as an additive alternate. The heliport was originally planned for 2020; however, with the expansion of the Large Aircraft Apron, the heliport could be constructed now, if sufficient funds are available, and the safety and operational benefits could be realized sooner rather than later. The cost of this effort was **\$6,932**.

Pavement Design. The geotechnical investigation revealed unanticipated substandard materials in the existing pavement structural section. Additionally, the City requested that HDL consider a structural section that would support not only the design aircraft, but also the heavier C130 aircraft that may be used by State Forestry in the near future. HDL expended unanticipated additional effort to design the pavement structural section due to these changes. We estimate the additional cost of this effort was approximately **\$9,200**.

Runway 10/28 and Compass Calibration Pad. During design, the FAA completed their review of the Aeronautical Survey prepared by the City. This identified the need to update the crosswind runway designation to account for magnetic declination, as well as the compass calibration pad. The FAA required that this work be added to this project and HDL prepared the new marking design, including updating the pavement markings and edge lights to reflect the instrument approach designation on Runway 10. We also determined that the location of the compass calibration pad does not conform to FAA standards. HDL expended unanticipated effort to coordinate with the City and FAA to identify an acceptable location. We estimate the additional cost of this effort was approximately **\$5,680**.

Amendment Request. The total of these unanticipated additional costs is \$33,197; however, due to savings and remaining budgets in other tasks, we hereby request a budget amendment for design services of **\$30,000**.

CONSTRUCTION ADMINISTRATION, INSPECTION, & TESTING SERVICES

HDL will work closely with the City to provide CA services in accordance with FAA requirements, including construction monitoring, coordination, administration, inspection, testing, and record drawings. We will subcontract to EDC, Inc. (EDC) for electrical components of the work. We anticipate the work will occur in 2017 during a 21-week construction performance period from June 23 - November 15.

HDL will coordinate and monitor the day-to-day activities of the project on behalf of the City. David Lundin, P.E. will be the Project Manager and Casey Witt, P.E. will be the Project Engineer and primary point of contact for construction. Casey will keep the City informed of progress, field directives, and changes as they arise and will prepare weekly written status reports. David will have overall responsibility and will coordinate and supervise staff, monitor schedule and budget, and provide quality control review of deliverables.

Project Start-up / Review of Submittals & Shop Drawings. HDL will conduct a pre-construction conference and will review material and equipment submittals, shop drawings, samples, and quality control submittals. EDC will provide submittal review of electrical components. We will submit FAA Form 7460-1 Notice of Proposed Construction or Alteration and FAA Form 6000-26 Airport Sponsor Strategic Event Submission Form, identifying the details of construction activities that impact operations at the airport.

Project Administration. HDL will review administrative submittals, schedules, and contract closeout submittals. We will prepare a Construction Management Program in accordance with FAA requirements. HDL will conduct formal weekly construction meetings and will meet informally with the Contractor and City frequently to assist in coordinating the work. We will review and respond to Design Clarification/Variation Requests (DCVR) from the contractor. We will assist the City with change order negotiations for additional or unanticipated work and secure FAA approval before authorizing change order items on grant-eligible work. We will assist the City with FAA coordination and prepare weekly status reports. We will review pay requests, verify quantities, and make recommendations for payment to the City for payment. We will issue and cancel NOTAMs, if authorized by the Airport Superintendent.

Construction Inspection & Quality Assurance Testing. We anticipate the majority of the fieldwork will occur begin about July 1 and will continue in earnest until substantial completion about September 30. HDL will provide full-time construction inspection during this 13-week period. We will also provide periodic inspection for an additional four weeks during final

completion of the work. For the primary work period, we will provide up to four inspectors as needed to adequately observe, test, and document the construction on behalf of the City, per the assumptions shown on the attached Task 8 cost estimate worksheet. We anticipate our inspectors will work up to 60 hours per week; actual hours will depend upon the Contractor's schedule, the type of work being performed, and the level of inspection required. Documentation will include photographs and daily reports detailing the equipment, labor, inspections, testing, and activities occurring each day. We will provide copies of daily reports on a weekly basis, if requested. HDL will also conduct formal substantial and final completion inspections jointly with the City and prepare a substantial completion inspection report and list of deficient items. EDC will provide phase inspections for the electrical work.

HDL will provide quality assurance material testing to ensure the adequacy of the contractor's quality control by performing testing at approximately one-half of the contractor's quality control frequency detailed in the Quality Control Sampling and Testing Requirements chart included in the project manual.

Compass Calibration Pad and Runway Monumentation. HDL will provide surveying services in accordance with AC150/5300-13A, Appendix 6 to locate and orient the new compass calibration pad. HDL will subcontract the magnetic declination surveying to the United States Geological Survey. Surveying for monumentation of Runway 16/34 will be performed by HDL in accordance with AC 150/5300-18b, Table 2.1.

Closeout. For construction closeout, HDL and EDC will review the contractor's construction markups and will prepare electronic record drawings. We will submit record drawings to the City and FAA on Mylar and in Adobe PDF format. We will request a release of liens and claims statement from the contractor and will distribute a project completion and acceptance certificate for execution. For grant closeout, HDL will provide a bound Project Closeout Report for the FAA grant in accordance with FAA requirements. We will update the 5010 Master Record and 5010 drawing to reflect the new apron and heliport.

Fee Estimate. HDL estimates the cost of these services not to exceed \$633,625, which is approximately 10% of the as-bid \$6.4M construction cost. Attached is a detailed worksheet for this estimate.

AIRPORT LAYOUT PLAN & OBSTACLE ACTION PLAN UPDATE

The project will remove obstructions, construct a new apron, install a heliport, renumber the crosswind runway, and relocate the compass calibration pad, all of which will need to be depicted on an updated ALP. We anticipate these changes will affect 11 of the 13 ALP sheets. Further, the heliport will require two additional sheets to show the approach and departure tracks and profiles. HDL will develop the new sheets and update the existing sheets to reflect the completed work. We will submit the updated ALP for City and FAA approval. The final deliverable will be an ALP approved by the City and FAA. As obstructions are removed, the Obstacle Action Plan will also be updated to reflect the new conditions and submitted to the FAA.

Fee Estimate. HDL estimates the cost of these services not to exceed \$18,830. Attached is a detailed worksheet for this estimate.

May 23, 2017

Page 4 of 4

COST PROPOSAL

We propose to provide the aforementioned services on a time and expenses basis using our published hourly labor rates and receiving reimbursement for project expenses at cost plus 10%.

The level of effort required for construction phase services is highly dependent on the cooperation and skill of the contractor; the methods and equipment the contractor employs; the weather; the amount of rejected workmanship that must be retested; and the schedule he decides to work. None of these conditions is within the control of the Engineer. We have prepared this estimate taking an optimistic view of potential difficulties based on our current understanding of the project and have not included budget for claim negotiation, protracted disputes, repeated retesting, or if the contractor's work extends beyond the contract construction period. Our CA Services fee is a budget level estimate based on the above-discussed services and schedule. Anything to the contrary may result in additional cost to our work.

We appreciate the opportunity to continue working with the City on this project. If you have any questions, you can contact me at 746-5230.

Sincerely,

HDL Engineering Consultants, LLC



David Lundin, PE

Principal

attach: Cost Estimate Worksheet, 4 pages (dated 5-23-17)

COST ESTIMATE PER TASK

FIRM: HDL Engineering Consultants			PROJECT TITLE: Engineering Services for Rehab/Repaving RW 16-34												
TASK NO:	8	TASK DESCRIPTION:	CA Services								DATE:	5/23/2017			
GROUP:		METHOD OF PAYMENT: FP <input type="checkbox"/> FPPE <input type="checkbox"/> T&E <input checked="" type="checkbox"/> CPFF <input type="checkbox"/>				PREPARED BY: David Lundin									
SUB-TASK NO.	SUB-TASK DESCRIPTION	LABOR HOURS PER JOB CLASSIFICATION													
		Contract Manager	Aviation Engineer	Project Engineer	Office Engineer	Office Engineer OT	Inspector/Matls Tech	Insp/Matls Tech OT	Grade Inspector	Grade Insp OT	Intern Inspector	Intern Insp OT	Materials Engineer	Clerical	
8.1	Construction Start-up (2-Weeks)	Management/Start-up	4	8	16	16							2		
	Pre-Construction Meeting	4	4	12	8	4		4		4					
	Contractor Submittals	4	16	40	40				40		8				
8.2	Project Administration, Construction Inspection, Quality Assurance Testing (13-Weeks)	Office Administration	80		468	520	104								
	Field Inspection & Testing	80	80	156		600	300	680	340	240	120	156	6		
8.3	Compass Calibration Pad & Runway Monumentation (See attached Task 8.3S worksheet)	Compass Calibration Pad	2	8	8										
	Runway Monumentation	2	8	8											
8.4	Closeout (6-Weeks)	Construction completion	40		120	120	160					12	4		
	Record Drawings	4	8	20	100	40									
	Closeout Reports	8		16	80							24	4		
		TOTAL LABOR HOURS	228	132	864	884	104	804	300	684	340	284	120	200	16
		LABOR RATES (\$/HR)	\$170.00	\$125.00	\$120.00	\$100.00	\$135.00	\$85.00	\$115.00	\$100.00	\$135.00	\$55.00	\$75.00	\$110.00	\$75.00
		LABOR COSTS (\$)	\$38,760.00	\$16,500.00	\$103,680.00	\$88,400.00	\$14,040.00	\$68,340.00	\$34,500.00	\$68,400.00	\$45,900.00	\$15,620.00	\$9,000.00	\$22,000.00	\$1,200.00
EXPENSES															
SUB-TASK NO.	ITEM(S)	QTY	UNIT PRICE	TOTAL PRICE	COMMENTS: 8.2 Assumes -										
					Miscellaneous small items	1	\$500.00	\$500.00	- Project Engineer and Office Engineer at 6 ea 8 hour days/week for 13 weeks;						
				\$0.00	- Grade Inspector and Inspector/Material Tech for 6 ea 10 hour days/week for 13 weeks;										
	Markup at 10%			\$50.00	- Intern Inspector for 6 ea 10 hour days/week for 6 weeks;										
	Nuclear Densometer (day rate)	78	\$30.00	\$2,340.00	- one add'l grade inspector for 6 ea 10 hour days/week for 4 weeks; and										
	8.2QA Laboratory Testing (per attached)	1	\$41,695.00	\$41,695.00	- one add'l material tech for 6 ea 10 hour days/week for 2 weeks.										
	Vehicle (day rate)	354	\$80.00	\$28,320.00	EDC to provide electrical milestone inspection										
	8.3S Compass Pad and RW Monuments (see attached)	1	\$28,220.00	\$28,220.00											
				FIRM'S TOTAL COST OF LABOR (or Fixed Price):	\$526,340										
				IF CPFF, TOTAL INDIRECT COST @	0.00%	\$0									
				FIRM'S TOTAL EXPENSES		\$101,125									
				FIRM'S TOTAL COST (no Subcontracts or Fee)		\$627,465									
				TOTAL SUBCONTRACTOR PRICES:		\$6,160									
				TOTAL COST + SUBCONTRACTOR PRICES:		\$633,625									
SUB-CONTRACTORS: Firm Initials and Price Per Task															
FIRM:	EDC				Subtotal	10% Markup									
AMOUNT:	\$5,600				\$5,600	\$560									

* Labor Rates shall be direct labor (base pay) only if Method of Payment is CPFF; otherwise, Labor Rates shall be total rates (i.e. base pay + benefits + overhead + profit.)

