

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 27, 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. **Action Memorandum No. 17-044:** Authorizing the City Manager to Negotiate and Execute a One Year Contract with the Matanuska-Susitna Borough to Provide Fire Emergency Response to the Greater Palmer Fire Service Area (GPFSA) Page 5
 - b. **Action Memorandum No. 17-045:** Authorizing the City Manager to Negotiate and Execute a One Year Contract for Rescue Services with the Matanuska-Susitna Borough Page 17
 - c. **Action Memorandum No. 17-046:** Authorizing the City Manager to Execute a Contract with Matanuska Electric Association for the Cost of Relocating the Primary Powerline at the Palmer Waste Water Treatment Facility, for \$62,000.00 Page 27
 - d. **Action Memorandum No. 17-047:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with FCA Properties, LLC, Solely Owned by Mr. John A. Biornstad, on Block 3, Lease Lot 33, Palmer Municipal Airport to Coincide with the Completion of the Hangar Purchase Agreement Between Mr. Helmericks and Mr. Biornstad Page 35
 - e. **Action Memorandum No. 17-048:** Authorizing the City Manager to Negotiate and Execute a Renewed Lease Agreement with Artic's Air Academy, LLC, on Block 3, Lease Lots 26 and 27, Palmer Municipal Airport Under an Original PMA Lease No. 77-1 and PMA Lease No. 81-3 Respectively..... Page 79
 - f. **Action Memorandum No. 17-049:** Authorizing the City Manager to Negotiate and Execute a Renewed Lease Agreement with N A Holdings, LLC, Formerly Known as Colville Logistics, LLC, Solely Owned by Mr. Jeff Helmericks, on Block 3, Lease Lot 30, Palmer Municipal Airport Under an Original PMA Lease No. 78-1 and PMA Lease No. 00-2 Respectively Page 117
 - g. **Action Memorandum No. 17-050:** Authorizing the City Manager to Negotiate and Execute an Assignment and Consent to Assignment Agreement with Jeff Helmericks and Northern Aviation, LLC, for the PMA Lease No. 92-1 on Block 3, Lease Lot 29, Palmer Municipal Airport for the Purpose of Transferring the Lease from Mr. Helmericks to His Actual Operating Entity Page 161
 - h. **Action Memorandum No. 17-051:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with the Federal Aviation Administration, for their Palmer Flight Service Station Operations at the Randy Thom Flight Service Center Building Located at 901 E. Yukon Street Page 215

i.	Action Memorandum No. 17-052: Authorizing the City Manager to Negotiate and Execute Lease Amendment and Modification Agreements with Hinchinbrook Equipment Solely Owned by New Horizons Telecom, Inc., Lease Lot 5, Palmer Municipal Airport	Page 245
2.	Approval of Minutes of Previous Meetings	
a.	February 14, 2017, Regular Meeting	Page 263
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E.	Communication and Appearance Requests	
F.	Reports	
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2.	City Clerk's Report	
3.	Mayor's Report	Page 281
4.	City Attorney's Report	
G.	Audience Participation	
H.	Public Hearing	
1.	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 283
2.	Ordinance No. 17-010-Z-1-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 365
3.	Resolution No. 17-021: Authorizing the Vacation of a 20' by 113' Alley Adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision and Replacement of Vacated Area with a 20' Utility Easement	Page 397
4.	Resolution No. 17-022: Accepting and Appropriating the 2017 Volunteer Fire Assistance Grant from the State of Alaska, Department of Natural Resources, Division of Forestry, in the Amount of \$7,500.00 for the Purchase of Wildland Firefighting Equipment, Fire Safety Shelters, Firefighting Suppression Foam and Wildland Fire Personal Protective Clothing	Page 409
I.	Action Memoranda	
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J.	New Business	
1.	Resolution No. 17-023: Authorizing the City Manager to Negotiate and Enter into a Four-Year Agreement with Motorola Solutions to Lease-Purchase Radio and Computer Aided Dispatch Equipment in the Amount of \$725,913.28, and to Lease Over a Term Ending No Later Than August of 2021, and to Obtain the Equipment Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230	Page 445
K.	Record of Items Placed on the Table	
L.	Audience Participation	
M.	Council Member Comments	

N. Adjournment

Tentative 2017 Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
July 11	Special	6 pm	PRCRAB Joint Meeting
July 11	Regular	7 pm	
July 25	Special	6 pm	Audit Report
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	

**City of Palmer
Action Memorandum No. 17-044**

Subject: Authorizing the City Manager to Negotiate and Execute a One Year Contract with the Matanuska-Susitna Borough to Provide Fire Emergency Response to the Greater Palmer Fire Service Area (GPFSA)

Agenda of: June 27, 2017

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


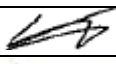
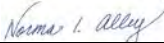
Originator Information:

Originator: Fire Chief John McNutt

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/8/17
X	Fire		7 Jun 17
_____	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: \$ **368,622.00**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ 368,622.00
<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 checked="" type="checkbox"/>	Budgeted	Line item(s): 01-00-00-3425 Fire Services Contract
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- GPFSA Intergovernmental Agreement

Summary Statement:

Since the mid-1960s, the Matanuska-Susitna Borough has contracted with the City of Palmer to provide fire protection and response services to the Greater Palmer Fire Service Area (GPFSA). This has resulted in a mutually beneficial relationship to Palmer and the GPFSA. The current contract will expire June 30, 2017. The contract has been slightly revised to reflect the appropriate date and monetary changes, as well as operational clarity.

The financial data has been updated to reflect the 2017 Council approved budget. With certain exceptions, such as the City and GPFSA paying the insurance on their prospective apparatus, the contract calls for the GPFSA to pay the remaining one-half of the City of Palmer's Fire & Rescue budget. Operationally, combining fire service response for the City and the GPFSA allows for a larger pool of paid-on-call volunteers to respond to a call in either area, and it allows for a smaller, more streamlined overhead expense to the borough and the city.

Administration's Recommendation:

To approve Action Memorandum No. 17-044 Authorizing the City Manager to Negotiate and Execute a One Year Contract with the Matanuska-Susitna Borough to Provide Fire Emergency Response to the Greater Palmer Fire Service Area (GPFSA).

**MATANUSKA-SUSITNA BOROUGH
GREATER PALMER FIRE SERVICE AREA
and
CITY OF PALMER**

INTERGOVERNMENTAL FIRE SERVICES AGREEMENT

THIS AGREEMENT is made between the Matanuska-Susitna Borough, a municipal corporation, hereafter referred to as “Borough” and the City of Palmer, hereafter referred to as “City” for the provision of fire protection services.

SECTION 1. Definitions

In this contract hereafter:

- A. The term “Agreement” means the Matanuska-Susitna Borough Greater Palmer Fire Service Area and City of Palmer Fire Services Agreement.
- B. The term “Borough” means the Matanuska-Susitna Borough.
- C. The term “City” means the City of Palmer.
- D. The term “GPFSA” means the Greater Palmer Fire Service Area.

SECTION 2. Authority

This intergovernmental agreement is authorized pursuant to Alaska State Constitution, Article X, Section 13 and A.S. 29.35.010(13) and is for the joint administration and exercise of fire protection services by the Borough and the City.

SECTION 3. Term

This contract shall be for one (1) year commencing on July 1, 2017, and ending on June 30, 2018, subject to the termination provisions of Sections 20 and 21.

SECTION 4. Compensation/Consideration

- A. The Borough shall pay to the City an amount not to exceed \$368,622 during the term of this contract, to be paid in two equal payments each in the amount of \$184,311.00. This amount is based upon 50% of the Palmer Fire’s annual operating budget between the Borough (GPFSA) and the City, as per Section 7.B. of this Agreement.
- B. The schedule for payments shall commence with the first payment of \$184,311.00 due no later than July 31, 2017. The second payment shall be made no later than January 30, 2018.

- C. Payments made under this contract are subject to appropriation of funds by the Borough.
- D. The City agrees that any fire department operational funds designated in the budget for specific personnel or new equipment purchases that form the basis of the above amount of the payment that are not expended will be refunded to the Borough.
- E. Should an emergency or unforeseen event occur that will require additional funds for services under this contract, the City shall notify the Borough in writing of the amount and reason for the increase. The request then must be approved by the GPFSA Board of Supervisors. The payment of any supplemental funding shall be subject to available funds and Assembly appropriation.
- F. So long as the operating budget is funded 50% from the City and Borough as in Section 4.A., any funds from the City Fire Department budget not spent during this fiscal period will be refunded to the Borough; the residual balance to be at the rate defined in Section 4.A. The refund shall be paid by check.

SECTION 5. Service Boundaries

The City shall provide fire protection services within the GPFSA and to those other Borough FSA's under the approved mutual aid and automatic aid agreements signed by the City of Palmer.

SECTION 6. Vehicles and Equipment

The City agrees to maintain all vehicles and firefighting and communications equipment belonging to the City and the GPFSA in a working condition. For major repair of Borough-owned vehicles or equipment (any repair costing more than \$1,000), the City shall first receive concurrence from the Borough Emergency Services Director prior to repair. For repairs exceeding \$1,000 for GPFSA-owned vehicles, the total cost of the repairs will be paid by the Borough (the City will pay for its own vehicles).

For Borough-owned vehicles in which an insurance claim may be involved, see Section 16 of this Agreement.

The vehicles and equipment assigned to or purchased for the GPFSA shall remain the property of the GPFSA.

SECTION 7. Expenses

A. The City agrees that all funds expended under this contract shall be used solely and exclusively for providing fire protection services as per Section 7.B. of this agreement. The City further agrees to provide the Borough with an inventory list by station and vehicle of equipment assigned to or purchased for that station or vehicle, as per National Fire Protection Association (NFPA) 1901 and Insurance Services Organization (ISO) standards. The City will not be required to maintain separate inventories of Borough and City equipment.

B. Eligible fire protection services operating expenses for the City are as follows:

- a. Salaries and benefits for the firefighter personnel;
- b. A proportionate share of the salaries and benefits for City fire administrative personnel, as determined by their respective job duties and descriptions;
- c. Travel and expense reimbursement for fire protection related travel;
- d. Training: Firefighter training (structural and wildland), fire officer training, fire prevention training, fire code training, mandated Federal, State and local training, and any miscellaneous fire-related training;
- e. Utilities directly related to any City fire department buildings;
- f. Fuel expenses for fire apparatus, fire support vehicles, and motorized equipment and tools;
- g. Rental/lease of equipment directly related to fire protection, and rent/lease of facilities or storage space that is of benefit to the GPFSA;
- h. Insurance:
 - i. The City will provide at its own expense workers compensation insurance, and unemployment insurance for all positions related to this agreement (see Section 16);
 - ii. The City will pay the vehicle insurance for those vehicles owned by the City;
 - iii. The Borough shall provide vehicle liability, and physical damage coverage on all Borough-owned vehicles that are directly involved with a GPFSA response or official business (see Section 1).
- i. Supplies: any supplies purchased that are directly fire related;
- j. Maintenance: any maintenance which directly benefit the fire protection services to fire facilities, vehicles and equipment;
- k. Personal protective equipment and uniforms purchased for firefighter and Officer personnel;
- l. Equipment: any equipment purchased for direct use in firefighting, fire administrative office, computers, and tools.

C. Fire protection services operating expenses for the City that are non-eligible are as follows:

- a. "Miscellaneous" line item descriptions are not eligible expenditures under this Agreement;

- b. City capital budget items are not eligible expenditures under this Agreement.
- c. Administrative overhead expenses are eligible expenses but must not exceed 10% of the operating budget total (exclusive of Section 7.B.b. above).
- d. Any and all operational expenses directly or indirectly related to providing rescue services shall be excluded from this Agreement.

SECTION 8. Other Expenses

- A. The City agrees to bear the costs of all building and personnel supplies, office supplies, household supplies, salaries and wages, and supplies which are necessary or convenient to the operation of such fire protection services and the performance of the obligations hereunder provided.
- B. The City may, at its option, use the Borough's purchasing system for supplies and equipment at the actual cost of such supplies and equipment. The Borough purchasing procedures and policies shall apply for these purchases.

SECTION 9 Records

- A. The City shall provide a report at its own expense, to the Borough containing the following information:
- B. A copy of the City of Palmer annual audit, once approved by the Palmer City Council.
- C. Fire-specific records, including:
 - a. Total number and types of responses for both the City and the GPFSA fire services,
 - b. All City fire department expenditures detailing each of the line items in the budget, including the amount of the rebate (see Section 4F), if any. A preliminary previous fiscal year annual budget report no later than February 1st, and an audited annual budget report within 180 days from the close of the previous fiscal year.
 - c. An annual training report,
 - d. An inventory list by station of all fire apparatus and support vehicles, including all appropriate equipment for each vehicle as recommended by NFPA 1901 and related ISO standards.

SECTION 10. Personnel

- A. The City agrees to maintain an appropriate number of full-time and paid on-call fire fighters to respond to fires within the GPFSA or for automatic or mutual aid as requested

by other Borough fire service areas. The City agrees that such personnel shall meet the minimum training standards of the City of Palmer.

- B. The City agrees that all personnel will comply with all requirements of federal, state and local mandates, including, but not limited to O.S.H.A., Homeland Security, and the State Fire Marshall's Office.

SECTION 11. Operating Procedures

The City will provide fire suppression operations using city procedures that are interoperable with Borough Standard Operating Procedures as established by the Director of the Department of Emergency Services when responding to fires in the GPFSA or when providing mutual/auto aid to other Borough Fire Service Areas.

SECTION 12. Public Safety Buildings

The City shall insure that the three GPFSA Public Safety Buildings (Station 32, Station 33 and Station 35) are maintained with indoor heat for parking of the apparatus and storage of other necessary equipment and supplies. The public safety buildings shall allow for immediate and rapid entrance and exit of personnel and equipment.

The Borough shall provide any capital improvements necessary to these Borough-owned facilities and will maintain the structure, the mechanicals, and the septic and water systems unless damage is due to negligence.

SECTION 13. Relationship of Parties

The City shall perform its obligations under this agreement as an independent contractor for the Borough. The Borough shall not supervise or direct the City other than as provided in this agreement.

SECTION 14. Mutual / Auto Aid

For the purposes of this contractual relationship between the Palmer Fire and Rescue and the GPFSA, there is no traditional mutual aid response to and from either the City or the GPFSA. It is agreed by both Parties that each response within the City of Palmer's jurisdiction will be considered a City incident, and all responses within the Great Palmer Fire Service Area will be considered a Borough incident.

SECTION 15. Nondiscrimination

In performing its duties under this contract, neither party may discriminate against any person on the basis of race, creed, color, religion, national origin, age, sex or marital status, physical handicap, status as a disabled veteran.

SECTION 16. Insurance

The City agrees, at its own expense, to provide workers compensation insurance for all firefighting personnel. The City and the Borough shall provide vehicle liability for their respective vehicles, physical damage coverage on agreed to vehicles for the term of this agreement:

The City and the Borough agree to notify the other party immediately of any situation, incident or event that may cause a claim to be made against the other party. The City and the Borough agree to cooperate with one another in any accident or incident investigation and reporting required as a result of an incident involving the GPFSA.

SECTION 17. Financial Records

Expenditures of funds under this contract shall be made solely for the purpose of fulfilling the GPFSA's fire protection duties and obligations, and to the same extent as may be required by law governing all other expenditures of the City, shall be subject to independent audit.

SECTION 18. Additional Insurance.

The City agrees to add the Borough as an additional insured to the same extent as it insures itself for professional liability, errors and omissions and excess coverage. The requirement that the Borough be an additional insured shall only be required for those activities by the City in providing fire protection services under this agreement.

SECTION 19. Assignment

Neither this contract nor any interest created hereby may be assigned by the City or the Borough without the express written consent of the Borough Manager or the City of Palmer Manager.

SECTION 20. Termination of Contract for Cause

If, through any cause, the City or Borough shall fail to fulfill its obligations under this contract, or shall violate any of the covenants, agreements, or stipulations of this contract, the Borough or City shall thereupon have the right to terminate this contract. The City or Borough should do so by giving written notice at least thirty (30) days before the effective date of such termination.

SECTION 21. Termination for Convenience of the Parties

Either party may terminate this contract for any reason at any time by giving a sixty (60) day written notice to the other party of such termination and specifying the effective date of such termination. In that event, all equipment, vehicles, supplies, reports or other materials that are the property of the Borough shall be returned to the Borough by the effective date of termination. All property of the City shall be returned to the City by the effective date of termination. The City shall refund to the Borough the prorated share of any monies paid to the City by the Borough for fire services under this Agreement.

SECTION 22. Contract Administration

- A. The Department of Emergency Services Director or his designee will be the representative of the Borough administering this agreement.
- B. The services to be furnished by the City shall be administered, supervised, and directed by the City of Palmer Fire Chief or their designee. In the event that the position named above or any of the positions identified under this contract are unable to serve for any reason, the City shall appoint a successor.

SECTION 23. Modifications

The Borough and the City may, from time to time, modify the scope and content of this Agreement. Agreements to modify must be in writing, executed by both parties.

SECTION 24. Complete Agreement

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations, or agreements either oral or written, between the parties.

SECTION 25. Interpretation and Enforcement

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

If any provision of this agreement is determined to be void or invalid, the remaining provisions of the agreement shall be in full force and effect.

SECTION 26. Mutual Understanding

The Borough and the City acknowledge that both have read and understand the terms of this agreement, have had the opportunity to review the same with counsel of their choice, and are executing this agreement of their own free will.

The covenants and conditions contained herein shall be the whole and complete agreement between the parties and shall apply to and bind the parties, their successors and assigns.

SECTION 27. Venue

The venue of any dispute that arises and results in the filing of a claim shall be the Third Judicial District, Palmer, Alaska.

IN WITNESS WHEREOF, the parties have executed this agreement at Palmer, Alaska, on this _____ day of _____, 2017

MATANUSKA -SUSITNA BOROUGH

CITY OF PALMER

John Moosey, Borough Manager

Nathan Wallace, City Manger

**City of Palmer
Action Memorandum No. 17-045**

Subject: Authorizing the City Manager to Negotiate and Execute a One Year Contract for Rescue Services with the Matanuska-Susitna Borough



Agenda of: June 27, 2017

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


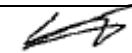
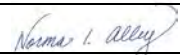
Originator Information:

Originator: City Manager Nathan Wallace

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u> X </u>	Finance		<u> 6/8/17 </u>
<u> X </u>	Fire		<u> 7 Jun 17 </u>
_____	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: \$ **50,000.00**

This legislation (√):

- Creates revenue in the amount of: \$ 50,000.00
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-00-00-3428 Rescue Svcs Contract
- Not budgeted

Director of Finance Signature: 

Attachment(s):

- Rescue Services Contract

Summary Statement:

Since the founding of Palmer Fire & Rescue, Palmer firefighters have been responding to motor vehicle accidents within the City of Palmer. In the late 1960s and early 1970s, when the relationship was established with the Greater Palmer Fire Service Area (GPFSA), Palmer firefighters began responding to rescue calls throughout the GPFSA and other rescue response areas inside the Matanuska Susitna Borough. In 1980, Palmer Fire realized that specialized tools were needed to extricate entrapped victims from vehicle accident scenes. After several years, the City was able to purchase a vehicle dedicated to rescue and vehicle extrication duties. In the 1980s, training for rescue technicians was standardized, and since then Palmer rescue responders must undergo rigorous, ongoing training to meet certification requirements.

There is no change to this agreement from the previous one.

Administration's Recommendation:

To approve Action Memorandum No. 17-045 Authorizing the City Manager to Negotiate and Execute a One Year Contract for Rescue Services with the Matanuska-Susitna Borough.

AGREEMENT FOR RESCUE SERVICES

By and Between the
Matanuska-Susitna Borough
and the
City of Palmer

A. Purposes:

This agreement establishes the policies and procedures whereby the City of Palmer provides primary Rescue Services to the City of Palmer and the Greater Palmer Consolidated Fire Service Area, and mutual/auto aid Rescue Services to other Matanuska-Susitna Borough emergency services jurisdictions when requested.

B. Definitions:

For the purposes of this document, “rescue service” means:

- Responding to on road vehicular accidents as dispatched with an appropriate number of responders and performing all tasks associated with a vehicular rescue including, but not limited to:
 - Establishing a safety zone to include blocking traffic if necessary;
 - Assessing the situation to plan for the safest possible environment for the responders, the patients and bystanders;
 - Stabilization of the vehicle(s) including securing batteries, airbags and insuring a stable platform;
 - Using appropriate tools to provide the safest and most efficient manner of extrication including all hand tools, saws, scene lighting devices and heavy hydraulics;
 - Assisting the ambulance responders in appropriately packaging and removing any and all patients;
 - Insuring all extrication equipment is recovered; and
 - Preparing all rescue apparatus as quickly as possible to be ready to respond to another call.
 - Landing Zones- at non-approved FAA landing sites

- Responding to off road incidents as dispatched with an appropriate number of responders and performing all tasks associated with an off road rescue including, but not limited to:
 - Insuring all responders have appropriate personal protective equipment as necessary for the environment;
 - Assessing the situation to plan for the safest possible environment for the responders, the patient and bystanders;
 - Utilizing an appropriate number of responders, snow machines, and/or ATVs as necessary to perform a safe and efficient off road recovery of the patient(s);
 - Assisting the ambulance responders and/or flight medics in appropriately packaging and removing any and all patients;
 - Insuring all equipment is recovered; and
 - Preparing all apparatus as quickly as possible to be ready to respond to another call.
- Responding as dispatched with the Matanuska-Susitna Borough Water Rescue Team to assist with any water duties as requested.
- Responding as dispatched with an ambulance service to provide assistance with medical care or lifting assistance as necessary.

C. Authority:

This intergovernmental agreement for providing services and mutual/auto aid emergency services between the Matanuska-Susitna Borough and the City of Palmer is authorized pursuant to Alaska Constitution, Article 10 § 13, A.S. 29.35.010(13), and A.S. 18.70.150.

D. Insurance:

1. The City of Palmer agrees to maintain commercial general liability and auto liability limits as shown below:

Commercial General Liability
 \$2,000,000 Each Occurrence
 \$2,000,000 General Aggregate

Auto Liability
 \$2,000,000 Combined Single Limit Bodily Injury & Property Damage
 Any one Accident

2. The City of Palmer agrees to Maintain Worker's Compensation Insurance, which shall be statutory as required by the State of Alaska. Employer's liability shall maintain limits no less than:

Bodily Injury by accident	\$1,000,000 each accident
Bodily Injury by disease	\$1,000,000 policy limit
Bodily Injury by disease	\$1,000,000 each employee

E. Jurisdiction; Choice of Law, Severability:

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

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

F. General:

The Director of the Matanuska-Susitna Borough Department of Emergency Services is designated as information coordinator for all parties to this Agreement. This includes, but is not limited to, compiling, updating and informing all representatives of participating agencies of changes in operations and equipment that will affect support rendered or requested.

1. This contract shall only be amended, modified or changed by a writing executed by authorized representatives of the parties
2. For the purpose of any amendment, modification, or changes to the terms and conditions of this contract, the only authorized representatives of the parties are:
 - a. Matanuska-Susitna Borough, Borough Manager
 - b. City of Palmer, City Manager
3. Any attempt to amend, modify or change this contract by either an unauthorized representative or unauthorized means shall be void.

G. Terms of Agreement:

1. It is agreed that the participants will assist each other with emergency rescue response, when requested.
2. No additional manpower and resources are required to perform the support provided for in this Agreement. Resources are limited to equipment and manpower available at the time to the mutual/auto aid provider responding to the incident.

3. In the event of mobilization, support under the terms of this Agreement will be provided on the basis of availability at the sole discretion of the mutual aid provider and will continue as long as the mutual aid provider is able to provide assistance.

H. Responsibilities:

1. The protection area of this agreement shall include all lands, public and private, situated within the City of Palmer and the boundaries of the Greater Palmer Consolidated Fire Service Area for primary response. For mutual aid response, this agreement shall include all lands, public and private, situated within the City of Palmer and the boundaries of the Matanuska-Susitna Borough.
2. In recognition of the urgent necessity for immediate and swift response in the event of emergency incidents requiring rescue services, and in order to protect human life and to assure minimum damage to and destruction of property, the City of Palmer agrees to provide primary response, and render assistance to the Greater Palmer Consolidated Fire Service Area and mutual aid response within the Matanuska-Susitna Borough, within operational capability using resources available at that time, when assistance is requested.
3. The City of Palmer Dispatch Center, through MATCOM, or the Mat-Su Borough Director of Emergency Services (or designee) may request rescue unit response from the City of Palmer. The dispatch of equipment and personnel pursuant to this agreement is subject to the following conditions:
 - a. The responding department shall report to the Incident Commander or Officer in Charge of the incident and shall be subject to the direction of that Incident Commander or Officer in Charge.
 - b. Mutual/Auto aid resources shall be released as soon as their services are no longer required. Mutual/Auto aid resources may have to be released from the incident scene, if an emergency occurs within the City of Palmer and/or the Greater Palmer Consolidated FSA primary response area.
4. In no event shall the rescue service of one of the mutual/auto aid providers to this agreement aid a jurisdiction of another mutual/auto aid provider if, by so doing, the area of the mutual aid provider responding to the aid of another would be placed in jeopardy. The decision shall be made at the sole discretion of the Palmer Fire Chief, or Mat-Su Borough Director of Emergency Services.

I. Waiver, Non-Waiver:

1. Each party waives all claims against every other mutual aid provider for compensation for loss, damage, personal injury or death occurring as a consequence of the performance of this agreement.
2. The failure of the Borough or City of Palmer at any time to enforce a provision of this agreement shall in no way constitute a waiver of provisions, nor in any way affect the validity of this agreement, or any part thereof, or the right of the Borough or City of Palmer to thereafter to enforce each and every protection thereof.

J. Interest, Non-Benefit:

1. No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part thereof or to any benefit to arise from this agreement. No member of the legislature or officer of the state of Alaska or the Borough shall be admitted to any share or part hereof, or to any benefit to arise from this agreement.
2. No officer, member, or employee of the Borough or City of Palmer and no member of their governing bodies, and no other public official of the governing bodies shall participate in any decision relating to this agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly, interested in having any personal or pecuniary interest, direct or indirect, in this agreement.

K. Nondiscrimination:

In performing its duties under this agreement, neither party may discriminate against any person on the basis of race, creed, color, religion, national origin, age, sex or marital status, physical handicap, status as a disabled veteran.

L. Review, Negotiation or Amendment, Modification:

1. This agreement will be reviewed annually by both parties no later than March 1.
2. The Borough and the City of Palmer, from time to time, may require modification, special review, negotiation or amendments in the scope and content of this agreement. Requests to modify, review, negotiate or amend may be initiated at any time upon written request from any participant. Such written request will be submitted to the Matanuska-Susitna Borough Department of Emergency Services Director or the City of Palmer Fire Chief.
3. Unless otherwise amended or terminated, this agreement will remain in effect for one (1) year beginning July 1, 2017 with one (1) optional one (1) year extension by addendum. Upon approval by both parties, the

amendment(s) or modification(s) will be attached to and become part of this document.

M. Integration:

This instrument and all appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this agreement shall supersede all previous communications, representations, or agreements, either oral or written, between the parties.

N. Contract Pricing:

The Matanuska-Susitna Borough will pay the City of Palmer \$50,000 (fifty thousand dollars) per year to provide rescue services as per this agreement.

O. Termination for Convenience:

The Matanuska-Susitna Borough or the City of Palmer may terminate this agreement at any time by giving written notice to the other party(s) of such termination and specifying the effective date of such termination. Each party shall provide at least ninety (90) days' notice of such termination. In that event, all equipment, vehicles, supplies, reports, or other materials shall be returned to their respective owners.

P. Interpretation and Enforcement:

The City of Palmer and the Matanuska-Susitna Borough following negotiations between them are executing this agreement. 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 purposed only.

Q. Understanding:

The Matanuska-Susitna Borough and the City of Palmer acknowledge that they have read and understand the terms of this agreement, have had the opportunity to review the same with counsel of their choice, and are executing this agreement of their own free will.

R. Implementation Clause:

This agreement is effective upon the approval by resolution by the City of Palmer Council and the Matanuska-Susitna Borough Assembly.

Matanuska-Susitna Borough

John Moosey, Borough Manager

Date

City of Palmer

Nathan Wallace, City Manager

Date

**City of Palmer
Action Memorandum No. 17-046**

Subject: Authorizing the City Manager to Execute a Contract with Matanuska Electric Association for the Cost of Relocating the Primary Powerline at the Palmer Waste Water Treatment Facility, for \$62,000.00

Agenda of: June 27, 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	_____	_____
<u> √ </u>	Finance	<u><i>[Signature]</i></u>	<u>06/06/17</u>
_____	Fire	_____	_____
_____	Police	_____	_____
<u> √ </u>	Public Works	<u><i>[Signature]</i></u>	<u>06/06/17</u>

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u><i>[Signature]</i></u>	_____
City Attorney	<u><i>[Signature]</i></u>	_____
City Clerk	<u><i>Norma L. Alley</i></u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **62,000.00**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 62,000.00
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 24-01-12-6220 Grant 14-DC-125
- Not budgeted

Director of Finance Signature: *[Signature]*

Attachment(s):

- MEA Letter of Agreement
- MEA Main Powerline drawing
- City Manager Memorandum of Waiver of Formal Procedures

Summary Statement:

Moving the main powerline entering the Palmer Waste Water Treatment Facility must be completed to facilitate space for the new MBBR system. This relocation must be completed prior to any major movement by the construction contractor with the project.

The relocation agreement was not executed prior to the construction contract as planned by the administration in March 2017.

This action was approved previously by the City Manager through a waiver of formal procedures in the best interest of the city in accordance with Palmer Municipal Code 3.21.280 Waiver of formal procedures.

This memorandum is to finalize the actions taken by the city manager.

Administration's Recommendation:

Approval of this action memorandum allowing the City Manager to execute the contract with MEA.



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.

###



June 6, 2017

NEW SERVICE / RELOCATE (ESTIMATE)

City of Palmer
231 W Evergreen Ave
Palmer, AK 99645

Re: Request for Service at T17N R2E S16 Lot B6
MEA Work Order # 114746

Dear City of Palmer:

Matanuska Electric Association, Inc. (MEA) has completed the design and cost estimate to relocate the primary power line that is in conflict with your project and provide power to a new service for the waste water treatment facility. The total estimated cost of construction is \$62,000.00.

This estimate is valid for a period of thirty (30) days, ending 7/6/2017. You will need to complete the following with this time frame:

- Submit your payment of \$62,000.00.
(Credit cards are not accepted for construction payments.)
- Return this letter with your signature, where indicated, acknowledging the terms.
- Have your service entrance equipment inspected and approved for connection.
- Notify MEA that you are ready to proceed with your project.

Construction will take place during the summer construction season after the ground has thawed. If construction is required to take place prior to the summer construction season the above estimate will not be valid and a new winter construction estimate can be done for you.

If the actual cost of construction is less than the estimated cost, we will refund the difference to you. **If the actual cost of construction is greater than the estimated cost, you will be billed for the difference, up to the maximum of ten percent (10%) above the estimated cost.** The amount of the extra charges, if any, will appear on your energy bill.

_____ (Applicant Initials)

When you are ready to proceed with this project or if you have any questions, please contact me at 761-9551.

Sincerely,



Kevin Maxwell
Senior Engineering Technician

I agree to the terms outlined in this document:

Applicant's Signature of Acknowledgment

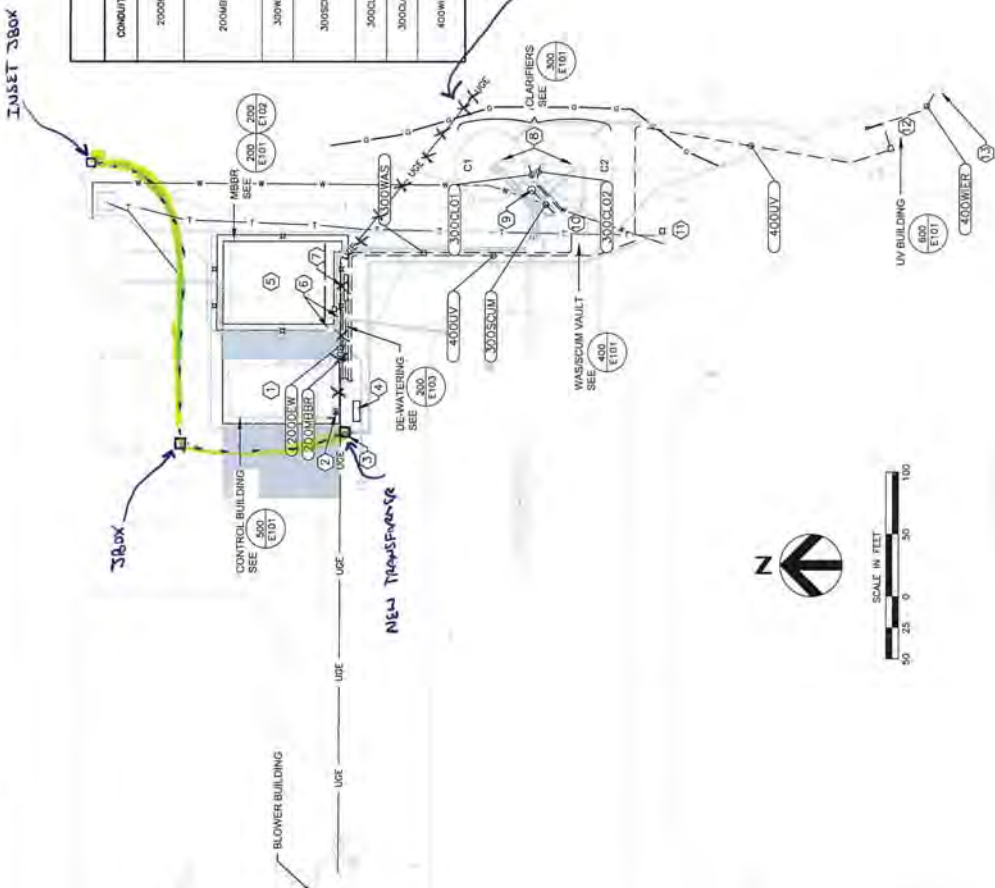
Date

KEY NOTES:

1. CONTROL BUILDINGS INCLUDE NEW SERVICE, POWER DISTRIBUTION, LIGHTING, AND CONTROLS. THE BUILDING ELECTRICAL SERVICES ALL NEW STRUCTURES IN THIS PROJECT WITH THE EXCEPTION OF THE UV BUILDING.
2. PROVIDE AUTOMATIC TRANSFER SWITCH IN WEATHERPROOF ENCLOSURE. SWITCH TO INCLUDE GFCI MAIN BREAKER, PROVIDE SHUNT TRIP FEATURE WITH REMOTE PUSHBUTTON.
3. MEA TRANSFORMER.
4. 500W, 480V/277V, 50-4MVAE. SEE THE INSTRUMENTATION PLAN FOR NEPA 101 (NATED FOR EMERGENCY) DUTY.
5. MBR: THIS IS A CLASS 1 DIVISION 2 LOCATION WITHIN BASH AND TO A HEIGHT OF 10' ABOVE AND AROUND THE MBR. PROVIDE AREA LIGHTING, INSTRUMENTATION, CONTROL, AND DRAINAGE PUMP PIT. SURMISABLE PUMP OPERATES EITHER MANUALLY OR VIA PLC CONTROL. LOCAL ELECTRICAL SERVICES SHALL BE HAND-OFF-AUTO, CLASS 1 DIVISION 2 HAZARDOUS LOCATION. SEE MBR INSTRUMENTATION PLAN, 206102.
6. CLARIFIERS: PROVIDE POWER AND HAZARDOUS LOCATION.
7. SCUM PIT: PROVIDE POWER, DISCONNECTING MEANS, AND INSTRUMENT SUPPORT. CONTROLLER SHALL BE CLASS 1 DIVISION 2 HAZARDOUS LOCATION.
8. WAS: THIS IS A CLASS 1 UNCLASSIFIED VIA VENTILATION. PROVIDE AREA LIGHTING, INSTRUMENTATION, CONTROL, AND DRAINAGE PUMP PIT. SURMISABLE PUMP OPERATES EITHER MANUALLY OR VIA PLC CONTROL. LOCAL ELECTRICAL SERVICES SHALL BE HAND-OFF-AUTO, CLASS 1 DIVISION 2 HAZARDOUS LOCATION. SEE MBR INSTRUMENTATION PLAN, 206102.
9. INSTRUMENTATION PLAN, 206102.
10. CLARIFIERS: PROVIDE POWER AND HAZARDOUS LOCATION.
11. SCUM PIT: PROVIDE POWER, DISCONNECTING MEANS, AND INSTRUMENT SUPPORT. CONTROLLER SHALL BE CLASS 1 DIVISION 2 HAZARDOUS LOCATION.
12. WAS: THIS IS A CLASS 1 UNCLASSIFIED VIA VENTILATION. PROVIDE AREA LIGHTING, INSTRUMENTATION, CONTROL, AND DRAINAGE PUMP PIT. SURMISABLE PUMP OPERATES EITHER MANUALLY OR VIA PLC CONTROL. LOCAL ELECTRICAL SERVICES SHALL BE HAND-OFF-AUTO, CLASS 1 DIVISION 2 HAZARDOUS LOCATION. SEE MBR INSTRUMENTATION PLAN, 206102.
13. EXISTING LAB BUILDING. PROVIDE SUPPORT TO ALLOW CONNECTING AND SUPPORT TO ALLOW PROCESS WITH EXISTING SCADA.
14. EXISTING UV BUILDING. ADD INSTRUMENTATION AND NPW PUMPS. EXISTING WIRING DISTRIBUTION TO REMAIN.
15. INSTRUMENTATION. RELOCATE EXISTING INSTRUMENTATION FROM UV WEIR TO THIS LOCATION.

SITE DATA AND FEEDER SCHEDULE

CONDUIT ID	CONDUIT SIZE	CONDUIT TYPE	CONDUCTORS OR CONTENTS	GROUND	CONNECTING AND		COMMENTS
					DEWATERING LCP	MOP	
20005W	1"	RMC	(3) #10, 3MHW-2	#4 GRN	SCADA NODE 5	MOP	PUMP POWER RUNNING, HIGH LEVEL, AND FAIL
20006B	3/4"	RMC	(8) #14	#14 GRN	SCADA NODE 6		480V POWER SUPPLY
20006B	1-1/2"	RMC	(4) #2 3MHW-2	#4 GRN	SCADA NODE 6		HERE A TOTAL OF TWO EACH #2 AND #4. RUN USE OF LABELS LABELS
30006A	2"	HDPE	(4) 1/0 3MHW-2	#4 GRN	SCADA NODE 6		480/23 SUPPLY
30005M	1"	HDPE	(8) #14, (3) #8	#4 GRN	LOP3301 IN WAS VAULT		SENSORS AND POWER LOCATED WITH PUMP WIRING CHAMBER
30005L	1"	HDPE	(11) #12SP, (7) #14	#10 GRN	LOP3301 IN WAS VAULT		HIGH TORQUE AND HIGH-HIGH TORQUE
30005L	1"	HDPE	(8) #12, (3) #10	#10 GRN	CLARIFIER LCP 3201 IN WAS VAULT		HIGH TORQUE AND HIGH-HIGH TORQUE
30005L	1"	HDPE	(8) #12, (3) #10	#10 GRN	CLARIFIER LCP 3202 IN WAS VAULT		HIGH TORQUE AND HIGH-HIGH TORQUE
4000W	1"	HDPE	(1) W/ INSTRUMENT CABLE		EXISTING TRANSMITTER AND CHART RECORDER IN UV BUILDING		CHART RECORDER AND TRANSMITTER ARE TO BE RELOCATED



ABANDON/REMOVE OLD POSE LINE

SITE ELECTRICAL PLAN

PROJECT NUMBER: 200418 - 01/02/20

ISSUE DATE: 01/10/2024

ISSUE DESCRIPTION: AS NOTED

SCALE: AS NOTED

CITY OF PALMER

City of Palmer
WWTF
Improvements Project

CRW ENGINEERING GROUP, LLC

CRW ENGINEERING GROUP, LLC

PROJECT MANAGER: J. RYAN MOTERS

CIVIL	J. RYAN MOTERS
STRUCTURAL	J. HENSON
ARCHITECTURAL	M. LAMBERT
PROCESS	J. WOODRICH
MECHANICAL	T. CARSON
ELECTRICAL	B. MADWALD
INSTRUMENTATION	D. BEST
PROJECT NUMBER	200418 - 01/02/20

ISSUE DATE	ISSUE FOR BID	DESCRIPTION
A	9/21/2021	ISSUE FOR BID

CRW ENGINEERING GROUP, LLC

CRW ENGINEERING GROUP, LLC

**City of Palmer
Action Memorandum No. 17-047**

Subject: Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with FCA Properties, LLC, Solely Owned by Mr. John A. Biornstad, on Block 3, Lease Lot 33, Palmer Municipal Airport to Coincide with the Completion of the Hangar Purchase Agreement Between Mr. Helmericks and Mr. Biornstad

Agenda of: June 27, 2017

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


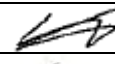
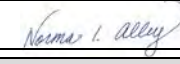
Originator Information:

Originator: Airport Superintendent Frank J. Kelley

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/8/17
_____	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: \$ **2,406.69**

This legislation (√):

X	Creates revenue in the amount of:	\$ <u>\$2,406.69</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 (√):

X	Budgeted	Line item(s):	<u>03-00-00-3431 Airport Land Leases</u>
X	Not budgeted		<u>03-00-00-3431 Airport Land Leases (Increase \$185.13)</u>

Director of Finance Signature: 

Attachment(s):

- Draft Lease Agreement 17-007 & (Exhibit A)
- Draft Memorandum of Lease Agreement 17-007
- Hangar Bill of Sale Colville Logistics LLC to FCA Properties LLC
- Hangar Improvements Made
- Quit Claim Deed
- Identity Documents

Summary Statement:

Mr. Biornstad has requested a new Lease agreement with the City of Palmer to coincide with the finalization of paperwork associated with his original hangar purchase agreement with Mr. Helmericks began in 2009.

FCA Properties, LLC purchased the unfinished improvements from Colville Logistics, LLC in 2009 for \$135K and has spent an additional \$101K to complete them for a total investment in the improvements of \$236K. Mr. Helmericks and Mr. Biornstad have finally completed and documented their agreement so this transfer of improvements and lease could be finalized. Mr. Biornstad owns and operates Fish Creek Airmotive from this location which primarily repairs, rebuilds and adjusts airplane magnetos.

In granting this new lease agreement, this City will be using its new leasing document and up to date lease language, receiving a rental rate increase from \$0.06 to \$0.065 cents per square foot, and actually conduct business with the appropriate operating entity on the premises. Mr. Biornstad will personally guarantee the new lease agreement for FCA Properties, LLC.

Administration's Recommendation:

To approve Action Memorandum No. 17-047 for approval to execute a new Lease Agreement 17-0075 with Mr. John A. Biornstad and FCA Properties, LLC.



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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-007**

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DRAFT



City of Palmer

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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-007**

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 **FCA Properties, LLC, hereinafter referred to as the "Lessee"**.

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

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

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

- A. Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease from Lessor, real property more particularly described as a parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 33

Containing 0.85 acres or 37,026 square feet, more or less

See Attached "Exhibit A"

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

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: **Aircraft Maintenance, Repair, and parking.**
- 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 20 years, commencing on the 1st day of July 2017 (the "Commencement Date") and ending on the 31st day of June of 2037, 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 10 years at the expiration of this Lease so that the total number of years available to Lessee is 30 years. As with the initial term at the start of and continuing through the renewal period,
1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Manager, the Lessee's request to exercise the option to renew this Lease.
 2. If Lessee fails to notify Lessor within said time period, this Lease shall be deemed terminated at the scheduled expiration date.