COST ESTIMATE PER TASK

FIRM: HDL Engineering Consultants			PROJECT TITLE: Engineering Services for Rehab/Repaving RW 16-34					
TASK NO: 8.2QA	TASK DESCRIPTION: Laboratory Testing						DATE: 5/23/2017	
GROUP:	METHOD OF PAYMENT: FP <input type="checkbox"/> FPPE <input type="checkbox"/> T&E <input checked="" type="checkbox"/> CPFF <input type="checkbox"/>					PREPARED BY: Casey Witt		
	LAB TEST	COST PER TESTING ITEM						
		# OF TESTS	COST PER TEST	Subtotal				
Gradation	94	\$150.00	\$14,100.00					
Plasticity Index	28	\$70.00	\$1,960.00					
Bulk Specific Gravity	9	\$110.00	\$990.00					
Field Density	215	\$0.00						
Fracture Count	70	\$70.00	\$4,900.00					
LA Wear	4	\$320.00	\$1,280.00					
Degradation	4	\$300.00	\$1,200.00					
Nordic Abrasion	3	\$600.00	\$1,800.00					
Sulfate Soundness Aggregates	3	\$350.00	\$1,050.00					
Flat & Ellongated	30	\$90.00	\$2,700.00					
MSG	4	\$105.00	\$420.00					
Asphalt Content/with Gradation	30	\$245.00	\$7,350.00					
Asphalt Core Density	30	\$65.00	\$1,950.00					
Organic Content	1	\$70.00	\$70.00					
Topsoil Gradation	11	\$175.00	\$1,925.00					
TOTAL NUMBER OF TESTS	536							
LABORATORY COSTS (\$)			\$41,695.00					
EXPENSES								
	ITEM(S)	QTY	UNIT PRICE	TOTAL PRICE	COMMENTS: Field density tests are part of the Inspector/Material Tech's hourly time.			
				\$0.00				
				\$0.00				
				\$0.00				
				\$0.00				
				\$0.00				
				\$0.00	FIRM'S TOTAL COST OF TESTING (or Fixed Price): \$41,695 <i>IF CPFF, TOTAL INDIRECT COST @ 0.00%</i> \$0			
	Markup at 10%			\$0.00	FIRM'S TOTAL EXPENSES \$0			
					FIRM'S TOTAL COST (no Subcontracts or Fee) \$41,695			
SUB-CONTRACTORS: Firm Initials and Price Per Task								
FIRM:				Subtotal	10% Markup			
AMOUNT:				\$0	\$0	TOTAL SUBCONTRACTOR PRICES: \$0		

COST ESTIMATE PER TASK

* Labor Rates shall be direct labor (base pay) only if Method of Payment is CPFF; otherwise, Labor Rates shall be total rates (i.e. base pay + benefits + overhead + profit.)

COST ESTIMATE PER TASK

* Labor Rates shall be direct labor (base pay) only if Method of Payment is CPFF; otherwise, Labor Rates shall be total rates (i.e. base pay + benefits + overhead + profit.)

City of Palmer
Action Memorandum No. 17-040

Subject: Authorizing the City Manager to Negotiate and Execute a Contract for the Construction of the "Rehabilitation of Runway 16/34 and Related Improvements" Project (Bid No. 17-04PW) to Pruhs Construction Company, LLC in the Amount of \$6,404,078.20, Contingent Upon Receiving a Federal Aviation Administration Grant

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

Originator Information:

Originator: Airport Superintendent Frank J. Kelly

Department Review:

Route to:	Department Director:	Signature:	Date:
Community Development			
Finance		<i>S Davis</i>	5/22/17
Fire			
Police			
Public Works			

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<i>J. L. S.</i>	
City Attorney	<i>L. A.</i>	
City Clerk	<i>Norma L. Alley</i>	

Certification of Funds:

Total amount of funds listed in this legislation: \$ \$6,404,078.20

This legislation (✓):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>\$6,404,078.20</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (✓):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>30-01-02-6225 & 30-30-10-6225 Matching Funds</u>
<input checked="" type="checkbox"/>	Not budgeted	FAA Grant

Director of Finance Signature: *S Davis*

Attachment(s):

- Notice of Intent to Award
- Bid No. 17-04PW Summary Tabulations
- Project Overview Maps
- Section 7.0 CIP from Approved Airport Master Plan

Summary Statement:

There were 5 bids received for this project, Pruhs Construction Company, LLC, was the lowest responsive responsible bid in the amount of \$6,404,078.20.

For the 2017 budget year, the City Council approved matching capital improvement funding of \$225K to be used in conjunction with a \$400K State of Alaska Grant No. 15 DC 128 DCCED for the Rehabilitation & Repaving of Runway 16/34. Based upon previous engineering estimates, it was anticipated that the city's matching portion would be \$625K or (6.25%) and would be used in conjunction with the anticipated FAA Grant of \$9.375M or (93.75%) for an estimated total project of \$10M. The Pruhs Construction bid came in \$1.8M lower than the engineer estimate.

Project Funds will be used for the following improvements:

- Runway 16/34 Repaving and Shoulder Work
- Object Free Area (OFA) Improvements (Removal of Soil Mound, Tree Clearing & Toping, Sign Relocation)
- Runway Safety Area Expansion (North and South of Runway 16/34)
- Taxiway B Spot Repairs
- Large Aircraft Apron Expansion (Paving as Additive Alternates)
- Removal of Abandoned Service Road
- Re-Mark Crosswind Runway to 10/28
- 2,000 Feet of Additional Security Fencing (North East) After Tree Removal
- New and Relocated Compass Calibration Pad
- New Heliport and Helicopter Parking on South Ramp (Additive Alternate)

The project scope also combines the anticipated capital improvement projects for the next three years and produces an overall costs savings of approximately \$3.6M in addition to the construction cost estimate reduction of \$1.8M.

At completion of this project, the Warren "Bud" Woods Palmer Municipal Airport will continue to be the most versatile airport, supporting more diverse aeronautical operations than any other airport in the Mat-Su Borough.

Administration's Recommendation:

To approve Action Memorandum No. 17-040 Authorizing the City Manager to negotiate and execute a Construction Contract with Pruhs Construction Company, LLC for the Rehabilitation of Runway 16/34 and Related Improvements, Contingent upon Receiving a Federal Aviation Administration Grant.



Warren (Bud) Woods Palmer Municipal Airport

May 19, 2017

Frank J. Kelly
Airport Superintendent

TO: Pruhs Construction Company, LLC
 Granite Construction Company
 QAP
 Neeser Construction, Inc.
 Bristol Prime Contractors, LLC

Phone: (907) 761-1334
Fax: (907) 745-0930
Email: fkelly@palmerak.org

Mail: 231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
Location: 901 East Airport Road
www.cityofpalmer.org

RE: **Notice of Intent to Award**
Bid. No. 17-04PW
Rehabilitation of Runway 16/34 & Related Improvements

Transmitted VIA Email

This is the City of Palmer's Notice of Intent to Award the Request for Bid No. 17-04PW for the Rehabilitation of Runway 16/34 and Related Improvements, to **Pruhs Construction Company, LLC** at the Palmer City Council meeting scheduled for **7:00 P.M., June 13, 2017**, in the Council Chambers at Palmer City Hall, 231 W. Evergreen Avenue, in Palmer.

Five (5) Bids were received and upon review of all bid proposals by HDL Engineering Consultants and the City of Palmer, the City Administration will recommend that the contract be awarded to **Pruhs Construction Company, LLC**, whose selection was based upon the lowest responsible and qualified bid proposal. The order of qualified bid proposals are attached to this Notice of Intent to Award.

In accordance with Palmer Municipal Code 3.21.290 B., a protest based upon alleged improprieties in an intended award of a contract must be filed with the Palmer City Manager (with a copy previously served upon the intended awardee) within two business days after the issuance of this notice of intent to award – in this case, by **5 p.m., May 23, 2017**. Failure to meet this time line shall constitute a waiver of the protesting party's rights and a bar on any further action regarding this matter.

Thank you for your interest in doing business with the City of Palmer.

Respectfully,

Frank J. Kelly
Airport Superintendent

Enclosures: Overall Summary of Bid Proposals for Bid No. 17-04PW
Rehabilitation of Runway 16/34 & Related Improvements

CITY OF PALMER
REHABILITATE RUNWAY 16/34 AND RELATED IMPROVEMENTS
BID TABULATION

SUMMARY

Schedule	Engineer's Estimate	Bristol	QAP	Pruhs	Neeser	Granite as submitted	Granite as modified
Calculated Schedule A Total	\$ 5,233,197.00	\$ 4,799,352.00	\$ 4,463,650.50	\$ 4,073,474.50	\$ 4,412,180.59	\$ 4,588,360.73	\$ 4,463,360.73
As-Submitted Schedule A Total	\$ 5,233,197.00	\$ 4,799,352.00	\$ 4,463,650.50	\$ 4,073,474.50	\$ 4,412,180.59	\$ 4,588,360.73	\$ 4,463,360.73
Difference Schedule A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated Schedule B Total	\$ 1,090,422.00	\$ 1,094,889.25	\$ 880,094.50	\$ 975,407.50	\$ 1,119,886.90	\$ 1,151,048.99	\$ 1,101,548.99
As-Submitted Schedule B Total	\$ 1,090,422.00	\$ 1,094,889.25	\$ 880,094.50	\$ 975,407.50	\$ 1,119,886.90	\$ 1,151,048.99	\$ 1,101,548.99
Difference Schedule B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated Schedule C Total	\$ 97,976.00	\$ 79,217.25	\$ 93,707.50	\$ 77,446.60	\$ 124,953.21	\$ 97,879.57	\$ 97,879.57
As-Submitted Schedule C Total	\$ 97,976.00	\$ 79,217.25	\$ 93,707.50	\$ 77,446.60	\$ 124,953.20	\$ 97,879.57	\$ 97,879.57
Difference Schedule C	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -
Calculated Schedule D Total	\$ 231,275.00	\$ 185,990.00	\$ 188,700.00	\$ 228,450.00	\$ 478,999.32	\$ 175,600.00	\$ 175,600.00
As-Submitted Schedule D Total	\$ 231,275.00	\$ 185,990.00	\$ 188,700.00	\$ 228,450.00	\$ 478,999.32	\$ 175,600.00	\$ 175,600.00
Difference Schedule D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated Total Base Bid	\$ 6,652,870.00	\$ 6,159,448.50	\$ 5,626,152.50	\$ 5,354,778.60	\$ 6,136,020.02	\$ 6,012,889.29	\$ 5,838,389.29
As Submitted Total Base Bid	\$ 6,652,870.00	\$ 6,159,448.50	\$ 5,626,152.50	\$ 5,354,778.60	\$ 6,136,020.01	\$ 6,012,890.29	\$ 5,838,389.29
Difference Total Base Bid	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ (1.00)	\$ -
Calculated Add Alt 1	\$ 493,862.00	\$ 501,984.00	\$ 405,898.50	\$ 353,148.30	\$ 435,009.35	\$ 304,701.48	\$ 304,701.48
As-Submitted Add Alt 1	\$ 493,862.00	\$ 501,984.00	\$ 405,898.50	\$ 353,148.30	\$ 435,009.35	\$ 304,701.48	\$ 304,701.48
Difference Add Alt 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated TOTAL BASE BID + ADD ALT 1	\$ 7,146,732.00	\$ 6,661,432.50	\$ 6,032,051.00	\$ 5,707,926.90	\$ 6,571,029.37	\$ 6,317,590.77	\$ 6,143,090.77
As Submitted TOTAL BASE BID + ADD ALT 1	\$ 7,146,732.00	\$ 6,661,432.50	\$ 6,032,051.00	\$ 5,707,926.90	\$ 6,571,029.36	\$ 6,317,591.77	\$ 6,143,090.77
Difference TOTAL BASE BID + ADD ALT 1	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ (1.00)	\$ -
OR							
Calculated Add Alt 2	\$ 1,388,002.00	\$ 1,361,114.00	\$ 1,164,017.50	\$ 937,299.60	\$ 1,206,814.19	\$ 878,532.72	\$ 878,532.72
As-Submitted Add Alt 2	\$ 1,388,002.00	\$ 1,361,114.00	\$ 1,164,017.50	\$ 937,299.60	\$ 1,206,814.19	\$ 878,532.72	\$ 878,532.72
Difference Add Alt 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated TOTAL BASE BID + ADD ALT 2	\$ 8,040,872.00	\$ 7,520,562.50	\$ 6,790,170.00	\$ 6,292,078.20	\$ 7,342,834.21	\$ 6,891,422.01	\$ 6,716,922.01
As Submitted TOTAL BASE BID + ADD ALT 2	\$ 8,040,872.00	\$ 7,520,562.50	\$ 6,790,170.00	\$ 6,292,078.20	\$ 7,342,834.20	\$ 6,891,423.01	\$ 6,716,922.01
Difference TOTAL BASE BID + ADD ALT 2	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ (1.00)	\$ -
OR							
Calculated Add Alt 3	\$ 84,475.00	\$ 127,000.00	\$ 113,000.00	\$ 112,000.00	\$ 114,546.48	\$ 115,000.00	\$ 115,000.00
As-Submitted Add Alt 3	\$ 84,475.00	\$ 127,000.00	\$ 113,000.00	\$ 112,000.00	\$ 114,546.48	\$ 115,000.00	\$ 115,000.00
Difference Add Alt 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Calculated TOTAL BASE BID + ADD ALT 2 AND 3	\$ 8,125,347.00	\$ 7,647,562.50	\$ 6,903,170.00	\$ 6,404,078.20	\$ 7,457,380.69	\$ 7,006,422.01	\$ 6,831,922.01
As Submitted TOTAL BASE BID + ADD ALT 2 AND 3	\$ 8,125,347	\$ 7,647,562.50	\$ 6,903,170.00	\$ 6,404,078.20	\$ 7,457,380.68	\$ 7,006,423.01	\$ 6,831,922.01
Difference TOTAL BASE BID + ADD ALT 2 AND 3	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ (1.00)	\$ -
Acknowledged Addenda	-	Y	Y	Y	Y	Y	
Bid Proposals signed	-	Y	Y	Y	Y	Y	
10% Bid Bond	-	Y	Y	Y	Y	Y	
Bidder Qualification Form	-	Y	Y	Y	Y	Y	
Interested Bidders List Collection Form	-	Y	Y	Y	Y	Y	
Buy America Certification	-	Nothing Checked	Y	Y	Y	Y	
Debarment and Suspension Certification	-	Y	Y	Y	Y	Y	
Prohibition of Segregated Facilities Certification							
Trade Restrictions Certification	-	Y	Y	Y	Y	Y	
Equipment list	-	Y	Y	Y	Y	Y	