Section 1.3 Rent

- A. Lessee shall pay to the Lessor as rent (37,026 square feet @ \$0.065/SF) during the term hereof the sum \$2,406.69 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.
1. Existing Lease has already been paid in advance thru June 30, 2017.
 2. Failure to pay rent by the thirtieth day after the due date shall obligate the Lessee to pay a late charge of \$100.00, which sum is agreed to a reasonable estimate of the Lessor's damages for late rental payments and shall not be construed as a penalty or a limitation on Lessor's remedies.
 3. This late charge is in addition to a 12 percent daily interest rate.
- B. All rent shall be payable in current legal tender of the United States. Payment may be tendered by check, but payment shall not be made in fact until such check has been honored by the drawee bank. The tender of payment by check within the time provided shall be deemed sufficient to meet any due date only if the check is subsequently honored by the drawee bank and the Lessor subsequently receives the legal tender required by this Lease. Any subsequent dishonor and non-receipt of rent payment shall constitute a default of this Lease.
- C. The extension of time for the payment of any installment of rent, or the acceptance by the Lessor of any money other than of the kind herein specified, shall not be a waiver of the right Lessor to insist on all other payments of rent to be made in the manner and at the time herein specified. The acceptance by the Lessor of a past due installment payment shall not waive the Lessor's right as to any other default or breach of the Lease.
- D. The rent herein specified shall be net to the Lessor and such payment shall not be subject to any abatement, deduction or off set (except as otherwise provided in this Lease).
- E. All taxes, charges, costs, expenses, utilities and assessments which the Lessee is required to pay hereunder, and all damages, costs and expenses which the Lessor may incur by

reason of any default of the Lessee or failure on the Lessee's part to comply with the terms of the Lease, shall be deemed to be additional rent and in the event of nonpayment by the Lessee, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

- A. It is the intent of the parties that the Palmer Municipal Airport be a self-sustaining facility and operate without any support from the general fund of the Lessor.
- B. The rent shall be subject to adjustment at five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the annual payment. The rent shall be adjusted as follows:
 1. Six (6) months prior to the termination of the initial five (5) year period or any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2015 as a base year, as well as the comparative leasing rate of similar airports in the Alaskan Market place.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.
 2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period

for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the rate highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

Section 1.5 Determination of Fair Market Rent

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

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Improvements consist of: 72.0' X 48.2' Steel Frame Aircraft Hanger with gravel pad.
- 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 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 2.3 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 2.4 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.

ARTICLE III - USE OF THE LEASED PREMISES

Section 3.1 Airport Purposes

- A. Lessee shall have the right to conduct on the premises those activities stated in Section 1.1 B only, and Lessee shall not use the Premises for any other purpose or activity without first obtaining the written consent of the Airport Manager to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Manager and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.
- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Manager and if approved by the Airport Manager and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose of or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

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

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.

- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur;
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.
- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.
- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq. the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal,

state, or local statute, regulation or ordinance now or hereafter in effect and as they may be amended or interpreted from time to time.

- I. The provisions of this Section 3.3 shall survive any termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.4 Americans with Disabilities Act

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

Section 3.5 Reservations and Exceptions

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

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

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

Section 3.7 Aircraft on Premises

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

Section 3.8 Discriminatory Acts Prohibited

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

Section 3.9 Affirmative Action

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

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

Section 3.10 Maintenance of Premises

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

Section 3.11 Signs

- A. Lessee shall not, without Lessor's written consent, place or erect any sign of any nature on any part of the Premises, but such consent shall not be unreasonably withheld to one flat sign of reasonable size bearing the Lessee's trade name, providing such sign meets all city zoning and sign requirements.
- B. At the termination of this Lease, any such sign shall be removed by Lessee at Lessee's own expense.
- C. Lessee shall apply for a sign permit from the Department of Community Development and shall comply with Palmer Municipal Code.

Section 3.12 Improvements and Alterations

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

- A. Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Premises, Lessee shall submit to the Airport Manager plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Manager shall approve or disapprove such plans and specifications and accompanying Timeline at his or her sole discretion.
- C. Upon Lessee's receipt of the Airport Manager's written approval of such plans and specifications, Lessee agrees to construct the proposed leasehold improvements in strict accordance with such plans and specifications and Timeline.
- D. The Airport Manager's approval of submitted plans and specifications shall not constitute the assumption of any liability by Lessor for their compliance or conformity with applicable building codes, zoning regulations, and city borough, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible for such plans and specifications.
- E. The Airport Manager's approval of plans and specifications shall not constitute a waiver of Lessor's right to therefore require Lessee to amend the same to provide for any corrections

- or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
- F. The review and approval required by Section 3.12 is in addition to any other review and approval needed for any required building permits or similar authorizations.
 - G. Lessee shall obtain all necessary licenses and permits to accomplish any of the work described in Section 3.12. Nothing in this Lease is intended to limit or restrict the City of Palmer in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances, or regulations.
 - H. Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations prior to the construction of the Improvements and prior to the construction of any future building or structure situated on the Premises.
 - I. Any contract or agreement for labor, services, materials or supplies furnished in connection with construction or alteration of any improvement to the Premises shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Premises or the improvements.
 - J. Before the commencement of any such work, Lessee shall deliver to Lessor either an executed duplicate original of such contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
 - K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.
 - L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
 - M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 100% of the estimated cost of the Improvements greater than \$100,000 to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
 - N. All alterations, buildings, structures or other improvements placed on the Premises by Lessee shall be subject to section 7.6 of this Lease.

Section 3.13 Quiet Possession

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

Section 3.14 Lessee's option to Terminate

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

Section 3.15 Lessor's Option to Terminate

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

Section 3.16 Right of Entry and Access

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

Section 3.17 Lessor's Improvements

- A. Lessor shall have a permanent right of access over, under, around and across the Premises for the purposes of maintaining, servicing, upgrading, replacing or removing any Lessor-installed improvements including, but not limited to, light poles, utilities, and fencing.
- B. This section does not require Lessor to provide any improvements.

- C. Lessor's maintenance shall not include paving, aircraft tie downs, snow removal or sanding.
- D. All improvements constructed by the Lessor shall at all times remain the property of Lessor and may be maintained, upgraded, serviced or removed at Lessor's convenience and discretion.
- E. Lessor agrees to use reasonable efforts to notify of any upgrading, replacing or repair work with Lessee and to reasonably reduce disrupting Lessee's use of the Premises when practicable.
- F. In the event of abandonment or default, any Lessee improvement will become the property of the Lessor.

Section 3.18 Aviation Easement

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

Section 3.19 Right-of-Way and Easement

Lessor shall have the right to designate or grant rights-of-way or utility easements across the Premises without compensation to Lessee, provided that Lessee shall be entitled to compensation for the taking or destruction of any of Lessee's improvements and provided further that Lessee may terminate the Lease or demand a rental adjustment to reflect any reduction in value of the Premises.

ARTICLE IV - TAXES, INDEMNIFICATION, AND INSURANCE

Section 4.1 Taxes, Assessments, and Utilities

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

Section 4.2 Indemnification

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

Section 4.3 Insurance

- A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:
1. Commercial general liability. Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; or
 2. Airport premises liability. Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
 3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
 4. Commercial property insurance in the amount of replacement costs.
 5. The Lessor reserves the right to require Lessee to provide pollution insurance as warranted by the proposed use of the Premises.
- B. This insurance required under this Section shall:
1. Name the Lessor as an "additional insured"
 2. Contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor thirty (30) days prior written notice;
 3. Be with an insurance company qualified to do business in the State of Alaska with a financial rating of at least "A" as rated in current Best's Insurance Reports;
 4. Include a waiver of subrogation clause by which the insurer waives all rights of subrogation against the Lessor for payments made under the policy; and
 5. Not contain a damage deductible for each and every loss that exceeds \$10,000.
- C. Lessee shall provide Lessor with proof of insurance coverage in the form of a certificate of insurance, and if requested by the Lessor, Lessee shall provide Lessor with a copy of the policy(ies). Failure to maintain such insurance in effect shall constitute grounds for immediate termination of this lease. Lessor may at its option purchase said insurance and charge the expense thereof to Lessee, which expense Lessee shall assume and pay.
- D. To reasonably protect itself, Lessor may adjust these minimum insurance requirements and add types of insurance or both by giving Lessee written notice of such adjustment ninety (90) days prior to the expiration of each five (5) year interval of the term of this Lease. Lessor may also adjust these minimum insurance requirements at any time if Lessee's use of the Premises changes, and in such event, Lessor shall give Lessee thirty (30) days written notice of such adjustment.
- E. The requirements of insurance coverage do not relieve Lessee from any other obligation under this Lease.

ARTICLE V - ASSIGNMENT AND SECURITY INTERESTS

Section 5.1 Assignment and Subletting

- A. Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises without first obtaining Lessor's prior written consent. Lessor will not unreasonably withhold its consent; provided, however, if Lessor does unreasonably withhold its consent, Lessor shall not be liable for any damages, costs or attorney's fees arising therefrom.
1. Lessor may condition its consent upon such terms as are in its best interest, including but not limited to matters regarding laws, insurance, risks, Lessee's defaults or past practices, risks attributable to assignee, etc., but Lessor may not condition its consent upon raising the rent other than as already allowed under this Lease.
 2. Any assignment, encumbrance or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default.
 3. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this section.
- B. If Lessee is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners, member or members owning twenty-five percent (25%) or more of the partnership or LLC in one or more transactions, or the dissolution of the partnership or LLC, shall be deemed a voluntary assignment.
- C. If Lessee is a corporation any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of Lessee in one or more transactions, or the sale of twenty-five percent (25%) of the value of the assets of Lessee in one or more transactions without immediate replacement with assets of equal or greater worth, shall be deemed a voluntary assignment.
- D. Lessee hereby irrevocably assigns to Lessor, as security for Lessee's obligations under this Lease, all rent from any subletting of all or a part of the Premises, and Lessor, as assignee and attorney-in-fact for Lease, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
- E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
- F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.

- G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
- H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
- I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

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

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

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

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

- F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

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

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessors right to rent or any other right given to Lessor hereunder or by operation of law.
- C. Upon any termination of this Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover:
 - 1. The worth at the time of the award of the unpaid rent (including any amounts treated as additional rent) that had been earned at the time of termination;
 - 2. The worth at the time of the award of the amount by which the unpaid rent (including any amounts treated as additional rent) that would have been earned after the date of termination until the time of award exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided;
 - 3. The worth at the time of the award of the amount by which the unpaid rent (including a reasonable estimate of additional rent) for the balance of the term exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided; and
 - 4. Any other amount, full reasonable attorney's fees and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.
- D. "The worth at the time of the award," used in this section, is to be computed by allowing interest as determined by the current bond rating from State of Alaska Municipal Bond Bank plus 5%. The "time of the award" is the date the Lessee is notified of the termination of the lease by the Lessor. Such notification shall be done by certified mail.
- E. Upon any termination of Lessee's right to possession only without termination of this Lease, Lessor may, at the Lessor's option enter into the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession thereof as provided in this section, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the rent, including any amounts treated as additional rent hereunder, for the full term.
- F. Upon termination of Lessee's right to possession, Lessor may, but need not, relet the Premises or any part thereof for such rent and upon such terms as Lessor in its sole discretion shall determine (including, but not limited to, the right to relet the Premises for

- a greater or lesser term than that remaining under this Lease, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises) and Lessor shall not be required to accept any tenant offered by Lessee or to observe any instructions given by Lessee about such reletting.
- a. In any such case, Lessor may make repairs, alterations and additions in or to the, Premises, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting.
 - b. If the consideration collected by Lessor upon any such reletting plus any sums previously collected from Lessee are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent here under and other sums reserved in this Lease for the remaining term hereof, together with the costs of repairs, alterations, additions, and Lessor's expenses of reletting and the collection of the rent accruing therefrom (including attorneys' fees), Lessee shall pay to Lessor the amount of such deficiency upon demand and Lessee agrees that Lessor may file suit to recover any sums falling due under this subpart from time to time.
- E. Lessor may, at Lessor's option, enter into and upon the Premises, with or without process of law, if Lessor determines in its sole discretion that Lessee is not acting within a commercially reasonable time to maintain repair or replace anything for which Lessee is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Lessee agrees to reimburse Lessor, on demand, as additional rent, for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease.
- F. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law or in equity, to which Lessee is or may be entitled, may be handled, removed and stored, as the case may be, by or in the direction of Lessor at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof.
1. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessors control.
 2. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Premises shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit by Lessor to Lessee; provided, however, Lessor may disclaim as to any item or items and the effect of such disclaimer will be that the item or items never became the property of Lessor.
- G. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent, additional rent or other sum due to Lessor, hereunder or of any damages accruing to Lessor by reason of the terms, provisions and covenants herein contained.
- H. No act or thing done by Lessor or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or an acceptance of the surrender of the Premises shall be valid unless in writing signed by Lessor.
- I. No judicial action shall be necessary to terminate this Lease.

- J. No waiver by Lessor of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained.
- K. Lessors acceptance of the payment of rental, including any amount treated as additional rental, or other sums hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing.
- L. Forbearance by Lessor to be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.
- M. If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney concerning this Lease or enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay any attorneys' fees and appellate attorneys' fees so incurred.
- N. Lessor shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting.

Section 6.3 Lessor's Failure to Enforce and Non-waiver

- A. Failure by the Lessor to insist the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on a breach thereof, and acceptance of full or partial rentals during the continuance of any such breach shall not constitute a waiver of any such breach or any such term, condition or covenant.
- B. Terms, conditions or covenants of this Lease required to be performed by the Lessee, and breach thereof, shall not be waived, altered or modified, except by written instrument executed by the Lessor.
- C. Waiver of any breach shall not affect or alter any term, condition or covenant of this Lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach thereof, and any other or subsequent default or breach may be enforced by the Lessor as provided in this Lease.

ARTICLE VII - GENERAL COVENANTS

Section 7.1 Condition and Status of Premises

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

Section 7.2 Risk of Loss

Destruction or damage to any building or improvement on the Premises by fire, rain, ice, snow, windstorm, earthquake, aircraft accident, or any other casualty or action of the elements shall not entitle the Lessee to surrender possession of the Premises, to terminate this Lease, to violate

any of its provisions, or to cause any rebate or abatement in rent when due or thereafter becoming due under the terms hereof.

Section 7.3 Repair or Rebuilding

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

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is reduce, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority.
- C. Except for improvements constructed and paid for by Lessee, Lessor reserves all rights to damages to the Premises for any taking by eminent domain and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award.
- D. Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damages to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Lessor.

Section 7.5 Surrender of Premises

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

Section 7.6 Reversion or Removal of Buildings and Improvements

- A. Any and all buildings, structures, alterations or improvements placed by the Lessee upon the Premises shall, at the option of the Lessor, revert to and become the property of the Lessor at and upon the expiration or termination of this Lease and/or the termination of Lessee's right to possession of the Premises.
- B. Lessor, in its sole discretion, may require Lessee to remove part or all of said buildings, structures, alterations and/or improvements including, but not limited to, fuel tanks and lines, and partially or completely restore the Premises to the condition of the Premises at the inception of this Lease by sending written notice requesting such removal and restoration within sixty (60) days after such expiration or termination.

- C. Lessee shall then at its own expense complete such removal and restoration within ninety (90) days of the sending of such notice.
- D. At the conclusion of the current lease and extension period(s) the existing Lessee shall be given preference in executing a new lease on the same premises, provided that the proposed land use is compatible with the current Airport Layout Plan and the Lessee is otherwise in good standing with the City of Palmer and in substantial compliance with the existing lease.
- E. Section(s) 7.5 and 7.6 do not necessarily preclude a lessee from recovering value from Lessee's leasehold improvements by selling to a third party at any time during the lease term, provided that all other conditions of the active lease have been met. At such time, the buying third party would request a new lease or an assignment of the existing lease, and such request would not be reasonably withheld.

Section 7.7 Holdover

- A. In the event the Lessee shall hold over after the expiration or termination of this Lease for any cause whatsoever, Lessee shall pay Lessor monthly rent at double the annual rental rate divided by twelve for the entire time Lessee remains in possession, and in addition thereto, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.
- B. If Lessee remains in possession of the Premises after expiration of the term of the Lease, or after the date in any notice given by Lessor to Lease termination this Lease, such possession by Lessee shall be deemed to be a month-to-moth 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: FCA Properties, LLC
801 East Aircraft Rd.
Palmer, AK. 99645

Section 7.9 Rights or Remedies

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

Section 7.10 Successors in Interest

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

Section 7.11 Applicable Law and Forum

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

Section 7.12 Recordation of Lease

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

Section 7.13 Severability

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

Section 7.14 Construction

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

7.15 Gender and Plurality

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

Section 7.16 Joint and Several Liability

The obligations of each Lessee are joint and several.

Section 7.17 Entire Agreement

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

LESSOR: **CITY OF PALMER**

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: **FCA Properties, LLC**

By: _____
John A. Biornstad, Managing Member

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 20____, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, **Nathan Wallace**, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska
My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, **John A. Biornstad, Managing Member** of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

Notary public in and for Alaska
My commission expires: _____

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: _____

John A. Biornstad

NOTARY

STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, John A. Biornstad, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____



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

**PALMER MUNICIPAL AIPORT
MEMORANDUM OF LEASE AGREEMENT No. 17-007**

This is a Memorandum of Lease Agreement No. 17-007 made and entered into as of this _____ day of _____, 2017, 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 FCA Properties, LLC hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 17-007 between the parties hereto dated the _____ day of _____ 2016, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 17-007, are more particularly described as follows:

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

Palmer Municipal Airport, Block 3, Lease Lot 33

Containing 0.85 acres or 37,026 square feet, more or less

See Attached "Exhibit A"

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

"Exhibit A", attached hereto;

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced on July 1, 2017 as set forth within the terms of the Lease. The Term of the Lease Agreement shall be 20 years from the Commencement Date as stated in the written Lease. The initial term shall commence on the date hereof and terminate on June 30, 2037. 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 10 years at the expiration of this Lease so that the total number of **years available to Lessee is 30 years**. As with the initial term at the start of and continuing through the renewal period.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 17-007, 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: **FCA Properties, LLC**
801 East Aircraft Rd.
Palmer, AK. 99645

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 17-007; it being distinctly understood and agreed that said Lease Agreement No. 17-007 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 17-007 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease and addendum. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 17-007. In the event of any inconsistency between the terms of the Lease Agreement 17-007 and this instrument, the terms of the Lease Agreement No. 17-007, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

LESSOR: **CITY OF PALMER**

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: **FCA Properties, LLC**

By: _____
John A. Biornstad, Managing Member

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 E. Wallace, to me known and known to me to be the identical individual described in and who executed the within and foregoing Memorandum of Lease, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, John A. Bjornstad, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

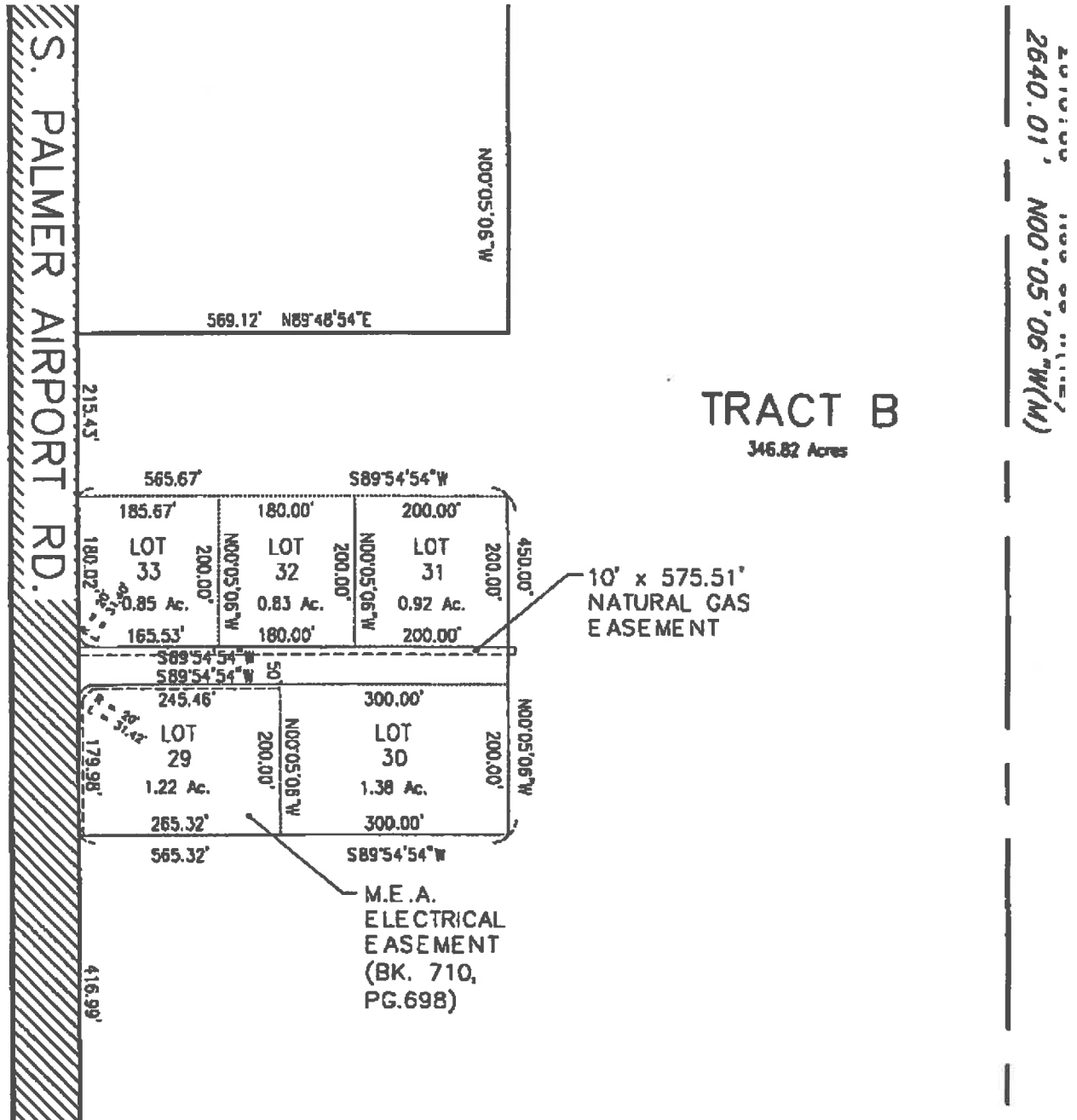
Notary public in and for Alaska

My commission expires: _____

"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 33

Block (3)



**LOT
(2)**

EXHIBIT A

FIELD BOOK (BK. 1120, PL. 01-32 & 01-33)

- LEGEND**
- UNDESIGNED
 - DESIGNED HIGHWAY LINE
 - DESIGNED ROADWAY LINE
 - DESIGNED SIDEWALK LINE
 - DESIGNED UTILITY LINE
 - DESIGNED CURB LINE
 - DESIGNED DRIVEWAY LINE
 - DESIGNED WALKWAY LINE
 - DESIGNED BIKEWAY LINE
 - DESIGNED FLOOD HAZARD AREA
 - DESIGNED FLOOD ELEV. 175' (ESTIMATE)
 - DESIGNED HIGHWAY RIGHT-OF-WAY
 - DESIGNED ROADWAY RIGHT-OF-WAY
 - DESIGNED SIDEWALK RIGHT-OF-WAY
 - DESIGNED UTILITY RIGHT-OF-WAY
 - DESIGNED CURB RIGHT-OF-WAY
 - DESIGNED DRIVEWAY RIGHT-OF-WAY
 - DESIGNED WALKWAY RIGHT-OF-WAY
 - DESIGNED BIKEWAY RIGHT-OF-WAY
 - DESIGNED FLOOD HAZARD AREA
 - DESIGNED FLOOD ELEV. 175' (ESTIMATE)

- NOTES**
1. ALL SURVEY STATIONS ARE THE PROPERTY OF THE SURVEYOR AND ARE TO BE PROTECTED AND NOT TO BE MOVED OR DESTROYED.
 2. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.
 3. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.
 4. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.
 5. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.

- NOTES**
1. A FLOOD HAZARD AREA IS SHOWN ON THIS PLAN AND IS BASED ON THE BEST AVAILABLE DATA AND INFORMATION.
 2. THE FLOOD HAZARD AREA IS BASED ON THE BEST AVAILABLE DATA AND INFORMATION AND IS NOT GUARANTEED BY THE SURVEYOR.
 3. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.
 4. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.
 5. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.

- TYPICAL SET PRIMARY MONUMENT**
1. A TYPICAL SET PRIMARY MONUMENT IS SHOWN ON THIS PLAN AND IS BASED ON THE BEST AVAILABLE DATA AND INFORMATION.

2. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.

- SURVEYOR'S DECLARATION**
- I, SURVEYOR, HEREBY CERTIFY THAT I AM A LICENSED PROFESSIONAL SURVEYOR AND THAT THE SURVEY IS ACCURATE AND THAT THE SURVEYOR HAS NOT BEEN ADVISED OF ANY UNDISCOVERED BURIED UTILITIES OR OTHER OBSTRUCTIONS AND THEREFORE ACCEPTS NO LIABILITY FOR DAMAGE TO SUCH UTILITIES OR OTHER OBSTRUCTIONS.

STATE OF ALASKA

DEPARTMENT OF REVENUE

STATE OF ALASKA

STATE OF ALASKA

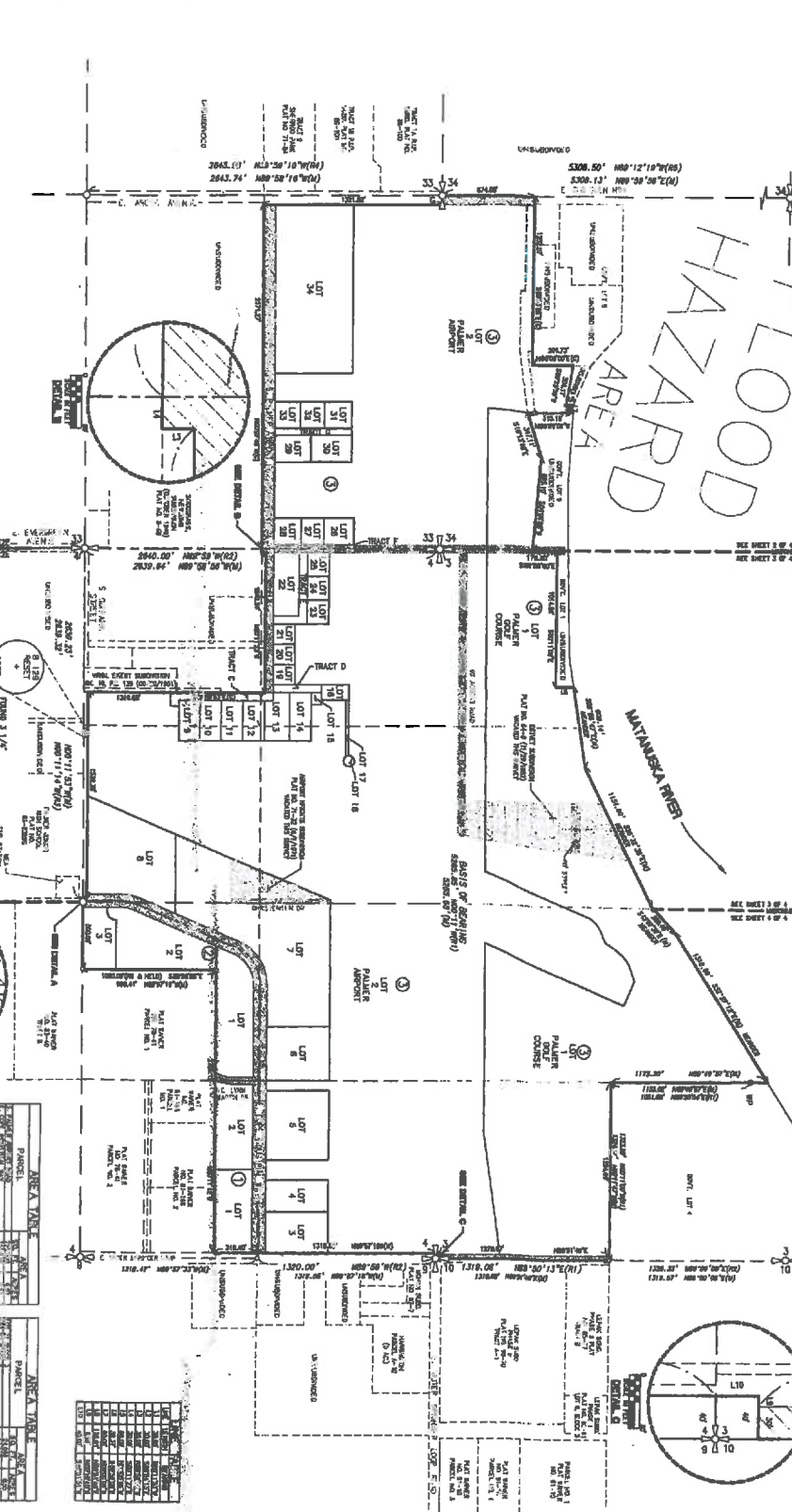
DEPARTMENT OF REVENUE

STATE OF ALASKA

STATE OF ALASKA

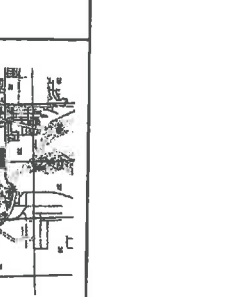
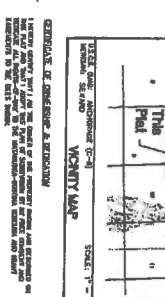
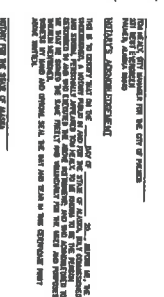
DEPARTMENT OF REVENUE

STATE OF ALASKA



AREA A TABLE

LOT NO.	AREA (SQ. FT.)	AREA (ACRES)
1	100,000	2.295
2	50,000	1.148
3	25,000	0.574
4	12,500	0.287
5	6,250	0.143
6	3,125	0.072
7	1,562	0.036
8	781	0.018
9	391	0.009
10	195	0.004
11	98	0.002
12	49	0.001
13	24	0.000
14	12	0.000
15	6	0.000
16	3	0.000
17	1.5	0.000
18	0.8	0.000
19	0.4	0.000
20	0.2	0.000
21	0.1	0.000
22	0.05	0.000
23	0.025	0.000
24	0.0125	0.000
25	0.006	0.000
26	0.003	0.000
27	0.0015	0.000
28	0.00075	0.000
29	0.000375	0.000
30	0.0001875	0.000
31	0.00009375	0.000
32	0.000046875	0.000
33	0.0000234375	0.000
34	0.00001171875	0.000



PLAT OF PALMER ALASKA AIRPORT FOR THE CITY OF PALMER, ALASKA

LOME INC.

1000 W. 10th Ave., Anchorage, AK 99501

PHONE: (907) 562-1000 FAX: (907) 562-1001

DATE: 08-27-2000

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

CERTIFICATE
OF
ORGANIZATION
Limited Liability Company

THE UNDERSIGNED, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that Articles of Organization duly signed and verified pursuant to the provisions of Alaska Statutes has been received in this office and have been found to conform to law.

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

FCA Properties LLC

and attaches hereto the original copy of the Articles of Organization for such certificate.



IN TESTIMONY WHEREOF, I execute this certificate and affix the Great Seal of the State of Alaska on **August 17, 2010**.

A handwritten signature in cursive script that reads "Susan Bell".

Susan Bell
Commissioner



THE STATE
of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 - Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

FOR DIVISION USE ONLY

Web-4/6/2016 1:13:04 PM

Limited Liability Company
2016 Biennial Report

For the period ending December 31, 2015

- This report is due on January 02, 2016
- \$100.00 if postmarked before February 02, 2016
- \$137.50 if postmarked on or after February 02, 2016

Entity Name: FCA Properties LLC
Entity Number: 130202
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent

Name: John Alan Biornstad
Physical Address: 801 E. Aircraft Rd., Palmer, AK 99645
Mailing Address: P.O. Box 520473, Big Lake, AK 99652

Entity Physical Address: 801 E AIRCRAFT RD, PALMER, AK 99645

Entity Mailing Address: 801 E AIRCRAFT RD, PALMER, AK 99645

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
John A Biornstad	P.O. BOX 520473, BIG LAKE, AK 99652	100	Member

Purpose: Any Lawful

NAICS Code: 531120 - LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: John A Biornstad

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Corporations Search

NAME(S)

Type	Name
Legal Name	FCA Properties LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 130202
Status: Good Standing
AK Formed Date: 8/17/2010
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 801 E AIRCRAFT RD, PALMER, AK 99645
Entity Physical Address: 801 E AIRCRAFT RD, PALMER, AK 99645

REGISTERED AGENT

Agent Name: John Alan Biornstad
Registered Mailing Address: P.O. Box 520473, Big Lake, AK 99652
Registered Physical Address: 801 E. Aircraft Rd., Palmer, AK 99645

OFFICIALS

AK Entity#	Name	Titles	Percent Owned
	John A Biornstad	Member	100

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
8/17/2010	Creation Filing		
2/8/2012	Biennial Report		
12/30/2013	Biennial Report		
4/6/2016	Biennial Report		

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156

Alaska Business License #

17813

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing

P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

FISH CREEK AIRMOTIVE

PO BOX 520473 BIG LAKE AK 99652

owned by

JOHN A BIORNSTAD

is licensed by the department to conduct business for the period

January 02, 2016 through December 31, 2017
for the following line of business:

48 - Transportation and Warehousing

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Chris Hadick



Real Property Bill of Sale

STATE OF Alaska

Matanuska-Susitna Borough

KNOW YE ALL MEN BY THESE PRESENTS,

That, Colville Logistics LLC., Jeff Helmericks, of 820 E. Aircraft Rd #200 Palmer, Alaska 99645, for and in consideration of payment of the sum of One Hundred Thirty Five Thousand Dollars (\$135,000.00), the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey FCA Properties LLC., John Biornstad, of 801 E. Aircraft Rd. Palmer, Alaska, 99645 and assigns the following property: A metal hanger, 50' by 72' with one metal bi-fold door facing west with 3" of foam insulation applied to the inside of the shell with no other improvements. This building is located on the Palmer Municipal Airport Tract B lease Lot 33.

I hereby, the seller, warrant that I am the lawful owner of said property and that I have full legal right, power and authority to sell said property. I further warrant said property to be free of all encumbrances and that I will warrant and defend said property hereby sold against any and all persons whomsoever.

IN WITNESS WHEREOF, I, the seller, have hereto set my hand and seal this ____ day of _____, 20_____.

Seller's Signature

Buyer's Signature

STATE OF ALASKA

MATANUSKA-SUSITNA BOROUGH

On this ____ day of _____, 20_____, before me personally came and appeared _____, known, and known to me, to be the individual described in and who executed the foregoing instrument, and who duly acknowledged to me that he executed same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: _____

This document prepared by (and after recording)
return to):)
 Name: John A Biornstad)
 Firm/Company: FCA Properties LLC)
 Address: 801 E. Aircraft Rd.)
 Address 2:)
 City, State, Zip: Palmer, AK. 99645)
 Phone: (907) 745-1631)
)
)
)

-----Above This Line Reserved For Official Use Only-----

QUITCLAIM DEED

KNOW ALL MEN BY THESE PRESENTS THAT:

FOR VALUABLE CONSIDERATION OF Nine thousand four hundred twenty four and twenty seven cents (\$9,424.27), paid in monthly installments, plus a single payment of One Hundred Twenty Five Thousand Five Hundred Seventy Five and Seventy Three cents (\$125,575.73), totaling One hundred thirty five thousand dollars (\$135,000.00) of which is hereby acknowledged, **Colville Logistics LLC**, a Limited Liability company organized under the laws of the state of Alaska, hereinafter referred to as "Grantor", does hereby convey and quitclaim unto **FCA Properties LLC**, a Limited Liability Company organized under the laws of the state of Alaska, hereinafter "Grantee", the following leased property and building, together with all improvements located thereon, lying in the Matanuska-Susitna Borough, State of Alaska, to-wit: Palmer Municipal Airport Tract B Lot 33. Address 801 E. Aircraft Rd. Palmer, AK. 99645

X Legal Description: Palmer Municipal Airport Tract B Lot 33

Prior instrument reference: Document No. 5840T0BL033 , of the Recorder of Matanuska-Susitna Borough, Alaska.

LESS AND EXCEPT all oil, gas and minerals, on and under the above described property owned by Grantors, if any, which are reserved by Grantor.

SUBJECT to all easements, rights-of-way, protective covenants and mineral reservations of record, if any.

TO HAVE AND TO HOLD same unto Grantee, and unto Grantee's heirs and assigns forever, with all appurtenances thereunto belonging.

IN WITNESS WHEREOF, this deed was executed by the undersigned on this the 30th day of August, 2010__.

Name of Entity: _____

By: _____
Signature of authorized signatory

Name of authorized signatory

Its: _____
(Type capacity of signatory)

STATE OF _____

_____ JUDICIAL DISTRICT (OR COUNTY/BOROUGH OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____ (signing party), the _____ (title) of _____ (name of corporation) a _____ (state of incorporation) corporation, on behalf of said corporation.

Notary Public

Print Name _____

Serial Number, if any: _____

My commission expires:

Grantor(s) Name, Address, phone:

Colville Logistics LLC
800 E. Aircraft Rd. Suite 200
Palmer
Alaska
99645
(907) 746-3198

Grantee(s) Name, Address, phone:

FCA Properties LLC
801 E. Aircraft Rd.
Palmer
Alaska
99645
(907) 745-1631

SEND TAX STATEMENTS TO GRANTEE

EXHIBIT A

Grantor:

Jeff Helmericks

Grantee:

John A Biornstad

Legal Description:

Building Improvements of Hanger	
Located on City of Palmer	
Municipal Airport Block B Leased Lot 33	
Hanger Purchased from Colville Logistics	\$135,000.00
Following Improvements	
Additional insulation of entire hanger incl. Labor	\$12,000.00
Heating equipment and Labor for infloor heat.	\$16,000.00
Interior construction of office and storage space	\$22,000.00
Sheetrock for offices and firewall	\$11,000.00
Electrical and lighting for entire hanger.	\$23,000.00
Paint and Firewall, ie. Fire doors, protection	\$8,400.00
Plumbing	\$7,000.00
Interior air supply	\$2,000.00
	\$236,400.00

**City of Palmer
Action Memorandum No. 17-048**

Subject: Authorizing the City Manager to Negotiate and Execute a Renewed Lease Agreement with Artic's Air Academy, LLC, on Block 3, Lease Lots 26 and 27, Palmer Municipal Airport Under an Original PMA Lease No. 77-1 and PMA Lease No. 81-3 Respectively

Agenda of: June 27, 2017

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


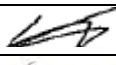
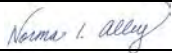
Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/6/17
_____	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: \$ **5,044.00**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>\$5,044.00</u>
<input type="checkbox"/>	Creates expenditure in the amount of:	\$ _____
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431 Airport Land Leases (Increase \$388.00)</u>

Director of Finance Signature: 

Attachment(s):

- Draft Lease Agreement 17-006 (Exhibit A)
- Draft Memorandum of Lease Agreement 17-006
- Identity Documents

Summary Statement:

Mr. Ken More and Artic's Air Academy has requested the City of Palmer renew his two lease agreements and combine them into one with the same term. Artic's Air Academy, LLC assumed two prior leases from Nugget Aviation in 2014, PMA Lease No.'s 77-1 and 81-3. The first lease is set to expire on July 1, 2017 and the second on July 1, 2021. The very short remaining term on both leases has allowed Artic's Air Academy to barely begin amortizing their investment in the purchase of the improvements.

Artic's Air Academy, LLC purchased the improvements from Mr. Tom Bishop and Nugget Aviation, LLC and assumed their two leases in March of 2014 for approximately \$220K. Since the purchase, Artic's Air Academy has invested an additional \$20K in property improvements and begun "Fly Around Alaska", received its 135 Certificate, purchased the assets of a flight school in Talkeetna and has been approved as a Cessna training center.

In granting this new lease agreement, this City will be using its new leasing document and up to date lease language, receiving a rental rate increase from \$0.06 to \$0.065 cents per square foot, and combining two separate leases into one agreement with a consistent end date.

Administration's Recommendation:

To approve Action Memorandum No. 17-048 for approval to execute a new Lease Agreement No. 17-006 with Mr. Ken More and Artic's Air Academy, LLC.



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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-006**

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DRAFT

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. 17-006**

This LEASE AGREEMENT is made and entered into this _____ day of _____, 2017 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 Artic's Air Academy, LLC, hereinafter referred to as the "Lessee".

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

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

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

- A. Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease from Lessor, real property more particularly described as a parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 26 and 27

Containing 1.01 acres or 44,000 square feet, more or less and

Containing 0.77 acres or 33,600 square feet, more or less respectively

See "Exhibit A"

- Parcel may be subject to additional easements and/or encumbrances not shown or depicted hereon.
- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: Aircraft parking, storage, sales, rental, service, flight training and charter
- 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 20 years, commencing on the 1st day of July 2017 (the "Commencement Date") and ending on the 31st day of June 2037, 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 10 years at the expiration of this Lease so that the total number of years available to Lessee is 30 years. As with the initial term at the start of and continuing through the renewal period,
 - 1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 - 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 - 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 - 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
 - 1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Manager, the Lessee's request to exercise the option to renew this Lease.
 - 2. If Lessee fails to notify Lessor within said time period, this Lease shall be deemed terminated at the scheduled expiration date.

Section 1.3 Rent

- A. Lessee shall pay to the Lessor as rent during the term hereof the sum \$5,044.00 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. (Rent is derived as follows: 44,000 square feet X \$0.065 cents per square foot and 33,600 square feet X \$0.065)
 - 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 five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the annual payment. The rent shall be adjusted as follows:
 - 1. Six (6) months prior to the termination of the initial five (5) year period or any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2015 as a base year, as well as the comparative leasing rate of similar airports in the Alaskan Market place.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.
 - 2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.

- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the rate highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

Section 1.5 Determination of Fair Market Rent

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

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Promptly after the execution and delivery of this Lease, and as hereinafter more particularly provided, the Lessee at its own cost and expense shall cause plans and specifications to be prepared for the construction of the following building, structures and improvements to be placed on the leased Premises, hereinafter referred to as "Improvements".
- None at this time, improvements are already in existence.
- B. Failure to timely complete the improvements shall constitute a condition of default.
- C. The improvements shall fully comply with all applicable federal, state, and municipal laws and regulations, including but not limited to federal, state, and municipal building, fire, construction and safety codes and zoning regulations and requirements.

Section 2.2 Plans and Specifications

- A. The Lessee at its own cost and expense shall have prepared conceptual plans for improvements and shall prepare and submit them to the Department of Community Development and the Airport Manager on or before 90 days from the execution of the lease. The conceptual plans shall have a site plan, building floor plan, all four building elevations and the improvements to be constructed.
- B. The Lessee shall submit the conceptual plans required (as outlined by this section) within the time specified, or the Lessor shall have the right and privilege to terminate this Lease on ten (10) days written notice and if such notice is given this Lease shall terminate and shall be of no further force and effect at the expiration of such ten-day period.

Section 2.3 Conceptual Plans

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

Section 2.4 Final Plans

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

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

Section 2.5 Airport Manager's Approval

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

Section 2.6 Compliance with part 77 FAR

Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations and any similar requirement prior to the construction of the

Improvements and prior to the construction of any further structure or building upon the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

Section 2.7 Commencement of Construction

If the Lessee has not commenced construction of the Improvements by, on or before August 1, 2017, the Lessor shall have the right at Lessor's option to terminate this Lease on thirty (30) days written notice.

Section 2.8 Completion of Construction

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

Section 2.9 Liens

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

Section 2.11 Performance Guarantee

- A. The work, of N/A, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 110% of the estimated cost of the Improvements to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- B. The work, if funded by an Alaskan Financial Institution on behalf of the Lessee of \$100,000, as described in this lease document shall not begin until the Lessee's Financial Institution has provided to the Lessor a "Letter of Guarantee" in an amount equal to 100% of the cost of improvements in a "Construction Escrow Account" and guarantees the payment by Lessee, Lessee's Contactor or Lessee's Financial Institution of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work, in a form approved by the City.
- C. Bonds shall be a performance bond from a company qualified by law to act as a surety in the State of Alaska. The bond shall be in a form approved by the City. The bond shall name the City as the sole obligee and the Lessee as the principal. The surety must be rated by A.M. Best as an A or B surety.

- D. The Lessee may deposit cash in an escrow with a bank qualified by law to do business in the State of Alaska. The disbursement of the escrowed funds shall be governed by an escrow agreement in a form approved by the City.
- E. The Lessee may provide to the City, an irrevocable letter of credit or loan commitment by a bank qualified by law to do business in the State of Alaska naming the City as beneficiary. The letter of credit or loan commitment agreement shall be in a form approved by the City.
- F. The Lessee may grant the City a first deed of trust on real property located in the Matanuska-Susitna Borough to secure the estimated cost of all improvements. The City will accept the first deed of trust if:
 - 1. The Matanuska- Susitna Borough's assessed value for the tax purposes equals or exceeds the amount to be secured by the deed of trust; and
 - 2. The City obtains at the Lessee's expense, a policy of title insurance from a recognized Title Company doing business in the Matanuska Susitna Borough naming the City as the insured beneficiary of the first deed of trust in the amount of the estimated cost of all improvements.