Palmer Airport Project: Rehabilitate Runway 16/34 & Related Improvements



Background

The airport is one of the City of Palmer's key assets and serves general aviation, government, and commercial aircraft. There are 137 aircraft based in Palmer and many more fly through. The total number of operations (a landing or takeoff) for 2015 was estimated to be 34,000. Total operations are estimated to grow at 3% per year to 61,000 operations in 2035. Since 2008, aviation activity has been steadily growing at about 5% per year. The Airport Master Plan was updated in 2015 to reflect the changes in fleet mix and aviation activity and identified improvements needed at the airport.

The main Runway 16-34 was built in 1977 to support heavy aircraft and extended in 1987. At 6,000 feet in length, it is the longest paved runway in the Matanuska Susitna Borough and it can accommodate a wide range of aircraft. The runway pavement is at the end of its service life and needs to be rehabilitated and repaved.

Current Project

The current project to rehabilitate and repave runway 16-34 is one of the near-term projects indicated in the Master Plan Update. Anticipated improvements include:

1. Runway 16-34 Repaving and Shoulder Surfacing.
2. Object Free Area Improvements (earthwork, clearing and grubbing, tree topping, sign relocation).
3. Runway Safety Area Expansion.
4. Taxiway B Spot Repairs.
5. Large Aircraft Apron Expansion, Phase 1.

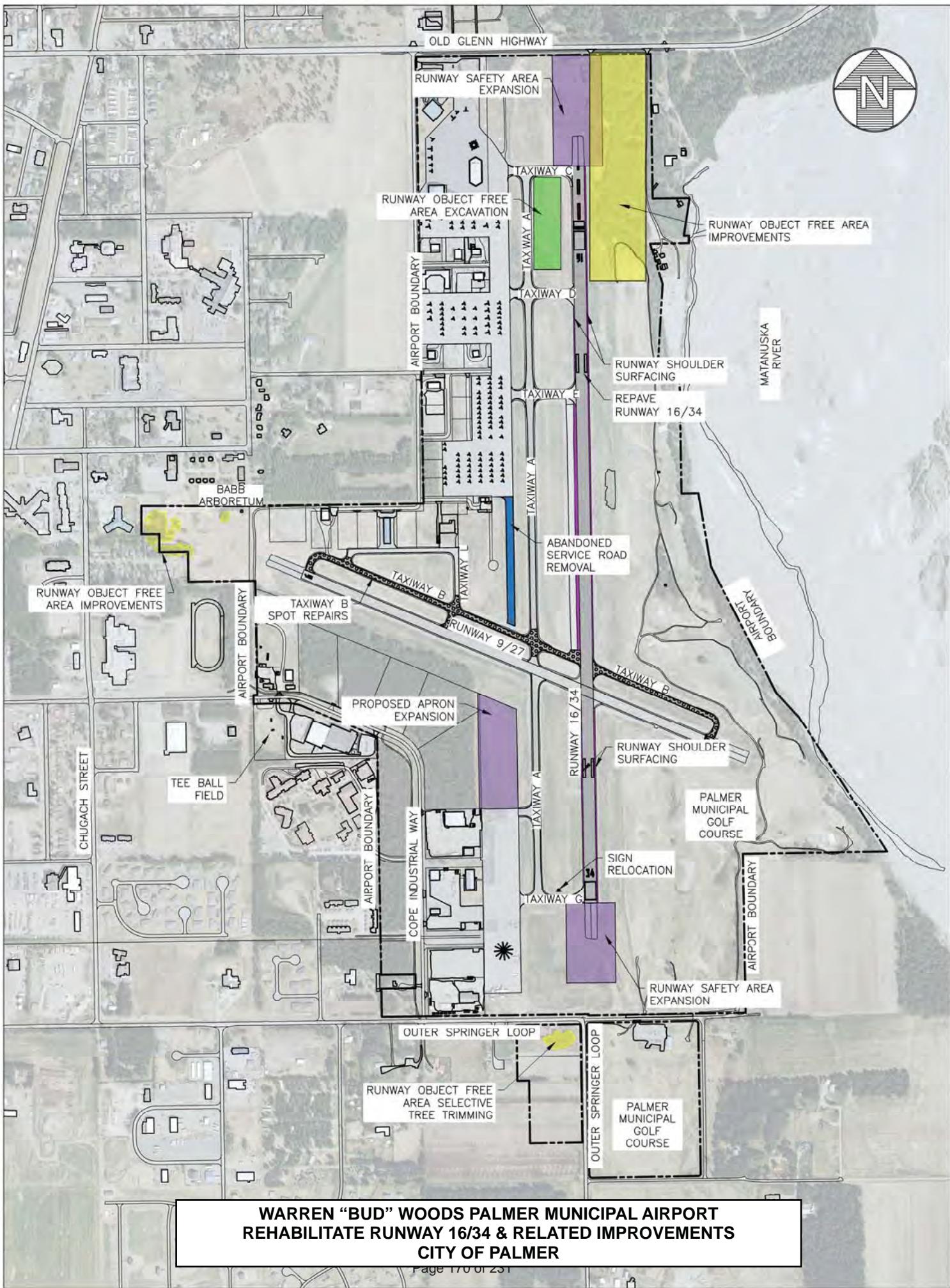
It is important to the City of Palmer to limit construction impacts. Please let us know how we can reduce the impact to you by submitting a comment. **Submit comments** to Anne Brooks, Public Involvement Coordinator, via email at comments.brooksalaska@gmail.com or via toll free telephone at 866-535-1877.

Schedule

Task/Deliverable	Planned Schedule
Surveying and Geotechnical Evaluation	December 2016
Engineer's Design Report (35% Plans)	January 2017
Construction Safety and Phasing Plan	March 2017
Final Design 65%	February 2017
Draft Design 95% Open House	March 2017
Final Design 95%	March 2017
Construction	May – September 2017

Funding

The project will be funded by a Federal Aviation Administration (FAA) grant (93.75%) with a local match from the State of Alaska and the City of Palmer (6.25%). The total cost of the project is estimated to be approximately \$10 M.

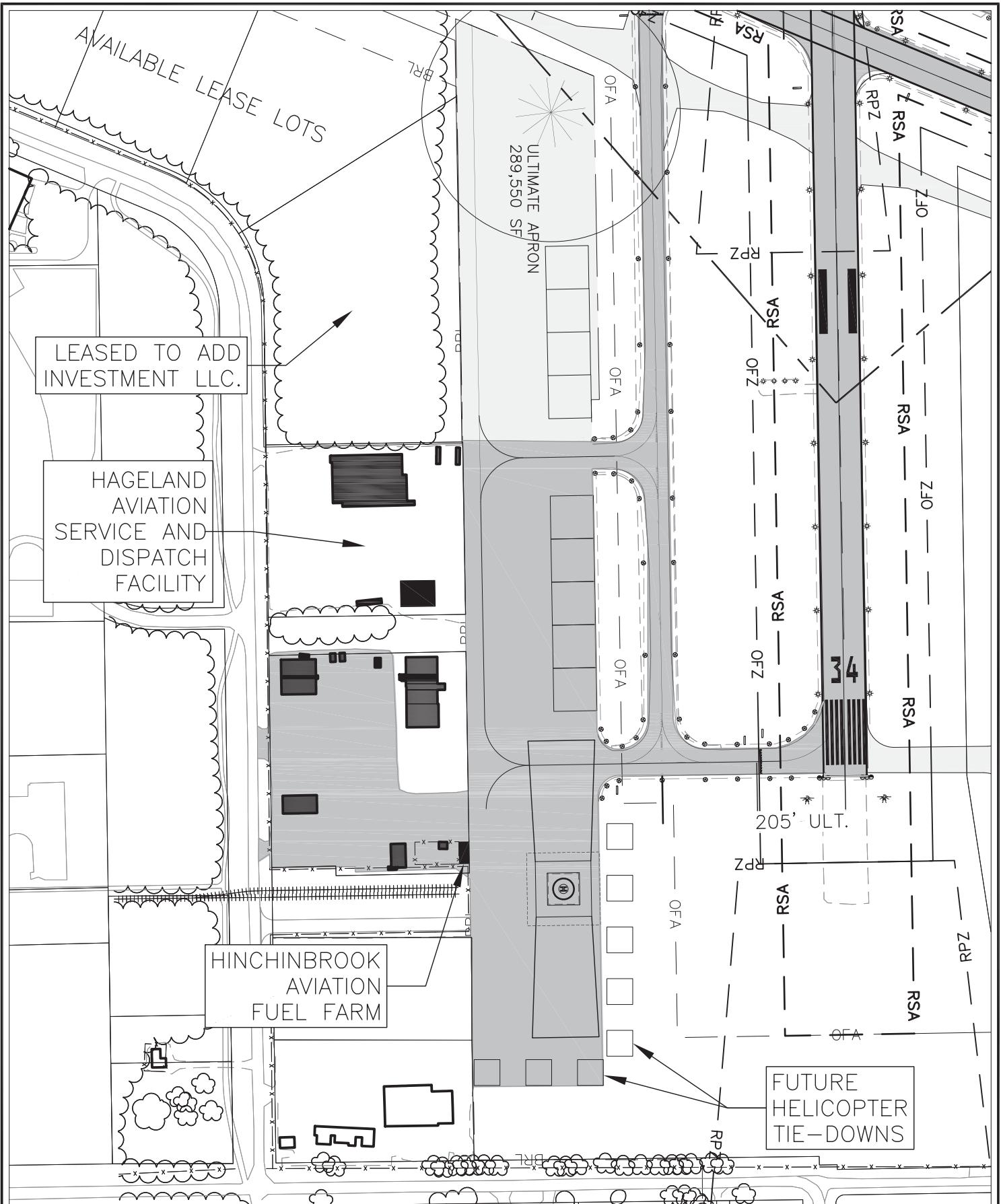


7.0 CAPITAL IMPROVEMENT PLAN

This Capital Improvement Project Plan includes projects anticipated during the 20-year planning period of 2015 to 2035. This plan should be re-evaluated by the City annually as the City's needs and priorities change with time. Federally-funded projects are required to comply with the NEPA. Projects that require an EA will need an FAA-approved EA by October 1 of the year prior to the project. Projects that are anticipated to be categorically excluded from the NEPA process will require approximately 90 days to document agency coordination. The Total Project Cost Estimates include an inflation factor of 3% per year.

Table 7-1. Capital Improvement Plan Summary

Project	Title	Total Project Estimate (\$)	Year	EA Status
0	Aeronautical Survey	262,500	2015	CE
1	Rehabilitate Runway 16-34 Design	566,400	2017	N/A
2	Rehabilitate Runway 16-34 Pavement and Extend Safety Area	6,235,200	2017	EA
3	Runway 16-34 Obstruction Removal (Trees)	238,600	2017	CE
4	Large Apron Expansion	5,149,600	2017	EA
5	Taxiway B Spot Repairs	141,800	2017	CE
6	Construct Security Fencing	98,000	2017	CE
7	Update Airport Layout Plan	112,000	2017	N/A
8	Acquire Airport Equipment - Blower and Box Blade	272,900	2018	CE
9	Remark Runway 9-27, Lighting Improvements, and Recalibrate Compass Rose	993,200	2019	CE
10	Construct Heliport	355,200	2019	EA
11	Wildlife Hazard Assessment	89,600	2019	CE
12	Acquire Snow Removal Equipment	574,000	2020	N/A
13	Taxiway N and Interlinks Design	661,800	2020	N/A
14	Acquire Aviation Easement	343,900	2020	CE
15	Construct Taxiway N and Interlinks, Phase 1	4,313,600	2021	EA
16	Construct Sand Storage Building	826,000	2022	CE
17	Construct Aircraft Electrical Outlets (Non-FAA)	239,500	2022	N/A
18	Reconstruct Storm Water Outfall (Non-FAA, Non-Airport)	7,378,000	2024	EA
19	Construct General Aviation Apron	5,635,400	2026	EA
20	Construct Shelters (Non-FAA)	857,000	2026	N/A
21	Relocate Taxiway B and Interlinks Phase 2	7,032,700	2030	EA
22	Relocate Water Utilities	545,000	2030	EA
23	Acquire Buffer Lands	3,525,300	2030	EA
24	Aviation Campground	1,081,600	2030	EA
25	Construct Taxiway N and Interlink, Phase 2	5,059,600	2040	N/A
26	Replace Golf Course Fence with Frangible	4,861,400	2040	CE



HDL ENGINEERING
Consultants

civil - geotechnical - surveying - environmental - material testing

ANCHORAGE
907.564.2120

MAT-SU
907.746.5230

KENAI
907.283.2051

3335 Arctic Boulevard, Suite 100 Anchorage, AK 99503
AECL861 www.HDLalaska.com

RUNWAY 16/34 REHABILITATION + RELATED IMPROVEMENTS
ULTIMATE LARGE AIRCRAFT APRON REVISED
CITY OF PALMER
PALMER, ALASKA

DATE:	04-03-17	DRAWN BY:	TJA	SHEET:	2
SCALE:	Page 172 of 231 1=300	CHECKED BY:		JOB NO.:	16-034

City of Palmer
Action Memorandum No. 17-041

Subject: Authorizing the City Mayor to Negotiate and Enter into an Agreement with the State of Alaska Regarding Improvements and Maintenance as Part of the Glenn Highway Reconstruction, MP 32-44 Project

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

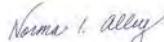
Originator Information:

Originator: Director of Public Works Chris Nall

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
✓	Finance		5/19/17
_____	Fire	_____	_____
_____	Police	_____	_____
✓	Public Works		05/19/17

Approved for Presentation By:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **0.00**

This legislation (✓):

- | | | |
|--------------------------|---------------------------------------|----------|
| <input type="checkbox"/> | Creates revenue in the amount of: | \$ _____ |
| <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 type="checkbox"/> | Not budgeted | _____ |

Director of Finance Signature: 

Attachment(s):

- Memorandum of Agreement between the State of Alaska Department of Transportation and Public Facilities and the City of Palmer.

Summary Statement:

As part of the Glenn Highway reconstruction plan by the State of Alaska, the City of Palmer is asked to assume maintenance and operation of identified parts of the overall project at its sole cost and expense that fall within the city limits.

These improvements include frontage roads, bike paths, and streetlights associated with the frontage roads. It does not include the Glenn Highway or its lighting.

This agreement does not have a monetary exchange, but will have a long term fiscal impact, after substantial completion of the project, for maintenance and operation. These costs will be reflected as required within future Public Works budgets.

Administration's Recommendation:

Approval of this action memorandum allowing the City Mayor to negotiate and enter into an agreement with the State of Alaska regarding improvements and maintenance as part of the Glenn Highway Reconstruction, MP 32-44 project.

Memorandum of Agreement

Between the State of Alaska
Department of Transportation and Public Facilities
and the City of Palmer

Regarding the Improvement and Transfer of portions of
S. Colony Way, W. Evergreen Avenue, S. Cobb Street, W. Dogwood Avenue, Jalmar Lane
Joyce Lane, S. Margaret Court, S. Margaret Drive and E. Commercial Drive
as part of the
Glenn Highway Reconstruction, MP 34-42
Project No. Z581040000 / OA15(024)

The Parties to this Agreement are the State of Alaska acting through its Department of Transportation and Public Facilities (hereafter DOT&PF) and the City of Palmer, a City established under Alaska law (hereafter the City).

WHEREAS, A.S.19.20.060 authorizes DOT&PF and the City to enter into agreements for establishing, maintaining, and regulating use of public ways within their respective jurisdictions; and

WHEREAS, the City requests DOT&PF to plan, design, and construct the Glenn Highway Reconstruction, MP 34-42, Project No. EAP-NH-MGS-CM-OA1-5(24)/58104 (hereafter known as the Project), located within the boundaries of the City of Palmer; and

WHEREAS, the DOT&PF agrees to fund and construct the Project and will provide all labor, materials and equipment necessary to construct the Project in accordance with the provisions contained within the Project documents and plans; and

WHEREAS, the City owns all current portions of S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue and portions of S. Colony Way that are covered by this Project; and

WHEREAS, DOT&PF desires to transfer all of the additional rights of way acquired for S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive and all of the right of way for S. Colony Way that is within Palmer City limits as part of the Project and future maintenance of the improvements associated with those facilities to the City; and

WHEREAS, the City agrees to accept, by Commissioner's Quitclaim Deed, all of the additional rights of way associated with and acquired for S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive and all of the right of way for S. Colony Way that is within Palmer City limits as part of the Project; and

WHEREAS, it has been determined that this work will serve the public interest and enhance the quality of life for the residents of, and visitors to, the City; and

WHEREAS, the parties hereto wish to memorialize within this document, hereinafter referred to as the "Agreement", their specific agreements related to the additional rights of way acquired for S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive and all of the right of way for S. Colony Way and the improvements associated with those facilities as part of the Project; and

IT IS THEREFORE AGREED by the parties, in consideration of the mutual promises contained in this Agreement, as set forth below, regarding the planning, design, construction, maintenance, transfer of right of way and operation of portions of the Project.

1. PLANNING, DESIGN, AND CONSTRUCTION

- a. DOT&PF shall plan, design, and construct the Project within the approved scope and funding. The City shall have no claim against DOT&PF for cost overruns or if the money available is not adequate to complete the Project. The City will not assume ownership and maintenance responsibility for portions of the Project that are not constructed in substantial conformance with the plan.
- b. DOT&PF shall be responsible for permitting all utility relocations necessary for this Project.
- c. All street lighting will use LED luminaires. Luminaire height will not be over forty (40) feet. Load centers associated with this agreement will only be utilized for street lighting in accordance with this agreement.

- d. No inlaid striping will be used within Palmer city limits, or on any road surfaces to be maintained by the City of Palmer.

2. SCOPE OF WORK

The scope of the improvements to S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive and all of the right of way for S. Colony Way being implemented under this agreement shall be depicted within the drawings for the Project. Generally, the improvements include, but are not limited to, new foundation gravel, asphalt pavement, medians, pathways, illumination and load centers.

3. CITY OF PALMER MAINTENANCE AND OPERATIONS

- a. DOT&PF has acquired right of way as necessary for the execution of the Project, part of which is designated for transfer to the City on completion of the project. The limits of the right of way designated for transfer is indicated on the attachment to this agreement described as Exhibit A. The City agrees to maintain and operate portions of the Project as described herein and consistent with 23 CFR § 1.27 and DOT&PF's Alaska Highway Maintenance and Operations Manual (AHMOM), commencing upon Substantial Completion of the improvements; and
- b. The City agrees to assume maintenance responsibilities for S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive and all of the right of way for S. Colony Way and other local streets affected by the Project, including lighting, local signage and winter maintenance. The City agrees to assume maintenance responsibilities for the gravel, asphalt pavement, medians, pathways, illumination and load centers, associated with S. Cobb Street, E. Commercial Drive, W. Dogwood Avenue, W. Evergreen Avenue, Jalmar Lane, Joyce Lane, S. Margaret Court, portions of S. Margaret Drive, all of the right of way for S. Colony Way, and the pathway associated with the Glenn Highway from E. Joyce Lane to W. Auklet Avenue that are within Palmer City limits. The City may enter into contracts with third parties to accomplish these responsibilities, including temporary, seasonal, or permanent alterations or improvements, at the discretion of the City. The City will not assume maintenance responsibilities for traffic signal systems or high tower illumination with a luminaire height over forty feet.
- c. The City shall perform its activities under this Agreement at its sole cost and expense and without reimbursement from DOT&PF. The City's maintenance activities include, but are not limited to:
 1. Planning, scheduling, administration, and logistics of maintenance activities;
 2. Traffic control and safety excluding traffic signals and high tower illumination;
 3. Preservation of drainage in an as-built condition, including maintenance of all culverts, ditches, storm sewers, gutters, dry wells, retention basins and under-drains;
 4. Embankment protection, including erosion control, to as-built conditions;
 5. Roadside management;
 6. Snow and ice removal;
 7. Snow and ice control, including all plowing, sanding, culvert and storm sewer thawing, snow hauling, winging, opening of shoulders, ice scraping, drift control, snow slide removal, and associated tasks as may be required for the safe and timely passage of the public;
 8. Maintaining signs and delineators in an as-built condition and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
 9. Highway marking and repainting as required maintaining performance of their intended function;
 10. Repair of street lights with luminaire heights less than forty feet as required to ensure a functioning system, including repair/replacement of lenses, light bulbs, photo cells, contacts, relays, and wiring;
 11. Removal of debris, rubbish, and dead animals;
 12. Signing of seasonal weight restrictions as may be required by local conditions;
 13. Pothole repair using asphalt products on an as-needed basis;
 14. Annual crack sealing;
 15. Repairs of minor rutting, waves, sags, humps, corrugations, raveling, alligator cracks, pitting, and bleeding on an as-needed basis.
- d. DOT&PF remains responsible for maintenance and operation of the highway traffic signal systems which control traffic on the Glenn Highway mainline, including but not

limited to, signal cabinets, load centers, traffic loops and other detection associated with proper signal operation.

As used in this Section, “Substantial Completion” means the time at which the Project (a) can be safely and effectively used by the public without further delays, disruption, or other impediments, and (b) pavement structure, shoulder, drainage, sidewalk, permanent signing and marking, guardrail and other traffic barrier, safety appurtenances, utilities, lighting, and bridge deck and parapet work is complete.

4. TITLE TRANSFER

Upon completion of the Project, DOT&PF shall execute and the City shall accept a quitclaim deed that conveys all of DOT&PF’s right, title, and interest in the portions of the project designated for ownership by City (reference Exhibit A).

5. DISPUTE RESOLUTION

- a. If a dispute arises under this Agreement between the Borough and DOT&PF, and the parties cannot resolve the matter between them within 45 days after the aggrieved party gives notice to the other party, the aggrieved party may request that the matter be resolved by arbitration.
- b. Each party shall appoint an arbitrator to hear the dispute. The two arbitrators acting together shall select a third arbitrator to join them on an arbitration panel. The three arbitrators shall hear the matter under such rules and procedures as they deem necessary to conduct the proceedings.
- c. Each party shall pay the expenses of the arbitrator it appoints. The party against whom a decision is rendered shall pay the costs of the arbitrator selected by the arbitrators appointed by the parties, and all expenses incurred in the conduct of any hearing on the dispute.
- d. Except when the provisions of this paragraph (5) provide otherwise, any arbitration under this paragraph is subject to AS 09.43.010-09.43.180, the Uniform Arbitration Act.
- e. A decision by the Federal Government denying, or limiting, federal participation in project costs may not be arbitrated under this Agreement. The Borough may only pursue such claims under federal law and procedure.

6. INDEMNIFICATION

To the maximum extent allowed by law, the City shall indemnify, defend, and hold the DOT&PF, its officers, employees, and agents (collectively the “Indemnified Parties”) harmless from all liability, claims, causes of action, and costs (including attorney’s fees) arising out of this Agreement or relating to the obligations assigned or work performed under this Agreement, including, but not limited to, liability, claims, and causes of action alleging or arising out of a negligent act or omission by one of the Indemnified Parties.