Section 2.12 Inspection

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

Section 2.13 Non-Responsibility

The Lessor may at the time enter upon the Premises for the purpose of posting notices of non-responsibility for any work, labor or materials supplied or furnished to these Premises and the Lessee shall notify, in writing, and in advance of any construction, the Lessor of any construction in order that the Lessor may post such notices of non-responsibility. It is the understanding of the parties hereto that any such work, labor, or materials are supplied only to further the purposes of the Lessee and that work, labor and materials have been contracted for solely by the Lessee for Lessee's own benefit and not as agent of Lessor.

Section 2.14 As Built Plans

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

Section 2.15 Improvements Subject to Reversion or Removal

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

Section 2.16 Alterations and Other Improvements

The Lessee shall have the right, from time to time, to make such alterations and improvements and decoration to the Premises. Any alterations, improvements and decorations shall be reasonably necessary or appropriate in the Lessor's judgment for the conduct Lessee's business.

Lessee shall obtain Lessor's written approval before any such alterations are made. Approval shall not be reasonably withheld as long as Lessee complies with provisions of this article.

Section 2.17 Pavement/Utility Services

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

ARTICLE III - USE OF THE LEASED PREMISES

Section 3.1 Airport Purposes

- A. Lessee shall have the right to conduct on the premises those activities stated in Section 1.1 B only, and Lessee shall not use the Premises for any other purpose or activity without first obtaining the written consent of the Airport Manager to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Manager and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.
- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Manager and if approved by the Airport Manager and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose of or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

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

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.
- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur;
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.
- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.

- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal, state, or local stature, regulation or ordinance now or hereafter in effect and as they may be amended or interpreted from time to time.
- I. The provisions of this Section 3.3 shall survive any termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.4 Americans with Disabilities Act

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

Section 3.5 Reservations and Exceptions

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

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

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

Section 3.7 Aircraft on Premises

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

Section 3.8 Discriminatory Acts Prohibited

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

Section 3.9 Affirmative Action

- A. The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered in this subpart. The Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessor that any similarity will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- B. The Lessor upon ten (10) days' notice to the Lessee of any violation of subsection A shall request that the Lessee either correct or justify any practice or charge alleged as a violation. In any proceeding whatsoever, the burden of justification requirement of subsection A. The Lessee within ten (10) days after receipt of the notice, shall comply with the request or submit to the Lessor its justification in writing. The Lessor shall submit

its findings and decision as to any alleged violation within fifteen (15) days after receipt of the Lessee's justification, and such findings and decision of the days of its objections to any request for compliance or to any adverse findings and decision, the Lessee shall waive any defense that the alleged violation is justified.

- C. The Lessor, at its option, may forthwith terminate this Lease without any liability to Lessee thereunder for any failure by Lessee without justification to comply with Lessor's request for compliance within the time set forth in the request of the findings and decision to correct the alleged violation.

Section 3.10 Maintenance of Premises

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

Section 3.11 Signs

- A. Lessee shall not, without Lessor's written consent, place or erect any sign of any nature on any part of the Premises, but such consent shall not be unreasonably withheld to one flat sign of reasonable size bearing the Lessee's trade name, providing such sign meets all city zoning and sign requirements.
- B. At the termination of this Lease, any such sign shall be removed by Lessee at Lessee's own expense.
- C. Lessee shall apply for a sign permit from the Department of Community Development and shall comply with Palmer Municipal Code.

Section 3.12 Improvements and Alterations

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

- A. Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Premises, Lessee shall submit to the Airport Manager plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Manager shall approve or disapprove such plans and specifications and accompanying Timeline at his or her sole discretion.
- C. Upon Lessee's receipt of the Airport Manager's written approval of such plans and specifications, Lessee agrees to construct the proposed leasehold improvements in strict accordance with such plans and specifications and Timeline.

- D. The Airport Manager's approval of submitted plans and specifications shall not constitute the assumption of any liability by Lessor for their compliance or conformity with applicable building codes, zoning regulations, and city borough, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible for such plans and specifications.
- E. The Airport Manager's approval of plans and specifications shall not constitute a waiver of Lessor's right to therefore require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
- F. The review and approval required by Section 3.12 is in addition to any other review and approval needed for any required building permits or similar authorizations.
- G. Lessee shall obtain all necessary licenses and permits to accomplish any of the work described in Section 3.12. Nothing in this Lease is intended to limit or restrict the City of Palmer in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances, or regulations.
- H. Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations prior to the construction of the Improvements and prior to the construction of any future building or structure situated on the Premises.
- I. Any contract or agreement for labor, services, materials or supplies furnished in connection with construction or alteration of any improvement to the Premises shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Premises or the improvements.
- J. Before the commencement of any such work, Lessee shall deliver to Lessor either an executed duplicate original of such contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
- K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.
- L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
- M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 100% of the estimated cost of the Improvements greater than \$100,000 to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- N. All alterations, buildings, structures or other improvements placed on the Premises by Lessee shall be subject to section 7.6 of this Lease.

Section 3.13 Quiet Possession

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

Section 3.14 Lessee's option to Terminate

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

Section 3.15 Lessor's Option to Terminate

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

Section 3.16 Right of Entry and Access

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

Section 3.17 Lessor's Improvements

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

Section 3.18 Aviation Easement

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

Section 3.19 Right-of-Way and Easement

Lessor shall have the right to designate or grant rights-of-way or utility easements across the Premises without compensation to Lessee, provided that Lessee shall be entitled to compensation for the taking or destruction of any of Lessee's improvements and provided further that Lessee may terminate the Lease or demand a rental adjustment to reflect any reduction in value of the Premises.

ARTICLE IV - TAXES, INDEMNIFICATION, AND INSURANCE

Section 4.1 Taxes, Assessments, and Utilities

- A. Lessee, in addition to the rentals provided for herein, shall pay when due (and before delinquency) all taxes, utility fees, assessments, and charges upon the Premises, the leasehold interest, and upon buildings, improvements and property thereon, which are assessed or charged at any time during the term.
- B. The Lessee shall furnish to the Lessor for Lessor's inspection within thirty (30) days after the date any amount payable by the Lessee as required by this section, official receipts from the appropriate taxing authorities or other proof satisfactory to the Lessor evidencing payment.
- C. The Lessee shall have the right at all times to protest any assessment of taxes or other assessments or charges, but the Lessor may require the Lessee to deposit with the Lessor any sums in dispute to insure payment in the event that any contest is unsuccessful.

- D. Lessee shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, garbage, solid waste, and other utility service used in or about or supplied to the Premises.
- E. Lessee shall timely pay all sales tax on the rent on the lease, utilities, sales, service, rents, etc., and shall comply with City and Borough sales tax laws.

Section 4.2 Indemnification

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

Section 4.3 Insurance

- A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:
 - 1. Commercial general liability. Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; or
 - 2. Airport premises liability. Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
 - 3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
 - 4. Commercial property insurance in the amount of replacement costs.
 - 5. The Lessor reserves the right to require Lessee to provide pollution insurance as warranted by the proposed use of the Premises.
- B. This insurance required under this Section shall:
 - 1. Name the Lessor as an "additional insured"
 - 2. Contain a clause that the insurer will not cancel or change the insurance without first giving the Lessor thirty (30) days prior written notice;
 - 3. Be with an insurance company qualified to do business in the State of Alaska with a financial rating of at least "A" as rated in current Best's Insurance Reports;
 - 4. Include a waiver of subrogation clause by which the insurer waives all rights of subrogation against the Lessor for payments made under the policy; and
 - 5. Not contain a damage deductible for each and every loss that exceeds \$10,000.
- C. Lessee shall provide Lessor with proof of insurance coverage in the form of a certificate of insurance, and if requested by the Lessor, Lessee shall provide Lessor with a copy of the policy(ies). Failure to maintain such insurance in effect shall constitute grounds for immediate termination of this lease. Lessor may at its option purchase said insurance and charge the expense thereof to Lessee, which expense Lessee shall assume and pay.
- D. To reasonably protect itself, Lessor may adjust these minimum insurance requirements and add types of insurance or both by giving Lessee written notice of such adjustment ninety (90) days prior to the expiration of each five (5) year interval of the term of this

Lease. Lessor may also adjust these minimum insurance requirements at any time if Lessee's use of the Premises changes, and in such event, Lessor shall give Lessee thirty (30) days written notice of such adjustment.

- E. The requirements of insurance coverage do not relieve Lessee from any other obligation under this Lease.

ARTICLE V - ASSIGNMENT AND SECURITY INTERESTS

Section 5.1 Assignment and Subletting

- A. Lessee shall not voluntarily assign or encumber its interest in this Lease or in the Premises or sublease all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises without first obtaining Lessor's prior written consent. Lessor will not unreasonably withhold its consent; provided, however, if Lessor does unreasonably withhold its consent, Lessor shall not be liable for any damages, costs or attorney's fees arising therefrom.
1. Lessor may condition its consent upon such terms as are in its best interest, including but not limited to matters regarding laws, insurance, risks, Lessee's defaults or past practices, risks attributable to assignee, etc., but Lessor may not condition its consent upon raising the rent other than as already allowed under this Lease.
 2. Any assignment, encumbrance or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default.
 3. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this section.
- B. If Lessee is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law, of any partner or partners, member or members owning twenty-five percent (25%) or more of the partnership or LLC in one or more transactions, or the dissolution of the partnership or LLC, shall be deemed a voluntary assignment.
- C. If Lessee is a corporation any dissolution, merger, consolidation or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of Lessee in one or more transactions, or the sale of twenty-five percent (25%) of the value of the assets of Lessee in one or more transactions without immediate replacement with assets of equal or greater worth, shall be deemed a voluntary assignment.
- D. Lessee hereby irrevocably assigns to Lessor, as security for Lessee's obligations under this Lease, all rent from any subletting of all or a part of the Premises, and Lessor, as assignee and attorney-in-fact for Lease, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
- E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
- F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the

FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.

- G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
- H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
- I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

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

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

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

- A. Failure to pay the rent provided herein, or any part thereof, or other charge due hereunder, for a period of ten (10) days after written notice of such failure is given by Lessor to Lessee;
- B. Failure to perform the obligations set forth in Sections 3.8, 3.9, and 3.10 hereof, after any notice required by those sections;
- C. Failure to provide and maintain in effect **insurance** in compliance with Section 4.3 hereof **(for which failure there is no notice time requirement)**;
- D. Failure to do, observe, keep and perform any other terms, covenants, conditions, agreements and provisions contained in this Lease for a period of thirty (30) days after written notice of such failure is given by Lessor to Lessee, or, in the case of a default not reasonably susceptible of being cured within thirty (30) days (which does not include any default which may be cured by the payment of money), failure to commence promptly and proceed diligently and in good faith to cure such default within the initial thirty (30)

- days and complete such cure within a total of sixty (60) days after the sending of the notice;
- E. The abandonment of the premises by the Lessee, the making by the Lessee of a general assignment for the benefit of creditors, or the appointment of a permanent or temporary receiver for the Lessee's property, which is not vacated or set aside within thirty (30) days of sending of written notice of such event by Lessor; or
 - F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

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

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessors right to rent or any other right given to Lessor hereunder or by operation of law.
- C. Upon any termination of this Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover:
 - 1. The worth at the time of the award of the unpaid rent (including any amounts treated as additional rent) that had been earned at the time of termination;
 - 2. The worth at the time of the award of the amount by which the unpaid rent (including any amounts treated as additional rent) that would have been earned after the date of termination until the time of award exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided;
 - 3. The worth at the time of the award of the amount by which the unpaid rent (including a reasonable estimate of additional rent) for the balance of the term exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided; and
 - 4. Any other amount, full reasonable attorney's fees and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.
- D. "The worth at the time of the award," used in this section, is to be computed by allowing interest as determined by the current bond rating from State of Alaska Municipal Bond Bank plus 5%. The "time of the award" is the date the Lessee is notified of the termination of the lease by the Lessor. Such notification shall be done by certified mail.
- E. Upon any termination of Lessee's right to possession only without termination of this Lease, Lessor may, at the Lessor's option enter into the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession thereof as provided in this

- section, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the rent, including any amounts treated as additional rent hereunder, for the full term.
- F. Upon termination of Lessee's right to possession, Lessor may, but need not, relet the Premises or any part thereof for such rent and upon such terms as Lessor in its sole discretion shall determine (including, but not limited to, the right to relet the Premises for a greater or lesser term than that remaining under this Lease, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises) and Lessor shall not be required to accept any tenant offered by Lessee or to observe any instructions given by Lessee about such reletting.
- a. In any such case, Lessor may make repairs, alterations and additions in or to the, Premises, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting.
 - b. If the consideration collected by Lessor upon any such reletting plus any sums previously collected from Lessee are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent here under and other sums reserved in this Lease for the remaining term hereof, together with the costs of repairs, alterations, additions, and Lessor's expenses of reletting and the collection of the rent accruing therefrom (including attorneys' fees), Lessee shall pay to Lessor the amount of such deficiency upon demand and Lessee agrees that Lessor may file suit to recover any sums falling due under this subpart from time to time.
- E. Lessor may, at Lessor's option, enter into and upon the Premises, with or without process of law, if Lessor determines in its sole discretion that Lessee is not acting within a commercially reasonable time to maintain repair or replace anything for which Lessee is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Lessee agrees to reimburse Lessor, on demand, as additional rent, for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease.
- F. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law or in equity, to which Lessee is or may be entitled, may be handled, removed and stored, as the case may be, by or in the direction of Lessor at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof.
1. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessors control.
 2. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Premises shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit by Lessor to Lessee; provided, however, Lessor may disclaim as to any item or items and the effect of such disclaimer will be that the item or items never became the property of Lessor.
- G. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent, additional rent or other sum due to Lessor, hereunder or of any damages accruing to Lessor by reason of the terms, provisions and covenants herein contained.

- H. No act or thing done by Lessor or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or an acceptance of the surrender of the Premises shall be valid unless in writing signed by Lessor.
- I. No judicial action shall be necessary to terminate this Lease.
- J. No waiver by Lessor of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained.
- K. Lessors acceptance of the payment of rental, including any amount treated as additional rental, or other sums hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing.
- L. Forbearance by Lessor to be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.
- M. If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney concerning this Lease or enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay any attorneys' fees and appellate attorneys' fees so incurred.
- N. Lessor shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting.

Section 6.3 Lessor's Failure to Enforce and Nonwaiver

- A. Failure by the Lessor to insist the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on a breach thereof, and acceptance of full or partial rentals during the continuance of any such breach shall not constitute a waiver of any such breach or any such term, condition or covenant.
- B. Terms, conditions or covenants of this Lease required to be performed by the Lessee, and breach thereof, shall not be waived, altered or modified, except by written instrument executed by the Lessor.
- C. Waiver of any breach shall not affect or alter any term, condition or covenant of this Lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach thereof, and any other or subsequent default or breach may be enforced by the Lessor as provided in this Lease.

ARTICLE VII - GENERAL COVENANTS

Section 7.1 Condition and Status of Premises

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

Section 7.2 Risk of Loss

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

Section 7.3 Repair or Rebuilding

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

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is reduce, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority.
- C. Except for improvements constructed and paid for by Lessee, Lessor reserves all rights to damages to the Premises for any taking by eminent domain and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award.
- D. Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damages to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Lessor.

Section 7.5 Surrender of Premises

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

Section 7.6 Reversion or Removal of Buildings and Improvements

- A. Any and all buildings, structures, alterations or improvements placed by the Lessee upon the Premises shall, at the option of the Lessor, revert to and become the property of the Lessor at and upon the expiration or termination of this Lease and/or the termination of Lessee's right to possession of the Premises.

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

Section 7.7 Holdover

- A. In the event the Lessee shall hold over after the expiration or termination of this Lease for any cause whatsoever, Lessee shall pay Lessor monthly rent at double the annual rental rate divided by twelve for the entire time Lessee remains in possession, and in addition thereto, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.
- B. If Lessee remains in possession of the Premises after expiration of the term of the Lease, or after the date in any notice given by Lessor to Lease termination this Lease, such possession by Lessee shall be deemed to be a month-to-moth 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: Artic's Air Academy, LLC
 821 Airport Rd, Palmer, AK. 99645

Section 7.9 Rights or Remedies

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

Section 7.10 Successors in Interest

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

Section 7.11 Applicable Law and Forum

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

Section 7.12 Recordation of Lease

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

Section 7.13 Severability

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

Section 7.14 Construction

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

7.15 Gender and Plurality

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

Section 7.16 Joint and Several Liability

The obligations of each Lessee are joint and several.

Section 7.17 Entire Agreement

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

LESSOR: **CITY OF PALMER**

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: **Artic's Air Academy, LLC**

By: _____
Kenneth D. More, Managing Member

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, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Kenneth D. More, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____

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(s):

Kenneth D. More, individually,

Date: _____

Artic C. Wikle, individually,

Date: _____

Susan Wikle, individually,

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, Kenneth D. More, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Artic C. Wikle, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska
My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Susan Wikle, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska
My commission expires: _____



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

"ATTACHMENT A"
PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 17-006

This is a Memorandum of Lease Agreement No. 17-006 and is made and entered into as of this _____ day of _____, 2017, 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 **Artic's Air Academy, LLC** hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 17-006 between the parties hereto dated the _____ day of _____ 2017, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 17-006, are more particularly described as follows:

A parcel of land located in Tract B, Palmer Municipal Airport, Plat No. 2006-15, Section 4, Township 17 North, Range 2 East, Seward Meridian, Palmer Recording District, Third Judicial District, State of Alaska, and more particularly described **in an unrecorded plat dated June 27, 2005 as follows:**

Palmer Municipal Airport, Block 3, Lease Lot(s) 26 and 27

Containing 1.01 acres or 44,000 Square Feet, more or less, and

Containing 0.77 acres or 33,600 Square Feet, more or less, respectively as shown on the drawing:

"Exhibit A", attached hereto;

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

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced **on 1st of July, 2017** as set forth within the terms of the Lease. The Term of the Lease Agreement **shall be 20 years** from the Commencement Date as stated in the written Lease. The term shall

commence on the date hereof and terminate on June 31, 2037. 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 10 years at the expiration of this Lease so that the total number of years available to Lessee is 30 years. As with the initial term at the start of and continuing through the renewal period.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 17-006, 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: Artic's Air Academy, LLC
821 Airport Rd., Palmer, AK. 99645

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 17-006; it being distinctly understood and agreed that said Lease Agreement No. 17-006 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 17-006 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 17-006. In the event of any inconsistency between the terms of the Lease Agreement No. 17-006 and this instrument, the terms of the Lease Agreement No. 17-006, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

LESSOR: CITY OF PALMER

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: Artic's Air Academy, LLC

By: _____
Kenneth D. More, Managing Member

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of May, 2017, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, **Nathan E. Wallace**, to me known and known to me to be the identical individual described in and who executed the within and foregoing Memorandum of Lease, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska
My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

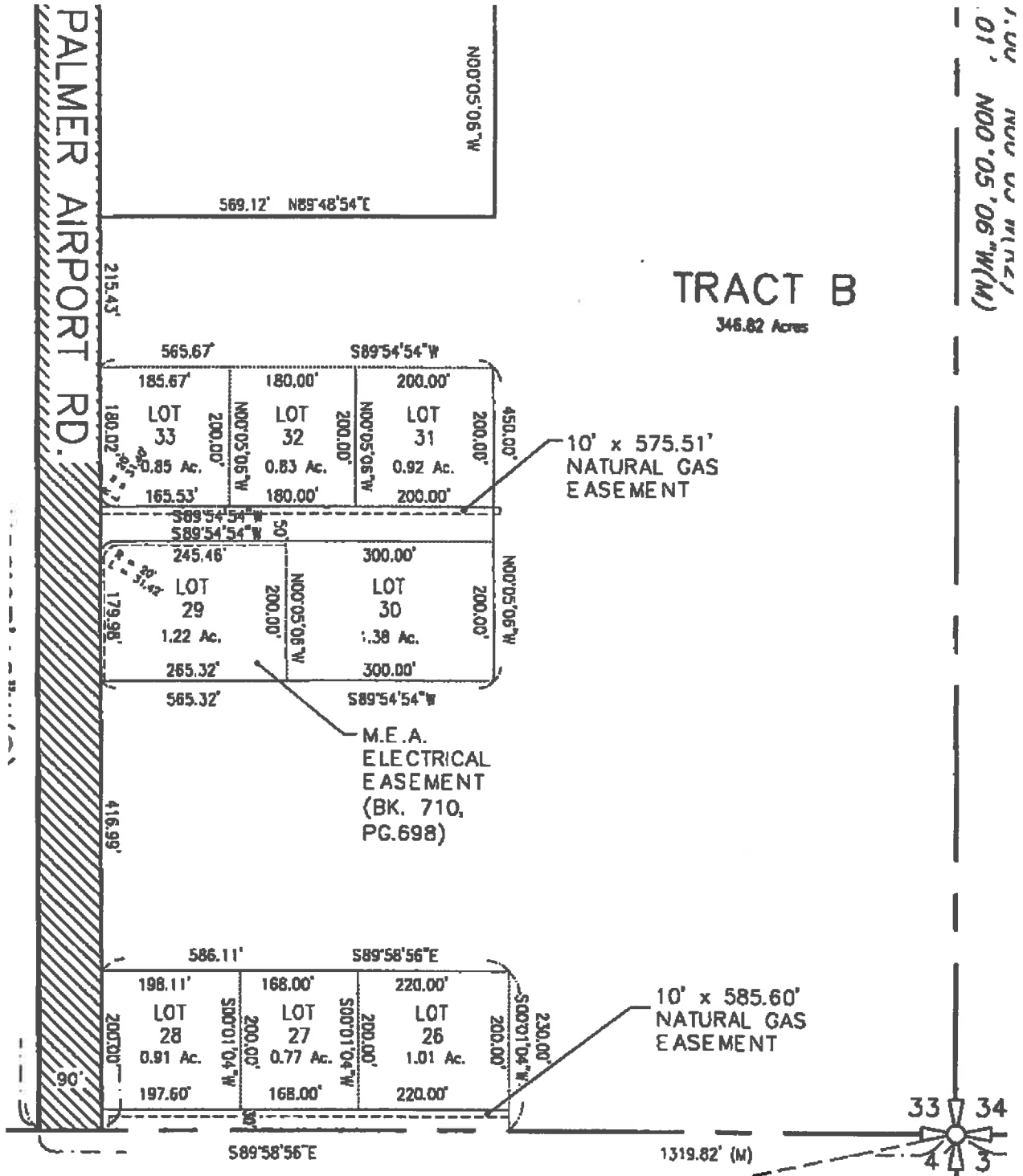
This is to certify that on the ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, **Kenneth D. More**, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

Notary public in and for Alaska
My commission expires: _____

"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT(S) 26 & 27



**City of Palmer
Action Memorandum No. 17-049**

Subject: Authorizing the City Manager to Negotiate and Execute a Renewed Lease Agreement with N A Holdings, LLC, Formerly Known as Colville Logistics, LLC, Solely Owned by Mr. Jeff Helmericks, on Block 3, Lease Lot 30, Palmer Municipal Airport Under an Original PMA Lease No. 78-1 and PMA Lease No. 00-2 Respectively


Agenda of: June 27, 2017

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


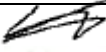
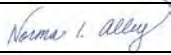
Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/5/17
_____	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: \$ **3,900.00**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>3,900.00</u>
<input type="checkbox"/>	Creates expenditure in the amount of:	\$ _____
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

<input checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431 Airport Land Leases (Increase \$300.00)</u>

Director of Finance Signature: 

Attachment(s):

- Draft Lease Agreement 17-005 (Exhibit A)
- Draft Memorandum of Lease Agreement 17-005
- Identity Documents

Summary Statement:

Mr. Helmericks has requested the City of Palmer renew his lease agreement and amend the actual name of the Lessee from Colville Logistics, LLC to N A Holdings LLC as the LLC formally underwent a name change in 2011. The request has apparently been made previously, but due to the turnover in City Administration the process has not been acted upon until now.

Colville Inc. purchased the improvements from M.P.&C., LLC in December of 2001 after the estate of and bankruptcy of Mr. Randall D. Frank was resolved. At the time, Colville Inc. purchased the improvements for \$190K and as reported by Mr. Helmericks, he has invested an additional \$250K into the improvements over the past 10 years. It would appear that the original lease on the property began in 1978 and probably due to the aforementioned difficulties, a renewal negotiation was resolved with the above parties 3 to 4 years after it became due. The shortened duration of the remaining lease term has not allowed Mr. Helmericks to fully amortize his total reported investment of \$440K (\$190K + \$250K). Hence the request for a new lease. Colville Inc. assigned the PMA Lease No. 00-2 to Colville Logistics, LLC in 2006.

In granting this new lease agreement, this City will be using its new leasing document and up to date lease language, receiving a rental rate increase from \$0.06 to \$0.065 cents per square foot, require pollution insurance for a fueling operation and actually conduct business with the appropriate operating entity. Mr. Helmericks will also personally guarantee the new lease to N A Holdings, LLC.

Administration's Recommendation:

To approve Action Memorandum No. 17-049 for approval to execute a new Lease Agreement 17-005 with Mr. Jeff Helmericks and N A Holdings, LLC.



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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 17-005**

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DRAFT

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. 17-005**

This LEASE AGREEMENT is made and entered into this _____ day of _____, 2017 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 NA Holdings, LLC, hereinafter referred to as the "Lessee".

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

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

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

- A. Lessor does hereby lease, demise and let unto Lessee, and Lessee does hereby lease from Lessor, real property more particularly described as a parcel of land located within Tract B, Palmer Municipal Airport recorded as Plat No. 2006-15 in the Palmer Recording District, Third Judicial District, State of Alaska and further described in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 30

Containing 1.38 acres or 60,000 square feet, more or less

See "Exhibit A"

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

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: Aircraft parking, storage, service, sales and fueling operations
- 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 20 years, commencing on the 1st day of July 2017 (the "Commencement Date") and ending on the 31st day of June 2037, 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 15 years at the expiration of this Lease so that the total number of years available to Lessee is 35 years. As with the initial term at the start of and continuing through the renewal period,
1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Manager, the Lessee's request to exercise the option to renew this Lease.
 2. If Lessee fails to notify Lessor within said time period, this Lease shall be deemed terminated at the scheduled expiration date.

Section 1.3 Rent

- A. Lessee shall pay to the Lessor as rent during the term hereof the sum \$3,900.00 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. (Rent is derived as follows: 60,000 square feet X \$.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 five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the annual payment. The rent shall be adjusted as follows:
 - 1. Six (6) months prior to the termination of the initial five (5) year period or any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2015 as a base year, as well as the comparative leasing rate of similar airports in the Alaskan Market place.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.
 - 2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with

interest from the original due date of such rent at the rate highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

Section 1.5 Determination of Fair Market Rent

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

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Promptly after the execution and delivery of this Lease, and as hereinafter more particularly provided, the Lessee at its own cost and expense shall cause plans and specifications to be prepared for the construction of the following building, structures and improvements to be placed on the leased Premises, hereinafter referred to as "Improvements".
 - None at this time, improvements are already in existence.
- B. Failure to timely complete the improvements shall constitute a condition of default.
- C. The improvements shall fully comply with all applicable federal, state, and municipal laws and regulations, including but not limited to federal, state, and municipal building, fire, construction and safety codes and zoning regulations and requirements.

Section 2.2 Plans and Specifications

- A. The Lessee at its own cost and expense shall have prepared conceptual plans for improvements and shall prepare and submit them to the Department of Community Development and the Airport Manager on or before 90 days from the execution of the lease. The conceptual plans shall have a site plan, building floor plan, all four building elevations and the improvements to be constructed.
- B. The Lessee shall submit the conceptual plans required (as outlined by this section) within the time specified, or the Lessor shall have the right and privilege to terminate this Lease on ten (10) days written notice and if such notice is given this Lease shall terminate and shall be of no further force and effect at the expiration of such ten-day period.

Section 2.3 Conceptual Plans

- A. The Department of Community Development shall examine the conceptual plans and within thirty (30) days after submission, the Airport Manager shall inform the Lessee in writing of any objections to the conceptual plans.

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

Section 2.4 Final Plans

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

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

Section 2.5 Airport Manager's Approval

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

Section 2.6 Compliance with part 77 FAR

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

Section 2.7 Commencement of Construction

If the Lessee has not commenced construction of the Improvements by, on or before August 1, 2017, the Lessor shall have the right at Lessor's option to terminate this Lease on thirty (30) days written notice.

Section 2.8 Completion of Construction

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

Section 2.9 Liens

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

Section 2.11 Performance Guarantee

- A. The work, of N/A, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 110% of the estimated cost of the Improvements to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- B. The work, if funded by an Alaskan Financial Institution on behalf of the Lessee of \$100,000, as described in this lease document shall not begin until the Lessee's Financial Institution has provided to the Lessor a "Letter of Guarantee" in an amount equal to 100% of the cost of improvements in a "Construction Escrow Account" and guarantees the payment by Lessee, Lessee's Contactor or Lessee's Financial Institution of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work, in a form approved by the City.
- C. Bonds shall be a performance bond from a company qualified by law to act as a surety in the State of Alaska. The bond shall be in a form approved by the City. The bond shall name the City as the sole obligee and the Lessee as the principal. The surety must be rated by A.M. Best as an A or B surety.
- D. The Lessee may deposit cash in an escrow with a bank qualified by law to do business in the State of Alaska. The disbursement of the escrowed funds shall be governed by an escrow agreement in a form approved by the City.
- E. The Lessee may provide to the City, an irrevocable letter of credit or loan commitment by a bank qualified by law to do business in the State of Alaska naming the City as beneficiary.

The letter of credit or loan commitment agreement shall be in a form approved by the City.

- F. The Lessee may grant the City a first deed of trust on real property located in the Matanuska-Susitna Borough to secure the estimated cost of all improvements. The City will accept the first deed of trust if:
1. The Matanuska- Susitna Borough's assessed value for the tax purposes equals or exceeds the amount to be secured by the deed of trust; and
 2. The City obtains at the Lessee's expense, a policy of title insurance from a recognized Title Company doing business in the Matanuska Susitna Borough naming the City as the insured beneficiary of the first deed of trust in the amount of the estimated cost of all improvements.

Section 2.12 Inspection

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

Section 2.13 Non-Responsibility

The Lessor may at the time enter upon the Premises for the purpose of posting notices of non-responsibility for any work, labor or materials supplied or furnished to these Premises and the Lessee shall notify, in writing, and in advance of any construction, the Lessor of any construction in order that the Lessor may post such notices of non-responsibility. It is the understanding of the parties hereto that any such work, labor, or materials are supplied only to further the purposes of the Lessee and that work, labor and materials have been contracted for solely by the Lessee for Lessee's own benefit and not as agent of Lessor.

Section 2.14 As Built Plans

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

Section 2.15 Improvements Subject to Reversion or Removal

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

Section 2.16 Alterations and Other Improvements

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

Section 2.17 Pavement/Utility Services

Any pavement or utility services to be constructed by the Lessee shall be constructed in accordance with design and specifications approved by the Lessor and the construction shall be

subject to inspection by the Lessor. Such improvements shall not be constructed without the prior consent of the Lessor in writing.

ARTICLE III - USE OF THE LEASED PREMISES

Section 3.1 Airport Purposes

- A. Lessee shall have the right to conduct on the premises those activities stated in Section 1.1 B only, and Lessee shall not use the Premises for any other purpose or activity without first obtaining the written consent of the Airport Manager to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Manager and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.
- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Manager and if approved by the Airport Manager and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose of or for any purpose or use that may constitute a nuisance or hazard to health, safety, or property.
- K. Lessee shall not use or allow the Premises or any part thereof to be used or occupied for any purpose in violation of any law, lawful order, or rule or regulation concerning the operation or use of Palmer Municipal Airport.

Section 3.2 Compliance with Laws

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

Section 3.3 Hazardous Materials

- A. Neither Lessee nor Lessee's agents shall cause or permit any Hazardous Materials or Substances to be brought upon, generated, stored, disposed of, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees without the prior written consent of Lessor.

- B. Lessee shall demonstrate to Lessor's reasonable satisfaction that such Hazardous Materials or Substances are necessary to Lessee's business and will be used, generated, disposed of, and stored in a manner that complies with all laws regulating any such Hazardous Materials or Substance so brought upon, generated, stored, disposed of or used in or about the Premises.
- C. Lessor may, at its option require Lessee to provide annual reports, submitted with the annual rent payment.
- D. The Lessee will report the kinds and quantities of Hazardous Materials or Substance on the Premises and how the Lessee complies with applicable laws regarding disposal.
- E. If Hazardous Material or Substances have been used, generated, disposed of or stored in or about the Premises during the term of this Lease, Lessor may, at its election, have any environmental assessment performed of the Premises, at the Lessee's expense, at the termination of this Lease or termination of Lessee's right to possession under this Lease.
- F. If any of the following occur;
 - 1. Lessee breaches the obligations in this section;
 - 2. The presence of Hazardous Material or Substance on the Premises caused or permitted by Lessee results in contamination of the Premises or contamination of any other property at the Palmer Municipal Airport; or
 - 3. Contamination of the Premises or any other property at Palmer Municipal Airport by Hazardous Material or Substance otherwise occurs for which Lessee is legally liable to Lessor for damage resulting therefrom;
 - a. Then Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, sums paid in settlement of claims, attorneys' fees, appellate attorney's fees, consultant fees, expert fees, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material or substance present in the soil or groundwater on or under the Premises which arise during or after the Lease term as a result of such contamination.
- G. Without Limiting the foregoing, if the presence of any Hazardous Material or Substance on the Premises caused or permitted by Lessee results in any contamination of the Premises or any other property at the Palmer Municipal Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises and/or other property to the condition existing prior to the introduction of any such Hazardous Material or Substance; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or other property.
- H. As used herein, the term "Hazardous Material or Substance" shall be interpreted broadly to include, but not limited to, substances designated as hazardous under the Resource Conservation and Recovery Act, 42 USC Section 6901 et seq., the Federal Water Pollution Control Act, 33 USC Section 1257 et seq. the Clean Air Act, 42 USC Section 2001 et seq. the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC Section 9601 et seq., Title 46 of the Alaska Statutes, or by any applicable federal,

state, or local statute, regulation or ordinance now or hereafter in effect and as they may be amended or interpreted from time to time.

- I. The provisions of this Section 3.3 shall survive any termination of Lessee's right to possession of the Premises and/or termination of this Lease.

Section 3.4 Americans with Disabilities Act

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

Section 3.5 Reservations and Exceptions

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

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

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

Section 3.7 Aircraft on Premises

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

Section 3.8 Discriminatory Acts Prohibited

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

Section 3.9 Affirmative Action

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

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

Section 3.10 Maintenance of Premises

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

Section 3.11 Signs

- A. Lessee shall not, without Lessor's written consent, place or erect any sign of any nature on any part of the Premises, but such consent shall not be unreasonably withheld to one flat sign of reasonable size bearing the Lessee's trade name, providing such sign meets all city zoning and sign requirements.
- B. At the termination of this Lease, any such sign shall be removed by Lessee at Lessee's own expense.
- C. Lessee shall apply for a sign permit from the Department of Community Development and shall comply with Palmer Municipal Code.

Section 3.12 Improvements and Alterations

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

- A. Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Premises, Lessee shall submit to the Airport Manager plans and specifications for such work (including plans for landscaping and irrigation, if any) and Timeline for various phases of work.
- B. The Airport Manager shall approve or disapprove such plans and specifications and accompanying Timeline at his or her sole discretion.
- C. Upon Lessee's receipt of the Airport Manager's written approval of such plans and specifications, Lessee agrees to construct the proposed leasehold improvements in strict accordance with such plans and specifications and Timeline.
- D. The Airport Manager's approval of submitted plans and specifications shall not constitute the assumption of any liability by Lessor for their compliance or conformity with applicable building codes, zoning regulations, and city borough, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible for such plans and specifications.
- E. The Airport Manager's approval of plans and specifications shall not constitute a waiver of Lessor's right to therefore require Lessee to amend the same to provide for any corrections

- or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
- F. The review and approval required by Section 3.12 is in addition to any other review and approval needed for any required building permits or similar authorizations.
 - G. Lessee shall obtain all necessary licenses and permits to accomplish any of the work described in Section 3.12. Nothing in this Lease is intended to limit or restrict the City of Palmer in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances, or regulations.
 - H. Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations prior to the construction of the Improvements and prior to the construction of any future building or structure situated on the Premises.
 - I. Any contract or agreement for labor, services, materials or supplies furnished in connection with construction or alteration of any improvement to the Premises shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Premises or the improvements.
 - J. Before the commencement of any such work, Lessee shall deliver to Lessor either an executed duplicate original of such contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
 - K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.
 - L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
 - M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 100% of the estimated cost of the Improvements greater than \$100,000 to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
 - N. All alterations, buildings, structures or other improvements placed on the Premises by Lessee shall be subject to section 7.6 of this Lease.

Section 3.13 Quiet Possession

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

Section 3.14 Lessee's option to Terminate

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

Section 3.15 Lessor's Option to Terminate

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

Section 3.16 Right of Entry and Access

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

Section 3.17 Lessor's Improvements

- A. Lessor shall have a permanent right of access over, under, around and across the Premises for the purposes of maintaining, servicing, upgrading, replacing or removing any Lessor-installed improvements including, but not limited to, light poles, utilities, and fencing.
- B. This section does not require Lessor to provide any improvements.

- C. Lessor's maintenance shall not include paving, aircraft tie downs, snow removal or sanding.
- D. All improvements constructed by the Lessor shall at all times remain the property of Lessor and may be maintained, upgraded, serviced or removed at Lessor's convenience and discretion.
- E. Lessor agrees to use reasonable efforts to notify of any upgrading, replacing or repair work with Lessee and to reasonably reduce disrupting Lessee's use of the Premises when practicable.
- F. In the event of abandonment or default, any Lessee improvement will become the property of the Lessor.

Section 3.18 Aviation Easement

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

Section 3.19 Right-of-Way and Easement

Lessor shall have the right to designate or grant rights-of-way or utility easements across the Premises without compensation to Lessee, provided that Lessee shall be entitled to compensation for the taking or destruction of any of Lessee's improvements and provided further that Lessee may terminate the Lease or demand a rental adjustment to reflect any reduction in value of the Premises.

ARTICLE IV - TAXES, INDEMNIFICATION, AND INSURANCE

Section 4.1 Taxes, Assessments, and Utilities

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

Section 4.2 Indemnification

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

Section 4.3 Insurance

- A. Lessee, at its own expense, shall secure and maintain in full force at all times during the term of this Lease:
1. Commercial general liability. Commercial general liability insurance with a single occurrence liability limit of \$1,000,000 and an aggregate of \$2,000,000 insuring against liability of Lessee, its officers, contractors, licensees, agents, employees, guests, invites and authorized representatives, arising out of and/or in connection with Lessee's use or occupancy of the Premises; or
 2. Airport premises liability. Airport premises liability insurance on an occurrence basis with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit for bodily injury and property damage.
 3. If applicable, third-party aircraft liability insurance with a single combined liability limit of not less than \$1,000,000 per occurrence;
 4. Commercial property insurance in the amount of replacement costs.
 5. 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 Lease, may collect such rent and apply it toward Lessee's obligations under this Lease, except that, until the occurrence of an act of default by Lessee, Lessee shall have the right to collect such rent as it becomes due, one payment period at a time, which payment period may never exceed one year.
- E. Lessee may not charge a sub-lessee a rent rate that changes from year to year, other than changes that result directly from changes made by Lessor, and Lessee shall never have the right to collect or receive rent in advance of when it is due. If the sub-lessee pays Lessee in advance and Lessor collects rent hereunder, then the sub-lessee must pay the advanced rent to Lessor and sub lessee may retrieve the advanced rent from Lessee. Neither this section nor collection of any such rent by Lessor shall be deemed to be Lessor's approval of any such sublease.
- F. If, as a result of an assignment or sublease, the Premises will be used for purposes other than as set forth in section 3.1 herein. The consent of the Palmer City Council and the FAA, if applicable, must be obtained. It is the policy of the city council to discourage non-aviation related uses. Additionally, if incremental revenues over and above the Lessee's Lease payments will be realized from the sublease or assignment pertaining to non-aeronautical uses, Lessor may raise Lessee's existing rent to fair market value at the time of the approval of the sublease.

- G. All assignment instruments shall include language whereby Assignee expressly assumes and agrees to pay the obligations of Lessee under this Lease.
 - 1. No assignment shall release or diminish the obligations of any Lessee or any Guarantor for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment were made.
 - 2. Lessee and Assignee will be jointly and severally liable for such obligations.
 - 3. Neither this section nor any payment of rent by such Assignee shall be deemed to be Lessor's approval of any such assignment.
- H. All sublease instruments shall provide that the sublease is subject to all of the terms, covenants and conditions of this Lease.
- I. Lessee agrees to pay to Lessor \$500 for any request by Lessee for Lessor to consent to any assignment or subletting by Lessee.

Section 5.2 Mortgage and Encumbrances

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

ARTICLE VI - DEFAULT AND ENFORCEMENT

Section 6.1 Default Defined

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

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

- F. The issuance of three (3) written notices for defaults or breaches within any consecutive twelve-month period, regardless of whether or not the default or breach was cured within the applicable time period.

Section 6.2 Lessor Remedies on Default

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

- A. Lessor may, at its election, terminate this Lease or terminate Lessee's right to possession only, without terminating this Lease.
- B. Upon termination of this Lease, whether by lapse of time or otherwise, or upon any termination of Lessee's right to possession without termination of this Lease, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises and to expel or remove Lessee and any others who may occupy or be within the Premises and to remove and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion and without relinquishing Lessors right to rent or any other right given to Lessor hereunder or by operation of law.
- C. Upon any termination of this Lease, whether by lapse of time or otherwise, Lessor shall be entitled to recover:
 - 1. The worth at the time of the award of the unpaid rent (including any amounts treated as additional rent) that had been earned at the time of termination;
 - 2. The worth at the time of the award of the amount by which the unpaid rent (including any amounts treated as additional rent) that would have been earned after the date of termination until the time of award exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided;
 - 3. The worth at the time of the award of the amount by which the unpaid rent (including a reasonable estimate of additional rent) for the balance of the term exceeds the amount of the loss of rent for the same period that Lessee proves could have been reasonably avoided; and
 - 4. Any other amount, full reasonable attorney's fees and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.
- D. "The worth at the time of the award," used in this section, is to be computed by allowing interest as determined by the current bond rating from State of Alaska Municipal Bond Bank plus 5%. The "time of the award" is the date the Lessee is notified of the termination of the lease by the Lessor. Such notification shall be done by certified mail.
- E. Upon any termination of Lessee's right to possession only without termination of this Lease, Lessor may, at the Lessor's option enter into the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession thereof as provided in this section, without such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from any obligation, including Lessee's obligation to pay the rent, including any amounts treated as additional rent hereunder, for the full term.
- F. Upon termination of Lessee's right to possession, Lessor may, but need not, relet the Premises or any part thereof for such rent and upon such terms as Lessor in its sole discretion shall determine (including, but not limited to, the right to relet the Premises for

- a greater or lesser term than that remaining under this Lease, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises) and Lessor shall not be required to accept any tenant offered by Lessee or to observe any instructions given by Lessee about such reletting.
- a. In any such case, Lessor may make repairs, alterations and additions in or to the, Premises, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of reletting.
 - b. If the consideration collected by Lessor upon any such reletting plus any sums previously collected from Lessee are not sufficient to pay the full amount of all rent, including any amounts treated as additional rent here under and other sums reserved in this Lease for the remaining term hereof, together with the costs of repairs, alterations, additions, and Lessor's expenses of reletting and the collection of the rent accruing therefrom (including attorneys' fees), Lessee shall pay to Lessor the amount of such deficiency upon demand and Lessee agrees that Lessor may file suit to recover any sums falling due under this subpart from time to time.
- E. Lessor may, at Lessor's option, enter into and upon the Premises, with or without process of law, if Lessor determines in its sole discretion that Lessee is not acting within a commercially reasonable time to maintain repair or replace anything for which Lessee is responsible hereunder and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage resulting therefrom and Lessee agrees to reimburse Lessor, on demand, as additional rent, for any expenses which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease.
- F. Any and all property which may be removed from the Premises by Lessor pursuant to the authority of this Lease or of law or in equity, to which Lessee is or may be entitled, may be handled, removed and stored, as the case may be, by or in the direction of Lessor at the risk, cost and expense of Lessee, and Lessor shall in no event be responsible for the value, preservation or safekeeping thereof.
1. Lessee shall pay to Lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Lessor's possession or under Lessors control.
 2. Any such property of Lessee not retaken by Lessee from storage within thirty (30) days after removal from the Premises shall conclusively be presumed to have been conveyed by Lessee to Lessor under this Lease as a bill of sale without further payment or credit by Lessor to Lessee; provided, however, Lessor may disclaim as to any item or items and the effect of such disclaimer will be that the item or items never became the property of Lessor.
- G. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity (all such remedies being cumulative), nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent, additional rent or other sum due to Lessor, hereunder or of any damages accruing to Lessor by reason of the terms, provisions and covenants herein contained.
- H. No act or thing done by Lessor or its agents during the term hereby granted shall be deemed a termination of this Lease or an acceptance of the surrender of the Premises, and no agreement to terminate this Lease or an acceptance of the surrender of the Premises shall be valid unless in writing signed by Lessor.
- I. No judicial action shall be necessary to terminate this Lease.

- J. No waiver by Lessor of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained.
- K. Lessors acceptance of the payment of rental, including any amount treated as additional rental, or other sums hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless Lessor so notifies Lessee in writing.
- L. Forbearance by Lessor to be deemed or construed to constitute a waiver of such default or of Lessor's right to enforce any such remedies with respect to such default or any subsequent default.
- M. If, on account of any breach or default by Lessee in Lessee's obligations under the terms and conditions of this lease, it shall become necessary or appropriate for Lessor to employ or consult with an attorney concerning this Lease or enforce or defend any of Lessor's rights or remedies hereunder, Lessee agrees to pay any attorneys' fees and appellate attorneys' fees so incurred.
- N. Lessor shall not be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon such reletting.

Section 6.3 Lessor's Failure to Enforce and Nonwaiver

- A. Failure by the Lessor to insist the strict performance of any term, condition or covenant of this Lease or to exercise any right or remedy available on a breach thereof, and acceptance of full or partial rentals during the continuance of any such breach shall not constitute a waiver of any such breach or any such term, condition or covenant.
- B. Terms, conditions or covenants of this Lease required to be performed by the Lessee, and breach thereof, shall not be waived, altered or modified, except by written instrument executed by the Lessor.
- C. Waiver of any breach shall not affect or alter any term, condition or covenant of this Lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach thereof, and any other or subsequent default or breach may be enforced by the Lessor as provided in this Lease.

ARTICLE VII - GENERAL COVENANTS

Section 7.1 Condition and Status of Premises

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

Section 7.2 Risk of Loss

Destruction or damage to any building or improvement on the Premises by fire, rain, ice, snow, windstorm, earthquake, aircraft accident, or any other casualty or action of the elements shall not entitle the Lessee to surrender possession of the Premises, to terminate this Lease, to violate

any of its provisions, or to cause any rebate or abatement in rent when due or thereafter becoming due under the terms hereof.

Section 7.3 Repair or Rebuilding

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

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is reduce, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority.
- C. Except for improvements constructed and paid for by Lessee, Lessor reserves all rights to damages to the Premises for any taking by eminent domain and Lessee hereby assigns to Lessor any right Lessee may have to such damages or award.
- D. Lessee shall make no claim against Lessor for damages for termination of the leasehold interest or interference with Lessee's business. Lessee shall have the right, however, to claim and recover from the condemning authority compensation for any loss to which Lessee may be put for Lessee's moving expenses and for the interruption of or damages to Lessee's business, provided that such damages may be claimed only if they are awarded separately in the eminent domain proceeding and not as part of the damages recoverable by Lessor.

Section 7.5 Surrender of Premises

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

Section 7.6 Reversion or Removal of Buildings and Improvements

- A. Any and all buildings, structures, alterations or improvements placed by the Lessee upon the Premises shall, at the option of the Lessor, revert to and become the property of the Lessor at and upon the expiration or termination of this Lease and/or the termination of Lessee's right to possession of the Premises.
- B. Lessor, in its sole discretion, may require Lessee to remove part or all of said buildings, structures, alterations and/or improvements including, but not limited to, fuel tanks and lines, and partially or completely restore the Premises to the condition of the Premises at the inception of this Lease by sending written notice requesting such removal and restoration within sixty (60) days after such expiration or termination.

- C. Lessee shall then at its own expense complete such removal and restoration within ninety (90) days of the sending of such notice.
- D. At the conclusion of the current lease and extension period(s) the existing Lessee shall be given preference in executing a new lease on the same premises, provided that the proposed land use is compatible with the current Airport Layout Plan and the Lessee is otherwise in good standing with the City of Palmer and in substantial compliance with the existing lease.
- E. Section(s) 7.5 and 7.6 do not necessarily preclude a lessee from recovering value from Lessee's leasehold improvements by selling to a third party at any time during the lease term, provided that all other conditions of the active lease have been met. At such time, the buying third party would request a new lease or an assignment of the existing lease, and such request would not be reasonably withheld.

Section 7.7 Holdover

- A. In the event the Lessee shall hold over after the expiration or termination of this Lease for any cause whatsoever, Lessee shall pay Lessor monthly rent at double the annual rental rate divided by twelve for the entire time Lessee remains in possession, and in addition thereto, Lessee shall hold Lessor harmless from all damages resulting from Lessee's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Lessee's failure to surrender the Premises.
- B. If Lessee remains in possession of the Premises after expiration of the term of the Lease, or after the date in any notice given by Lessor to Lease termination this Lease, such possession by Lessee shall be deemed to be a month-to-moth 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: N A Holdings, LLC
 820 E. Aircraft Rd. Suite 200, Palmer, AK. 99645

Section 7.9 Rights or Remedies

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

Section 7.10 Successors in Interest

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

Section 7.11 Applicable Law and Forum

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

Section 7.12 Recordation of Lease

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

Section 7.13 Severability

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

Section 7.14 Construction

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

7.15 Gender and Plurality

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

Section 7.16 Joint and Several Liability

The obligations of each Lessee are joint and several.

Section 7.17 Entire Agreement

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

LESSOR: **CITY OF PALMER**

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: **N A HOLDINGS, LLC**

By: _____
Jeff Helmericks, Managing Member

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, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Jeff Helmericks, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____

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(s):

Jeff Helmericks, individually,

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, Jeff Helmericks, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____



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

"ATTACHMENT A"
PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 17-005

This is a Memorandum of Lease Agreement No. 17-005 and is made and entered into as of this _____ day of _____, 2017, 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 **N A Holdings, LLC** hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 17-005 between the parties hereto dated the _____ day of _____ 2017, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 17-005, are more particularly described as follows:

A parcel of land located in Tract B, Palmer Municipal Airport, Plat No. 2006-15, Section 4, Township 17 North, Range 2 East, Seward Meridian, Palmer Recording District, Third Judicial District, State of Alaska, and more particularly described **in an unrecorded plat dated June 27, 2005 as follows:**

Palmer Municipal Airport, Block 3, Lot 30

Containing 1.38 acres or 60,000 Square Feet, more or less, as shown on the drawing:

"Exhibit A", attached hereto;

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

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced **on 1st of July, 2017** as set forth within the terms of the Lease. The Term of the Lease Agreement **shall be 20 years** from the Commencement Date as stated in the written Lease. The term shall

commence on the date hereof and terminate on June 31, 2037. 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 15 years at the expiration of this Lease so that the total number of years available to Lessee is 35 years. As with the initial term at the start of and continuing through the renewal period.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 17-005, 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: N A Holdings, LLC
820 E. Aircraft Rd. Suite 200, Palmer, AK. 99645

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 17-005; it being distinctly understood and agreed that said Lease Agreement No. 17-005 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 17-005 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 17-005. In the event of any inconsistency between the terms of the Lease Agreement No. 17-005 and this instrument, the terms of the Lease Agreement No. 17-005, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

LESSOR: CITY OF PALMER

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: N A HOLDINGS, LLC

By: _____
Jeff Helmericks, Managing Member

Date: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____day of May, 2017, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, **Nathan E. Wallace**, to me known and known to me to be the identical individual described in and who executed the within and foregoing Memorandum of Lease, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, **Jeff Helmericks**, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

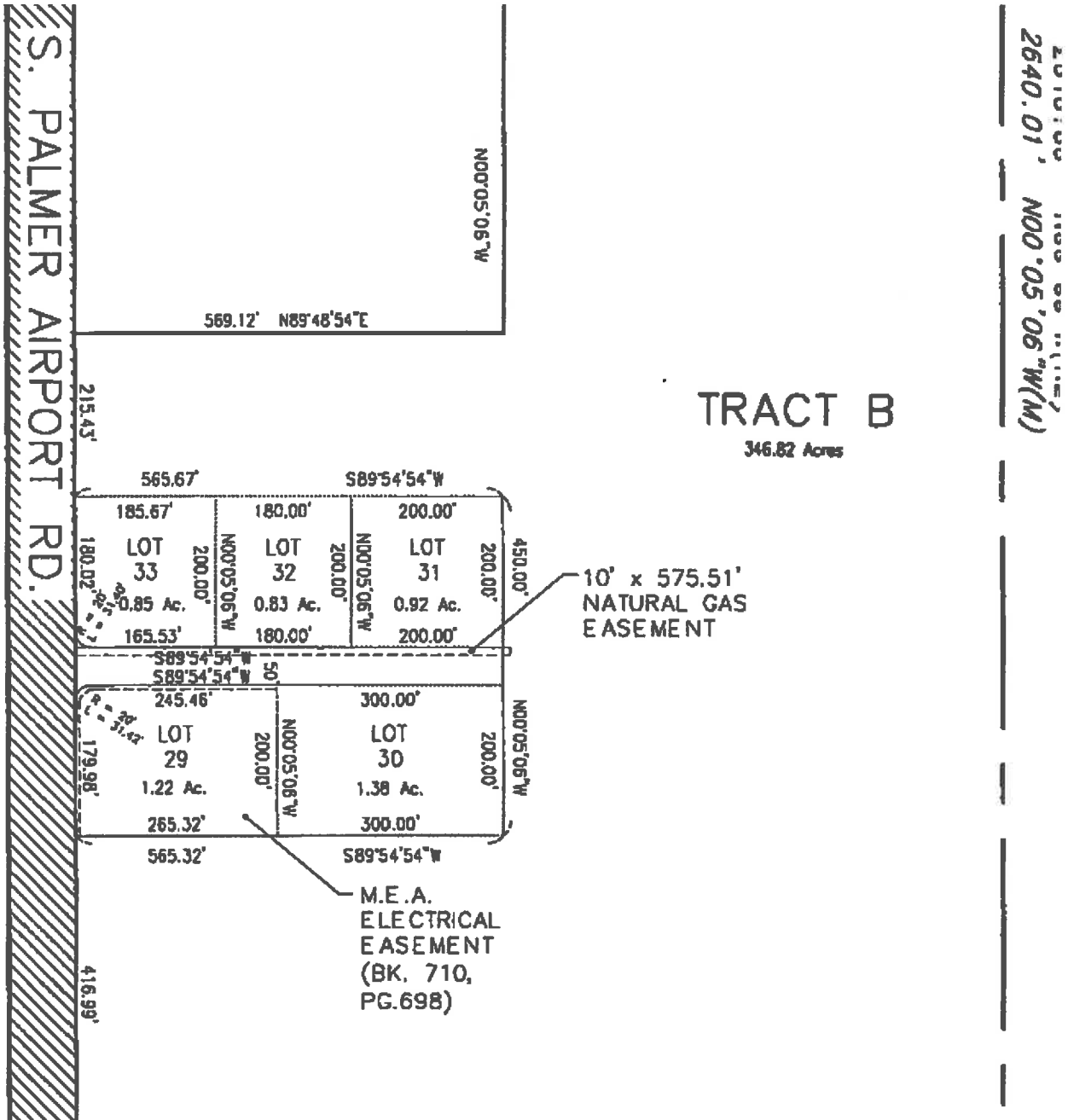
Notary public in and for Alaska

My commission expires: _____

"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 30

Block (3)



**LOT
(2)**

Alaska Entity #: 99990

State of Alaska
Department of Commerce, Community, and
Economic Development
Division of Banking, Securities and Corporations

CERTIFICATE
OF
AMENDMENT
Name Change

THE UNDERSIGNED, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that Articles of Amendment have been duly signed and verified pursuant to the provisions of Alaska Statutes, have been received in this office and have been found to conform to law.

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

NA Holdings, LLC
Formerly,
Colville Logistics, LLC

and attaches hereto the original copy of the Articles of Amendment.



IN TESTIMONY WHEREOF, I execute this certificate and affix the Great Seal of the State of Alaska on April 22, 2011

A handwritten signature in black ink that reads "Susan Bell". The signature is written in a cursive style.

Susan Bell
Commissioner

5404907

AK Entity #: 99990
Date Filed: 07/06/2010 02:00 PM
State of Alaska
Department of Commerce



Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing
Corporations Section
PO Box 110808
Juneau AK 99811-0808

25^{cc} **RECEIVED**
JUNEAU

JUL 06 2010

STATEMENT OF CHANGE Division of Corporations, Business
Registered Agent or Registered Agent Address and Professional Licensing

Pursuant to Alaska Statutes the undersigned entity submits the following statement for the purpose of changing its registered agent or the registered agent address in the State of Alaska.

1. Name of Entity:	Alaska Entity #:
Colville Logistics, LLC	99990

The registered agent must be an individual resident of Alaska or a corporation in good standing authorized to transact business in Alaska. A corporation may not act as its own agent. The registered agent address must be in Alaska.

2. Prior Registered Agent Information:

Name:	Jeff Helmericks			
Mailing Address:	621 S Airport Rd Ste 200	City: Palmer	State: AK	Zip Code: 99645
Physical Address if Mailing Address is a Post Office Box:				

3. New Registered Agent Information:

Name:	Jeff Helmericks			
Mailing Address:	820 E Aircraft Rd Ste 200	City: Palmer	State: AK	Zip Code: 99645
Physical Address if Mailing Address is a Post Office Box:				

Check this box if this is also the principal office address for the entity shown above.

4. Authorization:

Date this change was authorized:	07/01/10
This change was authorized by (check appropriate box)	<input type="checkbox"/> Resolution of the board of directors (Corporation) <input checked="" type="checkbox"/> A member or manager (Limited Liability Company) <input type="checkbox"/> General Partner (Limited Partnership or Limited Liability Partnership)

The president or vice president of the corporation, a member, manager or Attorney in fact of a limited liability company, or a general partner of a limited partnership or limited liability partnership must sign this statement.

Signature of Authorized Person	Title	Date
	Member / Manager	07/01/10

If you have specific legal questions or concerns about this filing, you are strongly advised to consult an attorney or other professional to assist you. Mail the completed filing and the \$25.00 fee (in U.S. dollars) to:

State of Alaska
Corporations Section
PO Box 110808
Juneau, AK 99811

For additional information or forms please visit our web site at: www.cc

State of Alaska
Filing Changes 1 Page(s)



3608611

AK Entity #: 99990
Date Filed: 04/22/2011 02:00 PM
State of Alaska
Department of Commerce



Department of Commerce, Community, and Economic Development
Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110808
Juneau AK 99811-0808

RECEIVED
JUNEAU

APR 22 2011

Division of Corporations, Business
and Professional Licensing

✓ 25vm

ARTICLES OF AMENDMENT
(Domestic Limited Liability Company)

The undersigned person(s) of the age of 18 years or more, acting as organizers of a limited liability company under the Alaska Limited Liability Act (AS 10.50) hereby adopt the following Articles of amendment.

1. Name of the Company (as it is currently stated on the Certificate of Organization):
COLVILLE LOGISTICS, LLC

Alaska Entity #:
99990

2. Amended Name of Company (if changing the name of the company):
NA HOLDINGS, LLC

3. Date of Organization:
3/23/2006

4. Amendments to the Articles of Organization are as follows:
n/a

Attach an additional 8½" x 11" page for continuation of previous article and/or additional articles. Please indicate which article you are continuing.

5. Date the amendment(s) to the Articles of Organization were adopted:
April 8, 2011

Signature of Manager, Member or Attorney-in-Fact	Printed Name	Title	Date
	Jeff Helmericks	Manager	4-13-11

If you have specific legal questions or concerns about this filing, you are strongly advised to consult an attorney or other professional to assist you. Mail the Articles of Amendment and the \$25.00 filing fee (in U.S. dollars) to:

State of Alaska
Corporations Section
PO Box 110808
Juneau AK 99801

For additional information or forms please visit our web site at: www.corporations.alaska.gov





THE STATE
of **ALASKA**

Department of Commerce, Community, and Economic Development
Division of Corporations, Business, and Professional Licensing
PO Box 110806, Juneau, AK 99811-0806
(907) 465-2550 • Email: corporations@alaska.gov
Website: Corporations.Alaska.gov

FOR DIVISION USE ONLY

Limited Liability Company

2016 Biennial Report

For the period ending December 31, 2015

Web-2/29/2016 11:46:49 AM

- This report is due on January 02, 2016
- \$100.00 if postmarked before February 02, 2016
- \$137.50 if postmarked on or after February 02, 2016

Entity Name: NA Holdings, LLC
Entity Number: 99990
Home Country: UNITED STATES

Home State/Province: ALASKA

Registered Agent

Name: Jeff Helmericks
Physical Address: 820 E AIRCRAFT ROAD, STE 200,
PALMER, AK 99645
Mailing Address: 820 E AIRCRAFT ROAD, STE 200,
PALMER, AK 99645

Entity Physical Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645

Entity Mailing Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
JEFF HELEMERICKS	820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645	100	Member

Purpose: Any Lawful

NAICS Code: 424720 - PETROLEUM AND PETROLEUM PRODUCTS MERCHANT WHOLESALERS (EXCEPT BULK STAT

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Jeff helmericks

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Corporations Search

NAME(S)

Type	Name
Legal Name	NA Holdings, LLC
Previous Legal Name	Colville Logistics, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company
Entity #: 99990
Status: Good Standing
AK Formed Date: 3/23/2006
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645
Entity Physical Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645

REGISTERED AGENT

Agent Name: Jeff Helmericks
Registered Mailing Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645
Registered Physical Address: 820 E AIRCRAFT ROAD, STE 200, PALMER, AK 99645

OFFICIALS

AK Entity#	Name	Titles	Percent Owned
	JEFF HELEMERICKS	Member	100

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
3/23/2006	Creation Filing		
6/14/2010	Biennial Report		
7/1/2010	Biennial Report		
7/6/2010	Agent Change		
4/22/2011	Amendment		
6/7/2012	Biennial Report		
12/16/2013	Biennial Report		
2/29/2016	Biennial Report		

Juneau Mailing Address

P.O. Box 110806
 Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
 9th Floor
 Juneau, AK 99801-1770

Anchorage Mailing/Physical Address

550 West Seventh Avenue
 Suite 1500
 Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
 FAX: (907) 269-8156

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

CERTIFICATE
OF
ORGANIZATION
Limited Liability Company

THE UNDERSIGNED, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, hereby certifies that Articles of Organization duly signed and verified pursuant to the provisions of Alaska Statutes has been received in this office and have been found to conform to law.

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

Colville Logistics, LLC

and attaches hereto the original copy of the Articles of Organization for such certificate.



IN TESTIMONY WHEREOF, I execute this certificate and affix the Great Seal of the State of Alaska on **March 23, 2006**.

A handwritten signature in black ink, appearing to read "William C. Noll".

William C. Noll
Commissioner



State of Alaska
Corporations, Business and Professional Licensing
CORPORATION SECTION
PO Box 110808
Juneau, AK 99811-0808

AK Entity #: 99990
 Date Filed: 03/23/2006 01:09 PM
 Effective Date: 03/25/2006 12:00 AM
 State of Alaska
 Department of Commerce

ARTICLES OF ORGANIZATION
 Online Filing
 (Domestic Limited Liability Company)

The undersigned person(s) of the age of 18 years or more, acting as organizers of a limited liability company under the Alaska Limited Liability Act (AS 10.50) hereby adopt the following Articles of Organization:

Article 1. Name of the Limited Liability Company. The name of a limited liability company must contain the words "limited liability company" or the abbreviation "L.L.C.," or "LLC":

Colville Logistics, LLC

Article 2. The purpose for which the company is organized. A limited liability company may list any lawful as its purpose:

Any Lawful

Article 3. Registered Agent Name and Address:

Name:	Jeff Helmericks
Mailing Address:	621 Airport Road Suite #200 Palmer, AK 99635
Physical Address if Mailing Address is a Post Office Box:	621 Airport Road Suite #200 Palmer, AK 99645

Article 4. Duration:

Check this box if the duration is perpetual:

If the duration is not perpetual, list the latest date upon which the Limited Liability Company is to dissolve:

Article 5. Management: Check this box if the company will be managed by a manager.

Article 6. Optional Provisions:

One or more organizer shall sign the Articles of Organization for a limited liability company.

Name of Organizer	Online Signature of Organizer
Jeff Helmericks	Jeff Helmericks

Date Submitted Online
 March 23, 2006

**DISCLOSURE OF COMPANY ACTIVITIES
USING THE
NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM
(NAICS)**

A separate disclosure of purpose must be attached to the entity creation filing that most closely describes the activities of the entity. The NAICS Code must not conflict with the purpose listed in the formation document.

The 6 digit NAICS industry grouping code that most clearly describe the initial activities of the corporation is:

424720

**City of Palmer
Action Memorandum No. 17-050**

Subject: Authorizing the City Manager to Negotiate and Execute an Assignment and Consent to Assignment Agreement with Jeff Helmericks and Northern Aviation, LLC, for the PMA Lease No. 92-1 on Block 3, Lease Lot 29, Palmer Municipal Airport for the Purpose of Transferring the Lease from Mr. Helmericks to His Actual Operating Entity

Agenda of: June 27, 2017

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


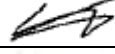
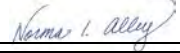
Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance		6/1/17
_____	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: \$ **3,374.41**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>3,374.41</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 checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431 Airport Land Leases (Increase \$259.57)</u>

Director of Finance Signature: 

Attachment(s):

- Assignment & Consent of Assignment of Lease Agreement 92-1 (Exhibit A)
- Draft Memorandum of Lease Agreement 92-1
- Identity Documents
- Original Lease Agreement, Amendments 1 & 2, and Associated Documents

Summary Statement:

Mr. Helmericks has requested the City of Palmer consent to the transfer of his PMA Lease No. 92-1 from him individually to his actual operating entity, Northern Aviation, LLC. The request has apparently been made previously, but due to the turnover in City Administration the process has not been acted upon until now. Mr. Helmericks was assigned this lease on September 26, 2001 with a retro-active renewal granted on November 4, 2014. The actual lease is now set to expire on June 30 2032.

In granting this consent, this City will amend the leasing document a third time to incorporate up to date lease language, a rental rate increase from \$0.06 to \$0.065 cents per square foot and actual conduct business with the operating entity. Mr. Helmericks will also personally guarantee the consigned lease to Northern Aviation, LLC.

Administration's Recommendation:

To approve Action Memorandum No. 17-050 for approval to execute an Assignment and Consent to Assignment Agreement with Jeff Helmericks and Northern Aviation, LLC.



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

ASSIGNMENT AND CONSENT TO ASSIGNMENT

In consideration of and in reliance upon the above assumption and promises contained in this instrument, the City of Palmer hereby consents to the foregoing Assignment of Lease Agreement PMA 92-1 on, Lot 29, Block 3, Plat for the Palmer Municipal Airport, Palmer Recording District, Third Judicial District, State of Alaska between Jeff Helmericks, ("Assignor") to Northern Aviation, LLC, ("Assignee").

Current Palmer Municipal Airport Lease No. 92-1 (The Airport Lease) is in Effect. Except as otherwise expressly stated herein, nothing in this Assignment and Consent to Assignment of PMA Lease No. 92-1 is intended to amend or alter any of the terms and conditions of the Airport Lease or any amendments thereto previously executed by Lessor and Lessee. All terms and conditions remain in full force and effect.

Amendment No. 3

Paragraph 2 and 3 on page 1 of Lease 92-1 dated May 7, 1992 is amended to read as follows:

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 in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 29
Containing 1.192 acres or 51,914 square feet, more or less
See "Exhibit A"

Paragraph 5 on page 1, is amended to read as follows:

The rental specified is herein calculated at the rate of \$0.065 (six and one half cents) per square foot per year (51,914 square foot at \$0.065 or \$3,374.41).

General Covenant 4, paragraph 1 on page 2 is amended with additional language to read as follows:

Annually, on or before July 1st of each year, beginning on July 1, 2017, Lessee will provide Lessor with an up to date listing of hangar unit occupants. Annual list will include, but not be limited to the following:

1. Hangar Unit No.
2. Occupant Name
3. Mailing Address and contact phone number

Any current sublet or rental agreements not previously approved in writing by Lessor shall be requested in writing within fifteen (15) days of signing this agreement and provide a copy of the proposed sublet or rental agreement. Fifteen (15) days prior to any future sublet or rental agreement, Lessee shall request in writing the consent of Lessor of said agreement and with such a request, provide a copy of the proposed sublet or rental agreement.

Palmer Municipal Airport Hangar use policy dated June 1, 2017 and any further updates, additions and deletions shall be distributed to sublet or rental agreement tenants of Lessee and be incorporated into this agreement and a condition of any sublet or rental agreements of said premises. (See attached "Hangar Use Policy" dated June 1, 2017)

General Covenant 9, paragraph 1 and 2 on page 5 is amended to read as follows:

9. Rent Adjustment

- A. It is the intent of the parties that the Palmer Municipal Airport be a self-sustaining facility and operate without any support from the general fund of the Lessor.
- B. The rent shall be subject to adjustment at five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the first annual payment. The rent shall be adjusted as follows:
 - 1. Six (6) months prior to the termination of the initial five (5) year period and any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2015 as a base year, as well as the comparative leasing rate of similar airports in the Alaskan market place.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.
 - 2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.

- a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

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: Northern Aviation, LLC
 820 E. Aircraft Rd. Suit # 200, Palmer, AK. 99645

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

LESSOR: CITY OF PALMER

By: _____
 Nathan E. Wallace, City Manager

Date: _____

ASSIGNOR: JEFF HELMERICKS

By: _____
 Jeff Helmericks

Date: _____

ASSIGNEE (LESSEE): NORTHERN AVIATION, LLC

By: _____
 Jeff Helmericks, Managing Member

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 E. Wallace, known to me to be the identical individual described in and who executed the within and foregoing Assignment and Consent to Assignment as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska
My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Jeff Helmericks, Managing Member of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

Notary public in and for Alaska
My commission expires: _____

GUARANTY

In consideration of Lessor leasing and consenting to the assignment of lease of 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(s):

By: _____
Jeff Helmericks, individually

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, Jeff Helmericks, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____



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

**PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 92-1
"UNRECORDED"**

This is a Memorandum of Lease Agreement No. 92-1 and is made and entered into as of this _____ day of _____, 2017, 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 Northern Aviation, LLC hereinafter referred to as the "Lessee". Agree upon the following terms:

1. **Lease.** The provisions set forth in a written Lease Agreement No. 92-1 between the parties hereto dated the 7th day of May 1992, Amended the 22nd of October 1992, Assigned the 26th of September 2001, Amended the 4th day of November 2014 and Assigned the _____ day of _____, 2017, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 92-1, are more particularly described as follows:

A parcel of land located in Tract B, Palmer Municipal Airport, Plat No. 2006-15, Section 4, Township 17 North, Range 2 East, Seward Meridian, Palmer Recording District, Third Judicial District, State of Alaska, and more particularly described in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lot 29

Containing 1.192 acres or 51,914 Square Feet, more or less, as shown on the drawing:

"Exhibit A", attached hereto;

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced on May 7, 1992 as set forth within the terms of the Lease. The Lease Agreement was extended 20 years on November 4th 2014 from the expiration date as stated in the written Lease. The term shall commenced on the date referenced above and terminate on June 30, 2032. The total number of years remaining to Lessee is 15 years.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 92-1, 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: Northern Aviation, LLC
820 E. Aircraft Rd., Palmer, AK. 99645

6. **Purpose.** It is expressly understood and agreed by all parties that the sole purpose of this Memorandum of Lease is to give record notice of the Lease Agreement No. 92-1; it being distinctly understood and agreed that said Lease Agreement No. 92-1, amendments and assignments constitute the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 92-1 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 92-1. In the event of any inconsistency between the terms of the Lease Agreement No. 92-1 and this instrument, the terms of the Lease Agreement No. 92-1, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

LESSOR: CITY OF PALMER

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: NORTHERN AVIATION, LLC

By: _____
Jeff Helmericks, Managing Member

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 E. Wallace**, to me known and known to me to be the identical individual described in and who executed the within and foregoing Memorandum of Lease, as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, **Jeff Helmericks, Managing Member** of the limited liability company named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is authorized by the limited liability company to execute the foregoing instruments as the free act and deed of the said limited liability company for the uses and purposes therein stated.

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

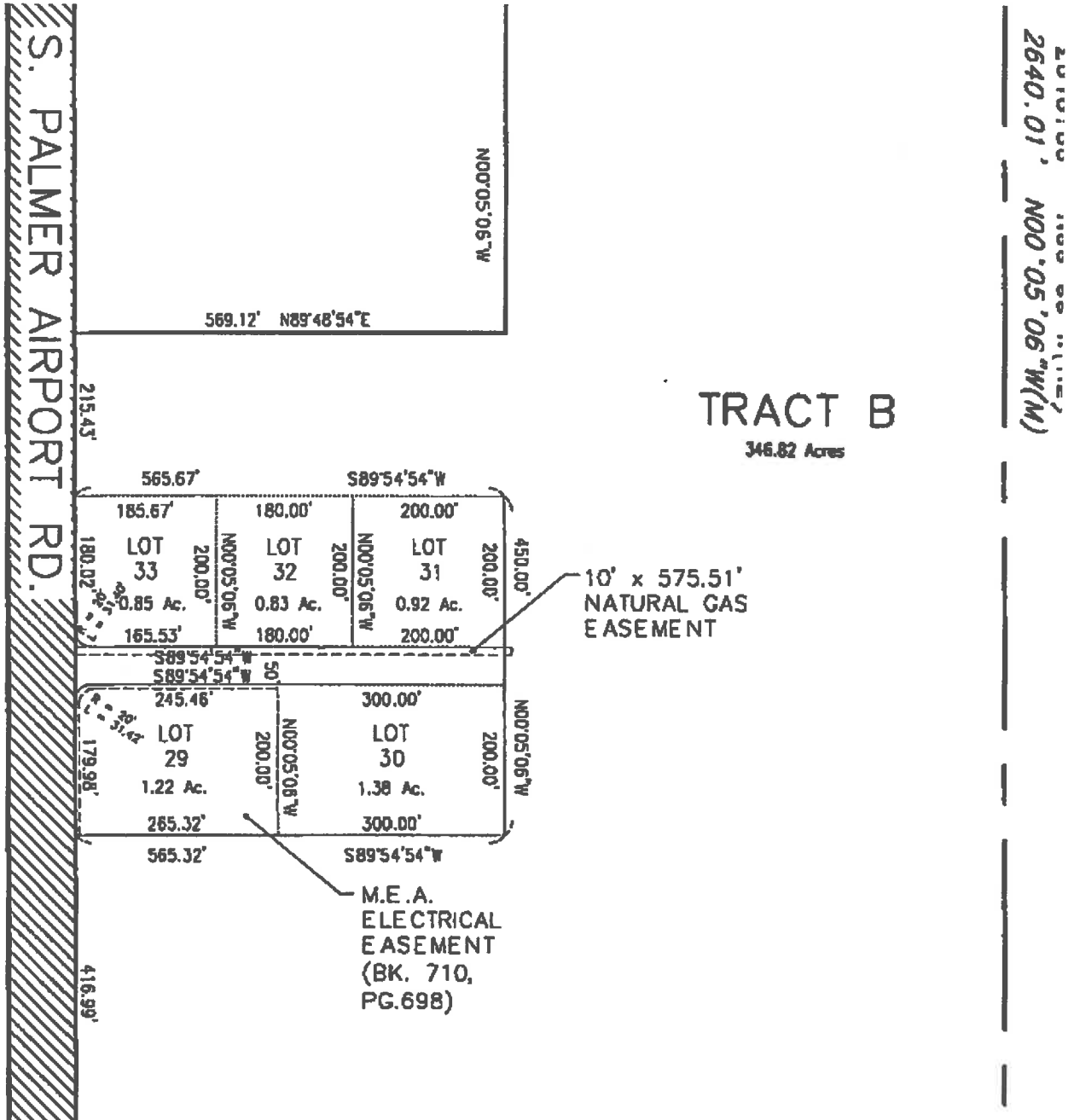
Notary public in and for Alaska

My commission expires: _____

"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 29

Block (3)



**LOT
(2)**

State of Alaska
Department of Community and Economic Development
Division of Banking, Securities and Corporations

CERTIFICATE
OF
ORGANIZATION
Limited Liability Company

The undersigned, as Commissioner of Community and Economic Development of the State of Alaska, hereby certifies that Articles of Organization of

NORTHERN AVIATION, LLC

have been received in this office and have been found to conform to law.

ACCORDINGLY, the undersigned, as Commissioner of Community and Economic Development, and by virtue of the authority vested in me by law, hereby issues this Certificate of Organization and attaches hereto the original copy of the Articles of Organization.

IN TESTIMONY WHEREOF, I execute this certificate and
affix the Great Seal of the State of Alaska on
FEBRUARY 14, 2003.

Edgar Blatchford

Edgar Blatchford
Commissioner

Date: _____
Amt: _____
Ck.#: _____

Name: _____

Filed for Record
State of Alaska
FEB 14 2003
Dept. of Community &
Economic Development

www.dced.state.ak.us/bsc/corps.htm
Corporation email/website address: _____

ARTICLES OF ORGANIZATION
(Domestic Limited Liability Company)

The undersigned person(s) acting as organizers of a limited liability company under the Alaska Limited Liability Ac (AS 10.50) hereby adopt the following Articles of Organization:

ARTICLE I

The name of the Limited Liability Company (LLC) is: NORTHERN AVIATION, LLC

ARTICLE II

The purpose for which the LLC is organized: ANY AND ALL LAWFUL PURPOSE

S.I.C. Codes: Primary 4500 Secondary 7600 Other _____

ARTICLE III

1. The name of the LLC's registered agent:
JEFF HELMERICKS
2. The mailing address of the LLC's registered agent (if the mailing address is a P.O. Box, include a physical address):
621 AIRPORT ROAD, SUITE 200, PALMER, AK 99645

ARTICLE IV

If applicable, the latest date or event which will cause the LLC to cease to exist: N/A

ARTICLE V

1. The affairs of the LLC will be: (check one box)

Managed by the members Managed by a manager

2. If applicable, the name and address of the LLC's manager (optional): _____

JEFF HELMERICKS, 621 AIRPORT RD, SUITE 200, PALMER, AK 99645

3. If member managed, the names and addresses of the LLC's members (optional):

N/A

Attach list of additional names if necessary.

ARTICLE VI

If applicable, the terms and conditions restricting a member's ability to assign their interest in the LLC:

N/A

Attach additional pages if necessary.

Attach additional pages for including any other optional articles governing the regulation of the internal affairs of the LLC, consistent with this Act and the laws of this state.

Signed this 10th day of FEBRUARY, 2003.

Name

Address

Jeff Helmericks

621 AIRPORT RD. #200, PALMER, AK 99645

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Corporations Search

NAME(S)

Type	Name
Legal Name	NORTHERN AVIATION, LLC

ENTITY DETAILS

Entity Type: Limited Liability Company

Entity #: 79027D

Status: Good Standing

AK Formed Date: 2/14/2003

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2017 [File Biennial Report](#)

Entity Mailing Address: 820 E. AIRCRAFT RD. #200, PALMER, AK 99645

Entity Physical Address: 820 E. AIRCRAFT RD. #200, PALMER, AK 99645

REGISTERED AGENT

Agent Name: Jeff Helmericks

Registered Mailing Address: 621 AIRPORT RD STE 200, PALMER, AK 99645

Registered Physical Address: 621 AIRPORT RD STE 200, PALMER, AK 99645

OFFICIALS

AK Entity#	Name	Titles	Percent Owned
	Jeff Helmericks	Member, Manager	100

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
2/14/2003	Creation Filing		
1/3/2005	Initial Report		
2/21/2007	Biennial Report		
11/19/2007	Biennial Report		
6/14/2010	Biennial Report		
2/2/2011	Biennial Report		
12/14/2012	Biennial Report		
10/3/2014	Biennial Report		

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156



STATE OF ALASKA
 DEPARTMENT OF
COMMERCE
 COMMUNITY AND
 ECONOMIC DEVELOPMENT

Sean Pamell, Governor
 Susan K. Bell, Commissioner
 Sara Chambers, Director

Division of Corporations, Business and Professional Licensing

Office Use Only

COR

Limited Liability Company

2015 Biennial Report

For the period ending December 31, 2014

Web-10/3/2014 2:01:52 PM

- This report is due on January 02, 2015
- \$100.00 if postmarked before February 02, 2015
- \$137.50 if postmarked on or after February 02, 2015

Entity Name: NORTHERN AVIATION, LLC
Entity Number: 79027D
Home Country: UNITED STATES
Home State/Province: ALASKA

Registered Agent

Name: JEFF HELMERICKS
Physical Address: 621 AIRPORT RD STE 200,
 PALMER, AK 99645
Mailing Address: 621 AIRPORT RD STE 200,
 PALMER, AK 99645

Entity Physical Address: 820 E. AIRCRAFT RD. #200, PALMER, AK 99645

Entity Mailing Address: 820 E. AIRCRAFT RD. #200, PALMER, AK 99645

Please include all officials. Check all titles that apply. Must use titles provided. Please list the names and addresses of the members of the domestic limited liability company (LLC). There must be at least one member listed. If the LLC is managed by a manager(s), there must also be at least one manager listed. Please provide the name and address of each manager of the company. You must also list the name and address of each person owning at least 5% interest in the company and the percentage of interest held by that person.

Name	Address	% Owned	Titles
Jeff Helmericks	820 E. AIRCRAFT RD. STE 200, PALMER, AK 99645	100	Manager, Member

Purpose: ANY LAWFUL

NAICS Code: 532299 - ALL OTHER CONSUMER GOODS RENTAL

New NAICS Code (optional):

I certify under penalty of perjury under the Uniform Electronic Transaction Act and the laws of the State of Alaska that the information provided in this application is true and correct, and further certify that by submitting this electronic filing I am contractually authorized by the Official(s) listed above to act on behalf of this entity.

Name: Brandon Helmericks

PO Box 110806, Juneau, AK 99811-0806
 Telephone: (907) 465-2550 Fax: (907) 465-2974 Text Tel: (907) 465-5437
 Website: <http://commerce.alaska.gov/dnn/cbpl>

CITY OF PALMER
LEASE AGREEMENT

LEASE NO. 92-1

THIS INDENTURE, made this 7th day of May,
1992, by and between the CITY OF PALMER, Lessor, and
James S. Hermon, Lessee,
whose address is Box 451, Palmer, Alaska 99645,

WITNESSETH:

That the Lessor, in consideration of the payments of the rents and the performance of all the covenants herein contained by the lessee, does hereby lease to the Lessee the following described property in the Palmer Recording, District, Alaska, to-wit:

Commencing at the Section Corner common to Sections 3 and 4, Township 17 North, Range 2 East, Seward Meridian and Sections 33 and 34, Township 18 North, Range 2 East, Seward Meridian, Palmer Recording District, Third Judicial District, Palmer, Alaska, thence S 89 49'W for 965.00 feet; thence N 00 11'W for 648.00 feet to the True Point of Beginning; thence S 89 49'W for 260.00 feet; thence N 00 11'W for 180.00 feet; thence on a 20 foot radius curve concave to the Southeast an arc distance of 31.42 feet; thence N 89 49'E for 240.00 feet; thence S 00 11'E for 200.00 feet to the True Point of Beginning containing 51,914 square feet or 1.192 acres more or less.

for the initial term of twenty year(s) from the first day of July, 1992, to the first day of July, 2012, at the annual rental of \$ 2,076.56 and so in proportion for any less time, payable yearly in advance of the first day of each year of said term. Right of Entry and Occupancy is authorized as of the 1st day of May, 1992, and first rent shall be computed from Right of Entry and Occupancy date.

The rental specified herein is calculated at the rate of \$.04 (four cents) per square foot per year. (51,914 square feet at \$.04 or \$ 2,076.56 .)

Checks, bank drafts and postal money orders shall be made to the City of Palmer and delivered to City Clerk, City Hall, P.O. Box 1368, Palmer, Alaska 99645.

In addition to the rents specified above, the Lessee agrees to pay to the Lessor fees as hereinafter provided:

N/A

The purposes for which this lease is issued are limited to the following uses only:

Airplane Hangars

and the Lessee agrees to continue to use the land or privilege granted uninterrupted by periods which in the aggregate amount to more than one (1) year. Attached hereto is a proposed construction plan. The Lessee covenants to complete such construction by September, 1992, and shall abide by paragraphs 6, 10, 11, 24 and 25.

GENERAL COVENANTS

1. Except for the uses provided herein, any regular use of land or facilities without the written consent of the City is prohibited. This prohibition shall not apply to use of areas designated by the City for specified public uses such as, but not necessarily limited to: passenger terminals, automobile parking areas, roads and streets.
2. This lease is subject to the Palmer Municipal Airport Regulations, including any future amendments, and Lessee shall abide by the same.
3. Any or all personal or real property placed or used upon lands or in facilities in violation of the purposes of this lease may be removed and/or impounded by the City and when so removed and/or impounded, such property may be redeemed by the owner thereof only upon the payment to the City of the costs of removal plus storage charges.
4. The Lessee agrees to pay the annual rental and fees specified and not to assign this lease or any part thereof, nor let, nor sublet, either by grant or implication, the whole or any part of the premises without written

consent of the City, which consent may be withheld in Lessor's sole discretion. Any assignment or sublease, whether by operation of law or otherwise without the written consent of Lessor shall be voidable at the option of Lessor.

5. The Lessee agrees to keep the premises clean and in good order at his own expense, suffering no strip or waste thereof nor removing any material therefrom without written permission of the Lessor. At the expiration of the term fixed, or any sooner termination of the lease, the Lessee will peaceably and quietly quit and surrender the premises to the Lessor.

6. Building construction shall be neat and presentable and compatible with its use and surroundings. Prior to placing of fill material and/or construction of any building or facility on a leased area, the Lessee must submit detailed drawings of proposed development of the property and, if a building is contemplated, comprehensive architectural drawings showing the location of all proposed utility lines, front, side and plan elevation views of the proposed structure, materials to be used, dimensions, elevations, and all data subsequently requested by the Lessor, who shall review and approve, if satisfactory, in writing all major permanent improvements.

7. (A) Each of the following shall be deemed a default by the Lessee and a breach of this lease:

(B) (1) A default in the payment of the rent and additional rents due hereunder, or any part thereof, for a period of ten (10) days;

(2) A default in the performance of any other covenant or condition on the part of the Lessee to be performed for a period of ten (10) days after service by Lessor on Lessee of a notice specifying the particular default or defaults;

(3) The filing of a petition by or against the Lessee for the adjudication as a bankrupt under the Bankruptcy Act of 1898, as now or hereafter amended or supplemented (to include the Bankruptcy Act of 1978), or for reorganization within the meaning of said Bankruptcy Act, or for arrangement within the meaning of said Bankruptcy Act, or the filing of any petition by or against the Lessee under any future bankruptcy act for the same or similar relief;

(4) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Lessee, whether instituted by or against the Lessee or for the appointment of a receiver or trustee of the property of the Lessee;

(5) The taking possession of the property of the Lessee by any governmental officer or agency pursuant to statutory authority for the dissolution or liquidation of the Lessee;

(6) The making by the Lessee of an assignment the benefit of creditors;

(7) Lessee vacates or abandons the premises.

If either 7(B)(3), (4) or (5) shall be involuntary on the part of the Lessee, the event in question shall not be deemed a default within the meaning of this lease if removed by Lessee within fifteen (15) days.

8. In the event of any default of the Lessee as recited in Section 7 above, the Lessor shall have the following rights and remedies; all in addition to any rights and remedies that may be given to Lessor by statute, common law or otherwise:

(A) Re-enter the premises and take possession thereof and remove all property from the premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of Lessee, all without resort to legal process (all of which Lessee expressly waives) and without becoming liable for any loss or damage which may be occasioned thereby; except as caused by Lessor's negligence.