Notwithstanding the forgoing, the City shall have no obligation to indemnify, defend, or hold the Indemnified Parties harmless from:

- (a) claims for personal injury, death, or property damage arising from incidents occurring prior to Substantial Completion;
- (b) claims for personal injury, death, or property damage alleging a negligent act or omission by one of the Indemnified Parties and arising from incidents occurring within three years from the date of Substantial Completion; or
- (c) claims arising from or asserted under AS 46.03.822.

7. AMENDMENT OF AGREEMENT

This Agreement may only be modified or amended by written agreement on the prescribed Supplemental Agreement forms signed by both parties.

8. THE WHOLE AGREEMENT

This Agreement constitutes the entire agreement between the parties. There are no other understandings or agreements between the parties, either oral or memorialized in writing regarding the matters addressed in this Agreement. The parties may not amend this Agreement unless agreed to in writing with both parties signing through their authorized representatives.

CITY OF PALMER

By: _____
Edna B. DeVries
Mayor

ATTEST:

By: _____
Norma I. Alley
City Clerk

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this _____ day of _____, 2017, Edna B. DeVries, Mayor of the City of Palmer acknowledged before me that he executed the foregoing document freely and voluntarily with full authority to do so.

Notary Public, State of Alaska
My commission expires: _____

**STATE OF ALASKA, DEPARTMENT OF
TRANSPORTATION AND PUBLIC FACILITY**

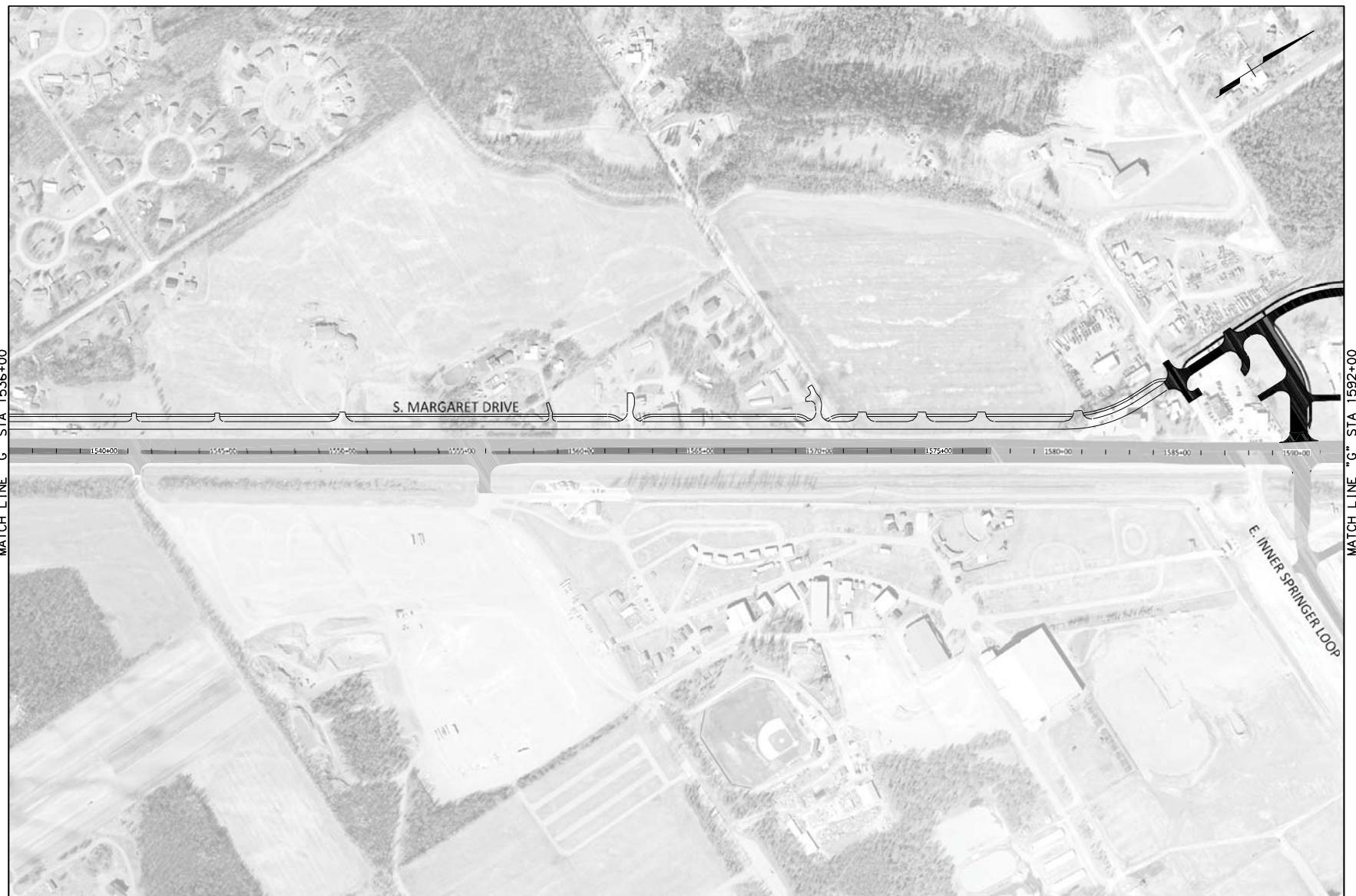
By: _____
Dave Kemp, P.E., PMP Date
Regional Director

ACKNOWLEDGEMENT

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT)
) ss.
)

On this _____ day of _____, 2017, Dave Kemp, P.E., PMP, Regional Director of the Department of Transportation and Public Facilities, acknowledged before me that he executed the foregoing document freely and voluntarily with full authority to do so.

Notary Public, State of Alaska
My commission expires: _____

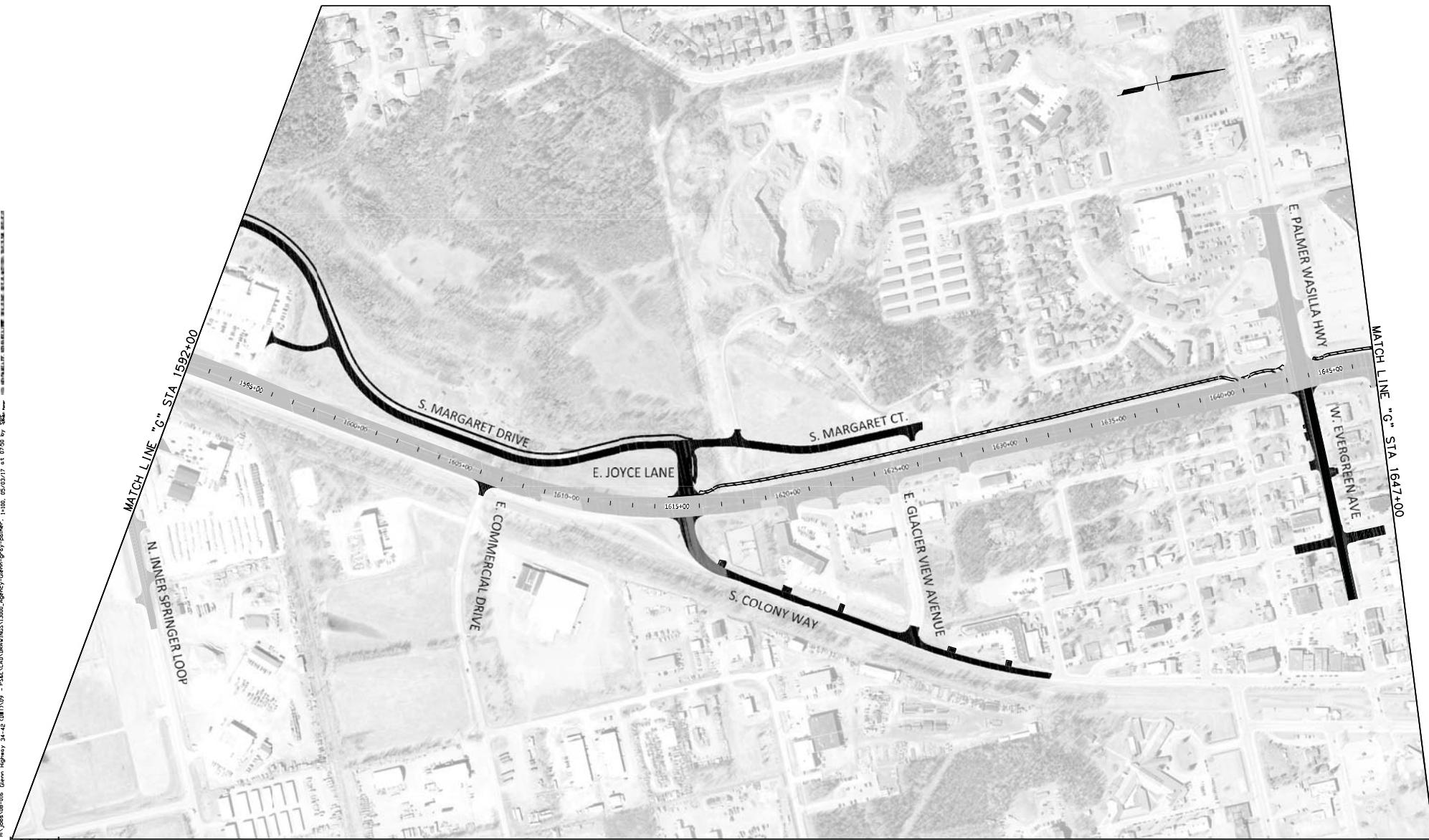


Legend

-

Glenn Highway Reconstruction, MP 34-42
Parks Highway to Old Glenn Highway

Page 1
Palmer Road Ownership



Glenn Highway Reconstruction, MP 34-42
Parks Highway to Old Glenn Highway

Page 2
Palmer Road Ownership



Legend

- ADOT&PF Roadway
- Palmer Roadway & Path
- ADOT&PF Pathway/Palmer Maintenance

City of Palmer
Action Memorandum No. 17-042

Subject: Authorizing the City Manager to Negotiate and Execute a New Temporary Lease Agreement with Alaska Air Fuel, Inc., for Lease Lot 2, Block 3, of Apron D, Palmer Municipal Airport for the Purpose of Operating an Air/Ground Fuel and Cargo Business

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

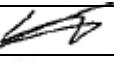
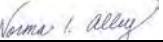
Originator Information:

Originator: City Manager Nathan Wallace

Department Review:

Route to:	Department Director:	Signature:	Date:
	Community Development		
X	Finance		5/30/17
	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: \$ 4,504.50

This legislation (✓):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>4,504.50</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):	
X	Not budgeted	03-00-00-3431	Airport Land Leases

Director of Finance Signature: 

Attachment(s):

- Draft Lease Agreement No. 17-003
- Lot diagram
- Related documents

Summary Statement:

The current operations on the airport large aircraft tie down spaces is not in compliance with Federal Aviation Administration grant assurances in terms of non-exclusive use of an apron designated for a public purpose. Aircraft tie down spaces utilized for other than aircraft tie downs.

This draft lease is a result of negotiations following a notice to quit large aircraft tie down spaces 1 and 2 at the airport.

Alaska Air Fuel (AAF) has been operating at the airport for several years from several different locations, but primarily on and around the large aircraft tie down spaces at the south end of the airfield. There have been discussions over time to facilitate a lease. There have also been concerns on the city's part with environmental effects from older aircraft which AAF operates and from the nature of fueling operations in general. AAF has provided some protective measures in the terms of sealing the asphalt where fueling operations are conducted and drip pans for aircraft in the past. We would expect AAF to operate in the future to ensure environmental protection and remediation measures are met and maintained under any lease for the protection of airport property and improvements (pavement).

Alaska Air Fuel has applied to temporarily lease Lot 2 at the Palmer Municipal Airport for the operation of their fuel and cargo business and personal aircraft. The lot, located on S Airport Road, is south of the intersection of S Airport Road and Old Glenn Hwy. It is situated next to the Department of Forestry leased area. The site has been professionally surveyed and shown to be 69,299 square feet, or 1.56 acres.

The administration is recommending at the request of AAF that the lease be for a period of one year with an option for an additional 4 annual renewals.

The administration recommended the lease rate be set at \$.08 per square foot (\$5,544.00 annually). This is based on like properties and the developed state of the current apron, however AAF has asked for a rate of \$.065 per square foot (\$4,504.50 annually) to allow for their business to operate at multiple sites on the airport. This includes two sublets with other tenants and continuing with 1 large aircraft tie-down for fueling on sealed pavement until that area must be vacated for construction and the future helipad. The price difference is \$1039.50 less per year between .08 and .065 per square foot. A large aircraft tie down is \$515.00 quarterly.

The lot will require 10 days to be cleared to allow full access by AAF. Once the lot is cleared AAF will have 14 days to move their operations/equipment from the tie-down spaces to the newly leased temporary lot.

Administration's Recommendation:

To approve Action Memorandum No. 17-042 for a New Temporary Lease Agreement with Alaska Air Fuel, Inc. to operate an air/ground fuel and cargo business.



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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-003**

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Office Use Only:

Lease entered into on: _____
 Lease ending date: _____
 First rate adjustment date: _____
 Second rate adjustment date: _____
 Third rate adjustment date: _____
 Fourth rate adjustment date: _____
 Fifth rate adjustment date: _____
 Sixth rate adjustment date: _____
 Date lease was renewed: _____



City of Palmer

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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-003**

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 Alaska Air Fuel, Inc., 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: **"Exhibit A"**

Commencing at the Southwestern corner of Lot 1, coincident with a Northwesterly corner of Tract B and the eastern most boundary of the S. Palmer Airport Road Right-of-Way, as depicted on the aforementioned Plat No. 2006-15, being also the TRUE POINT OF BEGINNING;

Thence N 89°48'54" E, adjoining the boundary common to said Lot 1 and the aforementioned Tract B, a distance of 550.00 feet;

Thence S 0°07'46" W, a distance of 126.00 feet;

thence S 89°48'54" W, a distance of 550.00 feet to the western boundary of Tract B and the eastern boundary of the S. Palmer Airport Road Right-of-Way;

thence N 0°07'46" E, adjoining the western boundary of Tract B and the eastern boundary of the S. Palmer Airport Road Right-of-Way, a distance of 126.00 feet to the TRUE POINT OF BEGINNING;

Containing 69,300 Square Feet, more or less, as shown on the drawing exhibit attached hereto;

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: **Operation of Air and Ground Fuel / Cargo Delivery Business**.
- C. Any use of the Premises for Non-Aeronautical activity is strictly prohibited, unless an approved amendment to this lease is adopted and fair market value rates for Non-aeronautical areas are applied.

Section 1.2 Term and Renewal

- A. The term of the lease shall be for a period of **1 year**, commencing on the 15th day of June 2017 (the "Commencement Date") and ending on the 14th day of June 2018, 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 **4 years** at the expiration of this Lease so that the total number of years available to Lessee is **5 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 12 months nor less than 6 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 **\$4,504.50** per year, payable annually in advance without demand, beginning July 1, 2017 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. (69,300 square feet X **\$0.065** cents per square foot)
 - 1. 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.
 - 2. This late charge is in addition to a 12 percent daily interest rate.
- 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 the three (3) year interval to achieve fair market rent. The rent shall be adjusted as follows:
 1. Rental rate will increase to \$0.08 cent per square foot or \$5,544.00 annually for the remaining two (2) years.

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: None, only non-permanent structures capable of easy removal and transport are permitted.
 2. New access gate off S. Airport Road (Approved by City of Palmer)
- B. 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. If the Lessee chooses to provide non-permanent improvements, the Lessee at its own cost and expense shall have prepared conceptual plans for non-permanent improvements and shall prepare and submit them to the Department of Community Development and the Airport Superintendent on or before 90 days from the execution the improvement. The conceptual plans shall have a site plan, building floor plan, all four building elevations of the non-permanent improvements to be constructed or imported.

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 Superintendent 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 Superintendent shall accept or reject within the next twenty (20) days.
 - 2. Failure of the Airport Superintendent to inform the Lessee in writing of his or her objections within twenty (20) days shall constitute the Airport Superintendent's and the Department of Community Development's approval.
- B. The Airport Superintendent'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 Superintendent'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 Superintendent 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 Superintendent 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 Superintendent for the Airport Superintendent'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 Superintendent's Approval

The Airport Superintendent 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 within the building permit requirements, a new application for Improvements must be submitted.

Section 2.8 Completion of Construction

- A. The Lessee shall have completed construction of the Non-Permanent Improvements within 120 days from the approval of the Airport Superintendent and the Department of Community Development or a time determined in writing by the Lessee and Lessor.
- B. The construction shall be completed when the Non-Permanent 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 30 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, 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 110% 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.
- B. 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.
- C. 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.
- D. 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.
- E. 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 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 Superintendent 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 Superintendent 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 Superintendent and if approved by the Airport Superintendent and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

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

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.

- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur:
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.
- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.
- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq. the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal,

state, or local 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 Superintendent 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 Superintendent 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 Superintendent 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 Superintendent plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Superintendent 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 Superintendent'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 Superintendent'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 Superintendent'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 110% 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. Pollution Insurance covering all fueling operations with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit covering all airport operations.
- 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 Lessee, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
- E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
- F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.

- G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
- H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
- I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

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

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

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

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

- F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

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

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessor's 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 Lessor's 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 Superintendent.

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 reduced, 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: Alaska Air Fuel, Inc.
 P.O. Box 360
 Palmer, AK. 99645

Section 7.9 Rights or Remedies

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

Section 7.10 Successors in Interest

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

Section 7.11 Applicable Law and Forum

This Lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska. Any civil action concerning this Lease shall be brought in the United States District Court for the District of Alaska or Superior Court Third Judicial District 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 required 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 _____, 2017, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, Nathan Wallace, 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: Alaska Air Fuel, Inc.

By: _____

By: _____

Chris F. Houchen, President & Treasurer

John K. Sliwinski, Vice President & Secretary

Date: _____

Date: _____

NOTARY

STATE OF ALASKA)
)SS.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Chris F. Houchen, President and John K. Sliwinski, Vice President, officers of Alaska Air Fuel, Inc. named in the forgoing instruments, acknowledged to me that they had, in their official capacity are authorized by the corporation to execute the foregoing instruments as the free act and deed of the said corporation 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: _____

GUARANTY

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

Guarantor:

_____, individually, Date: _____

Chris F. Houchen

_____, individually, Date: _____

John K. Sliwinski

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared; Chris F. Houchen and John K. Sliwinski known to me to be the persons(s) whose name(s) are subscribed to the within instrument and acknowledged that they executed the same for the purpose therein contained.

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

Notary public in and for Alaska

My commission expires: _____

EXHIBIT A

Alaska Air Fuel, Inc.

Lease Lot 2, Block 3, of Apron D

Palmer Municipal Airport

Legal Description

Commencing at the Southwestern corner of Lot 1, coincident with a Northwesterly corner of Tract B and the eastern most boundary of the S. Palmer Airport Road Right-of-Way, as depicted on the aforementioned Plat No. 2006-15, being also the TRUE POINT OF BEGINNING;

Thence N 89°48'54" E, adjoining the boundary common to said Lot 1 and the aforementioned Tract B, a distance of 550.00 feet;

Thence S 0°07'46" W, a distance of 126.00 feet;

thence S 89°48'54" W, a distance of 550.00 feet to the western boundary of Tract B and the eastern boundary of the S. Palmer Airport Road Right-of-Way;

thence N 0°07'46" E, adjoining the western boundary of Tract B and the eastern boundary of the S. Palmer Airport Road Right-of-Way, a distance of 126.00 feet to the TRUE POINT OF BEGINNING;

Containing 69,299 Square Feet, more or less, as shown on the drawing exhibit attached hereto;

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

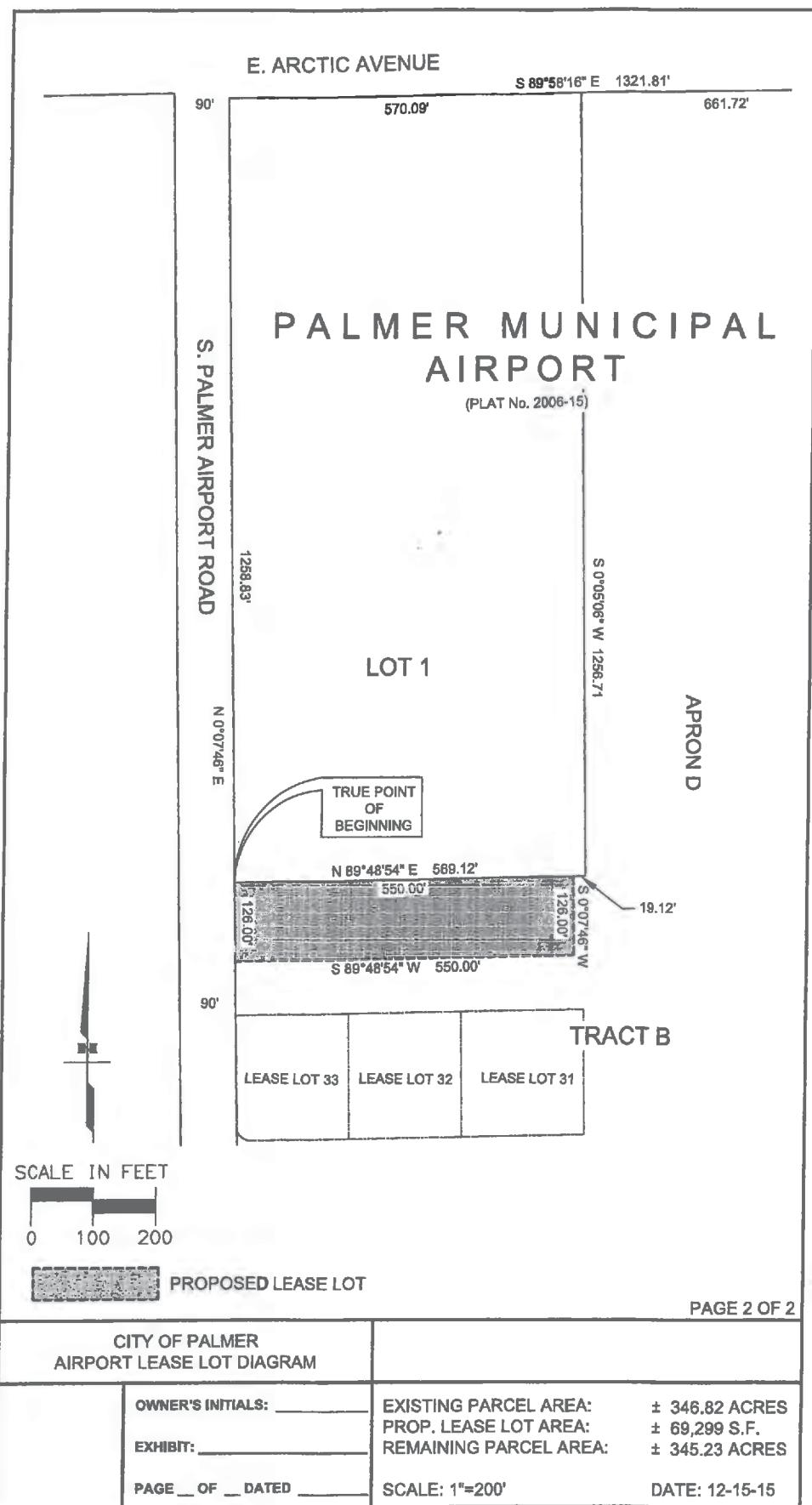
LESSEE: Alaska Air Fuel, Inc.

By: _____
Chris F. Houchen, President & Treasurer

By: _____
John K. Sliwinski, Vice President & Secretary

Date: _____

Date: _____

EXHIBIT A**(Lease Lot 2, Block 3, of Apron D, Palmer Municipal Airport)**



Warren (Bud) Woods Palmer Municipal Airport

Frank J. Kelly
Airport Superintendent

Phone: (907) 761-1334
Fax: (907) 745-0930
Email: fkelly@palmerak.org

October 12, 2016

Mail: 231 W. Evergreen Ave.
Palmer, Alaska 99645-6952
Location: 801 East Airport Road
www.cityofpalmer.org

Alaska Air Fuel, Inc.
PO Box 360
Palmer, AK 99645

Subject: Large Aircraft Tie Down Space Proposal received
September 6, 2016, protective sealing gesture, plus other matters

Dear Mr. Houchen and Mr. Sliwinski,

The City of Palmer has been in receipt of your proposal to facilitate a cooperative agreement between Alaska Air Fuel, Inc. and the Palmer Municipal Airport from September 6th and also your recent Protective Sealing gesture received on October 5th. In an effort to be responsive and respectful of your request, as well as mindful of our Airport Sponsor responsibilities in relationship to FAA grant assurances, the City contact the FAA Airports Division, Alaska Region. On September 15th, FAA personnel from the Airports Division conducted an on-site visit of the airport and specifically the operations of Alaska Air Fuel, Inc. at all three locations (South Ramp area, Old Woods Hangar, and North Ramp fuel truck parking).