(B) Declare the demised term ended;

(C) Relet the premises in whole or in part for any period equal to or greater, or less, than the remainder of the original term of this lease, for any sum which may be deemed reasonable; provided however, Lessor shall have no duty arising out of this Lease to mitigate Lessee's damages, and any duty to mitigate, if any, shall be subject to Lessor's duty pursuant to its Ordinances, as may exist from time to time, to lease property for no less than fair market value;

(D) Collect any and all rents due or to become due from subtenants or other occupant or occupants of the premises;

(E) Recover, whether this lease be terminated or not, from the Lessee, damages provided for below consisting of Items (1) and (2) and (3). (1) reasonable attorney fees and other expenses incurred by Lessor by reason of the breach or default by Lessee, and (2) the cost of performing any covenant on the Lessee's part to be performed, and (3) an amount equal to the amount of all minimum rents, percentage rents and additional rents reserved under this lease, less the minimum rent, percentage rents and additional rents collected by the Lessor on reletting the premises, which shall be due and payable by the Lessee to the Lessor on the several days on which the rent and additional rent reserved in this lease would have become due and payable; that is to say, upon each of such days the Lessee shall pay to the Lessor the amount of deficiency then existing. Such net rent collected on reletting by the Lessor shall be computed by deducting from the gross rents collected all expenses incurred by the Lessor in connection with the reletting of the premises or any part thereof, including broker's commissions and the cost of renovating or remodeling said premises. If this lease be deemed terminated, the Lessee's liability for rent shall survive and Lessee shall be liable only for damages for rent as provided above. The enumeration of the default rights of the Lessor above are not intended to imply that they are mutually exclusive nor that they are in lieu of any or all statutory, common law, or other rights.

9. The amount of rents or fees specified herein shall be subject to increase or decrease at intervals of five (5) years from the first day of July preceding the effective date of this lease and such increases or decreases shall be determined as follows:

Land lease rental shall be eight percent (8%) of the tax appraised fair market value, but if either party so desires, the fair market value shall be determined by an independent fee appraiser mutually agreed upon in advance, the costs of such appraisal to be shared equally. In the event such an appraiser cannot be agreed upon, a court of competent jurisdiction shall appoint an appraiser and the parties shall share the costs equally. The fair market value shall then be as so determined.

Building lease rental rates on City-owned buildings shall be determined in the same way, except if the City so desires, a percentage of gross business receipts shall be charged as rental in lieu of land or building rental.

10. No building or other permanent structure shall be placed within ten (10) feet nor allowed to be placed within ten (10) feet of the boundary line of any lot held by a Lessee; provided, however, that where two or more lots held by the Lessee are contiguous the restriction in this condition shall apply only to the boundary lines separating such leased property from other airport property, and not to a common boundary line between contiguous parcels of land held by the Lessee.

11. No building or other permanent structure shall be placed within fifty (50) feet of the property line fronting a landing strip, taxiway or apron without the written approval of the City. This area shall be used for parking aircraft only.

12. The interests transferred or conveyed by this lease are subject to any or all of the covenants, terms or conditions contained in the instruments conveying title or other interests to the Lessor, and to applicable state and Federal requirements.

Subject to the above, the Lessor covenants and warrants that prior to delivery of the demised premises that Lessor shall have the full right and authority to enter into this lease for the full term set forth herein, and Lessee upon performance of its obligations hereunder shall have the quiet and uninterrupted possession of said premises throughout the term of this lease.

13. Lessor shall have the right, at all reasonable times, to enter the premises, or any part thereof, for purposes of inspection.

14. Lessee covenants to save the Lessor harmless from all actions, suits, liabilities or damages resulting from or arising out of any acts of commission or omission by the Lessee, his agents, employees or customers, or arising from or out of the Lessee's occupation or use of the premises demised or privileges granted.

15. Any or all rents, charges, fees or other consideration which are due and unpaid at the expiration or voluntary or involuntary termination or

cancellation of this lease shall be a charge against the Lessee and Lessee's property, real or personal, and the Lessor shall have such lien rights as are generally allowed by law, and enforcement by distraint may be made by the Lessor or its authorized agent.

16. The Lessee covenants and agrees that it will not, on the grounds of race, color, religion, national origin, ancestry, age or sex, discriminate or permit discrimination against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by Federal or State law or regulations promulgated thereunder.

17. Lessor reserves the right to grant and control easements in, on or above the land leased. No such grant or easement will be made that will unreasonably interfere with the Lessee's use of the land.

18. The Lessor may modify this lease to meet revised requirements of Federal or State grants, or to conform to the requirements of any revenue bond covenant to which the Lessor is a party; provided that, in the case of modification to conform to the requirements of any revenue bond covenant the modification may not act to unreasonably reduce the rights or privileges granted the Lessee by this lease nor act to cause the Lessee financial loss.

19. (A) All improvements made by Lessee ~~(shall)~~ (shall not) belong to Lessor at the termination of the initial term by expiration of time or otherwise.

(B) Unless owned by Lessor, improvements shall be removed by Lessee within sixty (60) days after the expiration, termination or cancellation of this lease, provided that such property shall be removed without substantial injury to the leased premises. No injury shall be considered substantial if it is promptly corrected by restoration to the condition prior to installation of such property, if so requested by Lessor.

(C) Subsection 19(A) notwithstanding, all underground utilities shall belong to Lessor.

20. If any improvements and/or chattels belonging to Lessee are not removed within the time allowed by General Covenant No. 19 of this Lease Agreement, such improvements and/or chattels shall revert to and absolute title shall vest in the Lessor or at the option of the Lessor, the same may be removed at Lessee's expense.

21. If any term, provision, condition or part of this lease is declared by the Legislature or a court of competent jurisdiction to be invalid or unconstitutional, the remaining terms, provisions, conditions or parts shall continue in full force and effect as though such declaration was not made.

22. Lessee shall, within thirty (30) days after completion of any improvements placed upon or in the land described herein, deliver to the Lessor at least three (3) copies of as-built drawings showing the location and construction specifications of said improvements; furthermore, if Lessee's improvement is underground, Lessee shall appropriately mark the surface of the land with a stake or otherwise to identify the type of underground installation and its location.

23. Lessee will not install any radio transmitting equipment without the written approval of the Lessor, and will discontinue upon the request of the Lessor the use of any machinery or installation causing interference to the State or United States Government radio receiving or transmitting equipment until the cause of such interference is eliminated. The providing of said written approval shall be contingent upon there being no indication or belief that such an installation would be harmful to airport operations, or interfere with State or United States Government radio receiving or transmitting equipment.

24. The Lessee shall at its own expense, maintain and keep in force during the term of this lease, adequate insurance to protect both the Lessor and the Lessee against comprehensive public liability, products liability (where applicable) and property damage, in no less than the following amounts:

- (a) Property damage arising from one accident or other cause in a sum of not less than \$50,000.
- (b) Personal injury or death; liability insurance not less than \$300,000 per person and \$500,000 per accident.

The Lessee shall deposit with the Lessor a copy or copies of such insurance policy or policies or a certificate of such insurance coverage together with appropriate evidence that the premiums thereupon have been paid. All such insurance of the Lessee shall name the Lessor as an additional assured, contain a waiver of subrogation endorsement, and provide that the Lessor shall be notified at least thirty (30) days prior to any termination, cancellation, or material change in such insurance coverage.

Such requirement for insurance coverage shall not relieve Lessee of its obligations under this agreement.

25. Lessee shall notify Lessor in writing delivered by certified mail at least ten (10) days prior to construction, alteration or repair on or of the premises.

26. Lessee shall allow Lessor to post a Notice of Non-Responsibility in a prominent place on the premises, and Lessee shall keep said Notice posted. Lessee shall notify Lessor immediately in writing if said Notice is removed, covered, or in any way becomes inoperable.

27. The failure of the Lessor to insist in any one or more instances upon a strict performance by the Lessee of any of the provisions, terms, covenants, reservations, conditions or stipulations contained herein may not be considered as a waiver or relinquishment thereof for the future, but the same shall continue and remain in full force and effect, and no waiver by the Lessor of any provision, term, covenant, reservation, condition or stipulation herein may be deemed to have been made in any instance unless expressed in writing by the Lessor.

28. Lessee has an option to extend this lease for an additional 20
(Twenty) year period, to be exercised on or before six (6) months

prior to the expiration of the initial term by delivering written notice to the City. However, this option may not be exercised if Lessee is in default.

29. (A) Time is of the essence concerning this Lease Agreement and the performance of each and every provision contained in it.

(B) No change or modification of this Lease Agreement shall be valid unless the same be in writing and signed by all the parties to the Lease Agreement.

(C) This Lease Agreement shall be construed and enforced according to the laws of Alaska. The venue for any action arising out of or connected in any way with this Lease Agreement shall be only at Palmer, Alaska, or other place in the Matanuska-Susitna Borough if there is no court at Palmer, Alaska.

(D) This Lease Agreement has been reviewed by the attorneys for both of the parties to this Lease Agreement and the rule of construction or interpretation that ambiguities, if any, in a writing be construed against the drafter shall not apply to this Lease Agreement.

(E) This Lease Agreement contains all of the agreements and conditions made between the parties.

(F) Lessee shall follow and obey all laws of the United States, State, Borough and City applicable to its operations.

(G) Each term and each provision of this Lease Agreement shall be construed to be both a covenant and a condition.

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

(I) All written notices required by this Lease Agreement shall be sent by Registered or Certified Mail or delivered personally by Lessor on Lessee to the last address of Lessee on record in the files of the Lessor, and by Lessee on Lessor to Lessor's then current address.

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

(CORPORATE SEAL)
(if applicable)

LESSEE: James S. Heimer

BY: _____

TITLE: _____

The undersigned guarantee performance by the above corporation.

James S. Heimer
(Individual)

(Individual)

LESSOR: CITY OF PALMER

BY: _____

TITLE: Mayor

STATE OF ALASKA)
THIRD JUDICIAL DISTRICT) ss:

THIS IS TO CERTIFY that on the 23rd day of April, 19 92, before me, the undersigned Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared James S. Heimer, who is known to me to be the _____ of _____, a corporation organized and existing by virtue of the laws of the State of Alaska, which is named in the foregoing instrument, and (s)he acknowledged to me the execution thereof to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that (s)he was fully authorized to execute said instrument.

WITNESS my hand and official seal the day and year last above written.

Catherine A. Check
Notary Public in and for Alaska
My Commission Expires: 1-16-94

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 7th day of May,
19 92, before me, the undersigned Notary Public in and for Alaska,
duly commissioned and sworn as such, personally appeared David
J. Soulak, who is known to me to be the City manager
of the CITY OF PALMER, ALASKA, a municipal corporation, and (s)he
acknowledged signing the same, on behalf of said corporation, freely and
voluntarily for the uses and purposes therein stated.

WITNESS my hand and official seal the day and year in this
certificate first written.

Catherine A. Check
Notary Public in and for Alaska
My Commission Expires: 1-16-94

read a copy
to 8. Hermon
11-3-92

AMENDMENT NO. 1

TO

CITY OF PALMER AIRPORT LEASE AGREEMENT NO. 92-1

BETWEEN CITY OF PALMER AND JAMES S. HERMON

Paragraph 14 of Lease 92-1 dated May 7, 1992 is amended to read as follows:

- 14. Lessee covenants to save harmless, indemnify, and defend the Lessor from all actions, suits, liabilities or damages arising out of or connected with any acts of commission or omission by the Lessee, any sub-lessee, or any agent, employee, customer or invitee of either, or arising out either the Lessee's or any sub-lessee's occupation or use of the premises demised or privileges granted.

All other terms of said Lease No. 92-1 remain unchanged and in effect.

Dated this 22nd day of October, 1992.

LESSOR: CITY OF PALMER

LESSEE: JAMES S. HERMON

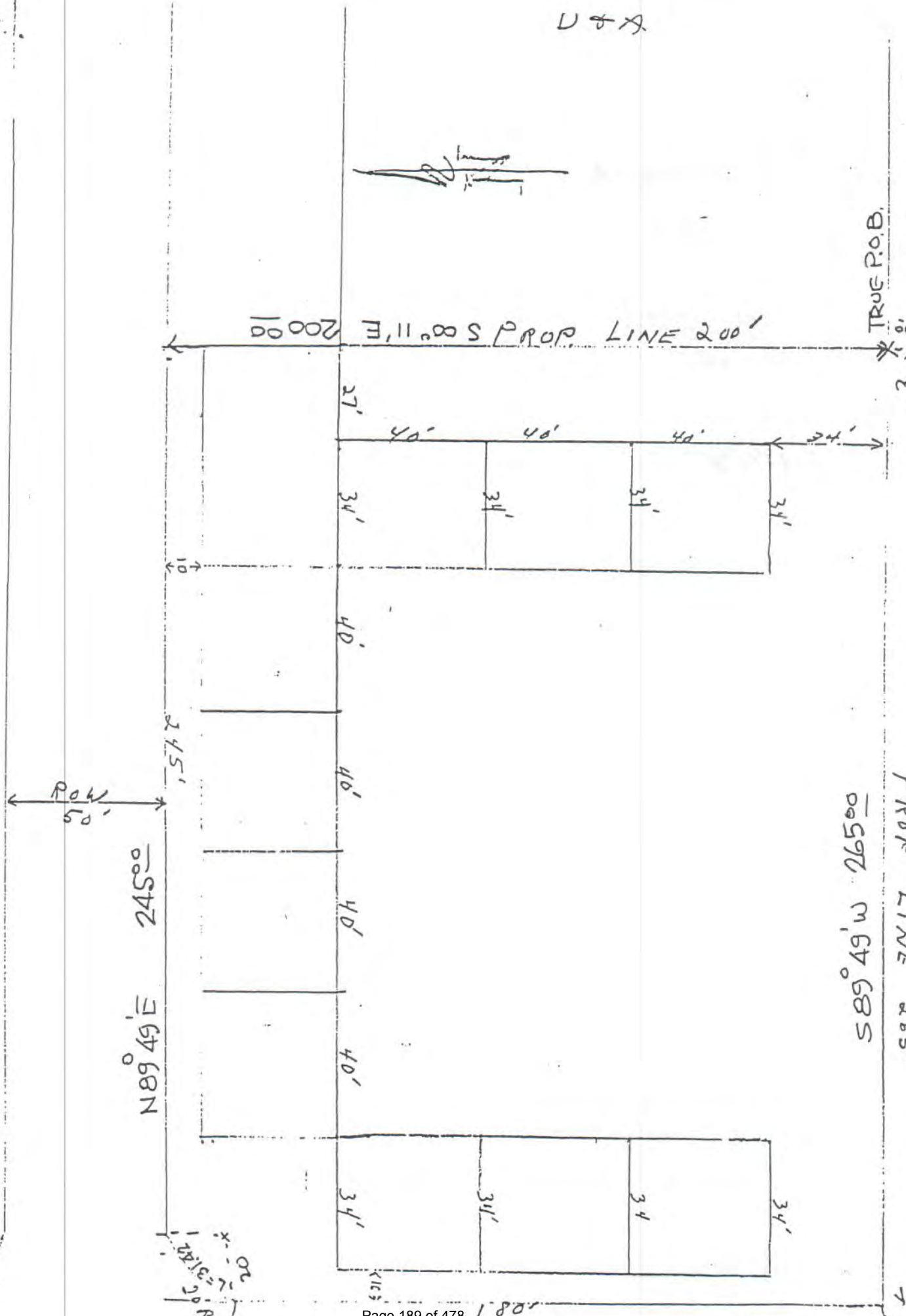
By: David L. Soulak
City Manager

James S. Hermon

James S. Hermon

211

20-P



LEASE ASSIGNMENT

For valuable consideration received, James Hermon, whose mailing address is P.O. Box 451, Palmer, AK 99645, hereby assigns all rights and delegates all duties under that certain Lease between himself as Lessee and the City of Palmer as Lessor, dated May 7, 1992, and attached hereto, to Jeff Helmericks, whose mailing address is P.O. Box 875127, Wasilla, AK 99867.

Jeff Helmericks hereby accepts this assignment and delegation, and personally guarantees the obligations under the assigned lease. This assignment shall be effective upon execution of this assignment by James Hermon, Jeff Helmericks, and the City of Palmer city manager.

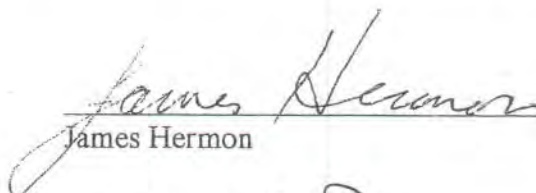
The Lease being assigned affects the following real property in the Palmer Recording District, to wit:

City of Palmer Airport Lease Lot No. 92-1, located in the Palmer Recording District, Third Judicial District, State of Alaska, as more specifically described in the Lease No. 92-1.

The City of Palmer, whose mailing address is 231 W. Evergreen Ave., Palmer, AK 99645, hereby consents to this assignment and delegation in accordance with paragraph 4 of the above-mentioned Lease, authorization of the Palmer City Council for such consent having been obtained.

9-26-01

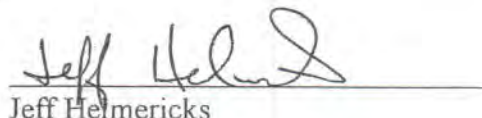
Date



James Hermon

9-25-01

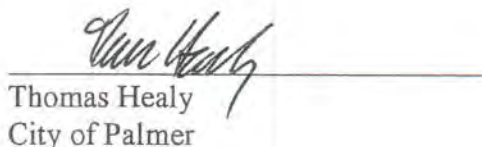
Date



Jeff Helmericks

9/26/01

Date



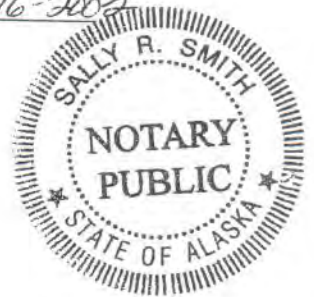
Thomas Healy
City of Palmer

State of Alaska)
)
Third Judicial District) ss.

ACKNOWLEDGEMENT

The foregoing "Lease Assignment" was acknowledged before me this 26
day of September, 2001, by James Hermon.

Sally R. Smith
NOTARY PUBLIC OF ALASKA
My Commission Expires: 01-16-2002



State of Alaska)
)
Third Judicial District) ss.

ACKNOWLEDGEMENT

The foregoing "Lease Assignment" was acknowledged before me this 25th
day of September, 2001, by Jeff Helmericks.

Dorothy E. Hillard
NOTARY PUBLIC OF ALASKA
My Commission Expires: 3-5-2004

State of Alaska)
)
Third Judicial District) ss.

ACKNOWLEDGEMENT

The foregoing "Lease Assignment" was acknowledged before me this 26th
day of September, 2001, by Thomas Healy, city manager of the City of Palmer.



Joan E. Patterson
NOTARY PUBLIC OF ALASKA
My Commission Expires: 11/11/2001

06 August, 2014

Jeff Helmericks
820 E Aircraft Rd
Suite #200
Palmer, AK 99645

Jeff Combs
Airport Superintendent
231 West Evergreen Ave
Palmer, AK 99645

Mr. Combs,

This letter serves as notice I wish to continue the lease 92-1 on the Palmer Municipal Airport. This lease has been in existence for the proceeding 22 years without interruption, but it recently has come to my attention there is some confusion as to our desire to keep this lease. The mutual understanding that it was our desire to execute the option for the second 20 year term was confirmed in 2012 by the delivery of invoice #201205302270 from the City of Palmer, and payment of this invoice (check #1407) by us on 11 June, 2012; and again in 2013 with invoice #201305302608 paid with check #1420 on 29 June, 2013; the 21st and 22nd years. The first 20 year term expired on July 1 2012.

I have served on the airport advisory board for the past 15 or so years; perhaps I can shed some light of where the misunderstanding may have arisen. A few years ago there was an effort to re-write the lease document to better reflect the needs of the lessee regarding lease term vs: investment, to bring any irregularities with our grant assurances into compliance, as well as other issues such as insurance, the reversion clause and so on, a process that continues to this day. At that time I was told the intention was not to re-new any existing leases, but rather replace them with a new and better lease for both the City and the lessee. This matter that was discussed at both the airport advisory level as well as in a meeting with the advisory chair Pete Brown, City Manager Bill Allen, and myself.

During the lease revision discussions I posed the question, "If the lessee desires to keep their existing lease would they be allowed to do so?" At that time I can't recall a clear decision. However, it was discussed that obviously existing leases would need to remain in effect until such time that the new lease documents were properly vetted and ready for execution. It is for these reasons; it came as a surprise to be told the City of Palmer was unaware of our intention to continue with the option for the second term of lease 92-1. The latest invoice sent to my office last year clearly states in the item description "L92-1 – 2013 AIRPORT LEASE" the 2nd year of the second 20yr term.

The facility that resides on lease 92-1, locally referred to as the Palmer Airport Condos, has multiple owner/members, the uncertainty arising from this situation is causing considerable angst for those who are rightfully concerned about the stability of their investment. For example, Bob Ylvisaker is in negotiations to sell his unit, but until this situation is resolved the prospective buyer is reluctant to proceed.

I therefore, respectfully request the City Council ratify the existing lease as written until such time a new and improved lease document has been completed and agreed upon by all parties.

Regards,



Jeff Helmericks

**CITY OF PALMER
 INFORMATION MEMORANDUM NO. 14-003
 ORDINANCE NO. 14-002**

Subject: Ordinance No. 14-002: Authorizing the City Manager to Execute a Renewal of Airport Lease Agreement No. 92-1

Agenda of: September 23, 2014

Adopted

Council Action: Public Hearing Scheduled for
October 14, 2014 _____

Approved for presentation by:

City Manager Joseph A. Hansen
City Attorney _____
City Clerk JR

Certification of Funds:

Total amount of funds listed in legislation:	\$	<u>3,114.84</u>
This legislation (✓):		
<input type="checkbox"/> Has no fiscal impact		
Creates:		
<input type="checkbox"/> A negative fiscal impact in the amount of:	\$	_____
<input checked="" type="checkbox"/> A positive fiscal impact in the amount of:	\$	<u>3,114.84</u>
<input type="checkbox"/> Funds are budgeted.		
Funds are budgeted from this (these) line item(s):		
a) >	\$	_____
b) >	\$	_____
a) Funds originally budgeted in line item :	\$	_____
Difference in budgeted funds:	\$	_____
b) Funds originally budgeted in line item :	\$	_____
Difference in budgeted funds:	\$	_____
<input type="checkbox"/> Funds are not budgeted.		
Budget amendment required in the total amount of:	\$	_____
Affected line item(s):		
> 03-00-00-3431 Land Leases	\$	<u>3,114.84</u>
>	\$	_____
<input type="checkbox"/> General fund unassigned balance (after budget modification)	\$	_____
<input type="checkbox"/> Enterprise unrestricted net position (after budget modification)	\$	_____
Director of Finance signature certifying funds:		<u>8</u>

Attachment(s):

- Ordinance No. 14-002

Summary Statement: In 1992, the City leased 1.19 acres of land at the Palmer Airport to James Harmon for 20 years with a renewal option of 20 years for airplane hangars. The lease rate was \$.04 per square foot or \$2,076.56 per year.

In September 2001, the lease was assigned to Jeff Helmericks with all of the original conditions. Under the terms of the lease, the renewal option had to be exercised within six months of expiration of the initial (20 year) lease term – May, 2012. Mr. Helmericks did not exercise his renewal option, but did continue to submit annual lease payments. The current and proposed lease rate is \$.06 per square foot or \$3,114.84 per year. Mr. Helmericks has three buildings and operates a fuel service from is leased property.

Ordinance 14-002 has been prepared to authorize an extension to the original lease because of the 2 ½ year lapse from renewal date to present.

Mr. Helmericks, operating as Colville is a valuable tenant at the Airport and the company has been timely in their lease payments. It is in the City's best interest to renew lease 92-1 for an additional twenty years.

Administration recommendation: Adopt ordinance no. 14-002.

Introduced by: City Manager Hannan
Date: September 23, 2014
Public Hearing: October 14, 2014
Action: Adopted
Vote: Unanimous

Yes:	No:
Best	
Erbey	
Carrington	
Combs	
DeVries	
Hanson	
Johnson	

CITY OF PALMER, ALASKA

Ordinance No. 14-002

An Ordinance of the Palmer City Council Authorizing the City Manager to Execute a Renewal of Airport Lease Agreement No. 92-1

THE CITY OF PALMER, ALASKA ORDAINS:

WHEREAS, Airport Lease Agreement No. 92-1 ("Lease") was entered into on May 7, 1992, and contained a one twenty-year option for renewal which provides:

Lessee has an option to extend this lease for an additional 20 (Twenty) year period, to be exercised on or before six (6) months prior to the expiration of the initial term by delivering written notice to the City. However, this option may not be exercised if Lessee is in default.

And

WHEREAS, the Lessee did not notify the City of his intent to exercise the option to renew, yet the City for a period of approximately two and one half years continued to accept rent for the leasehold and did not take action to notify the Lessee of the deficiency or to evict him from the premises; and

WHEREAS, there appears to be a mutual oversight with respect to compliance with the terms and conditions of the Lease; and

WHEREAS, the City wishes to correct this oversight by authorizing the renewal of the Lease for an additional 20 years, as authorized in Paragraph 28 of the Lease.

THE CITY OF PALMER, ALASKA ORDAINS:

Section 1. Classification. This is a non-code ordinance.

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. Notwithstanding applicable provisions of the Palmer Municipal Code and Paragraph 28 of the Lease, the City hereby authorizes the City Manager to execute a renewal of the Lease, as set forth in Paragraph 28, which provides:

Lessee has an option to extend this lease for an additional 20 (Twenty) year period, to be exercised on or before six (6) months prior to the expiration of the initial term by delivering written notice to the City. However, this option may not be exercised if Lessee is in default.

Section 4. All terms of Airport Lease 92-1 remain unchanged.

Section 5. Effective Date. Ordinance No. 14-002 shall take effect upon adoption by the City of Palmer City Council.

Passed and approved this fourteenth day of October, 2014.

DeLena Goodwin Johnson, Mayor

Janette M. Bower, MMC, City Clerk

SUB-LEASE OF PALMER AIRPORT HANGAR UNIT

This Sub-Lease is made and executed this ____ day of _____, 20____, by and between **Jeff Helmericks**, whose address is P. O. Box 875127, Wasilla AK 99687, hereinafter referred to as Sub-Lessor, and **Eric P. Yould and Patricia K. Yould**, husband and wife (collectively as tenants by the entirety with the intent that this Agreement shall apply individually to the survivor), whose address is PO Box 3415, Palmer, Alaska 99645, hereinafter referred to as Sub-Lessee. The purpose of this Agreement is to set forth the understandings of the Sub-Lessor and Sub-Lessee concerning the rental of a Unit at the Palmer Airport Hangar complex.

1. **Description of Property That is the Subject of the Sub-Lease.** The Sub-Lessor represents that he is the current Lessee, with the City of Palmer as Lessor, of certain real property located at the City of Palmer Airport pursuant to Lease No. 92-1 dated May 7, 1992, as amended by Amendment No. 1 dated October 22, 1992, and as further amended by that certain Lease Assignment dated September 26, 2001 naming Jeff Helmericks as successor Lessee (succeeding Jim Hermon, the original Lessee), such Lease, amendments and renewal(s) being attached hereto and hereinafter referred to as the "Palmer Lease". Pursuant to the Palmer Lease, Sub-Lessor represents that improvements in the form of a multi-unit airplane hangar have been constructed on the leasehold property. This Sub-Lease Agreement is entered into between Sub-Lessor and Sub-Lessee for the purpose of permitting and allowing occupancy and use by Sub-Lessee of **Unit No. Five (5)** for the use(s) and purpose(s) specified in said Lease No. 92-1. The particular unit referred to herein is further identified by reference to EXHIBIT "A", attached hereto and incorporated herein by reference, which depicts the unit numbers of the eight individual, numbered hangar units. Hereinafter, the term "premises" refers to the Hangar unit referred to in this paragraph. Sub-Lessee is permitted and allowed to use the premises as an airplane hangar and for those purposes which are reasonably related to the use of the premises as an airplane hangar and/or for use(s) and purpose(s) specified in said Lease No. 92-1.

2. **Term and Option to Renew.** The initial term of this Sub-Lease shall be for the time beginning with the execution of this Agreement and continuing until and including the 30th day of June next following the execution of this Agreement. Thereafter, this Sub-Lease will be automatically renewed, one year at a time, beginning on the 1st day of July of each renewal year, subject to the terms and conditions contained herein, provided that the Sub-Lessee has not given Sub-Lessor written notification of intent to terminate the Sub-Lease and provided further that Sub-Lessee is not in default in the performance of any of his (her) obligations under this Sub-Lease. Sub-Lessor grants to

Sub-Lessee the right to this annual renewal process for a period of the years remaining on the Palmer Lease and any subsequent renewal or new lease that may be executed between Sub-Lessor and City of Palmer as a follow on to the existing Palmer Lease so long as Sub-Lessee, as stated above, has not given written notification of his (her) intent to terminate the Sub-Lease and is not in default of any of its provisions.

3. **Rent Required.** The annual rent to be paid by Sub-Lessee to Sub-Lessor shall be as follows:

1. A proportionate share of the Palmer Lease rental payment required to be paid by Sub-Lessor to the City of Palmer, such share being proportioned according to the square footage of Hangar Unit No. 5 as a percentage of the total square footage of all of the hangar units combined.
2. An allocation, as equally proportioned among each of the Palmer hangar Sub-Lessees, for the year at issue, of any and all expenses, charges, costs, or other charges of any nature necessary or desirable for the purpose of complying with the terms of the City of Palmer Lease Agreement (the Palmer Lease), including but not limited to the requirement that the Sub-Lessor maintain both property damage and personal injury insurance on the entire hangar complex.
3. An allocation, as equally proportioned among each of the Palmer hangar Sub-Lessees, for those costs and expenses incurred by Sub-Lessor on behalf of and for the benefit of all Sub-Lessees for the collective maintenance, restoration, rehabilitation, and/or operation of the hangar complex, including snow removal and maintenance of the common grounds of the hangar complex. Again, to be shared by all hangar units, such expense must be clearly shown to be for the common benefit of all hangar units and not only or mainly for the benefit of one individual hangar unit.
4. A proportionate share of the real property taxes assessed against the leasehold by the City of Palmer and/or Matanuska-Susitna Borough. Sub-Lessor shall make a good-faith effort to allocate the amounts of the overall tax bill that are attributable to the individual hangar units based upon the value of their individual improvements and assess each Sub-Lessee accordingly.
5. The Sub-Lessor may assess an additional rental charge, as a management fee, to be paid by each Sub-Lessee of an amount up to, but not in excess of, fifteen percent (15%) of the total amount of the rent payable by each Sub-Lessee.

4. **Notification of Rent Calculation and Payment Thereof.** The Sub-Lessor shall make a good-faith effort to estimate the rental calculations referred to above, on or before the 1st day of June each year for the purpose of projecting the total rental charges attributable to each hangar unit. Payment shall be made to the Sub-Lessor by Sub-Lessee of the total rental charges and calculations for the annual term to begin the following July 1, on or before June 25 preceeding the annual term to come. In effect, the

result of this process is that advance payment will be required from each Sub-Lessee prior to the initiation of an annual term. If the estimated rental calculations are found to be different from the actual expenses, each Sub-Lessee shall be assessed or rebated, prior to May 31 of each annual term, the amounts necessary to reconcile the differences.

5. **Assignment of Lease Prohibited.** In the event of a reasonable request by Sub-Lessor to inspect the premises of a Sub-Lessee, such request shall be honored and inspection permitted. Sub-Lessee agrees not to assign this Sub-Lease or any part thereof, nor let or sub-let the whole or any part of the premises without the written consent of the City of Palmer (pursuant to the Palmer Lease) and/or the consent of Sub-Lessor. Any assignment or sub-lease without the written consent required herein shall be voidable at the option of the Sub-Lessor.

6. **Sub-Lessee to Comply With Palmer Lease, and All Applicable Laws and Regulations.** During the term of this Sub-Lease, Sub-lessee represents and warrants that Sub-Lessee has thoroughly reviewed the Palmer Lease agreement and amendments, attached hereto, and agrees to abide by all the terms and conditions set forth in that Palmer Lease that apply to Sub-Lessee as a user or occupier of the premises identified in that Palmer Lease. Sub-Lessee further agrees to comply with all applicable laws affecting the premises, including regulations and/or ordinances which may be applicable to the property or activities thereon. Sub-Lessee further agrees not to commit or permit any waste upon the premises and further agrees not to commit or allow any nuisance use of the property.

7. **Encumbrances of Sub-Lessee's Leased Interest Not Allowed.** The Sub-Lessee is not permitted and may not encumber by mortgage, deed of trust, assignment, or other instrument, its leasehold interest and estate in the sub-lease premises whether as security for indebtedness of the Sub-Lessee or otherwise. The execution of any such encumbrance by the Sub-Lessee shall be held to be a material violation of the terms and conditions of this Agreement and shall, by the fact of such an encumbrance, constitute an automatic termination of the Sub-Lessee's rights and interests in the premises and improvements thereon.

8. **Notices.** All notices, demands, or other writings related to this sub-lease may be sent, by either party, to the addresses noted in the introductory paragraph of this sub-lease.

9. **Assessments other than Real Property Taxes.** If any assessments are charged by a governmental entity for utility or other capital improvement projects against the overall Palmer Lease premises, such charges shall be shared equally between all of the Sub-Lessees of the Palmer Hangar complex.

10. **Maintenance, Repairs, or Destruction of Existing Improvements.** Sub-Lessee shall, throughout the term of this sub-lease, at its own cost, and without any expense of the Sub-Lessor, keep and maintain the sub-lease premises, including all interior improvements and that portion of the exterior of the hangar structure appropriate

to Sub-Lessee's hangar unit, in good sanitary and neat order, condition and repair and shall be obligated to restore and rehabilitate any such improvements which may be destroyed or damaged by fire, casualty, or any other cause whatever. Sub-Lessee shall follow the directive of Sub-Lessor if, in the opinion of the Sub-Lessor, the quality and appearance of the exterior of Sub-Lessee's premises needs attention or maintenance.

11. **Sub-Lessee Shall Submit Proposals in the Form of Plans and Specifications for All Improvements to be Erected or Constructed Upon the Sub-Lease Premises.** Improvement plans and specifications shall be submitted to the Sub-Lessor for written approval, subject to modification by the Sub-Lessor. Sub-Lessor shall not unreasonably withhold approval for the construction of such improvements provided that the proposal does not adversely impact or affect the value of the property or its usability.

If the plans and specifications as submitted are not approved by the Sub-Lessor, the sole and exclusive remedy available to the Sub-Lessee shall be the option to not renew this Sub-Lessee's Lease Agreement.

As part of the submission by Sub-Lessee, all proposals for the construction of new improvements will provide detailed assurances that the money to pay for such improvements is available and will remain available through to the conclusion of the construction of the improvements as planned.

12. **Utilities.** Sub-Lessee shall fully and promptly pay for all water, gas, heat, electric, light, power, telephone service, and all other public utilities of every kind furnished to the premises throughout the term of the Agreement and any renewals thereof. In the event that one or more of such utility charges are metered or consumed by the hangar complex, as a whole, as opposed to an individual unit, such charges shall be part of the rental calculations to be paid for by the Sub-Lessee as provided for in Paragraph 3, above.

13. **Duty to Keep Premises Free of Liens.** Sub-Lessee agrees to keep the premises and every part thereof and all improvements and appurtenant facilities located thereon free and clear of all mechanic's, materialman's, wage, and other liens arising out of or in connection with any work or labor done. This duty applies to all services performed or materials or appliances used or furnished for or in connection with any of the operations of the Sub-Lessee, or any alteration, improvement, repair, addition, or construction which Sub-Lessee may make or permit or cause to be made or any work or construction permitted by the Sub-Lessee on the premises.

14. **Insurance.** As identified in the attached lease agreement between the City of Palmer and the Sub-Lessor, insurance requirements are part of that "parent lease agreement." Sub-Lessor and Sub-Lessee mutually anticipate that the same insurance required by the parent lease shall be made effectively available for coverage for the Sub-Lesseees by naming all of the Sub-Lesseees as additional named insureds to that policy of insurance. By such action, there may be additional insurance premiums or other costs incurred, and any such costs shall be added to the rental charges payable by the Sub-Lessee pursuant to the terms of this agreement.

In the event that the Sub-Lessor and Sub-Lessee are incorrect in their mutual understanding that Sub-Lesseees may be added as additional named insureds to the policy of insurance referred to herein, then and in such events Sub-Lessor and Sub-Lessee mutually agree to negotiate in good faith so as to provide other alternative insurance coverage for the liability risk identified by the parent lease agreement between the City of Palmer and Sub-Lessor. The cost of obtaining such alternative insurance coverage for the activities of the Sub-Lesseees shall be a cost that may be added to the rental charges to be paid by the Sub-Lessee pursuant to the terms of this agreement.

15. **Possible Reimbursement of Some Capital Contribution Costs Upon Termination of a Sub-Lease and Substitution of a New Sub-Lessee.** It is recognized that the Sub-Lessee has contributed money, labor, or materials used to buy or build permanent improvements of the airplane hangar property, or has purchased the occupancy rights of a prior Sub-Lessee. Accordingly, Sub-Lessee has the right to sell his (her) (their) occupancy rights to a new, substitute Sub-Lessee and thereby recover some or all of the capital contributions made by the present Sub-Lessee, plus any amounts in excess of the present Sub-Lessee's actual capital contributions, as may be negotiated between the present Sub-Lessee and the new substitute Sub-Lessee. In the case of such a transaction, it is the responsibility of the present Sub-Lessee to assure that a new sub-lease is executed by the new substitute Sub-Lessee and at the same time a termination of the present sub-lease is executed by the present Sub-Lessee. The new sub-lease agreement between the new Sub-Lessee and the Sub-Lessor shall be in the same form and contain the same terms and conditions as this present sub-lease agreement, including the required consent by the City of Palmer.

The Sub-Lessor retains the exclusive right and power to reject and refuse a proposed Sub-Lessee if, in the discretion of the Sub-Lessor, there is any reason to fear that the new proposed Sub-Lessee will not timely perform the obligations and duties imposed by the new sub-lease agreement executed by the new Sub-Lessee and the Sub-Lessor.

16. **Default.** If the Sub-Lessee is in default under any of the obligations or responsibilities of the Sub-Lessee pursuant to this Agreement, Sub-Lessor may give to Sub-Lessee thirty (30) days written notice of such default and should Sub-Lessee fail to cure such default within an additional thirty (30) days, the leasehold interest of the Sub-Lessee shall be deemed to have expired.

17. **Rights of Lessor Cumulative.** Upon default by the Sub-Lessee, Sub-Lessor is entitled to re-take the premises without first obtaining a court order permitting and allowing such re-possession. All remedies referred to above or anywhere in this Agreement shall be deemed cumulative and not exclusive to other legal, equitable, or contractual remedies available to the Sub-Lessor.

18. **Disposition of Improvements Upon Termination of Sub-Lease.** Upon termination of this sub-lease for any cause, whether by expiration of the lease term or by notice from Sub-Lessor, Sub-Lessor shall become the owner of any and all property, improvements, or appurtenances included with the lease premises.

The terms of this paragraph apply to any and all fixtures attached or affixed to the premises. However, personal property items that have not been affixed to the premises may be relocated and removed by the Sub-Lessee upon termination of the lease.

19. **Waiver.** The Waiver by Sub-Lessor, or the failure of Sub-Lessor to take action with respect to any breach of any term, covenant, or condition herein contained, shall not be deemed to be a continuing or future waiver of such term, covenant or condition.

20. **Section Captions.** The captions appearing in this Sub-Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

21. **Sub-Lease Not to be Interpreted More Favorably in Favor of One Party Than the Other.** Sub-Lessee and Sub-Lessor have both had the opportunity to consult with their counsel of choice prior to entering into this Sub-Lease Agreement. As a consequence, both parties agree that this Sub-Lease shall not be interpreted more favorably for one party than the other. Both parties acknowledge their participation in the preparation and drafting of this Lease Agreement.

22. **Amendment Only in Writing.** This Agreement constitutes the full and complete Agreement between the parties. Any amendment hereof must be in writing, executed by both parties to this Agreement in order for such amendment to be effective.

23. **Effectiveness of This Agreement Contingent Upon Approval By The City of Palmer.** Both parties acknowledge that the Palmer Lease, attached hereto, prohibits the sub-lease of the Palmer Lease without the written permission of the City of Palmer. For that purpose, the parties agree that this Agreement shall not be effective until and unless the City of Palmer has consented to this Sub-Lease by the signature of the City of Palmer, below.

24. **City of Palmer as Third Party Beneficiary.** The City of Palmer is a third-party beneficiary of all covenants made by Sub-Lessee in this Sub-Lease.

DATED: _____

SUB-LESSOR

Jeff Helmericks

STATE OF _____)
) ss.
COUNTY OF _____)

SUBSCRIBED AND SWORN TO, before me this _____ day of _____, 20____ by Jeff Helmericks (Sub-Lessor).

Notary Public in and for _____
My Commission Expires: _____

DATED: _____

SUB-LESSEE

Eric P. Yould

Patricia K. Yould

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

SUBSCRIBED AND SWORN TO, before me this _____ day of _____, 20____, by Eric P. Yould and Patricia K. Yould (Sub-Lessee).

Notary Public in and for Alaska
My Commission expires: _____

CONSENT BY CITY OF PALMER

The City of Palmer hereby consents to the above Sub-Lease Agreement, agrees that the execution of this Sub-Lease Agreement does not constitute a violation of the Palmer Lease Agreement referred to in the course of the Sub-Lease.

DATED: _____

CITY OF PALMER

By: _____

Title: _____

ATTEST:

, City Clerk

(CITY SEAL)

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, the _____ of the City of Palmer.

Notary Public in and for Alaska
My Commission expires: _____

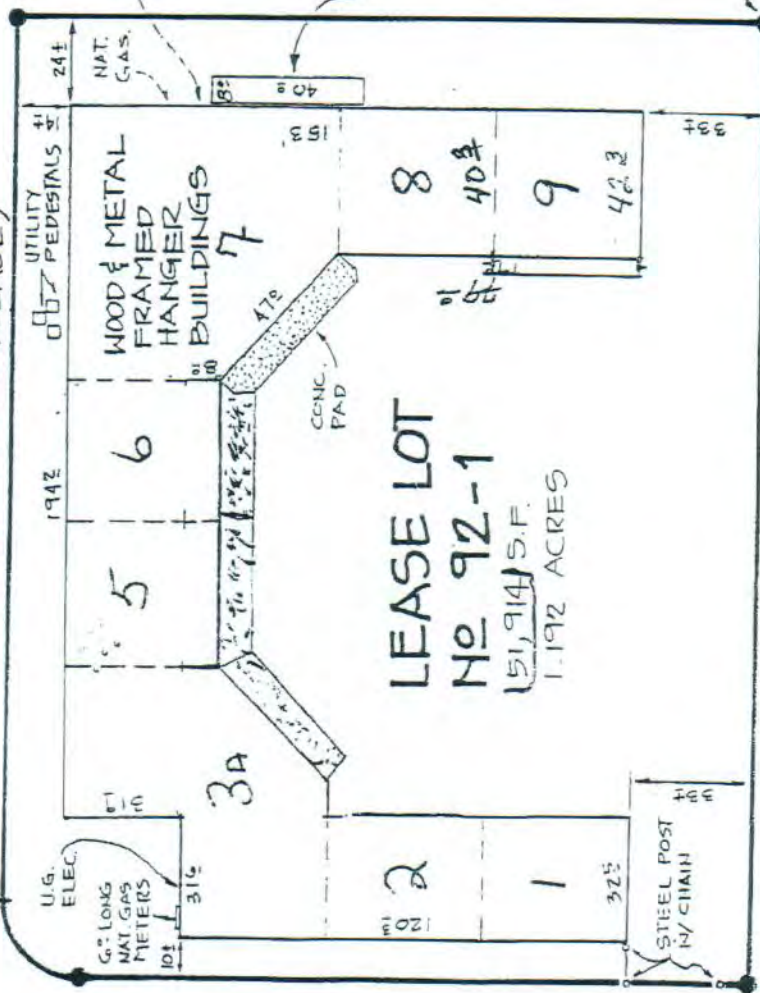
Aug 2007



SERVICE DRIVE

L=31.37'(CALC.)
L=31.42'(LEASE)
R=20'

N 87° 52' 02" E 239.91' (CALC.)
N 89° 49' E 240.00' (LEASE)



AIRPORT ROAD

N 0° 06' 06" W 180.00' (LEASE)
N 0° 11' W 180.00' (LEASE)
N 0° 06' 06" W 180.17' (MEAS.)

S 89° 49' W 260.00' (LEASE)
S 89° 50' 44" W 260.17' (MEAS.)