The South Ramp area is designed to be a Large Aircraft Parking Apron which has been funded, primarily by the FAA through its "Airport Improvements Program". The FAA's Compliance Program Manager, has informed the City that an exclusive use agreement on a public use apron, as outlined in your proposal could constitute a violation by the City of our grant assurances. Furthermore, it was noted that the significant staining on the apron and indication of petroleum spills and/ or discharges off of the apron creates a liability for the City and a potential grant violation for failing to comply with self-certifications that the City is in compliance with all applicable federal laws and regulations, including environmental protection requirements.

As you are aware, the City and Alaska Air Fuel, Inc. have already been working together for well over three years on an interim basis to find a suitable location for the consolidation of your operations. Due to possible violations of FAA grant assurances (operationally and environmentally), the City can no longer afford to allow the depth and breadth of your operation on the South Ramp on a continued interim basis. Based upon your original Lease Application's hangar design and area of operational space requirements, the City put forth a generous and advantageous draft lease agreement for the only suitable lot that is available to accommodate your operational business needs. In addition to the draft lease agreement offered, Mr. Houchen made a request for access by Alaska Air Fuel, Inc. to the Old Woods Hangar through the South Gulkana gate. An operational agreement in compliance with FAA desires was put forth September 9th.



Unfortunately, neither the Draft Lease Agreement offered over 90 days ago nor the Operational Agreement for the South Gulkana Street gate access offered more than 4 weeks ago has received any meaningful response. In addition to these matters, the request for a proper "Certificate of Insurance" for commercial pollution liability covering a fuel spill, oil leak, fire, explosion or pollution from your operation has not been tendered since the follow up request of August 29th. It would also appear that the requirement to capture the majority of oil discharge from the DC 4 engines at the source, has repeatedly been ignored as well. On many occasions, it has been observed that engine oil leaks have been permitted to occur directly onto the asphalt surface, while a stack of oil catch basins remain piled up within a very short distance of the aircraft. The recent offer to provide the labor to apply another coat of asphalt sealant is all well and good, but does nothing to abate the problem at its source. The recently applied absorbent POL booms have also been poorly positioned to have the desired effect of protecting the surrounding gravel and vegetation.

Therefore, as previously stated in correspondence dated August 15th which has been received and acknowledged by Alaska Air Fuel; to continue with operations at the Palmer Municipal Airport and maintain two large aircraft tie down spaces, you are hereby required to:

- *Remove the Remaining Ancillary Equipment from Large Aircraft Tie Down area:* Remove the fueling truck(s), and any other vehicles; any storage tanks used for petroleum products; all storage containers located on this (or the adjacent) tie-down; the portable maintenance shed; and any other items located on the tie-down(s) other than the aircraft. Only the DC-4 aircraft themselves and the Spill prevention kits and equipment may remain on these tie-down areas. The deadline for these remaining removals is October 21, 2016 at 5 pm.
- *Provide Hanging Drip Pans:* Begin the use of hanging drip pans, industrial dippers or other similar technology to capture the majority of oil discharge from the DC 4 engines. Begin a thorough environmental clean-up of the South Ramp apron area where Alaska Air Fuel operations have taken place. The deadline for meeting this requirement is immediate.
- *Environmental remediation:* Begin to work with the City's Public Works Department to devise an approved game plan for soil remediation off the South Ramp areas in which Alaska Air Fuel's spilled, leaked or dripped petroleum products have contaminated the surrounding gravel and grassy areas. At the Old Woods hangar location, store the new or waist oil, antifreeze or other hazardous materials in a proper containment area. The deadline to meet this requirement is October 28, 2016.
- *Provide a Certificate of Liability Insurance:* Alaska Air Fuel, Inc. must provide a Certificate of liability insurance for pollution to the City of Palmer with a minimum general liability coverage of \$1,000,000 and aggregate limits of \$2,000,000 with the City of Palmer listed as "Certificate Holder" and "Additionally Insured". The deadline for this certificate of insurance is October 21, 2016 at 5 pm.



- *Execute Operational Agreement:* Alaska Air Fuel, Inc. must execute "Operational Agreement No. 16-001" with the City of Palmer. The deadline to execute this agreement is November 1, 2016.

The City of Palmer does not object to Alaska Air Fuel's operations at the Palmer Municipal Airport, just the manner in which they are currently being conducted. If proper environmental safeguards are utilized consistently and continuously, if a proper "Certificate of Insurance" for pollution as outlined above is provided and the remaining ancillary equipment is removed, then the City will allow Alaska Air Fuel to rent two large Aircraft Parking spaces on the South Ramp. If an additional space is needed for another large aircraft and all the above conditions are met, then the City would be willing to rent the additional space as well. The ancillary support equipment can be used on the South Ramp to fuel aircraft, load air cargo, pre-heat engines, or perform some basic maintenance of the aircraft. But it must be removed regularly once the specific task has been accomplished and cannot be staged there continuously.

An "Operational Agreement" with the City of Palmer has been created in support of your request outlined in your proposal from September 6, 2016. This agreement confirms the requirements as outlined above as well as provides certain assurances for Alaska Air Fuel, Inc., the City of Palmer and the FAA needed to move forward in confidence.

PMAR 100.03, "Decisions of the airport manager" provides you the opportunity to appeal this decision to the city manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank J. Kelly".

Frank J. Kelly,
Airport Superintendent

C.C. Nate Wallace, City Manager
John McNutt, Fire Chief
Lance Ketterling, Chief of Police
Chris Nall, Director of Public Works

Enc. Recent pictures of environmental hazards, neglect and contamination
Operational Agreement No. 16-001
Operational Agreement for South Gulkana Street Access

April 11, 2017

VIA HAND-DELIVERY

Alaska Air Fuel, Inc.
Attn: Chris Houchen, President
John Sliwinski, Vice President
975 Cope Industrial Way
Palmer, Alaska 99645

Re: Alaska Air Fuel's Operations at the Warren Bud Woods Palmer Municipal Airport

Dear Mr. Sliwinski and Mr. Houchen:

Jermain, Dunnagan & Owens, P.C., represents the City of Palmer ("City") who has referred this matter to our Firm due to concerns about Alaska Air Fuel (AAF) operations at the Warren Bud Woods Palmer Municipal Airport ("PAQ"). The City's concerns relate to several issues including the absence of an AAF lease or operational agreement for appropriate space for its operations. Instead, AAF continues to operate from large aircraft apron spaces with operations migrating into additional airport spaces.

AAF has been operating at the PAQ since 2013, however, its operations concern the City due to its obligations as an airport sponsor pursuant to Federal Aviation Administration (FAA) requirements including statutes, regulations, advisory circulars, grant assurances and City airport regulations. As advised by the Airport Superintendent and the FAA, AAF operations may place the City in jeopardy of violating its airport sponsor obligations. The Airport Superintendent has advised of the City's concerns to include as follows:

- Environmental concerns and issues continue on the South Ramp possibly threatening the City's water well and contaminating the surrounding soils.
- AAF certificate of liability insurance for scheduled autos does not include two newer fueling trucks and two pump tankers primarily used to fuel Division of Forestry aircraft and other planes as needed on the aprons.

April 11, 2017

Page 2 of 3

- AAF has never provided and not responded to several requests and demands for hazard insurance policy covering pollution from fuel spills and leaks.
- Fuel containment operations appear to be insufficient and oil from the engines of AAF aircraft, fuel trucks or both are contaminating the pavement in your area of operations with the hazardous materials migrating to the gravel area and adjacent vegetation.

The City has attempted to work with AAF to on compliance issues in accordance with airport and FAA requirements. However, due to the absence of a lease and the concerns of the City it is left with no alternative but to demand that AAF comply with the following corrective actions:

- Engage in a transitional commercial business agreement for three months.
- Provide proper insurance coverage for its operations within 15 days of the date of this letter.
- Correct environmental concerns.
- Transition to Apron D, Lease Lot 2 on a short term basis (no more than 3 years) until a permanent and appropriate lease lot can be facilitated.
- Comply with the Airport Superintendent's directive contained in his October 12, 2016 correspondence (attached).
- Pay and return invoice with signed operational agreement.

In conjunction with the demand for compliance with the foregoing corrective actions, the City is also including the Operational Agreement and an Apron D, Lot 2 Lease Agreement it expects AAF to execute. The transitional timeframe discussed with the FAA for AAF began in October 2016 with the first Operational Agreement offered and ignored. The revised Operational Agreement included in this package reflects the limited time remaining to complete the transition to an appropriate area of operation. For your convenience we have also attached a compendium of correspondence between the City and AAF.

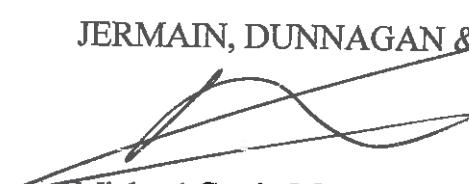
The City of Palmer operates as an FAA airport sponsor subject to all FAA rules and requirements including its FAA grant assurances. The grant assurances include issues associated with exclusive rights, unjust discrimination, environmental concerns and more. The FAA requirements and the City's current and former Airport regulations include requirements for safe and compliant operations at the PAQ. The City expects all airport users to follow all airport legal requirements. For your further convenience we have also included a copy of the City's grant assurances, advisory circulars and the current and

April 11, 2017
Page 3 of 3

former City Airport regulations.¹ The City looks forward to Alaska Air Fuel's transition to an appropriate lease lot along with assurances that it will comply with the concerns expressed above as well as any future concerns that may arise. We expect AAF to agree to the foregoing within 10 days of receipt of this letter; otherwise, the City will be forced to seek all legal and equitable rights and remedies to remove AAF's operations from the PAQ. The City looks forward to your response to the Airport Superintendent.

Sincerely,

JERMAIN, DUNNAGAN & OWENS, P.C.


Michael Gatti, Of Counsel

Enclosures

cc: Nathan Wallace, City Manager
Frank Kelly, Airport Superintendent

¹ FAA Airport Assurances; City of Palmer Ordinance No. 428 dated May 28, 1991; Ordinances No. 17-003 adopting the new Airport Regulations; FAA 5190.6B Chapter 10; *See* FAA Airport Compliance Manual-Order; https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6/; FAA 5190.6B Chapter 7; and, FAA Advisory Circular 5190.6B Appendix C.

Table of Contents

1. August 24, 2016 email from Kelly to Houchen re AAF Certificate of Insurance
2. August 29, 2016 email from Kelly to Houchen re Commercial Liability Insurance for fueling operation
3. September 9, 2016 letter from Kelly to Alaska Air Fuel, Inc.
4. October 10, 2016 letter from Kelly to Alaska Air Fuel
5. March 8 correspondence from Alaska Air Fuel to Kelly
6. March 9 Dept. of Public Safety letter
7. March 9 response from Alaska Air Fuel
8. March photos
9. Large Aircraft parking invoices dated March 15, 2017
10. New Operational Agreement
11. Apron D Lot 2 Draft Lease Agreement 2017 17-003
12. FAA regulations and City of Palmer Ordinances referenced in Footnote 1

City of Palmer
Action Memorandum No. 17-043

Subject: Approving a Council Community Grant in the Amount of \$3,000.00 to the Palmer Museum of History and Art to Support Midsummer Garden and Art Faire

Agenda of: June 13, 2017

Council Action: **Approved** **Amended:** _____
 Denied

Originator Information:

Originator: City Manager

Department Review:

Route to: **Department Director:** **Signature:** **Date:**

Community Development	_____	_____
Finance	_____	_____
Fire	_____	_____
Police	_____	_____
Public Works	_____	_____

Approved for Presentation By:

Signature:

Remarks:

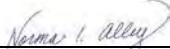
City Manager



City Attorney



City Clerk



Certification of Funds:

Total amount of funds listed in this legislation: \$ 3000.00

This legislation (✓):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>3000.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	\$ _____

Funds are (✓):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>01-02-10-6068 Community Council Grant</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- Community Council Grant Application-Midsummer Garden and Art Faire
- Grant Score Sheet

Summary Statement:

In February 2015, the City Council adopted Ordinance No. 14-043 which established the Council Community Grant program. The Council also approved \$10,000 in Council Discretionary Funds for 2016 that would finance approved Council grants.