LEASE LOT NO. 92-1
LEGAL DESCRIPTION

Commencing at the Section Corner common to Sections 3 and 4, Township 17 North, Range 2 East, Seward Meridian and Sections 33 and 34, Township 18 North, Range 2 East, Seward Meridian, Palmer Recording District, Third Judicial District, Palmer, Alaska, thence S 89° 49' W for 965.00 feet; thence N 00° 11' W for 648.00 feet to the True Point of Beginning; thence S 89° 49' W for 260.00 feet; thence N 00° 11' W for 180.00 feet; thence on a 20 foot radius curve concave to the Southeast an arc distance of 31.42 feet; thence N 89° 49' E for 240.00 feet; thence S 00° 11' E for 200.00 feet to the True Point of Beginning containing 51,914 square feet or 1.192 acres more or less.

Exhibit "A"

SEC. 33	SEC. 34
SEC. 4	SEC. 3
T18N R2E	

S 89° 49' W 260.00' (LEASE)

CC

A
L
A
S
K
A

2014-022663-0

Recording District 311 Palmer
11/10/2014 09:32 AM Page 1 of 7



Recording District: *Palmer*

Return to: *City of Palmer*
231 W Evergreen Avenue
Palmer, Alaska 99645

original lease was not recorded.

THIS COVER SHEET HAS BEEN ADDED TO THIS DOCUMENT TO PROVIDE SPACE FOR THE RECORDING DATA. THIS COVER SHEET APPEARS AS THE FIRST PAGE OF THE DOCUMENT IN THE OFFICIAL PUBLIC RECORD.

DO NOT DETACH

April 12, 2010

AMENDMENT NO. 2

TO

CITY OF PALMER AIRPORT LEASE AGREEMENT NO. 92-1

BETWEEN CITY OF PALMER AND JEFF HELMERICKS

On October 14, 2014 the Palmer City Council passed Ordinance No. 14-002 "An Ordinance of the Palmer City Council Authorizing the City Manager to Execute a Renewal of Airport Lease Agreement No. 92-1" appended hereto.

Paragraph 4 on page 1 of Lease 92-1 dated May 7, 1992 is amended to read as follows:

For the initial term of twenty years from the first day of July 2012 at the annual rental of \$3,114.84 and so in proportion for any less time, payable yearly in advance of the first day of July of each subsequent year of said term. Right of Entry and Occupancy is authorized as of the 1st day of July 2012 and the first rent shall be computed from that date.

Paragraph 6 on page 3 shall have the following appended:

Americans with Disabilities Act and The Americans with Disabilities Act Amendments Act of 2008: 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.) and the Americans with Disabilities Act Amendments Act of 2008, 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.

Paragraph 24 (a) and (b) is amended to read as follows:

- (a) Commercial General Liability or Airport Premises in a sum of not less than \$1,000,000 per occurrence for bodily injury and property damage.
- (b) Commercial General Liability or Airport Premises in a sum of not less than \$2,000,000 aggregate for bodily injury and property damage.

Paragraph 29(F) on page 8 shall have the following appended:

Lessee shall not discriminate against any person 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; including but not limited to the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and



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.

Lessee is engaged in aeronautical activity for furnishing services to the public at the Palmer Municipal Airport. Lessee shall furnish such services on a reasonable, and not unjustifiably discriminatory, basis to all users thereof, and shall charge reasonable, and not unjustifiably 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.

All other terms of said Lease 92-1 remain unchanged and in effect.

Dated this 4th day of November, 2014.



LESSOR:

CITY OF PALMER

By: [Signature]
City Manager

Date: 11/4/14

NOTARY

STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

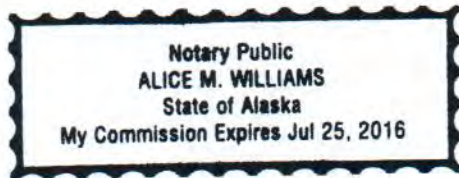
THIS IS TO CERTIFY that on the 4th day of NOVEMBER, 2014, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Alice M Williams

Notary Public in and for Alaska

My commission expires: Jul 25, 2016



LESSEE:

By: [Signature]

Date: 11-4-14

NOTARY

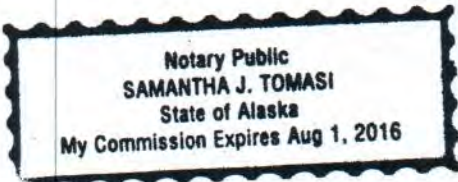
STATE OF ALASKA)

)ss.

THIRD JUDICIAL DISTRICT)

This is to certify that on the 4th day of November, 2014, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, the corporation named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is 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.



[Signature]
Notary public in and for Alaska
My commission expires: Aug 1, 2016

Introduced by: City Manager Hannan
Date: September 23, 2014
Public Hearing: October 14, 2014
Action: Adopted
Vote: Unanimous

Yes:	No:
Best	
Erbey	
Carrington	
Combs	
DeVries	
Hanson	
Johnson	

CITY OF PALMER, ALASKA

Ordinance No. 14-002

An Ordinance of the Palmer City Council Authorizing the City Manager to Execute a Renewal of Airport Lease Agreement No. 92-1

THE CITY OF PALMER, ALASKA ORDAINS:

WHEREAS, Airport Lease Agreement No. 92-1 ("Lease") was entered into on May 7, 1992, and contained a one twenty-year option for renewal which provides:

Lessee has an option to extend this lease for an additional 20 (Twenty) year period, to be exercised on or before six (6) months prior to the expiration of the initial term by delivering written notice to the City. However, this option may not be exercised if Lessee is in default.

And

WHEREAS, the Lessee did not notify the City of his intent to exercise the option to renew, yet the City for a period of approximately two and one half years continued to accept rent for the leasehold and did not take action to notify the Lessee of the deficiency or to evict him from the premises; and

WHEREAS, there appears to be a mutual oversight with respect to compliance with the terms and conditions of the Lease; and

WHEREAS, the City wishes to correct this oversight by authorizing the renewal of the Lease for an additional 20 years, as authorized in Paragraph 28 of the Lease.

THE CITY OF PALMER, ALASKA ORDAINS:

Section 1. Classification. This is a non-code ordinance.

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. Notwithstanding applicable provisions of the Palmer Municipal Code and Paragraph 28 of the Lease, the City hereby authorizes the City Manager to execute a renewal of the Lease, as set forth in Paragraph 28, which provides:

Lessee has an option to extend this lease for an additional 20 (Twenty) year period, to be exercised on or before six (6) months prior to the expiration of the initial term by delivering written notice to the City. However, this option may not be exercised if Lessee is in default.

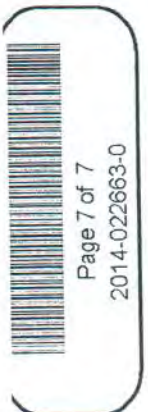
Section 4. All terms of Airport Lease 92-1 remain unchanged.

Section 5. Effective Date. Ordinance No. 14-002 shall take effect upon adoption by the City of Palmer City Council.

Passed and approved this fourteenth day of October, 2014.

DeLena Goodwin Johnson, Mayor

Janette M. Bower, MMC, City Clerk



**City of Palmer
Action Memorandum No. 17-051**

Subject: Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with the Federal Aviation Administration, for their Palmer Flight Service Station Operations at the Randy Thom Flight Service Center Building Located at 901 E. Yukon Street


Agenda of: June 27, 2017

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


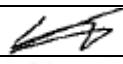
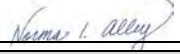
Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/09/17
_____	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: \$ **3,810.40**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>\$3,810.40</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 checked="" type="checkbox"/>	Budgeted	Line item(s):	<u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted		<u>03-00-00-3431 Airport Land Leases (Increase \$2,210.40)</u>

Director of Finance Signature: 

Attachment(s):

- Draft Lease Agreement DTFAWN 17-L-00065
- Clauses Incorporated by Reference

Summary Statement:

After approximately six months of negotiations with the FAA over leasing arrangements for the next 10 years with a 10-year extension for the lease space for the Palmer Flight Service Station operations, the FAA has substantially agreed to the City of Palmer's "As Is, Where Is" leasing terms.

This new lease will allow the City to move forward on the planned remodel and heating system upgrades and the FAA has agreed to pay for the cost of Asbestos abatement in the leased space area for the FSS, thus saving the COP tens of thousands of dollars. This is technically a zero income lease, with the FAA paying for the City of Palmer's expenses on (insurance, maintenance, snow removal, building upkeep and now heat). Under the new terms and conditions, the City will be supplying heat for the FSS once the new boiler and hot water base board system is installed (otherwise the City would have the expense of installing two separate systems). The previous agreement called for the FAA to reimburse the City \$1,600.00 annually, a figure which had not changed since 1982.

Administration's Recommendation:

To approve Action Memorandum No. 17-051 Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with the FAA for the Palmer Flight Service Station operations at 901 E. Yukon St. in the Randy Thom Flight Service Center Building.



U.S. Department
of Transportation
**Federal Aviation
Administration**

SMALL SPACE LEASE

Between

**THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION**

And

CITY OF PALMER

**DTFAWN-17-L-00065
PAQ, Flight Service Station (FSS)
Palmer, Alaska**

This lease is entered into by and between the City of Palmer, whose address is 231 W. Evergreen Avenue, Palmer, Alaska 99645 and interest in the property hereinafter described is Owner, hereby referred to as Lessor, and the United States of America, hereinafter referred to as the Government or FAA.

WITNESSETH: The Parties hereto, and for the consideration hereinafter mentioned, covenant and agree as follows:

1. Terms

1.1. DESCRIPTION - The Lessor hereby leases to the Government the following described premises, including parking and land adjacent to described premises to operate and maintain two freestanding communication antenna support towers (one 60' foot and one 40' foot) with associated power cable facilities or otherwise known as Limited Remote Communication Outlet (LRCO) antennas.

1,732 square feet of building space, 901 E. Yukon St., Palmer, AK 99645

Three (3) parking spaces, with head bolt heaters within 500 feet of the building.

(LRCO) antenna sites on the west side of 901 E. Yukon St. Building

The Lessor shall provide reserved off-street parking spaces at no additional cost to the Government. Compliant accessible parking spaces shall be provided in accordance with the requirements of the Architectural Barriers Act Accessibility Standards (ABAAS) 42 U.S.C 4151 and as set forth in the ABAAS scoping table. The Lessor shall maintain the

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parking areas in good repair and provide snow and ice removal, as well as the removal of any obstruction that limits FAA access to its designated spaces

- 1.2. LEASE TERM (08/02) - To have and to hold, for the term commencing on October 1, 2017 and continuing through September 30, 2027 inclusive, PROVIDED, that adequate appropriations are available from year to year for the payment of rentals.
 - 1.2.1. OPTION(S) TO EXTEND TERM (7/07) - The lease may, at the option of the Government, be extended beyond September 30, 2027 at the rental rate established in Lease Term clause herein and upon the terms and conditions herein specified and no extension shall extend beyond September 30, 2037. The Government shall notify the lessor no later than ninety (90) days before the expiration of the lease term, of its intent to exercise the option(s) or of its intent to vacate the premises at the end of the lease term. Any extension exercised by the Government pursuant to this clause shall be subject to the availability of adequate appropriations from year to year for the payment of rentals.
- 1.3. CANCELLATION (8/02) - The Government may terminate this lease at any time, in whole or in part, if the Real Estate Contracting Officer (RECO) determines that a termination is in the best interest of the Government, on or after November 1, 2017 by giving at least thirty days' notice in writing to the Lessor. No rental will accrue after the effective date of termination. Said notice will be computed commencing with the day after the date of mailing.
- 1.4. RENTAL – The Government shall pay no monetary consideration in the form of rental, it being mutually agreed that the rights to the Government herein are in consideration of the obligations assumed by the Government in its establishment and operation of the facilities upon the premises hereby leased.

The Government shall pay the Lessor for operational and service costs in the amount of \$3,810.40 at the rate of \$1,905.20 semiannually in arrears. Costs for the Lesser shall be prorated. The service payments are due on the first business day following the end of the payment period. Checks will be made payable to: City of Palmer.

At the request of either party, the operational and service costs furnished hereunder, excluding bare rent, shall be reviewed annually prior to the beginning of each fiscal year (October 1). The annual operational and service cost is \$2.20 per square foot for snow removal, insurance and heat.

	Rent per SF	Rent per Annum
Base Rent	\$0.00	\$0.00
Operational & Service Costs	\$2.20	\$3,810.40
Total	\$2.20	\$3,810.40

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- 1.5. **HOLDOVER** - If after the expiration of the lease, the Government shall retain possession of the premises, the lease shall continue in force and effect on a month-to-month basis. Operational and Service Costs shall be paid in accordance with the terms of the lease, in arrears on a prorated base, at the rate paid during the lease term. This period shall continue until the Government shall have signed a new lease with the Lessor, acquired the property in fee, or vacated the premises.
- 1.6. **LESSOR'S SUCCESSORS (10/96)** - The terms and provisions of this lease and the conditions herein bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

2. GENERAL CLAUSES

- 2.1. **ACCESSIBILITY** - The Building and the leased premises shall be accessible to persons with disabilities pursuant to the Architectural Barriers Act and Rehabilitation Act as detailed in the Architectural Barriers Act Accessibility Standards (ABAAS) 41 CFR Parts 102-71, 102-72, et al, and all applicable state and local accessibility laws and regulations. The Government, at its sole expense, shall provide for any modifications or changes needed to comply with said act and shall receive the concurrence of the Lessor prior to any changes or modifications. ABAAS is available at www.access-board.gov.
- 2.2. **CONTRACT DISPUTES (11/03)** - All contract disputes and arising under or related to this lease contract will be resolved through the Federal Aviation Administration (FAA) dispute resolution system at the Office of Dispute Resolution for Acquisition (ODRA) and will be governed by the procedures set forth in 14 C.F.R. Parts 14 and 17, which are hereby incorporated by reference. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and will apply only to final agency decisions. A Lessor may seek review of a final FAA decision only after its administrative remedies have been exhausted.

All Contract Disputes will be in writing and will be filed at the following address:

Office of Dispute Resolution for Acquisition, AGC-70
Federal Aviation Administration
800 Independence Avenue SW, Room 323
Washington, DC 20591
Telephone: (202) 267-3290
Facsimile: (202) 267-3720

A contract dispute against the FAA will be filed with the ODRA within two (2) years of the accrual of the lease contract claim involved. A contract dispute is considered to be filed on the date it is received by the ODRA.

The full text of the Contract Disputes clause is incorporated by reference. Upon request the full text will be provided by the RECO.

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- 2.3. MAINTENANCE OF THE PREMISES (10/96) - The Lessor will maintain the demised premises, including the building, grounds, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition.
- 2.4. FAILURE IN PERFORMANCE - In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of this lease, the Government may with the approval of Lessor, perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any costs incurred for the service or item, including administrative costs, from the operational and service payments. No deduction of operational and service costs pursuant to this clause will constitute default by the Government on this lease.
- 2.5. NO WAIVER (10/96) - No failure by the Government to insist upon strict performance of any provision of this lease, or failure to exercise any right, or remedy consequent to a breach thereof, will constitute a waiver of any such breach in the future.
- 2.6. NON-RESTORATION (10/96) - The FAA will have no obligation to restore and/or rehabilitate, either wholly or partially, the premises under this lease. It is further agreed that the FAA may abandon in place any or all of the structures, improvements and/or equipment installed in or located upon said property by the FAA during its tenure. Notice of abandonment will be conveyed to the Lessor in writing.
- 2.7. DAMAGE BY FIRE OR OTHER CASUALTY (10/96) - If the building or structure is partially or totally destroyed or damaged by fire or other casualty or if environmentally hazardous conditions are found to exist so that the leased premises is untenable as determined by the Government, the Government may terminate the lease, in whole or in part, immediately by giving written notice to the Lessor and no further rental will be due.
- 2.8. DELIVERY AND CONDITION (10/96) - Unless the Government elects to have the space occupied in increments, the space must be delivered ready for occupancy as a complete unit. The Government reserves the right to determine when the space is ready to occupy.
- 2.8.1. OCCUPANCY PERMIT - The premises offered will have a valid Occupancy Permit, issued by the local jurisdiction, for the intended use of the Government.
- 2.9. HOLD HARMLESS (10/96) - In accordance with and subject to the conditions, limitations and exceptions set forth in the Federal Tort Claims Act of 1948, as amended (28 USC 2671 et. seq.), hereafter termed "the Act" the Government will be liable to persons damaged by any personal injury, death or injury to or loss of property, which is caused by a negligent or wrongful act or omission of an employee of the Government while acting within the scope of his office or employment under circumstances where a private person would be liable in accordance with the law of the

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place where the act or omission occurred. The foregoing shall not be deemed to extend the Government's liability beyond that existing under the Act at the time of such act or omission or to preclude the Government from using any defense available in law or equity.

2.10. CLAUSES INCLUDED BY REFERENCE– This lease incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

A. DEFAULT BY LESSOR (10/96)

B. COMPLIANCE WITH APPLICABLE LAWS (10/96)

C. OFFICIALS NOT TO BENEFIT (10/96)

D. COVENANT AGAINST CONTINGENT FEES (8/02)

E. ANTI-KICKBACK (7/14)

F. EXAMINATION OF RECORDS (8/02)

G. ASSIGNMENT OF CLAIMS (10/96)

H. SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (7/14)

I. INTEGRATED AGREEMENT (10/96)

J. EQUAL OPPORTUNITY (10/96)

K. AFFIRMATIVE ACTION FOR DISABLED WORKERS (10/96)

L. UNAUTHORIZED NEGOTIATING (10/96)

3. FINANCIAL CLAUSES

3.1. CLAUSES INCLUDED BY REFERENCE – This lease incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

A. ELECTRONIC FUNDS TRANSFER (EFT) (7/14)

B. SYSTEM FOR AWARD MANAGEMENT (7/14)

C. SYSTEM FOR AWARD MANAGEMENT – REAL PROPERTY (1/13)

4. DESIGN AND CONSTRUCTION CLAUSES

- 4.1. CONSTRUCTION COORDINATION (08/02) - A pre-construction meeting shall be held at the facility prior to the commencement of any construction, renovation, remodeling, or repair within the leased premises. If any items on the checklist are questionable or undone, full resolution of the issues will be expected before the project starts. The pre-construction meeting will be planned, scheduled, and coordinated with the RECO, the Government's supervisor or manager responsible for the facility, at least one week before the execution of the work.
- 4.2. INSPECTION - The Government reserves the right, at any time after the lease is signed and during the term of the lease, to inspect the leased premises of the building to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this lease. The Government shall have the right to perform sampling of suspected hazardous conditions.
- 4.3. WARRANTY OF SPACE - The Lessor warrants that all space leased to the Government under this contract must comply with applicable federal, state, and local regulations.
- 4.4. DOORS - Exterior doors shall be weather tight, equipped with cylinder locks and door checks, automatic door closures and open outward. The FAA will be furnished at least two master keys and two keys for each lock. The FAA may provide cores and may replace doors, provide cores, or otherwise modify internal or exterior doors based on advance coordination and approval with Lessor.
- 4.5. LIGHTING – “As Is”, Where Is” fixtures shall be provided that maintain a uniform lighting level at working surfaces. Emergency lighting must provide illumination throughout the exit path, including exit access routes, exit stairways, or other routes such as passageways to the outside of the building.
- 4.6. ADHESIVES AND SEALANTS (07/16) - The Lessor shall use adhesives and sealants that contain no formaldehyde, asbestos, or heavy metals.

5. SERVICE, UTILITIES, AND MAINTENANCE

- 5.1. SERVICE, UTILITIES, AND MAINTENANCE OF PREMISES - The Lessor shall maintain the leased premises, including outside areas in a clean condition. The Lessor shall provide the labor, materials, equipment and supervision necessary to ensure good repair and tenable condition. The Lessor shall provide the following:
- A. Services, utilities, and maintenance will be provided daily, extending from 8:00 a.m. to 5:00 p.m. except Saturday, Sunday, and Federal holidays. No services are supplied to technical equipment. The Government will have access to the leased premises at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.

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October 2016

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5.2 HVAC - All heating, ventilation and air-conditioning systems are "As Is, Where Is".

5.3 CLAUSES INCORPORATED BY REFERENCE – This lease incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

A. PEST CONTROL (07/16)

6. FIRE PREVENTION AND SAFETY

6.1 The Lessor warrants that all space leased to the Government under this contract will comply with all state, and municipal fire and safety regulations.

6.2 CLAUSES INCLUDED BY REFERENCE. This lease incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.

A. FIRE AND LIFE SAFETY REQUIREMENTS (01/16)

7. ENVIRONMENTAL CLAUSES

7.1. INDOOR AIR QUALITY [DELETED].

7.2. MOLD GROWTH IDENTIFICATION AND CONTROL - The Lessor will control mold growth and their sources including excessive levels of moisture and humidity. Any visual evidence requires sampling and remediation by Lessor.

7.3. DRINKING WATER - The Lessor shall ensure that drinking water provided in the leased space meets the standards prescribed in Safe Drinking Water Act, 42 U.S.C § 300. The Lessor shall provide a copy of any test report to the RECO and facility manager.

7.4. ASBESTOS - The Lessor provides the premises to the Lessee in an "As Is, Where Is" condition and that FAA personnel are aware of the current asbestos hazards. Any asbestos remediation will be at the expense of the Government.

7.5 CLAUSES BY REFERENCE FOR HALON AND RADON [DELETED]

8. ADDITIONAL CLAUSES

General Clauses [DELETED 8.1-8.9]

Design and Construction Clauses [DELETED 8.11]

8.10. ERECTION OF SIGNS (10/96) - The Government shall have the right to erect on or attach to the Lessor's premises such signs as may be required to clearly identify the Government's facility. Said signs so erected will remain the property of the Government and shall be removed from the premises upon termination of the lease.8

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8.12. WINDOW AND FLOOR COVERING - All exterior windows may be equipped with window covering. Floors will be carpeted with a commercial grade of carpet acceptable (carpet tiles or carpet broadloom) to the FAA. Existing floor and window coverings may be accepted at the discretion of the RECO.

At no additional cost to the FAA, the Lessor shall replace carpeting at least every eight (8) years during FAA occupancy or any time during the lease when:

- A. Backing or underlayment is exposed,
- B. There are noticeable variations in surface color or texture, and/or
- C. The condition of the carpet is such that it presents a clear and present danger to pedestrians.

Replacement does not include moving and return of furniture including dismantling, moving and re-assembling the FAA's systems furniture if directed by the FAA

8.13 WIRING FOR TELEPHONES (10/96) - The Government reserves the right to provide its own telephone service in the space to be leased. It may have inside wiring and telephone equipment installed by the local telephone company or a private contractor. Alternately, the FAA may wish to consider using inside wiring provided by the building, if available. However, the final decision will remain the Government's.

8.14 INSTALLATION OF ANTENNAS, CABLES AND OTHER APPURTENANCES (4/12) - The FAA shall have the right to install, operate and maintain antennas, wires and their supporting structures, including any linking wires, connecting cables and conduits atop and within buildings and structures, or at other locations, as deemed necessary by the Government. The Government will coordinate with the Lessor when installing antennas, cables, and other appurtenances.

8.15 PAINTING - All surfaces must be repainted after working hours at Lessor's expense at least once every eight years. If such repainting includes the moving and returning of the furniture, including dismantling, moving and re-assembling the Government's systems furniture, the Government will incur this expense. Any existing lead based paint must be properly maintained and managed per existing Federal, state, and local regulatory requirements. If there is chipping, flaking, or peeling paint in the lease premises during the period of government occupancy, it must be sampled for lead at the Lessor's expense. If containing lead, it must be abated at the Lessor's expense. This could be performed either by removal or sealing with an encapsulating material.

Service, Utilities, and Maintenance Clauses [DELETED 8.16, 8.18, 8.20]

8.17. UTILITIES NOT PROVIDED BY THE LESSOR (07/16) - If the cost of utilities is not included as part of the rental consideration, the Lessor must specify which utilities are excluded. The Lessor will provide separate meters for utilities to be paid for by the Government. Proration is not permissible. Prior to occupancy by the Government, the Lessor will furnish the Real Estate Contracting Officer written verification of the meter

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numbers and certification that these meters will measure FAA usage only. The Lessor will notify the RECO of any changes in meter numbers or meter configuration during FAA occupancy. An automatic control system will be provided to ensure compliance with heating and air conditioning provisions included in this lease.

- Electricity, telephone, data, water/sewer and trash collection are not included

8.19 MAINTENANCE OF GROUND AND WALKWAY (07/14) - The Lessor shall maintain in good condition landscape plants and lawns. The Lessor shall also remove snow and ice from the entrances, exterior walks and parking areas around the premises, prior to and during the Government's hours set forth in paragraph 5.1.

Fire Prevention and Safety Clauses [DELETED 8.21-8.24]

Security Clauses

8.25. FACILITY SECURITY - Security requirements for Government occupied space must meet minimum-security accreditation standards for the type of facility covered by this lease. The FAA Facility Security Management Program defines facility security accreditation standard levels. The security requirements identified below are tailored specifically for the type of facility covered by this lease. The Lessor shall provide or make accommodation to provide for all the security requirements listed herein for the leased premises covered by this lease agreement: None.

The local SSE will determine any additional security upgrades that are required to meet accreditation and shall conduct a final security assessment of the building. The Government shall provide maintenance services to the security upgrades installed by the Government at its own expense, within the leased premises and covered under this lease.

8.26. FOREIGN NATIONALS AS CONTRACTOR EMPLOYEES (10/14)

- A. Definition. "Foreign National" is any citizen or national of a country other than the United States who has not immigrated to the United States and is not a Legal Permanent Resident (LPR) of the United States.
- B. Each contractor or subcontractor employee under this contract having access to FAA facilities, sensitive information, or resources must be a citizen of the United States, or an alien who has been lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card Form I-151, or who presents other evidence from the U.S. Citizenship and Immigration Service that employment must not affect his/her immigration status.
- C. Aliens and foreign nationals proposed under this contract must meet the following conditions in accordance with FAA Order 1600.72A, chapter 5, paragraph 7 & 8:

1. Must have resided within the United States for three (3) of the last five (5) years unless a waiver of this requirement is requested and approved in accordance with the requirements stated in FAA Order 1600.72A, chapter 5, paragraph 9;
 2. A risk or sensitivity level designation can be made for the position; and
 3. The appropriate security-related background investigation/inquiry can be adequately conducted.
- D. Foreign nationals proposed under this contract must meet the following additional conditions:
1. Provide a current passport and Place of Birth in order to successfully pass a Security background check in accordance with the FAA Order 1600.74, Visitor Policy, and
 2. Successfully pass an export control review as outlined in FAA Order 1240.13 FAA Export Control Compliance.
- E. Interim suitability requirements may not be applied unless the position is low/moderate in risk, and/or temporary, and/or is not in a critical area position.

8.27. LESSOR PERSONNEL SUITABILITY REQUIREMENTS

- A. This clause applies to the extent that this lease requires Lessor's employees, agents, subcontractors, or consultants to have unescorted access to FAA:
1. Facilities;
 2. Sensitive information; and/or;
 3. Resources regardless of the location where such access occurs, and none of the exceptions of FAA Order 1600.72A, Lessor and Industrial Security Program, Chapter 5, paragraphs 4, 6, 7 and 8 pertains.
Definitions of applicable terminology are contained in the corresponding guidance and FAA Order 1600.72A, Appendix A.
- B. Consistent with FAA Order 1600.72A, the FAA Servicing Security Element (SSE) has approved designated risk levels for the positions under the lease. Those designated risk levels are Low Risk
- C. If a National Agency Check with Inquiries (NACI) or other investigation is required under paragraph (b) for a given position, the Lessor will submit to the RECO a point of contact (POC) that will enter applicant data into the Vendor Applicant Process (VAP) system (vap.faa.gov). VAP is a FAA system used to process and manage security information for FAA contractor personnel. Each contract may have up to 5 POCs. Once designated, a VAP administrator will provide each POC a Web ID and password.

The type of investigation conducted will be determined by the position risk level designation for all duties, functions, and/or tasks performed and will serve as the

basis for granting a favorable employment suitability authorization as described in FAA Order 1600.72A. If an employee has had a previous U. S. Government conducted background investigation which meets the requirements of Chapter 5 of FAA Order 1600.72A and Homeland Security Presidential Directive 12 (HSPD-12), it will be accepted by the FAA. However, the FAA reserves the right to conduct further investigations, if necessary. The contract may include positions that are temporary, seasonal, or under escort only. In such cases, an OPM Position Designation or FAA Form 1600-77 for each specific position will be established as the investigative requirements may differ from the NACI.

The following information must be entered into VAP by the POC for each applicant requiring an investigation:

- Name;
- Date and place of birth (city and state);
- Social Security Number (SSN);
- Position and office location;
- Contract number;
- Current e-mail address and telephone number (personal or work); and
- Any known information regarding current security clearance or previous investigations (e.g. the name of the investigating entity, type of background investigation conducted, contract number, labor category (Position), and approximate date the previous background investigation was completed).

If a prior investigation exists and there has not been a 2 year break in service by the applicant, the SSE will notify the Lessor that no investigation is required and that final suitability is approved.

If no previous investigation exists, the SSE will send the applicant an e-mail (this step may be delegated to VAP POC):

- Stating that no previous investigation exists and the applicant must complete a form through the Electronic Questionnaires for Investigations Processing (eQIP) system
- Instructing the applicant how to enter and complete the eQIP form;
- Providing where to send/fax signature and release pages and other applicable forms; and
- Providing instructions regarding fingerprinting.

The applicant must complete the eQIP form and submit other required material within 15 days of receiving the e-mail from the SSE.

For items to be submitted outside eQIP, the Lessor must submit the required information with a transmittal letter referencing the lease number to:

Headquarters Contracts:

Federal Aviation Administration
Manager, Personnel Security Division, AIN-400
800 Independence Avenue, S.W., Room 315
Washington, D.C. 20591

Regional and Center Contracts:

Security & Hazardous Materials Safety, AAL-750
FAA Alaskan Regional Office
222 W. 7th Ave., #14
Anchorage, AK 99513

- D. The Lessor must submit the information required by paragraph (c) of this Clause for any new employee not listed in the Lessor's initial submission who is hired into any position identified in paragraph (b) of this Clause.
- E. The RECO will provide notice to the Lessor when any Lessor employee is found to be unsuitable or otherwise objectionable, or whose conduct appears contrary to the public interest, or inconsistent with the best interest of national security. The Lessor must take appropriate action, including the removal of such employee from working on this FAA contract, at their own expense. Once action has been taken, the Lessor will report the action to the RECO and SSE.
- F. No Lessor employee will work in a high, moderate, or low risk position unless the SSE has received all forms necessary to conduct any required investigation and has authorized the Lessor employee to begin work.
- G. The Lessor must notify the RECO within three (3) business day after any employee identified pursuant to paragraph (c) of this Clause is terminated from performance on the contract. This notification must be done utilizing the Removal Entry Screen of VAP. If FAA issued the terminated employee an identification card, the Lessor must collect the card and submit it to the SSE.
- H. The Lessor must request a report from the VAP on at least a semiannual basis in order to reconcile discrepancies and then must notify the SSE of these discrepancies as soon as possible.
- I. The RECO may also, after coordination with the SSE and other security specialists, require Lessor employees to submit any other security information (including additional fingerprinting) deemed reasonably necessary to protect the interests of the FAA. In this event, the Lessor must provide, or cause each of its employees to provide, such security information to the SSE, to meet the requirements of paragraph (c) of this Clause.
- J. The Lessor and/or subcontractor(s) must contact the SSE (Regional and/or Center Security Divisions) or AIN-400 at Headquarters within one (1) business day in the event an employee is arrested (detained by law enforcement for any offenses, other than minor traffic offenses) or is involved in theft of government property or the

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Lessor becomes aware of any information that may raise a question about the suitability of a Lessor employee.

- K. Failure to submit information required by this clause within the time required may be determined by the RECO as a material breach of the contract.
- L. If subsequent to the effective date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in direct contract costs or otherwise affect any other term or condition of this contract, the contract will be subject to an equitable adjustment.
- M. The Lessor agrees to insert terms that conform substantially to the language of this clause, including paragraph (k) but excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access and where the exceptions under Chapter 5, FAA Order 1600.72A do not apply.
- N. Lessor employees who have not undergone a background investigation must be escorted at all times. In some instances, a Lessor employee may be required to serve as an escort. To serve as an escort, a Lessor employee must have a favorably adjudicated fingerprint check and initiated a NACI with FAA.

8.28. ACCESS TO FAA SYSTEMS AND GOVERNMENT-ISSUED KEYS, PERSONAL IDENTITY VERIFICATION (PIV) CARDS, AND VEHICLE DECALS (10/13)-

- A. It may become necessary for the Government to grant access to FAA systems or issue keys, PIV cards, vehicle decals, and/or access control cards to Lessor employees. Prior to or upon completion or termination of the work required hereunder, the Lessor must return all such Government-issued items and submit a request to terminate all user accounts on applicable FAA systems to the issuing office with notification to the Contracting Officer's Representative (COR). When Lessor employees who have been issued such items are terminated or no longer required to perform the work, the Government-issued items must be returned to the Government and a request submitted for the termination of FAA system access within three (3) business days after termination of the contract or the employee. Improper use, possession or alteration of FAA issued keys, PIV Cards and/or vehicle decals is subject to penalties under Title 18, USC 499, 506, 701, and 1030.
- B. In the event such keys, PIV Cards, or vehicle decals are lost, stolen, or not returned, the Lessor understands and agrees that the Government may, in addition to any other withholding provision of the contract, withhold \$0.00 for each key, PIV Card, and vehicle decal lost, stolen, or not returned. If the keys, PIV Cards, or vehicle decals are not returned within 30 calendar days from the date the withholding action was initiated, any amount so withheld must be forfeited by the Lessor.
- C. Access to aircraft ramp/hangar areas is authorized only to those persons displaying a flight line identification card and for vehicles, a current ramp permit issued pursuant to Title 49, Part 1542, Code of Federal Regulations.

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- D. The Government retains the right to inspect inventory, or audit PIV Cards, keys, vehicle decals, and access control cards issued to the Lessor in connection with the contract at the convenience of the Government. Any items not accounted for, to the satisfaction of the Government will be assumed to be lost and the provisions of section (b) apply.
- E. Keys must be obtained from the COR who will require the Lessor to sign a receipt for each key obtained. Lost or stolen keys, PIV Cards, vehicle decals, and access control cards must immediately be reported concurrently to the RECO, COR, and Security and Hazardous Materials Safety Office. Electronic keying cards are handled in the same manner as metal keys.
- F. Each contract employee, during all times of on-site performance at the Palmer Flight Service Station must prominently display his/her current and valid PIV card on the front portion of his/her body between the neck and waist. Each PIV card holder must not affix pins, stickers, or other decorations to the PIV.
 - 1. Prior to any Lessor employee obtaining a PIV Card or vehicle decals, the Lessor is required to enter data for each employee into the Vendor Applicant Process (VAP) as described in AMS clause 3.14-2, Contractor Personnel Suitability Requirements. From the information entered into the VAP, the SSE will determine whether final suitability can be granted due to the existence of a previous investigation, or will initiate the Lessor applicant into the Electronic Questionnaires for Investigations Processing (eQIP) system so that the applicant can complete the investigative forms. Interim suitability cannot be granted until the eQIP form is completed, and fingerprints and signature pages are submitted to the SSE. When an interim is granted by the SSE, the individual may begin work under escort until their OPM fingerprint check has been returned and successfully adjudicated. Once the OPM fingerprint check has been successfully adjudicated, they can then be badged. If the contract employee requires a PIV Card, a fingerprint check must be completed and favorably adjudicated by the SSE prior to approval or issuance of the PIV card.
 - 2. To obtain the PIV Card, Lessor employee must submit an identification Card/Credential Application (DOT 1681) signed by the Lessor employee and by the authorized trusted agent (when applicable) and also by the authorized sponsor to the RECO or to the COR. The DOT 1681 must contain, as a minimum, under the "Credential Justification" heading, the name of the Lessor/company, the contract number or the appropriate acquisition identification number, the expiration date of the contract or the task (whichever is sooner), and the required signatures. The Lessor will be notified when the DOT 1681 has been approved and is ready for processing by the Security and Hazardous Materials Safety Office. Arrangements for processing the identification cards, including photographs and lamination can be made by contacting 907-271-5557.
 - 3. The Lessor must contact the SSE to obtain the procedures that the Lessor's employees must utilize to obtain their PIV Card.

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The Lessor is responsible for ensuring final out-processing is accomplished for all departing Lessor employees. Final out-processing must be accomplished by close of business the final workday of the Lessor employee or the next day under special conditions. The SSE must be notified in writing and ensure that all FAA media, including the PIV card, are returned to the SSE.

Environmental Clauses [DELETED 8.29]

8. CLOSING

8.1. NOTICES - All notices/correspondence shall be in writing, reference the lease number, and be addressed as follows:

TO THE LESSOR

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

TO THE GOVERNMENT

Federal Aviation Administration
Real Estate & Utilities Group
222 W 7th, #14
Anchorage, AK 99513-7587

8.2. ATTACHMENTS

None.

IN WITNESS WHEREOF, the parties hereto have signed their names.

CITY OF PALMER

BY	Nathan E. Wallace	City Manager	
	_____ Signature	_____ Title	_____ Date

UNITED STATES OF AMERICA

BY		Real Estate Contracting Officer	
	_____ Signature	_____ Title	_____ Date

PROPOSED EXHIBIT ONE LISTING ALL
CLAUSES INCORPORATED BY REFERENCE

Paragraph 2.10 Template Clauses Incorporated By Reference

DEFAULT BY LESSOR (10/96) - Each of the following shall constitute a default by Lessor under this lease:

- A. If the Lessor fails to perform the work required to deliver the leased premises ready for occupancy by the Government with such diligence as will ensure delivery of the leased premises within the time required by the lease agreement, or any extension of the specified time.
- B. Failure to maintain, repair, operate or service the premises as and when specified in this lease, or failure to perform any other requirement of this lease as and when required provided such failure which shall remain uncured for a period of time as specified by the Real Estate Contracting Officer, following Lessor's receipt of written notice thereof from the Real Estate Contracting Officer.
- C. Repeated failure by the Lessor to comply with one or more requirements of this lease shall constitute a default notwithstanding that one or all failures shall have been timely cured pursuant to this clause.

If default occurs, the Government may, by written notice to the Lessor, terminate the lease in whole or in part.

COMPLIANCE WITH APPLICABLE LAWS (10/96) - The Lessor shall comply with all federal, state and local laws applicable to the Lessor as owner or Lessor, or both, of building or premises, including, without limitation, laws applicable to the construction, ownership, alteration or operation of both or either thereof, and will obtain all necessary permits, licenses and similar items at Lessor's expense. This lease shall be governed by Federal law.

OFFICIALS NOT TO BENEFIT (10/96) - No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

COVENANT AGAINST CONTINGENT FEES (8/02) - The Lessor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

ANTI-KICKBACK (7/14) - The Anti-Kickback Act of 1986 (41 U.S.C. § 8701 et seq.), prohibits any person from:

- A. Providing or attempting to provide or offering to provide any kickback;
- B. Soliciting, accepting, or attempting to accept any kickback; or
- C. Including, directly or indirectly, the amount of any kickback in the lease price charged by a prime Lessor to the United States Government or in the lease price charged by a sublessor to a prime Lessor or higher tier sublessor.

EXAMINATION OF RECORDS (08/02) - The Comptroller General of the United States, the Administrator of FAA or a duly authorized representative from either shall, until 3 years after final payment under this lease have access to and the right to examine any of the Lessor's directly pertinent books, documents, paper, or other records involving transactions related to this lease.

ASSIGNMENT OF CLAIMS (10/96) - Pursuant to the Assignment of Claims Act, as amended, 31 U.S.C. § 3727, 41 U.S.C. § 6305 the Lessor may assign his rights to be paid under this lease.

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT (07/14) –

- A. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Based on a written demand received by the RECO, the Government will review and, if acceptable, execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.
- B. No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate non-disturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.

- C. In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the RECO and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.
- D. None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

~~**SUBLEASE (10/96)**—The Government reserves the right to sublease the space covered under this lease to another agency or private party. In subleasing this space to another party the Government is not relieved from its responsibilities under the terms of this lease, unless otherwise agreed upon with the Lessor.— [can delete here]~~

INTEGRATED AGREEMENT (10/96) - This Lease, upon execution, contains the entire agreement of the parties, and no prior written or oral agreement, express or implied shall be admissible to contradict the provisions of this lease.

EQUAL OPPORTUNITY (10/96) - The Lessor shall have on file affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2).

~~**AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (10/96)**—The Lessor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (the Act), as amended. If the Lessor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.— [don't meet jurisdictional threshold of \$100K]~~

AFFIRMATIVE ACTION FOR DISABLED WORKERS (10/96) - The Lessor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor (Secretary) issued under the Rehabilitation Act of 1973 (29 USC 793) (the Act), as amended. If the Lessor does not comply with the requirements of this clause, appropriate actions may be taken under the rules, regulations, and relevant orders of the Secretary issued pursuant to the Act.

UNAUTHORIZED NEGOTIATING (10/96) - In no event shall the Lessor enter into negotiations concerning the space leased or to be leased with anyone other than the RECO or his/her designee.

Clauses Incorporated by Reference Paragraph 3

ELECTRONIC FUND TRANSFER (07/14) – All payment by the Government under this lease will be made by electronic funds transfer (EFT). The Government will make payment by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CFR Part 210. The Lessor is responsible to maintain correct payment information with the Government. If the Lessor's EFT information is incorrect or outdated, the Government is not required to make payments to the Lessor until correct/current EFT information is submitted to the Government for payment distribution.

SYSTEM FOR AWARD MANAGEMENT (07/14) - The System for Award Management (SAM) system the Government's required method to receive vendor information. However you have been granted an exception to SAM and therefore must provide your initial payment information and any future changes to your payment information to the Real Estate Contracting Officer on a completed and signed "Vendor Miscellaneous Payment Information" form, together with any other required notice under this contract.

SYSTEM FOR AWARD MANAGEMENT - REAL PROPERTY (1/13) - The FAA uses the System for Award Management (SAM) system as the primary means to maintain lessor information required for payment under any FAA lease.

A. Definitions. As used in this clause for:

1. "SAM database" means the primary Government repository for Lessor information required for the conduct of business with the Government.
2. "Contractor" is synonymous with "Lessor" for real property leases or other contracts
3. "Data Universal Numbering System (DUNS) number" means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.
4. "Data Universal Numbering System +4 (DUNS+4) number" means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional SAM records for identifying alternative Electronic Funds Transfer (EFT) accounts for the same parent concern.
5. "Registered in the SAM database" means that the Lessor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the SAM database.

B. By submission of an lessor, the Lessor acknowledges that:

1. A prospective awardee will be registered in the SAM database prior to award, during performance, and through final payment.

2. The lessor will enter, in the space provided on the clause, Contractor Identification Number Data Universal Numbering System (DUNS) Number - Real Property the lessor's DUNS or DUNS+4 number that identifies the lessor's name and address exactly as stated in the offer. The DUNS number will be used by the RECO to verify that the lessor is registered in the SAM database.
- C. If the lessor does not have a DUNS number, it will contact Dun and Bradstreet directly to obtain one.
1. A Lessor may obtain a DUNS number:
 - a. If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or
 - b. If located outside the United States, by contacting the local Dun and Bradstreet office.
 2. The Lessor will be prepared to provide the following information:
 - a. Company* legal business.
 - b. Tradestyle, doing business, or other name by which your entity is commonly recognized.
 - c. Company Physical Street Address, City, State, and Zip Code.
 - d. Company Mailing Address, City, State and Zip Code (if separate from physical).
 - e. Company Telephone Number.
 - f. Date the company was started.
 - g. Number of employees at your location.
 - h. Chief executive officer/key manager.
 - i. Line of business (industry).
 - j. Company Headquarters name and address (reporting relationship within your entity).

* Individual (non-corporate) Lessors of real property that are not normally in the business of leasing real property: You should consider your leasing to the Government as a separate business (usually a sole proprietorship) then provide the pertinent ownership information as an sole proprietor when providing this information to Dunn & Bradstreet.
- D. If an otherwise successful Lessor does not become registered in the SAM database in the time prescribed by the RECO, the RECO may proceed to award to the next otherwise successful registered lessor, if the RECO determines it to be in the best interests of the Government.
- E. Processing time, normally 48 hours, will be taken into consideration when registering. Lessors who are not registered will consider applying for registration immediately upon receipt of this solicitation.
- F. The Lessor is responsible for the accuracy and completeness of the data within the SAM database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the SAM database the Lessor is required to review and update, on an annual basis from the date of initial registration or subsequent updates, its information in the SAM database to ensure

it is current, accurate and complete. Updating information in the SAM does not alter the terms and conditions of this lease and is not a substitute for a properly executed contractual document.

G. Changes

1. Name or Ownership Changes

- a. If a Lessor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the lease), or has transferred the assets used in performing the lease, the Lessor will provide the responsible RECO a minimum of one business day's written notification of its intention to:
 - i. Change the name in the SAM database;
 - ii. Agree in writing to the timeline and procedures the RECO specifies to document the requested change in the lease. With notification, the Lessor will provide sufficient documentation to support the legally changed name then execute the appropriate supplemental agreement to document the name change provided by the RECO.
- b. The Lessor's entry of the name/ownership change in SAM does not relieve the Lessor of responsibility to provide proper notice of the name change to the RECO. The change in SAM cannot be made effective until the appropriate documentation/ supplemental agreement is executed by the RECO. Any discrepancy in payee information in SAM caused by a failure to fulfill the requirements specified in paragraph (g)(1) (i) above, will result in a discrepancy that is incorrect information, within the meaning of paragraph (d) Suspension of Payment of the electronic funds transfer (EFT) clause of this lease.

2. Assignment of Claims. The Lessor will not change the name or address for EFT payments in the SAM or manual payments to reflect an assignee. Assignees must separately register in the SAM database. The Lessor will notify the RECO and will comply with the instructions for submitting an Assignment of Claims notification. Information provided to the Lessor's SAM record that indicates payments, including those made by EFT, to an ultimate recipient other than that Lessor, without proper notice to the RECO, will be considered to be incorrect information within the meaning of the paragraph D "Suspension of payment" of the EFT clause of this lease.

- H. Exceptions to SAM. As provided for in AMS Procurement Toolbox Section T3.3.1.A-4, "System for Award Management," certain Lessors may qualify by limited exceptions to SAM waiver. If a Lessor is determined by the RECO to merit justification of a waiver from SAM, then the lessor will provide initial payment information and any future vendor information changes to the RECO on the "Vendor Miscellaneous Payment Information" form, provided by the RECO. An alternate clause, "Contractor Payment Information-Non SAM" will be included in the lease and the lessor will comply with the terms of that clause. Having an exception from SAM does not excuse a vendor from EFT payment

requirements, as required in the clause, "Payment by Electronic Fund Transfer - Real Property."

1. Lessors may obtain information on registration and annual confirmation requirements via the internet at <http://www.sam.gov> or by calling 866-606-8220.

**Paragraphs 5.3 (Services/Maintenance), 6 (Fire/Safety) and
7.5 (Environmental Clauses)**

Paragraph 5.3.

PEST CONTROL (07/16) - Pesticide application to exterminate and control pests within the leased premises can be performed per periodic schedule for preventative maintenance and according to need with 24-hour notification to the Facility Manager. Prior to any addition/change in type of pesticides or other chemical pest control, Lessor must provide 48-hour written notice with applicable Safety Data Sheet(s) (SDS) to be provided to the Facility Manager for information and acceptance with copy to the RECO. Herbicides/pesticides are not to be applied near the outside air intakes of the building when the system is in operation, nor within the leased premises during normal working hours or when the system is in operation.

Paragraph 6—Fire Prevention and Safety

~~ENVIRONMENTAL AND OCCUPATIONAL SAFETY AND HEALTH (EOSH) REQUIREMENTS (07/16)~~—The Lessor shall provide space, services, and equipment that comply with the following EOSH standards:

- ~~1. 29 CFR 1910, Occupational Safety and Health Standards (General Industry)~~
- ~~2. 29 CFR 1926, Safety and Health Standards (Construction)~~
- ~~3. FAA Order 3900.19, FAA Occupational and Health Program~~
- ~~4. FAA Standard HF-STD-001, Human Factors Design Standard~~
- ~~5. National Fire Protection Association (NFPA) 70, National Electrical Code, and NFPA 70E, Electrical Safety in the Workplace~~
- ~~6. Local and state EOSH regulations~~
- ~~7. Local and state fire codes and building codes. Compliance with local and state codes generally provides a level of safety that meets or exceeds national consensus standards.~~
- ~~8. Federal, state and local EOSH (OSHA and EPA), Standards and Building Codes must be complied with when accomplishing any cleaning, construction, renovation, remodeling, maintenance activities or testing done in or on the leased premises and areas connected to or integrated with the leased premises. Additionally, whenever FAA Standards require work processes or precautions to be provided, the Lessor will coordinate with the FAA before and during the work so that the proper requirements are met.~~

~~Any equipment designed, installed, or used that presents a potential safety hazard shall be marked with appropriate warning labels or placards, in accordance with 29 CFR 1910.145, Specifications for Accident Prevention Signs and Tags, FAA HF-STD-001, Human Factors Design Standard, Chapter 12.16, Safety Labels and Placards, and American National Standards Institute (ANSI) Standard Z535.4, Product Safety Signs~~

~~and Labels, and FAA-G-2100H, Electronic Equipment, General Requirements, Section 3.3.5.4.~~

FIRE AND LIFE SAFETY REQUIREMENTS (01/16) - The facility, its systems and appurtenances must be in compliance with the following fire and life safety (FLS) requirements:

- A. Construction features of the building must comply with state and local building codes in affect at the time of construction or most recent modification.
- B. Maintenance and operations of the building must comply with the current edition of state and local fire safety and fire prevention codes.
- C. Construction features, maintenance and operations of the building must meet or exceed the minimum level of fire and life safety specified by OSHA 29 CFR 1910

Where compliance with the literal requirements of these standards has not been achieved, the Lessor must document, in writing to the Government, the specific deviation(s) from these standards and what alternative methods have been employed by the Lessor and accepted by the local jurisdiction (where applicable), as an alternative method of compliance. Furthermore, where alternative methods of compliance are used in lieu of literal compliance with the FLS requirements listed herein, the approach shall be signed by a Fire Protection Engineer, licensed in the subject property's state, and a copy shall be provided to the RECO.

As provided in this section, all codes, standards, orders and directives refer to the current edition in place at the signing of this lease in regards to building construction features. If construction or modifications to the leased premises are undertaken at any time during the term of this Lease, fire protection and life safety systems must be brought into compliance where required by applicable codes and standards according to the then-current edition of local codes and standards. The party initiating the construction or modifications is responsible for funding the upgrade of fire and life safety systems when required by applicable codes and standards. The construction or modification to the leased facility must never decrease the level of fire and life safety provided.

Regardless of local code requirements, when the leased space (including garage areas under lease by the Government) is on the 6th floor and above, or below grade, automatic sprinklers are required. Furthermore, leased buildings serving National Airspace System (NAS) air traffic control operations and constructed after June 2012, shall be fully protected with an automatic, electrically supervised sprinkler system designed and installed in accordance with the requirements of NFPA 13.

When the leased space is located in multi-tenant buildings, the Lessor shall be fully responsible for the following:

- A. Development of a building Emergency Action Plan (EAP) and Fire Prevention Plan
- B. Publishing and making copies of the EAP and Fire Prevention Plan available to all FAA leased space occupants
- C. Conducting fire or other emergency evacuation drills, at least annually

- D. Conducting review and modification of the EAP and Fire Prevention Plan at least annually
- E. Inviting FAA representation in development, review and modification of the EAP and Fire Prevention Plan

If Lessor requires assistance from the FAA facility manager, there may be consultation on an as needed basis to accomplish the above activities.

~~**ELECTRICAL SAFETY (01/16)**—The Lessor shall ensure electrical safety requirements are met, including grounding, bonding, shielding, control of electrostatic discharge (ESD), and lightning protection requirements, in accordance with:~~

- ~~A. 29 CFR 1910, Subpart S, *Electrical*~~
- ~~B. FAA Standard HF-STD-001, *Human Factors Design Standard*, Chapter 12.4, *Electrical Hazards*~~
- ~~C. DOT Specification FAA-G-2100H, *Electronic Equipment, General Requirements*~~
- ~~D. National Fire Protection Association (NFPA) 70, *National Electrical Code*~~
- ~~E. NFPA 70E, *Electrical Safety in the Workplace*~~
- ~~F. American National Standards Institute/Institute of Electrical and Electronics Engineers (ANSI/IEEE) Standard 1100-2005, *Recommended Practice for Powering and Grounding Electrical Equipment*~~
- ~~G. DOT Standard FAA-STD-019E, *Lightning and Surge Protection, Grounding, Bonding and Shielding Requirements for Facilities and Equipment*~~

~~The Lessor must ensure that electrical equipment and infrastructure meets minimum clear working space requirements in accordance with 29 CFR 1910.303 and NFPA 70 Article 110.26, and is properly maintained and documented in accordance with NFPA 70E. Any change in the electrical equipment would require a review of the current arc flash warning labels to determine if the arc flash warning labels posted meet the current safety requirements.~~

~~All hazards associated with electrical equipment shall be marked with labels indicating the hazard, in accordance with FAA-G-2100H, Chapter 3.3.5.5, *Markings, Signs, Tags and Symbols* and requirements ANSI Standard Z53, *Series of Standards for Safety Signs and Tags*.~~

Paragraph 7.5

~~**HALON (04/12)**—Halon must not be used as a fire extinguishing system in any FAA leased space.~~

~~**RADON (07/16)**—Lessor must provide the FAA with a Radon Evaluation Report for the leased facility when requested. Radon air levels in leased premises to the FAA must meet applicable standards of four (4) picocuries per liter (pCi/L). If radon levels are found to be at or above 4 pCi/L, the Lessor will develop and promptly implement a plan of corrective action, including testing, to ensure radon air levels are maintained below 4.0 pCi/L at all times. Testing shall be done in accordance with EPA State Radon Contract requirements.~~

**City of Palmer
Action Memorandum No. 17-052**

Subject: Authorizing the City Manager to Negotiate and Execute Lease Amendment and Modification Agreements with Hinchinbrook Equipment Solely Owned by New Horizons Telecom, Inc., for Lease Lot 5, Palmer Municipal Airport

Agenda of: June 27, 2017

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

Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u>X</u>	Finance	<u><i>[Signature]</i></u>	<u>06/09/17</u>
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **15,374.50**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>\$15,374.50</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 checked="" type="checkbox"/>	Budgeted	Line item(s): <u>03-00-00-3431 Airport Land Leases</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>03-00-00-3431 Airport Land Leases (Increase \$1,182.65)</u>

Director of Finance Signature: *[Signature]*

Attachment(s):

- Draft Lease Amendments and Modification Agreements 91-1 (Exhibit A)
- Identity Documents

Summary Statement:

Mr. John Lee has agreed to Lease amendments and modifications with the City of Palmer to provide for alignment of his leases with current leasing practices and standards.

In granting the execution of these amendments and modification agreements, this City will be using up to date lease language, receiving a rental rate increase from \$0.06 to \$0.065 cents per square foot, formalizing requirements for pollution insurance on lot 5 and getting the guarantee of New Horizon Telecom, Inc. which solely owns Hinchinbrook Equipment, Inc.

New Horizons Telecom Inc. has previously provided pollution insurance on their policy, but it did not pertain to Hinchinbrook's aircraft fueling operations.

Administration's Recommendation:

To approve Action Memorandum No. 17-052 for approval to execute a Lease Amendment and Modification Agreement with Mr. John Lee and Hinchinbrook Equipment, Inc.



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

LEASE AMENDMENT AND MODIFICATION AGREEMENT

In consideration of and in reliance upon the above assumption and promises contained in this instrument, the City of Palmer (Lessor) and **Hinchinbrook Equipment Inc.** (Lessee) hereby consents to the following lease amendments and modifications for Lease Agreement PMA 91-1.

Current Palmer Municipal Airport Lease No. 91-1 (The Airport Lease) is in Effect. Except as otherwise expressly stated herein, nothing in this Lease amendment and Modification Agreement of PMA Lease No. 91-1 is intended to amend or alter any of the terms and conditions of the Airport Lease or any amendments thereto previously executed by Lessor and Lessee. All terms and conditions remain in full force and effect.

Amendment(s)

No. 1 Paragraph 2 and 3 on page 1 of Lease 91-1 dated March 8, 1991 is amended to read as follows:

Premises and Purpose

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 in an unrecorded plat dated June 27, 2005 as follows:

Palmer Municipal Airport, Block 3, Lease Lot 5
Containing 5.43 acres or 236,530.80 square feet, more or less
See "Exhibit A"

No. 2 Paragraph 5 on page 1, is amended to read as follows:

The rental specified is herein calculated at the rate of \$0.065 (six and one half cents) per square foot per year (236,530.80 square foot at \$0.065 or \$15,374.50).

No. 3 General Covenant 9, paragraph 1 and 2 on page 5 is amended to read as follows:

9. Rent Adjustment

- A. It is the intent of the parties that the Palmer Municipal Airport be a self-sustaining facility and operate without any support from the general fund of the Lessor.
- B. The rent shall be subject to adjustment at five (5) year intervals to achieve fair market rent, the first adjustment date is five (5) years following the first annual payment. The rent shall be adjusted as follows:

1. Six (6) months prior to the termination of the initial five (5) year period and any subsequent five (5) year period, Lessor shall propose the rent for the next five (5) year period of the lease term and the parties hereto may, by mutual agreement, set the rent for the five (5) year period. The basis of the initial proposed new rent for the next five (5) year term will be the accumulated increase or decrease in the Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, semiannual averages, all items index for the Anchorage, AK. Local area, based upon 2015 as a base year, as well as the comparative leasing rate of similar airports in the Alaskan market place.
 - a. If an agreement is not reached ninety (90) days prior to the end of the current five (5) year period, the fair market rental value of the premises shall be determined by an appraiser selected by the lessor who shall (a) be a member of The American Institute of Real Estate Appraisers, and (b) have experiencing in appraising properties similar to the premises. (The "Qualified Appraiser"). The cost of the initial appraisal shall be born equally between Lessor and Lessee. If either the Lessor or Lessee or both shall disapprove of the fair market rental of the premises as thus determined, the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.
 2. Lessor's failure to timely start this rent adjustment procedure does not affect the rent adjustment, other than that the rent shall not be adjusted for the period before Lessor starts the procedure for each five-year period.
 - a. If, for example, Lessor starts the rent-adjustment procedure for the first time on the first day of the seventh year of the lease term, then the rent shall remain unchanged for the previous six years.
 - b. Any adjustment in Section 1.4 would start as of the first day of the seventh year and remain in effect through year ten when Lessor could again start the rent-adjustment procedure.
- C. During the pendency of any determination of fair market rent, Lessee shall pay the rent last in effect for the Premises until such determination has been made. Any deficiency between the rent so paid and the adjusted rent retroactive to the beginning of the period for which it is due shall be paid within thirty (30) days of being billed to Lessee with interest from the original due date of such rent at the highest rate allowed by law for debts under \$25,000 or twelve percent (12%) per annum, whichever rate is lower.

No. 4 General Covenant 24, paragraph 1, 2 and 3 on page 7 is amended to read as follows:

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.

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: Hinchinbrook Equipment Inc.
901 Cope Industrial Way, Palmer, AK. 99645

LESSOR: CITY OF PALMER

By: _____
Nathan E. Wallace, City Manager

Date: _____

LESSEE: HINCHINBROOK EQUIPMENT, INC.

By: _____
John S. Lee, President

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 E. Wallace, known to me to be the identical individual described in and who executed the within and foregoing Lease Amendment and Modification Agreement as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2017, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, John S. Lee, President of the corporation named in the forgoing instruments, acknowledged to me that he/she had, in his/her official capacity is 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: _____

GUARANTOR(s):

By: _____ Date: _____
John S. Lee, individually

NEW HORIZONS TELECOM INC.

By: _____ Date: _____
John S. Lee, President

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, John S. Lee, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

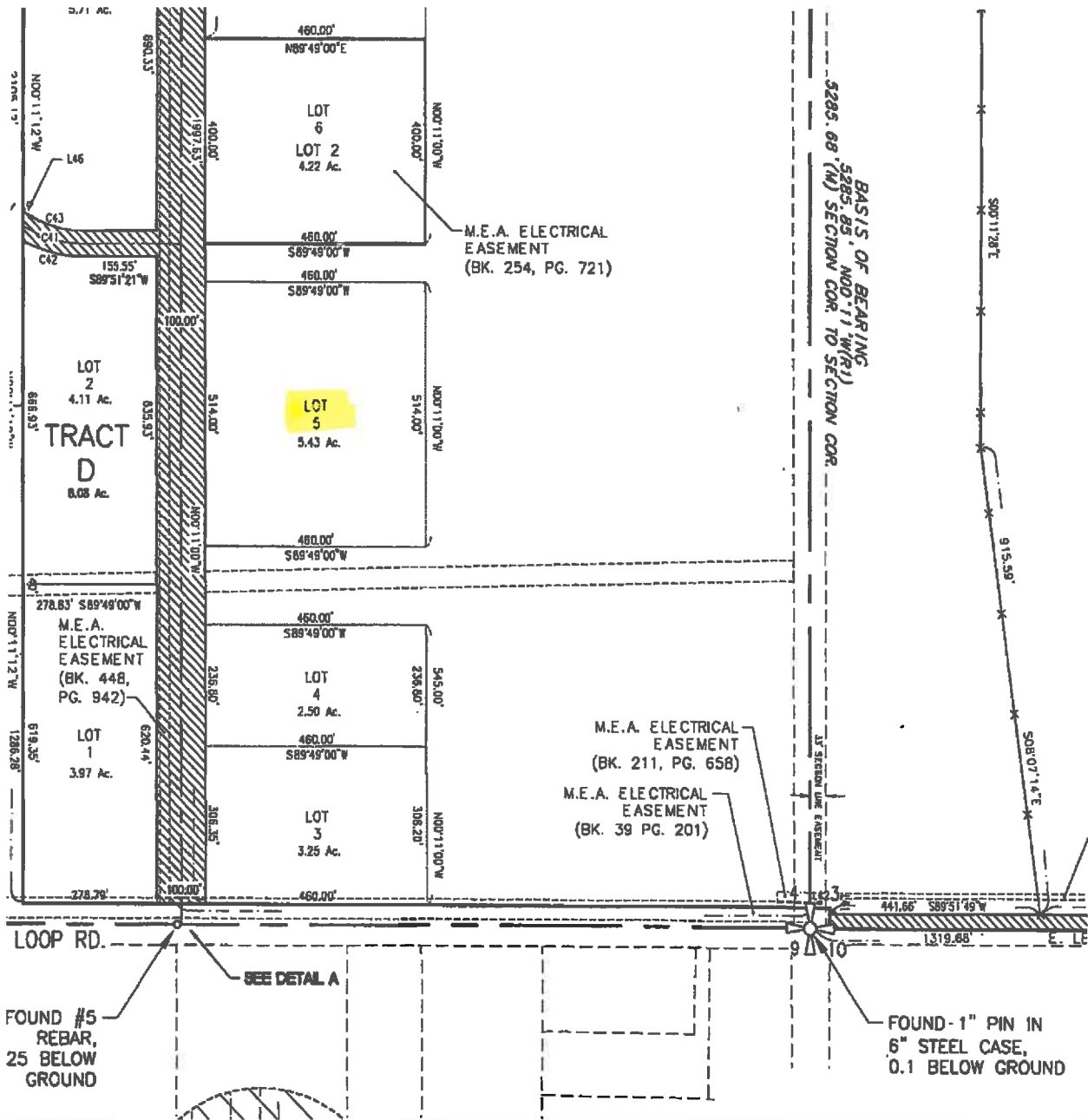
WITNESS my hand and official seal the date and year first above written.

Notary public in and for Alaska

My commission expires: _____

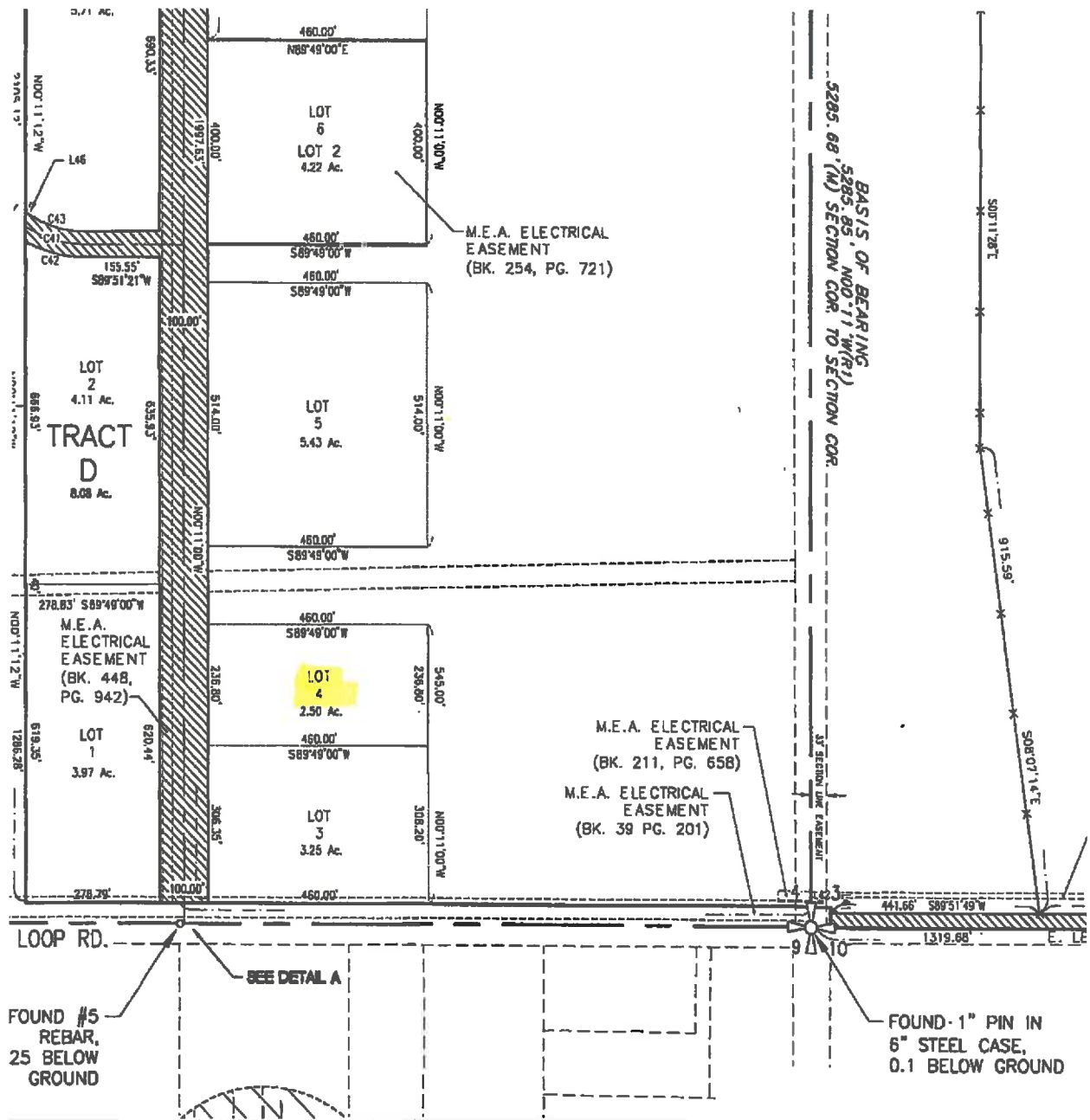
"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 5



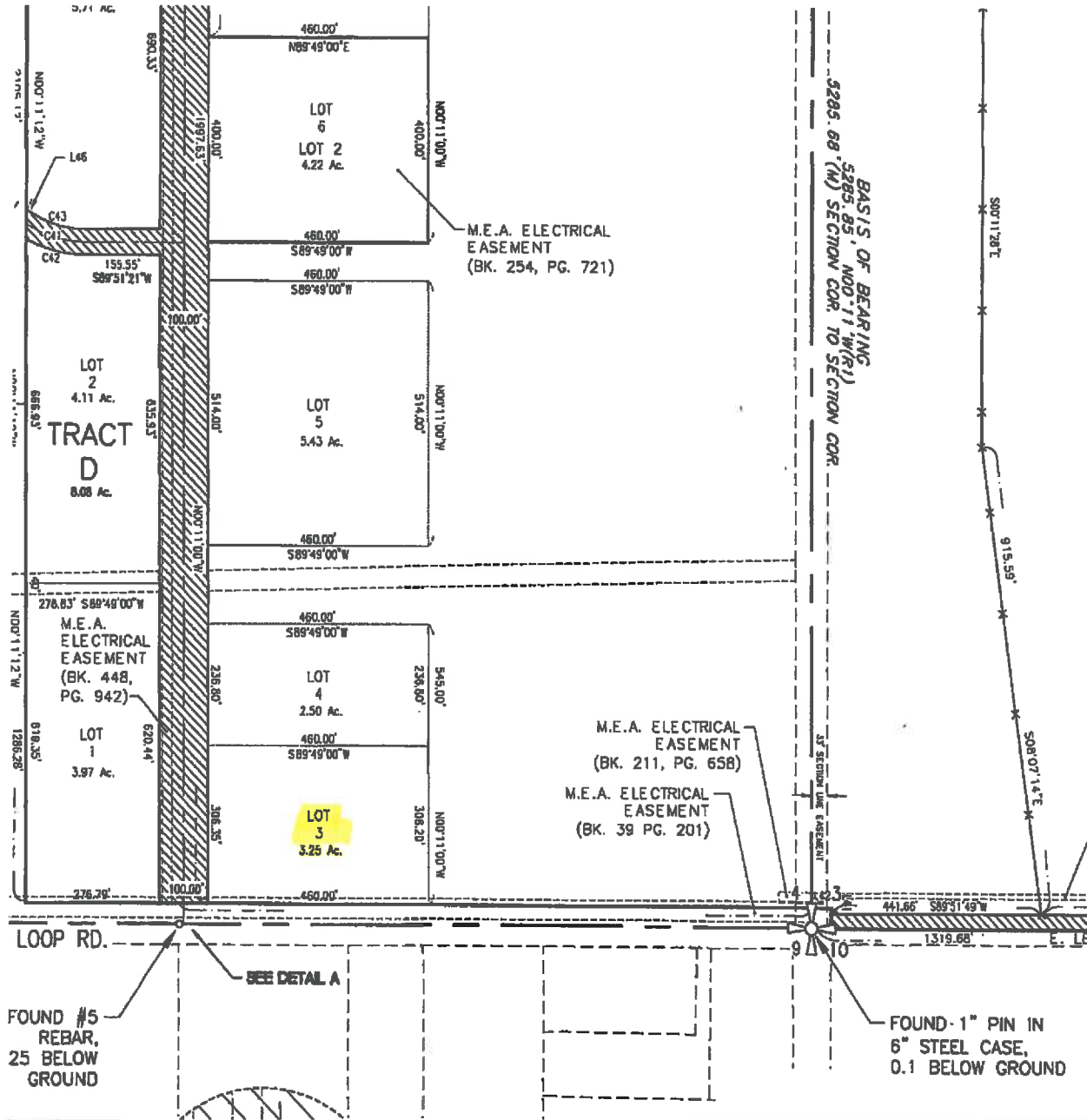
"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 4



"EXHIBIT A"

PALMER MUNICIPAL AIRPORT: BLOCK 3, LEASE LOT 3



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

Certificate of Correction

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

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

HINCHINBROOK EQUIPMENT INC.



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective January 23, 2015.

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

Fred Parady
Commissioner

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	HINCHINBROOK EQUIPMENT INC.

ENTITY DETAILS

Entity Type: Business Corporation
Entity #: 41815D
Status: Good Standing
AK Formed Date: 3/21/1988
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 901 COPE INDUSTRIAL WAY, PALMER, AK 99645
Entity Physical Address: 901 COPE INDUSTRIAL WAY, PALMER, AK 99645

REGISTERED AGENT

Agent Name: JON SHEPHERD
Registered Mailing Address: 901 COPE INDUSTRIAL WAY, PALMER, AK 99645
Registered Physical Address: 901 COPE INDUSTRIAL WAY, PALMER, AK 99645

OFFICIALS

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former Owned
	DEAN MUDD	Director, Secretary, Treasurer	
	JOHN LEE	Director, President	
	JON SHEPHERD	Director, Vice President	
	New Horizons Telecom Inc	Shareholder	100

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
3/21/1988	Creation Filing		
1/19/1990	Biennial Report		
12/30/1991	Biennial Report	Click to View	
2/29/1992	Biennial Report		
1/19/1994	Biennial Report	Click to View	
5/02/1996	Biennial Report	Click to View	
5/21/1998	Biennial Report	Click to View	
7/05/2000	Biennial Report	Click to View	
10/25/2002	Biennial Report	Click to View	
4/03/2003	Election or Resolution to Dissolve	Click to View	
12/29/2003	Biennial Report	Click to View	
12/16/2005	Biennial Report	Click to View	

Date Filed	Type	Filing	Certificate
12/27/2005	Biennial Report	Click to View	
10/04/2007	Biennial Report	Click to View	
1/31/2008	Change of Officials	Click to View	
2/19/2008	Change of Officials	Click to View	
3/17/2009	Biennial Report	Click to View	
12/09/2011	Biennial Report	Click to View	
6/13/2012	Agent Change	Click to View	
11/05/2013	Biennial Report	Click to View	
1/23/2015	Correction	Click to View	Click to View
12/29/2015	Biennial Report	Click to View	

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156

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

Certificate of Correction

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

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

NEW HORIZONS TELECOM INC.



IN TESTIMONY WHEREOF, I execute the certificate
and affix the Great Seal of the State of Alaska
effective January 23, 2015.

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

Fred Parady
Commissioner

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

State of Alaska > Commerce > Corporations, Business, & Professional Licensing > Search & Database Download > Corp. > Corporation Details

NAME(S)

Type	Name
Legal Name	NEW HORIZONS TELECOM INC.

ENTITY DETAILS

Entity Type: Business Corporation
Entity #: 41699D
Status: Good Standing
AK Formed Date: 2/29/1988
Duration/Expiration: Perpetual
Home State: ALASKA
Next Biennial Report Due: 1/2/2018
Entity Mailing Address: 901 COPE INDUSTRIAL WY, PALMER, AK 99645
Entity Physical Address: 901 COPE INDUSTRIAL WY, PALMER, AK 99645

REGISTERED AGENT

Agent Name: Dean Mudd
Registered Mailing Address: 901 COPE INDUSTRIAL WY, PALMER, AK 99645
Registered Physical Address: 901 COPE INDUSTRIAL WY, PALMER, AK 99645

OFFICIALS

AK Entity #	Name	Titles	<input type="checkbox"/> Show Former Owned
	DEAN MUDD	Director, Secretary	
	JOHN LEE	Director, President, Treasurer, Shareholder	80
	JON SHEPHERD	Director, Vice President, Shareholder	20

FILED DOCUMENTS

Date Filed	Type	Filing	Certificate
2/29/1988	Creation Filing		
1/19/1990	Biennial Report		
12/30/1991	Biennial Report	Click to View	
2/29/1992	Biennial Report		
1/19/1994	Biennial Report	Click to View	
5/02/1996	Biennial Report	Click to View	
5/21/1998	Biennial Report	Click to View	
6/20/2000	Biennial Report	Click to View	
5/09/2002	Biennial Report	Click to View	
12/04/2003	Biennial Report	Click to View	
11/22/2005	Biennial Report	Click to View	
10/04/2007	Biennial Report	Click to View	
7/14/2009	Biennial Report	Click to View	

Date Filed	Type	Filing	Certificate
12/09/2011	Biennial Report	Click to View	
11/05/2013	Biennial Report	Click to View	
1/23/2015	Correction	Click to View	Click to View
12/29/2015	Biennial Report	Click to View	

Juneau Mailing Address

P.O. Box 110806
Juneau, AK 99811-0806

Physical Address

333 Willoughby Avenue
9th Floor
Juneau, AK 99801-1770

Phone Numbers

Main Phone: (907) 465-2550
FAX: (907) 465-2974

Anchorage Mailing/Physical Address

550 West Seventh Avenue
Suite 1500
Anchorage, AK 99501-3567

Phone Numbers

Main Phone: (907) 269-8160
FAX: (907) 269-8156

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on February 14, 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	Linda Combs, Deputy Mayor
Richard Best	Steve Carrington
David Fuller	Brad Hanson
Peter LaFrance	

Also in attendance were the following:

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

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Deputy Mayor Combs.

D. APPROVAL OF AGENDA

- Approval of Consent Agenda
 - Introduction of **Ordinance No. 17-003**: Repealing Ordinance No. 428 and Adopting Palmer Municipal Code Title 7, Airport Regulations (IM No. 17-006)
 - Action Memorandum No. 17-008**: Authorize City Manager to Negotiate and Execute an Assumption of Proprietary Lease from Brian K. & Carrie M. Groseclose to John C. & Sharon S. Dieffenderfer for Palmer Hangars Owners Association Unit No. 1 Lot 11 Block 3 at the Palmer Municipal Airport Approval of Minutes of Previous Meetings
 - Action Memorandum No. 17-009**: Authorize the City Manager to Sign Amendment No. 3 to the Contract with Greene Garden Services for Gardening Services to Reflect Payments for 2017
- Approval of Minutes of Previous Meetings
January 10, 2017, Regular Meeting

Council Member Hanson requested Action Memorandum No. 17-009 be pulled from the agenda and moved to New Business.

Main Motion: To Move Agenda Item D.1.c. to New Business and Approve Consent Agenda and Minutes as Modified

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 – Golden Heart Lifetime Achievement Award Presentation

Mayor DeVries presented Ben Hermon with the Golden Heart Lifetime Achievement Award on behalf of Eve Hermon.

Mayor DeVries presented Gene Horner with the Golden Heart Lifetime Achievement Award.

Mayor DeVries presented Stan Gunthrie with the Golden Heart Lifetime Achievement Award and thanked him for his contributions to the City of Palmer.

Mayor DeVries called a brief recess from 7:08 pm to 7:12 pm.

Item 2 – Presentation on the Bikeability Survey from Council Member LaFrance

Council Member LaFrance:

- Presented the results of the bikeability study;
- Quoted relevant comments received by participants in the study;
- Discussed the economics of the study and the importance of presenting Palmer as a bike friendly town;
- Reviewed quantitative and qualitative data results;
- Reviewed ten recommendations which came out of the survey;
- Highlighted solutions for making the larger intersections bike friendly;
- Suggested the eventual connection of downtown to Cedar Hills; and
- Fielded questions from the Council.

F. REPORTS

Item 1 – City Manager's Report

City Manager Nathan Wallace:

- Highlighted his written report;
- Discussed past due special assessments and discussed the possibility of turning a past-due special assessment into a formal tax lien on a property; and
- Fielded questions from the Council.

Mayor DeVries:

- Requested information on the age of the over-due special assessment accounts; and
- Asked if the list of over-due special assessment accounts could be cross referenced with properties with delinquent taxes.

City Attorney Gatti:

- Spoke to tax delinquency and special assessment delinquency.

Council Member Best:

- Spoke in favor of sending letters to property owners who have past-due special assessments; and
- Highlighted language outlining the rules of special assessment payments and past-due balances.

Item 2 – City Clerk’s Report

City Clerk Norma Alley:

- Reviewed her written report;
- Spoke about the 2017 election calendar;
- Noted upcoming events and encouraged Council Members to RSVP to her if they would like to attend;
- Encouraged more communication on events to ensure the Council remained compliant with the Open Meetings Act;
- Informed the Council about problems with the packet and the signatures;
- Spoke to Fred Meyer’s request to transfer their liquor license to the new location; and
- Fielded questions from the Council.

City Attorney Gatti:

- Spoke to the Open Meetings Act and commended the Council’s efforts to comply by keeping it to only three members attending.

Council Member Best and Deputy Mayor Combs supported the request for authorization of Fred Meyer’s request to transfer their liquor license. The Council granted the authorization.

Item 3 – Mayor’s Report

Mayor DeVries:

- Spoke to her written report;
- Noted she will be having lunch with Sarah from the Governor’s Office;
- Spoke to a request from the Pew Charitable Trust with regard to restoring parks and stated she would be meeting with them on March 1 at the Valley Hotel and encouraged other Council Members to join;
- Highlighted a proclamation regarding Black History Month;
- Addressed the need for a sign for the hockey rink, and noted it could be part of the wayfinding project; and
- Informed the Council of Alaska 2-1-1, a service to provide people with information and services.

Deputy Mayor Combs:

- Reminded the Council the car show would be held at the hockey rink this summer; and
- Recalled confusion with the name of the building causing difficulty for people to locate it.

Item 4 – City Attorney’s Report

G. AUDIENCE PARTICIPATION

Dean Fortner – Manager at the new Fred Meyer store

- Stated he has been with Fred Meyer for 40 years;
- Informed the Council the new store hired 100 additional employees;
- Spoke of the improved liquor department, a sporting goods counter, a fishing department, a full-time florist, a cheese shop and a larger apparel department; and
- Fielded questions from the Council.

H. PUBLIC HEARINGS

Item 1 – Ordinance No. 17-001: Amending a Portion of Palmer Municipal Code Chapters 17.44.010(E) A-C Airport Commercial District Intent, 17.48.010(E) A-I Airport Industrial District Intent and 17.49.010(C) A-M Airport Mixed Use District Intent; and Amending Building Setbacks in Chapters 17.44.060(C) A-C Airport

Commercial District, 17.48.060(C) A-I Airport Industrial District and 17.49.060(C) A-M Airport Mixed Use District (IM No. 17-001)

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. 17-001

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

Item 2 – Ordinance No. 17-002: Amending Palmer Municipal Code Chapter 12.24.025.E. Regarding Firearms in City Parks, Adding 12.24.025.M. Establishing Hours During Which Parks are Closed, 12.24.025.N. Establishing Quiet Hours in Parks; and Amending 12.24.030 to Update Park Use Permits Process (IM No. 17-004)

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. 17-002

Moved by:	Best
Seconded by:	Carrington
Action:	Postponed to the February 28 meeting
In favor:	
Opposed:	

Main Motion: To Postpone Ordinance No. 17-002 to the February 28 Meeting and Incorporate the Amendments as Suggested by Council Member Hanson

Moved by:	Carrington
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:

- Suggested amendments to item J changed MTA Event Center to recreational facilities, provided an exception for dog shows and documentation requirements for service animals. Council Member Fuller supported these amendments.

Council Member Best:

- Stated he did not agree with prohibiting people from going to the park with their dog if their dog was on a leash and suggested the prohibition be brought before the Parks and Recreation Board.

Item 3 – Resolution No. 17-001A: Amending the Budget for the City of Palmer, Alaska for the Fiscal Year Ending December 31, 2017, by appropriating \$1,000,000.00 from the General Fund to the Water/Sewer Fund for Wastewater Treatment Plant Upgrades (IM No. 17-007)

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 Approve Resolution No. 17-001A

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

Item 4 – Action Memorandum No. 17-010: City Council Statement of Non-Objection to the Renewal of Liquor License #5032, for Arkose Brewery, Located at 650 E. Steel Loop Road

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.

Council Member LaFrance requested to be recused because he was a part-time, occasional employee at the Arkose Brewery. The Council approved the request. Council Member LaFrance left the table.

Main Motion: To Approve Action Memorandum No. 17-010

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

Item 5 – Action Memorandum No. 17-011: City Council Statement of Non-Objection to the Renewal of Liquor License #744, for the Moose Lodge #793, Located at 1136 S. Cobb Street

Council Member LaFrance returned to the table. 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 Approve Action Memorandum No. 17-011

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

I. ACTION MEMORANDA

J. NEW BUSINESS

Item 1 – Resolution No. 17-009: Establishing a Wayfinding Special Committee (IM No. 17-008)

Main Motion: To Approve Resolution No. 17-009

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

City Manager Wallace:

- Updated the Council on Resolution No. 17-009;
- Spoke to the intended purpose of the Wayfinding Committee; and
- Fielded questions from the Council.

City Clerk Alley:

- Clarified details with regard to the formation of a special committee by resolution, appointment of the members, and pay of the Committee; and
- Fielded questions from the Council.

Council Member Hanson:

- Sought reassurance there would be adequate public input before recommendations from the Committee were brought back to the Council.

Item 2 – Resolution No. 17-010: Authorizing the Sale of a +/-222 Square Foot Easement, for the Amount of \$4,100.00, Located at 231 West Evergreen Avenue, to the Alaska Department of Transportation and Public Facilities in Accordance with Palmer Municipal Code 3.20.080.D. (IM No. 17-009)

Main Motion: To Approve Resolution No. 17-010

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

City Manager Wallace:

- Reviewed the Information Memorandum; and
- Fielded questions from the Council.

Item 3 – Resolution No. 17-011: Authorizing the City Manager to Negotiate and Execute a Utility Reimbursable Services Agreement with the State of Alaska Department of Transportation for Betterments to the Palmer Wasilla Highway Eastern Terminus in the Amount of \$55,311.00 (IM No. 17-010)

Main Motion: To Approve Resolution No. 17-011

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

Item 4 – Action Memorandum No. 17-009: Authorize the City Manager to Sign Amendment No. 3 to the Contract with Greene Garden Services for Gardening Services to Reflect Payments for 2017

Main Motion: To Approve Action Memorandum No. 17-009

Moved by:	Best
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:

- Stated he requested Action Memorandum No. 17-009 be moved because of concern for the overall costs of the contract and asked about the reasons for the cost increase.

City Manager Wallace:

- Spoke to the contract and the cost increases.

K. RECORD OF ITEMS PLACED ON THE TABLE

- Special Assessment Quarterly Report
- National Black (Afro American) History Month Proclamation
- Pamphlet from Alaska 2-1-1

L. AUDIENCE PARTICIPATION

M. COUNCIL MEMBER COMMENTS

Council Member Carrington:

- Thanked Council Member LaFrance for his bike survey; and
- Thanked the Mayor and City Clerk for the presentation of the Golden Heart Awards.

Council Member LaFrance:

- Thanked the volunteers of the Wayfinding Committee; and
- Reminded the Council of the Orienteering event tomorrow.

Council Member Best:

- Reminded everyone to drive safely with the snow runoff and to watch out for Public Works vehicles and children.

Council Member Fuller:

- Thanked Council Member LaFrance for his presentation and agreed it was important to develop safe pathways and bike paths.

Council Member Combs:

- Thanked everyone for the Golden Heart Award presentations;
- Spoke to her trip to Juneau and her visit with Shelley Hughes and DeLena Johnson;
- Commended the director of Mat-Su Senior Services and spoke to her visit to facilities for senior citizens while in Juneau; and
- Reminded everyone of the upcoming AML meeting in Juneau and the annual fundraising luncheon for the Recycling Center.

N. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 9:09 pm.

Approved this ____ day of _____, 2017.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor

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	Linda Combs, Deputy Mayor
Richard Best	Steve Carrington
David Fuller	Brad Hanson
Peter LaFrance	

Also in attendance were the following:

Nathan Wallace, City Manager	Norma I. Alley, MMC, City Clerk
Michael Gatti, City Attorney	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 at Assembly Member Colligan's representation of unfortunate events associated with dispatch units in other communities and wanted to make sure the record was clear it was not addressing an event in Palmer.