The Palmer Midsummer Garden and Art Faire is an annual event that has grown over the years to an expected attendance in 2017 of 2,000-2,500 visitors. The event takes place in the Palmer Historic District on the "Quad" and at the Museum and Visitor Center.

The organization will a physical count of attendees, have a virtual check-in through social media, and have a visitor stat form on the main green space to provide feedback afterwards. 2016 attendance numbers are attached. They provided a written report and presentation to council a month after last years event.

This event has been sponsored in the past in amounts of \$750, \$1500, and \$2000 dollars, the increase in the request for funds is based on the increase in costs associated with a larger event than previous years. Matching funds have increased as well. The expenditures are outlined in the request and the amount is 10% of the total expected expenditures.

In February 2015, the City Council adopted Ordinance 14-043 which established the Council Community Grant program. The Council also approved \$10,000.00 in Council Discretionary Funds for 2017 that would finance approved Council grants.

Legislation #	Organization	Amount	Date Approved
	Palmer High School-Rockin' Hockey	\$465	
	Mayor's Green Day Gallup	\$1000	3/14/17
	Hatcher Pass Avalanche Center	\$2000	3/14/17
	Who Let The Girls Out	\$2000	4/25/17
	Midsummer Garden Faire		
Total 2017 Grants approved prior :		\$5465	

Administration's Recommendation:

Approve Action Memorandum No. 17-043 to Approve a Council Community Grant to the Palmer Museum of History and Art to support Midsummer Garden and Art Faire.



City of Palmer • City Manager's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: 907-745-3271 Fax: 907-745-0930

RECEIVED
Apr 14 2017
By *JM*

Council Community Grant

The City of Palmer recognizes the valued contributions being provided through the volunteer efforts of community organizations, agencies, and individuals on behalf of its citizens. Community grant funding demonstrates Council's commitment to programs, services, projects and events that are benefits to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding.

The objectives of the City of Palmer Council Community Grant are:

- to provide modest levels of support and assistance to help foster and develop community programs, services, projects, and events that enhance the greater Palmer community's cultural and economic environment; and
- to treat all organizations fairly and consistently while creating a minimal administrative process.

Applicant eligibility

Preference will be given to organizations and groups that demonstrate Palmer community support and that propose a program, service, project or event (event) having the potential for positive economic and cultural impacts and that show evidence of efficient use of resources, sound business practices/accountability, and describe the organization's or group's knowledge, skills and self-reliance.

An applicant organization must meet the following general criteria in order to be considered for a Council Community grant:

1. Program, service, project or event must primarily benefit the community and residents of Palmer.
2. Program, service, project or even has City wide significance and is expected to bring economic and/or public relations benefit to the City.
3. Grant applicants should be able to demonstrate active fundraising efforts to support the continuation of the program, service, project or event. The City grant should not be considered as the primary source of funding for the organization.
4. Funding requests can be defined as programs, services, projects and events that economically benefit Palmer by supporting, sustaining, promoting, informing, educating, celebrating, preserving and/or providing access to the arts, culture, environment, heritage, recreation and/or health activities.
5. To qualify for funding, the group must demonstrate its commitment to all of the following principles:
 - a. Program, service, project or event is open – accessible – to all members of the community;
 - b. Program, service, project or event must take place within the Palmer city limits or within one mile of the city limits;
 - c. Program, service, project or event is effective in providing an economic benefit to Palmer;
 - d. applicant is accountable through sound management and financial practices;
 - e. Individuals are not eligible.



City of Palmer • City Manager's Office
231 W. Evergreen Avenue • Palmer, AK 99645
Phone: 907-745-3271 Fax: 907-745-0930

Council Community Grant Application

Program, service, project or event title: Palmer Museum Garden & Art Faire
Date(s) of program, service, project or event: July 8, 2017

Applicant Information

Name: Selena Ortega-Chiolero
Address: 723 S. Valley Way
City: Palmer State: AK Zip: 99645
Phone: 907-746-7668 Email: director@palermuseum.org

Organization Information

Name of organization/group: Palmer Museum of History and Art
Type of organization: Non-profit Volunteer community group Other

Funding Request

Amount of Request: \$ 3,000.00
Matching funds provided by applicant: \$ 14,450.00

Project Summary Information

In the space below, provide a concise, one paragraph summary of your proposed program, service, project or event and how it promotes economic development for the City of Palmer.

The 9th annual Palmer Museum Garden & Art Faire is a community-wide event that occurs on the second Saturday of July from 10:00AM-8:00PM in downtown Palmer. Being an agricultural community, the event uses the garden as the central component to connect with our lives and each other. With the inclusion of art displays and instructional gardening, cooking and art classes, live music and cultural performances, food and a variety of local vendors, the Faire serves as an opportunity to grow a new crop of gardeners, be a platform for current artists, art organizations and local non-profits to promote themselves and showcase the city of Palmer as a destination location.

Project Scope of Work

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

Beginning in December through July, the event is coordinated by the Palmer Museum with a planning committee consisting of members from local nurseries, businesses, art, garden and state organizations. Primary activity occurs on the green space adjacent to the Mat-Su Borough building. There will be live musical and artistic performances, and vendors selling their locally made products. Free instructional cooking, gardening and art classes will be taught throughout the day at the Palmer Library and in the Palmer Showcase Garden. In addition, the event will include the annual Palmer Wine Walk the evening before which will highlight downtown Palmer businesses & the Palmer Art Walk.

Eligibility

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

Compared to other summer events in the state, the Faire offers a unique opportunity to experience the best of Alaska while maintaining a Palmer-centric approach. The event is the result of a Valley-wide support network comprised of members from over 14 local non-profits, 10 agricultural groups, 20 downtown businesses, state and local government entities. All event performances, classes and exhibits are offered to the public for FREE and encompass a wide variety of genres, cultures and topics which makes it fully accessible to all audiences. The Faire is centrally located on the Borough greenspace and extends outward encompassing all of downtown Palmer making it truly, a city event.

Matching Funding Source

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

Match funding will be provided by a combination of local business sponsorships at various levels (\$100 - \$3,000) including downtown merchants and professionals, vendor fees, foundation sponsorships (Mat-Su Health Foundation), local and state organizations (Alaska State Council on the Arts, Palmer Lions, AARP Alaska), local cooperatives (MEA, MTA). In addition to monetary contributions, the event also receives in-kind support from various other local entities (Hatcher Pass Radio, PEDA, PAC, Palmer City Alehouse).

Community Benefit

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

Attendance and event evaluation will be determined through several methods including:

a physical count taken at the Palmer Museum, a virtual check-in though social media (Facebook) and visitor stat forms at our selfie station on the main greenspace. The expected number of participants is projected to be between 2,000 - 2,500. The City of Palmer will directly benefit from the event as it will stimulate economic growth, increase awareness about the goods and services offered in Palmer (making it a destination location), support small local businesses to include local artisans and members of the agricultural community and will further collaborative efforts between community partners.

Detailed Budget

Revenue:

Source:	Cash	In-Kind	Total
Vendor Fees	\$ 4,250	\$	\$ 4,250
Local Foundations	\$ 3,000	\$	\$ 3,000
Palmer Businesses	\$ 3,500	\$ 8,852	\$ 13,352
AKSCA	\$ 3,000	\$	\$ 3,000
Local Non-Profits	\$ 700	\$ 3750	\$ 4,450
Totals	\$ 14,450	\$ 12,602	\$ 27,052

Expenditures:

Item/Service:	Cash	In-Kind	Total
Marketing/Advertising	\$ 6,800	\$ 2,652	\$ 9,452
Musicians & Rentals	\$ 7,350	\$ 6,950	\$ 14,300
Printing	\$ 2,450	\$	\$ 2,450
Supplies & Labor	\$ 850	\$ 3,000	\$ 3,850
	\$	\$	\$
Totals	\$ 17,450	\$ 12,602	\$ 30,052

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

Applicant signature:

Date:

Selina Orlena Chiofaro
4/13/17

For Office Use Only

Date received by Manager's Office: _____

City Council agenda date: _____

Action Memorandum No.: _____

City Council: Approved Denied

Date Manager's Office notified applicant of request outcome: _____

2016 Palmer Midsummer Garden & Art Faire

Attendance Breakdown

7/9/2016

(Gray cells are calculated for you. You do not need to enter anything in them.)

Knowledge Management Statistics

Attendance Based on Age Groupings

Total number of attendees based on age grouping

1-17 yrs old	18-24 yrs old	25-64 yrs old	65 yrs old and older
58	40	321	78
497	497	497	497
11.67%	8.05%	64.59%	15.69%

Attendance Based on Residential Area

Total number of attendees based on residential area

Mat-Su Valley	Anchorage	Fairbanks	Eagle River	Kodiak Island	Out of State
364	85	3	9	2	32
497	497	497	497	497	497
73.24%	17.10%	0.60%	1.81%	0.40%	5.44%

Attendee's Event Interest

Total number of attendees preferring event category

Music	Workshops	Vendors
211	143	400
497	497	497
42.45%	28.77%	80.48%

**RECORDED OBSERVATIONS

- Majority of attendees between the ages of 25-64 preferred vendors and music
 - Majority of attendees from Anchorage preferred music
 - Majority of attendees over the age of 65 preferred vendors
 - Majority of the attendees from Anchorage were between the ages of 25-64
- Based on Museum attendance count of 1,156 and Green count of 994 (497 doubled to allow for 2 hour gap and attendees who did not fill out a form) estimated attendance was 2,150 people

Project Name: Midsummer Garden and Art Faire

Reviewer Name: Nathan Wallace

Date: 5/22/2017

Qualification Pre-Check

All items listed below must be present before further review of application.

- X Event must be accessible to all members of the community.
- X Event must take place within Palmer city limits or within one mile of city limits.
- X Event has received funding from the City in the past. List the years funding was received: 2013-\$750 2014-\$1500/ 2016-\$2000
- X If event was supported by a City grant in the past, the post event report from the previous event is complete.

	Application Elements		Expectations	Points Earned
Economic Development Strategic Priorities	10 pts	7 pts.	3-0 pts	
	The application clearly states the economic benefits and the reader/evaluator easily understands the benefits to the community and residents of the City.	The application states the benefits, however it is not clear and/or the reviewer/evaluator must assume or use reason to determine the benefits to the community and residents of the City.	The application does not clearly demonstrate the benefits and/or the reader/evaluator cannot determine through reasoning the benefits to the community or residents of the City.	7
Fiscal	The application clearly addresses how the project meets one or more of the City's Economic Development Strategic Priorities.	The application attempts to address how the project meets one or more of the City's Economic Development Strategic Priorities; however, the reviewer/evaluator must assume or use reason to determine how the project is addressing a strategic priority(s).	The application does not clearly demonstrate how the project is addressing a strategic priority and/or the reader/evaluator cannot determine through reasoning how the project is addressing a strategic priority.	7
	The application clearly states how much financial or in-kind services are being requested for the project.	The application contains information regarding financial and/or in-kind services as part of the project; however, it is not clear and the reviewer/evaluator must assume or use reason to determine what is being requested.	The application does not clearly state what is being requested and/or the reviewer/evaluator cannot determine through reasoning.	10
Benefit	The application includes a project budget which demonstrates sound fiscal practices and reviewer/evaluator can easily understand.	The application includes a project budget; however, the reviewer/evaluator has questions or has to use reason to understand the overall budget for the project.	The application does not include a project budget or the reviewer/evaluator cannot understand and/or has significant concerns about the budget as presented.	10
	The application clearly states how the community will benefit as a result of the event.	The application states the degree of benefits; however, it is not clear and the reviewer/evaluator must assume or use reason to determine the how the community will benefit as a result of this grant.	The application does not clearly demonstrate the degree of benefits and/or the reviewer/evaluator cannot determine the how the community will benefit as a result of this grant.	10
Reporting	The application clearly states how and when the City will receive a post event report on this project.	The application attempts to address how a post event report will be given to the City; however it is unclear and the reviewer/evaluator must assume or use reason to determine how and when the report will be presented.	The application does not attempt to address how a post event report will be given to the City or the reviewer/evaluator cannot determine how the report will be presented.	10
			Total:	54/60