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



Staff Update and analysis (May 2017):

Police Department:

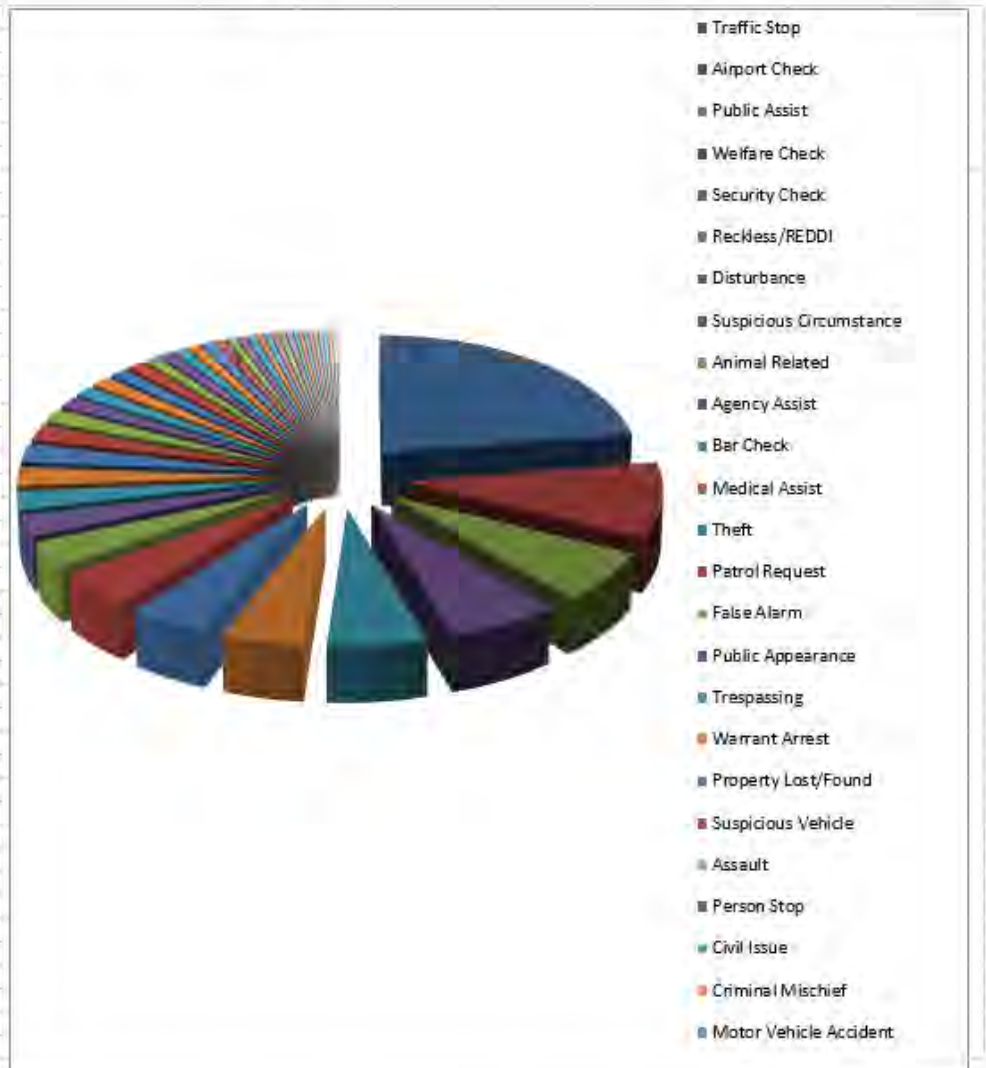
Total calls: 750 up from 633 in April

Call breakdown - 31%(April - 29%) traffic/vehicle related, 31% (April - 35%) checks (welfare/property), 16%(April - 15%) citizen assistance, 21%(April - 21%) other.

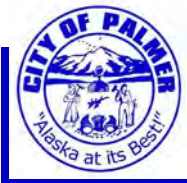
Patrol Calls
 May, 2017

CAD REPORT

Traffic Stop	163
Airport Check	72
Public Assist	49
Welfare Check	49
Security Check	44
Reckless/REDDI	36
Disturbance	35
Suspicious Circumstance	35
Animal Related	25
Agency Assist	20
Bar Check	18
Medical Assist	18
Theft	18
Patrol Request	15
False Alarm	13
Public Appearance	11
Trespassing	10
Warrant Arrest	10
Property Lost/Found	9
Suspicious Vehicle	9
Assault	7
Person Stop	7
Civil Issue	6
Criminal Mischief	6
Motor Vehicle Accident	6
Motorist Assist	5
Attempt to Locate	4
Drug Information	4
Municipal Ordinance Violation	4
Driving While License Suspended/Revol	3
Harassment	3
Noise Complaint	3
Driving Without Valid License	3
Shoplifting	3
Abandoned Vehicle	2
Disorderly Conduct	2
DUI	2
Misconduct Involving Controlled Substar	2
Missing Person - Adult	2
Parking Complaint	2
Property Damage	2
Report of Harm	2
Traffic Hazard	2
Airport Suspicious	1
Burglary	1
Counterfeiting	1



Fire Department: Calls: 74(53 - April) in May 2017, up by 40% from last month, up by 40% from last year. Fire: 12(9 - April), Recue: 17(17 - April), Hazard: 7(4 - March), Good intents: 25(10 - April), False alarm: 3(5 - April), Special Incident: 0(0 - April), Service call: 10(8 - April).



Community Development:

Library:

Patrons:	April	May
<i>Total Registered Patrons</i>	<i>12,985</i>	<i>13,056</i>

Total Mat-Su Borough Resident Patrons	10,018	10,070
Total City of Palmer Resident Patrons	2,967	2,986
New Library Users	53	71

Usage:	April	May
Patron Visits/Count	8,549	10,050
Reference Questions	1,641	1,982
Library Computer Sessions	1,495	2,586
WIFI Sessions	1,413	1,580
Circulation (PPL items)	9,356	9,467
Magazine circulation	9,034	395
Take Home Paperbacks	153	209

Programs:	April		May	
Children's Programs	16 Events	1,164 Participants	9 Events	821 Participants
Class Visits	5 Events	192 Participants	9 Events	1,021 Participants
Young Adult Programs	4 Events	220 Participants	1 Event	9 Participants
Adult Programs	5 Events	108 Participants	2 Events	22 Participants
Total Library Programs	26 Events	1,376 Participants	21 Events	1,873 Participants
Community Events	38 Events	153 Participant	29 Events	1,199 Participants
Total Events	64 Events	1,529 Participants	50 Events	3,072 Participants

Building and Compliance:

Compliance Letters dispatched: 11(5- April) (unsightly premise), 2(3- April) (clean up follow up), and 8(20 - April) (permit follow ups), other: 2(1- April)



Building Department Report
 MAY 2017

Permit Type	Count	Total Valuation	Permit Fees Collected	Plan Review Fees Collected
Building Permit	11	\$513,231.00	\$6,422.35	\$1,039.50
Sign Permit	2	\$550.00	\$206.00	
Fence Permit	6	\$10,853.00	\$156.00	
Totals	19	\$524,634.00	\$6,784.35	\$1,039.50

TYPE OF PERMITS:

Applicant	Valuation	Type of Work	Permit Fee	Plan Review Fee
France, Ernest G.	\$2,500.00	Storage Shed	\$92.50	
Johnson, Jeff	\$40,000.00	COM Alteration	\$604.25	\$392.75
VanAsdoll, Nancy	\$6,020.00	RES Alteration	\$154.75	
Mittlestadt, Suzanne	\$2,553.00	Fence	\$26.00	
Mat Valley Federal Credit Union	\$0.00	Temporary Sign	\$0.00	
4Square LLC	\$94,770.00	RES Single Family	\$1,067.75	
Stahle, Carlee	\$198,900.00	RES Multi Family	\$1,724.50	
Massey, Scott & Patricia	\$2,000.00	Fence	\$26.00	
Brown III, Thomas (Cancelled)	\$0.00	RES Single Family	\$351.10	
Bartz, Jeremiah & Amber	\$800.00	Fence	\$26.00	
Olson, Richard	\$2,500.00	Storage Shed	\$92.50	
Reyna, Anthony & Krystal	\$1,000.00	Fence	\$26.00	
Hallstrom, Josh A.	\$3,000.00	Fence	\$26.00	
Starr, Kelly	\$12,000.00	COM Alteration	\$232.75	\$0.00
St. Michael's Catholic Church	\$31,641.00	COM Alteration	\$514.25	\$334.25
Palmer, Hillary R.	\$1,500.00	Fence	\$26.00	
Huppert, Paul	\$550.00	Sign	\$206.00	
Hondl, Kerry	\$4,900.00	COM Alteration	\$123.75	\$80.25
Fred Meyer Stores, Inc.	\$20,000.00	COM Alteration	\$357.50	\$232.25
Fred Meyer Stores, Inc.	\$100,000.00	COM Alteration	\$1,106.75	\$0.00



Building Department Report
 MAY 2017

YEAR TO DATE COMPARISON:

Year	Building Permits	Sign Permits	Fence Permits	Year to Date Valuation	Year to Date Permit Fees	Year to Date Plan Review Fees
2008	43	9	9	\$1,987,804.00	\$20,621.00	
2009	19	6	11	\$899,937.00	\$9,097.25	
2010	39	10	7	\$2,693,173.00	\$21,180.25	
2011	41	11	9	\$3,192,197.00	\$28,576.25	
2012	43	15	3	\$13,260,332.00	\$77,048.75	
2013	24	7	4	\$6,001,741.00	\$42,787.25	
2014	45	11	3	\$11,723,307.00	\$75,276.00	
2015	52	11	5	\$6,000,801.00	\$50,456.50	
2016	36	17	9	\$24,123,558.00	\$116,294.50	
2017	28	5	9	\$2,824,450.00	\$24,983.35	\$10,903.25

PALMER GOLF COURSE

	April	May
Operational Days:	18	31
Number of Rounds:	1,409	1,886
Green Fees:	59,679.00	55,767.73
Cart Rental:	8,397.00	12,432.00
Club Rental:	110.00	810.00
Driving Range:	2,911.00	5,262.00
Merchandise Sales:	20,493.50	25,301.00
Snack Bar:	3,817.00	7,545.00
Beer & Wine:	2,461.50	5,302.75

Mayor's Memo

Council Meeting report – June 20, 2017

OUTREACH:

Community Luncheon – Job Corps – June 22
Valley Board of Realtors – June 14 –
Colony Days
Radio Interview – June 9

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 – Sept 22**
- ✓ **Governor's Prayer Breakfast – Anchorage – June 24**
- ✓ **Mayor/Manager's meeting – June 22 Houston - 3:30/ July 20 - Palmer**
- ✓ **MS Ride for the Cure – June 25 – Fair Grounds by depot 9:30 AM**
- ✓ **Mat Su Miners/City of Palmer – July 26 – 7 pm**
- ✓ **4-H Rebel Riders -Concession stand dedication – fairgrounds**
- ✓ **Manager, Mayor, Clerk & Attorney agenda – June 29 and July 13**
- ✓ **United Way/Seahawks – Elks July 10 – 7 to 9 pm; \$50.00 per ticket**
- ✓ **Clerk has tickets for Korean-Alaska Friendship Meeting**

Palmer Pride – ideas – Citizen of the Year; Business of the Year, Beautiful Garden – your input is welcome

PENDING ITEMS –

Flag Pole by Library

Sales Tax proposal by Mat Su Borough assembly

Leaders choose the right things to do
and managers do those things.

**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

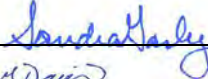

Agenda of: June 13, 2017 – Introduction
June 27, 2017 – Public Hearing

Council Action: **Adopted** **Denied**
 Amended: _____



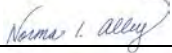
Originator Information:

Originator: Community Development Director Sandra Garley

Department Review:

Route to:	Department Director:	Signature:	Date:
<u>X</u>	Community Development		<u>5/22/17</u>
<u>X</u>	Finance		<u>5/23/17</u>
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ _____

This legislation (√):

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

Funds are (√):

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

Director of Finance Signature:  _____

Attachment(s):

- Ordinance No. 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
- Planning and Zoning Minutes from May 18, 2017
- Public Comments Received for City Council Public Hearing (includes applicant's PowerPoint Presentation)

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 6½ 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: June 27, 2017
 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:	<p>Rezone from R-1, Single-family Residential to R-4, High Density Residential with the following applicant requested Special Limitations:</p> <ol style="list-style-type: none"> 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
<p>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.</p>	

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:

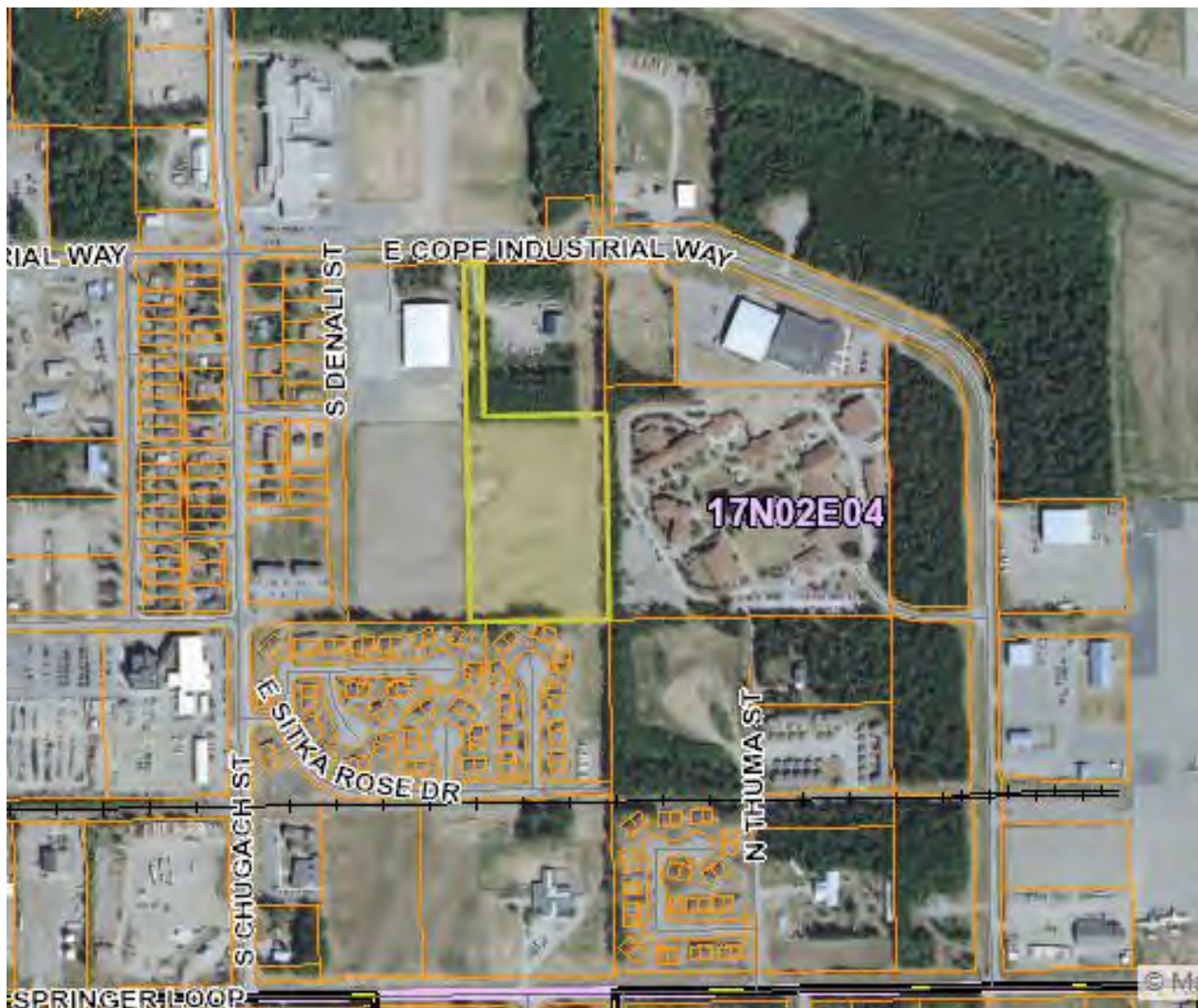
9.30 gross acres

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

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:

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:

Table with 2 columns: Restriction and Limitation. Rows include: 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), 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



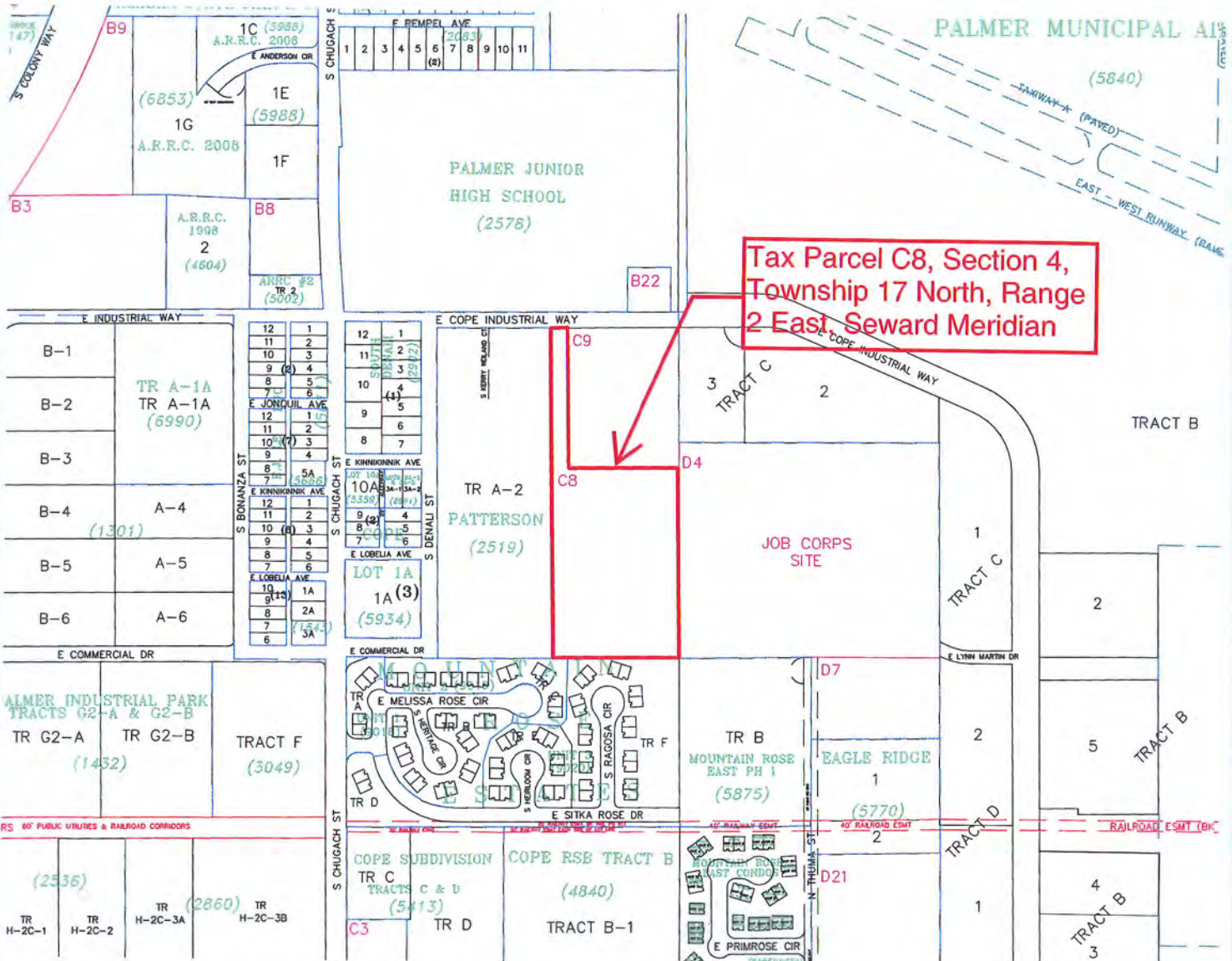
For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-1 to R-4 with Special Limitations.

Three horizontal lines for handwritten response.

Name: _____

Address: _____

VICINITY MAP



**Tax Parcel C8, Section 4,
Township 17 North, Range
2 East, Seward Meridian**



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

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,



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?

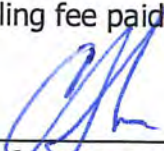
Yes, conditions affecting the subject site and the Palmer community have changed and warrant the zone change of the subject property from R1 to R4. See projects details for more information.

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

Zoning Map Amendment Application

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

TOWNSHIP 17N RANGE 2E SECTION 4 LOT C8

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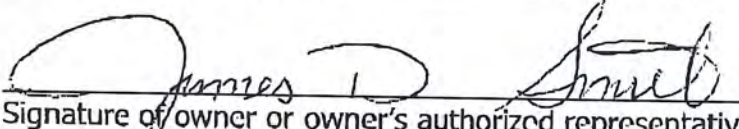
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Date of application: 4/25/2017

\$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

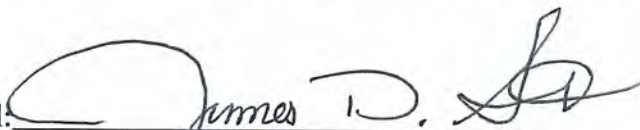
Received

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

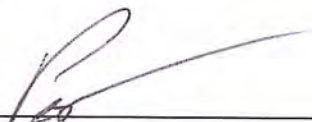
James Smith will represent the ownership group of this particular property. The ownership group has authorized Cameron Johnson of AMG the authorized representative of the property owners to move forward with the City of Palmer on request for rezoning the property from R1 Residential to R4 High Density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

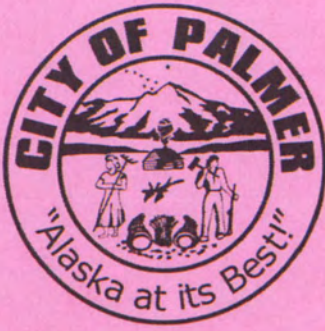
Signed:  Date: 5/04/2017

Signed:  Date: 5/04/2017

Signed:  Date: 5-4-2017

Signed:  Date: 5-4-2017

Signed: Richard's Family TRUST
Duane Richard Date: 5-04-2017
Dorothy Richard



PALMER COMMUNITY DEVELOPMENT

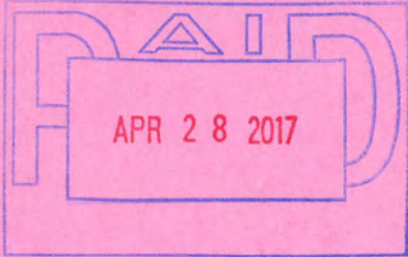
ATTN: Joan E. Patterson
645 E. Cope Industrial Way
Palmer, AK 99645-6748

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.

WHISPERING WINDS SENIOR APARTMENTS

DG GROUP ARCHITECTURE PLLC

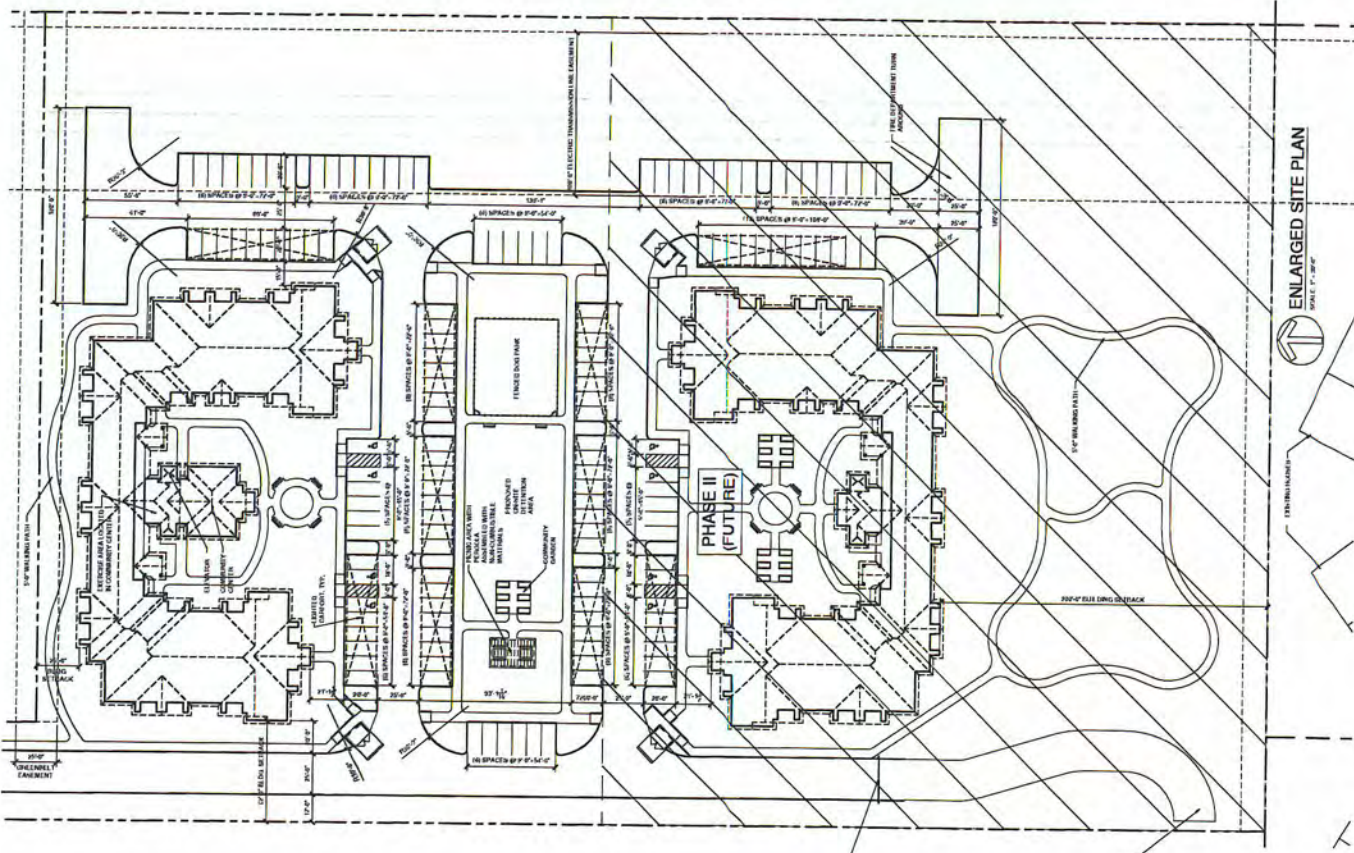


PROJECT:	WHISPERING WINDS SENIOR APARTMENTS
CLIENT:	DEVELOPER
DATE:	08/15/2024
SCALE:	AS SHOWN
PROJECT:	PHASE I

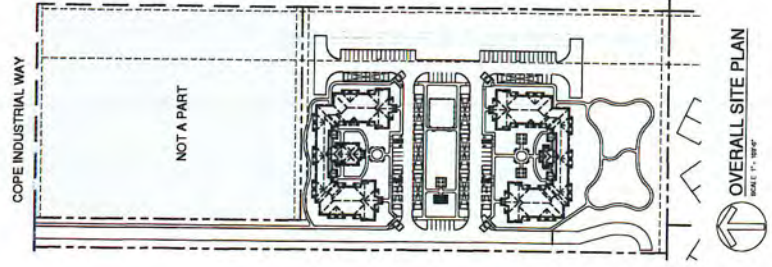


VICINITY MAP
SCALE: 1" = 100'

APPLICANT	DEVELOPER	PERCENTAGE
DEVELOPER	100%	100%
PHASE I ACCESSIBILITY	100%	100%
PHASE II ACCESSIBILITY	100%	100%
PHASE III ACCESSIBILITY	100%	100%
PHASE IV ACCESSIBILITY	100%	100%
PHASE V ACCESSIBILITY	100%	100%
PHASE VI ACCESSIBILITY	100%	100%
PHASE VII ACCESSIBILITY	100%	100%
PHASE VIII ACCESSIBILITY	100%	100%
PHASE IX ACCESSIBILITY	100%	100%
PHASE X ACCESSIBILITY	100%	100%
PHASE XI ACCESSIBILITY	100%	100%
PHASE XII ACCESSIBILITY	100%	100%
PHASE XIII ACCESSIBILITY	100%	100%
PHASE XIV ACCESSIBILITY	100%	100%
PHASE XV ACCESSIBILITY	100%	100%
PHASE XVI ACCESSIBILITY	100%	100%
PHASE XVII ACCESSIBILITY	100%	100%
PHASE XVIII ACCESSIBILITY	100%	100%
PHASE XIX ACCESSIBILITY	100%	100%
PHASE XX ACCESSIBILITY	100%	100%



ENLARGED SITE PLAN
SCALE: 1" = 100'



OVERALL SITE PLAN
SCALE: 1" = 100'

WHISPERING WINDS SENIOR APARTMENTS

COPE INDUSTRIAL WAY
PALMER, AK
ALASKA - ARIZONA - CALIFORNIA - COLORADO - ILLINOIS - INDIANA - IOWA - KANSAS - MICHIGAN - MINNESOTA - MISSOURI - NEBRASKA - NEVADA - NEW YORK - NORTH CAROLINA - NORTH DAKOTA - OHIO - OKLAHOMA - PENNSYLVANIA - SOUTH CAROLINA - TEXAS - VIRGINIA - WISCONSIN - WYOMING

DG GROUP ARCHITECTURE
PLLC
140 E. STATE STREET, SUITE 100
DENVER, CO 80202
TEL: 303.733.2027
WWW.DGARCHITECTURE.COM



PROJECT NO. 41817
DATE 08/15/12

REVISIONS



PROJECT

WHISPERING WINDS SENIOR APARTMENTS

COPE INDUSTRIAL WAY
PALMER, AK

DG GROUP ARCHITECTURE
PLLC

450 E. STATE STREET, SUITE 100
BOULDER, COLORADO 80501
TEL: (303) 441-2267
WWW.DGARCHITECTURE.COM
ALASKA - ARIZONA - CALIFORNIA - COLORADO - CONNECTICUT - FLORIDA - GEORGIA - ILLINOIS - IOWA - KANSAS - MICHIGAN - MINNESOTA - MISSOURI - NEBRASKA - NEW YORK - NORTH CAROLINA - NORTH DAKOTA - OHIO - PENNSYLVANIA - TEXAS - VIRGINIA - WISCONSIN - WYOMING



PROJECT: AM03177
DATE: DE
JOB: 17

REVISIONS



SITE AMENITIES



NORTH COURTYARD

REVISIONS

DATE: 4/18/17
 DRAWN BY: [blank]
 CHECKED BY: [blank]
 APPROVED BY: [blank]



10000 W. WASHINGTON AVE. SUITE 100
 DENVER, CO 80231
 TEL: 303.733.1100
 FAX: 303.733.1101
 WWW.DGARCHITECTURE.COM

DG GROUP ARCHITECTURE
 PLLC
 800 E. STATE STREET, SUITE 100
 DENVER, CO 80202
 TEL: 303.733.1100
 FAX: 303.733.1101
 WWW.DGARCHITECTURE.COM

PROJECT: WHISPERING WINDS SENIOR APARTMENTS
 COPE INDUSTRIAL WAY
 PAPER: A4.1

A4.1



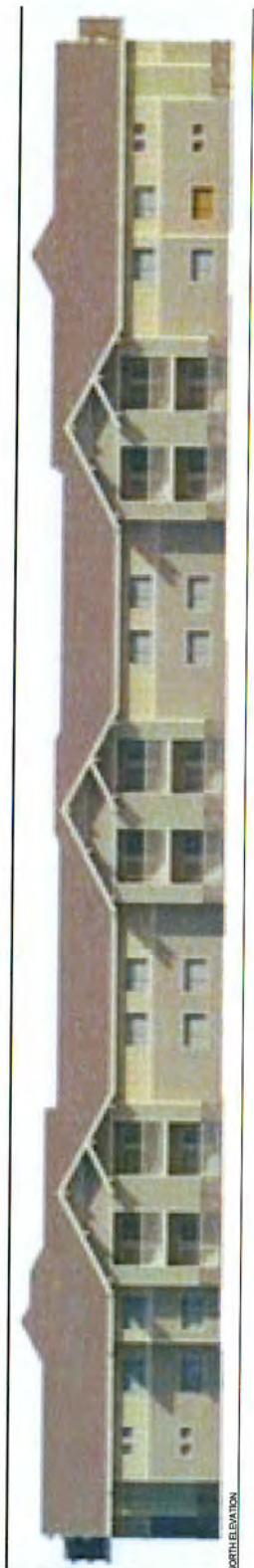
SOUTH ELEVATION










EAST ELEVATION



WEST ELEVATION



NORTH ELEVATION

 <p>BOARD & BATTEN COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>SIDING - 4" REVEAL COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>SIDING - 6" REVEAL COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>SHINGLE/SHAKE SIDING COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>TRIM BOARDS, BELLY BANDS, FASCIA, DOWNSPOUT AND RAILING SYSTEMS COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>PARCO FIBERGLASS SHINGLES COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>	 <p>STONE VENEER COLOR TO MATCH LAMBS PANEL, WOOD GRAY</p>
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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,

A handwritten signature in black ink, appearing to read "John Rozzi". The signature is fluid and cursive, with a large loop at the end.

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



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

Received

David Meneses
Building Inspector

MAY 08 2017

Beth Skow
Library Director

City of Palmer

May 2, 2017

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:

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
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: Sea-Dawn

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

Judy Divinyi



DEPARTMENT OF COMMUNITY DEVELOPMENT

Received

MAY 09 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:

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Table with 2 columns: Special Limitation and Description. Includes handwritten 'yes' in the first row.

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.

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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.

Handwritten comment: We will all be old people - Am use Senior Center and not 900 children for school we don't have

Name: MaryAnn Anderson (since 1945) Address: 1740 A. So. Heritage Cir, Palmer, AK - 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

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

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: K (Kenneth) Wayne PRICE
Address: 681 E PRIMROSE Ct Unit B, Palmer AK
99645

DEPARTMENT OF COMMUNITY DEVELOPMENT



Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

Received

MAY 10 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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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
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. Gunnysack Rd. Palmer, AK 99645

James E Brown



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley Director

David Meneses Building Inspector

Beth Skow Library Director

Received

MAY 11 2017

City of Palmer

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:

Table with 2 columns: Restriction and Limitation. Includes items like 'Any development to be restricted to senior housing', 'Two story height limitation', '200' building setback from the southern property boundary', and 'Parking stall ratio not to exceed 1.70 parking stalls per unit'.

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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.

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
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

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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: 475B MELISSA ROSE CIR., PALMER, AK 99645



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

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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 COP'S TAX BASE & FILL A NEED FOR QUALITY HOUSING THAT IS NEEDED IN COP. Also will support business's.

Name: Sid 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

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

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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.

Handwritten response: TOO MANY UNITS - LOOK LIKE GHETTO LEAVE @ SINGLE FAMILY

Name: P. Beckwold Address: Box 1008 Palmer AK 99645



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

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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.

Blank lines for signature and address

Name: Charles E Martin

Address: 355 E Melissa Rose Cir # B - PALMER AK 99645



DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

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
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: Benny & 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

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

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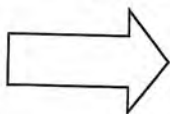
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Sincerely,

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
Director

David Meneses
Building Inspector

Beth 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

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Kimberly McClure
Kimberly McClure, Planning & Code Compliance Technician

☆☆

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

Name: *Helen Woodings*

Address: *1745 Heritage Cir-A, Palmer*



DEPARTMENT OF COMMUNITY DEVELOPMENT

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

RECEIVED

MAY 16 2017

City of Palmer

May 2, 2017

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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.

Three horizontal lines for handwritten response.

Name: Barbara Kuhn
Address: 430 A Melissa Rose Circle Palmer AK 99645

**PLANNING & ZONING COMMISSION
CITY OF PALMER, ALASKA
REGULAR MEETING
THURSDAY, MAY 18, 2017
7:00 P.M. - COUNCIL CHAMBERS**

- A. CALL TO ORDER:
The regular meeting of the Planning and Zoning Commission was called to order by Chairman Lucas at 7:00 p.m.
- B. ROLL CALL:
Present and constituting a quorum were Commissioners:
 Dan Lucas, Chairman
 David Petty, Vice Chairman
 Douglas Cruthers
 Kristy Thom Bernier
 Erick Cordero-Giorgana (at 7:03 pm)
 Gena Ornquist
Absence(s):
 Merry Maxwell (Excused)
Also present were:
 Sandra S. Garley, Community Development Director
 Kimberly A. McClure, Planning and Code Compliance Technician
 Nathan Wallace, City Manager
 Pam Whitehead, Recording Secretary
- C. PLEDGE OF ALLEGIANCE: The Pledge was led by Commissioner Petty.
- D. APPROVAL OF AGENDA:
The agenda was unanimously approved as presented. There were no objections.
[Cruthers, Thom Bernier, Ornquist, Petty, Lucas]
- E. MINUTES OF PREVIOUS MEETING:
The minutes of the **April 20, 2017 Regular Meeting** were unanimously approved as presented. There were no objections.
[Cruthers, Thom Bernier, Ornquist, Petty, Lucas]
- F. PERSONS TO BE HEARD:
There were no persons in the audience wishing to speak on a topic not on the agenda.
- G. PUBLIC HEARINGS:
1. **Resolution 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, located within Section 33, Township 18 North, Range 2 East, Seward Meridian, Alaska.

Chairman Lucas called for the motion:

Main Motion: To recommend approval of the requested Zoning Map Amendment more particularly described in Resolution No. 17-003, to include the adoption of recommended Findings of Fact outlined below by staff that support the requested rezone of 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.

Moved by:	Petty
Seconded by:	Cruthers

Staff Report: Director Garley recited general and background information including site information, parcel size, existing zoning, surrounding land uses, particular considerations, code requirements, and findings of fact. Public notice and publishing requirements pursuant to code have been met. A total of 1 written comment was received in response, with 0 in favor, 1 opposed, and 0 no objection.

According to PMC 17.80.036 C, the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience. Staff finds that the following facts support a finding that this zone change is in accordance with Zoning Code Title 17 and the Comprehensive Plan:

Fact 1: The proposed change is in accordance with the borough and city comprehensive plans.

- 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.

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 the 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.

a) The property in question is continuous 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.

a) The property owners are currently in the platting process to combine three 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.

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-plate 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):

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.

If the Commission concurs, following Public Hearing and the information provided, staff recommends that the Commission approve the request for rezone and forward with a recommendation for approval to the City Council.

There were brief questions and discussion concerning the tunnel used by high school students to cross the Glenn Highway and placement of a fence for safety as well as create a buffer to the residential community.

Public Hearing – Chairman Lucas opened the Public Hearing at 7:16 p.m.

Paul Hulbert, surrogate for Petitioners Robert and Barbara Fisher, spoke in support. He explained the goal is to clean up the site and combine the parcels into one large parcel, making it compatible with the General Commercial area. Speaking to the concern of the neighbor objecting to the use of W. Auklet for commercial traffic, he explained there is no intent to put commercial traffic onto W. Auklet; that in the re-platting process, they have asked for vacation of that portion of the 20-foot alley to provide a smooth transition to route all traffic to W. Arctic. They have no problems with the special conditions regarding access only onto W. Arctic.

There being no further comments, the public hearing was closed at 7:20 p.m.

Following brief Commission discussion:

Resolution No. 17-003:

Vote on Motion: Carried unanimously by voice vote.

In favor:	Cruthers, Thom-Bernier, Cordero-Giorgana, Ornquist, Petty, Lucas
Opposed:	None
Absent:	Maxwell

- Resolution 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.

Chairman Lucas called for the motion:

Main Motion: To recommend approval of the requested Zoning Map Amendment more particularly described in Resolution No. 17-004, to include the adoption of Findings of Fact outlined below by staff that support the requested rezone of Tax Parcel C8 from R-1, Single-family Residential, to R-4 High Density Residential with Special Limitations.

Moved by:	Petty
Seconded by:	Cruthers

Staff Report: Director Garley recited general and background information including site information, parcel size, existing zoning, surrounding land uses, particular considerations, code requirements, and findings of fact. Public notice and publishing requirements pursuant to code have been met. Of the 180 notices sent, a total of 15 written comments were received in response, with 9 in favor, 3 opposed, and 3 no objection. (See detailed information in the packet)

According to PMC 17.80.036 C, the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience. Staff finds that the following facts support a finding that this zone change is in accordance with Zoning Code Title 17 and the Comprehensive Plan:

Fact 1: The proposed change is in accordance with the borough and city comprehensive plans.

- 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."

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:

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 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 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:

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:

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 owners(s):

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.

Special limitations proposed by the applicant include: 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.

If the Commission concurs, following Public Hearing and the information provided by the applicant and others, staff recommends that the Commission approve the request for rezone and forward with a recommendation for approval to the City Council.

There were brief questions of staff regarding vegetative screening and access.

Public Hearing – Chairman Lucas opened the public hearing at 7:40 p.m.

For the Applicant:

Cameron Johnson, representing AMG & Associates, gave a brief presentation on the overall vision for the project; spoke to his background in affordable housing for families and seniors; referred to a similar senior development they are currently building in Wasilla (Vista Rose Senior Apartments); described the proposed Whispering Winds apartment development will provide much needed housing for a segment of the population in the Mat-Su Valley hugely underserved; cited statistics supporting the need; discussed the differences between this project and the PUD proposed by VOA last year and how it addresses some of the concerns raised. Mr. Johnson spoke to details of the development and the special limitations which were outlined by staff; described some of the amenities and noted that vegetative buffers will be planted to provide screening from neighboring properties. He described the site plan and what is included with the one and two-bedroom apartments. Construction of phase one is expected to begin June, 2018 with completion in 2019; phase two in 2020 with completion of entire project in summer of 2021.

Ron Fasset, Valley Residential Services (VRS), spoke in support of the project, testifying to the escalating demand for senior affordable housing in the Mat-Su Borough; cited McDowell Group study statistics. This housing project will make a major contribution toward providing quality, safe, and affordable housing for seniors in the Valley. He encouraged the Commission to support rezoning this property as part of their collective effort to bring more affordable senior housing to the city of Palmer.

Robert Nilsen, President, Mountain Rose Estates Condominium Association, spoke in support of the Whispering Winds Senior Apartments project and the requested rezone of R-1 to R-4 with Special Limitations. Speaking on behalf of the MRE Board and following a special meeting of MRE residents, they will not contest the rezoning from R-1 to R-4 with Special Limitations if approved by the Planning and Zoning Commission and provided the special limitations as proposed are adopted and VOA withdraws their PUD application.

Keith R. Morberg, Mountain Rose Estates resident, spoke in support, and in particular thanked AMG and Cameron Johnson for researching MRE concerns and incorporating them into the rezone proposal through the special limitations, which he itemized. In addition, he noted that MRE wishes to waive the requirement of a fence between R-1 and R-4, in the belief that MRE and Whispering Winds Apartments will be good neighbors. The vegetative screen and the

200' setback is much preferred over a fence which would compound the snow drifting problem which already exists. They would like free access between the two developments and share the proposed walking trails in both developments. MRE has been assured by Mr. Johnson they will be allowed to review and comment on development plans as they evolve to assure adequate drainage and snow storage so that the risk of any future flooding to MRE is minimized – evidence of being a good neighbor. This is a good fit and he strongly recommended approval of the rezoning request.

Dave Rose, Coordinator, Matsu Coalition on Housing and Homelessness, spoke in strong support. He highlighted the Matsu Health Foundation study predicting the senior population in the Mat-Su Valley at three times greater by the year 2030. The Mat-Su Valley is a great place to live and he could find no negatives here. He spoke to the ways in which seniors contribute to the community. And he would listen to anybody who is able to label a project in Palmer “Whispering Winds.”

Casey Adney, a neighbor on E. Kniknik and State of Alaska law enforcement officer, spoke in support, noting this is a good step in direction for public safety in Palmer, which is his number one concern. He agreed that it is hard to find any negatives about this project. He noted some cautions regarding senior apartments in Anchorage not being filled and subsequently being taken over by Title 47 housing, however considering the predicted numbers does not see that happening here.

Cameron Johnson confirmed that VOA/VRS has agreed to withdraw its PUD application upon approval of this project and is also in agreement with MRE concerning a vegetative buffer as oppose to a fence.

There being no other comments, Chairman Lucas closed the public hearing at 8:07 pm.

It was the general consensus of the Commission that this project will be a good fit and a win/win for our community; that foregoing the barrier fence for vegetation and sharing walkways between the two senior communities is an excellent idea; that it is a well-planned development and the whole area will be well served.

Resolution 17-004:

Vote on Motion: Carried unanimously by voice vote.

In favor:	Cruthers, Thom-Bernier, Cordero-Giorgana, Ornquist, Petty, Lucas
Opposed:	None
Absent:	Maxwell

[The Commission took a short break at 8:13 pm.; recalled to order at 8:15 pm.]

H. UNFINISHED BUSINESS:

1. **IM 17-013:** Items for discussion for revisions to Title 17 Zoning of the Palmer Municipal Code – Definitions.

Director Garley provided a staff report, noting the Commission has been asked to review

and make recommendations for updating Palmer zoning code, beginning with PMC 17.08 Definitions. Provided in the packet is a copy of current code definitions and examples of code definitions from other communities for the Commission's review, consideration, and homework for the next meeting.

Discussion ensued on how the Commission wished to proceed. City Manager Wallace provided input regarding the impact of code definitions and the importance of updating definitions to fit the use. Definitions must be fair and reasonable to current and future owners and must be enforceable; discussed some of the issues that have come up.

The Commission should review and be prepared to begin a committee of the whole discussion on definitions language next meeting.

I. NEW BUSINESS:

1. Presentation by Sara Jansen, Matanuska-Susitna Borough Planning Services Chief to discuss the Long Range Transportation Plan.

Ms. Jansen gave a presentation discussing the Borough's Long Range Transportation Plan looking ahead to where we want our transportation needs to be in the year 2035. She spoke to federal funding, challenges, risks, and identified some of the goals and strategies. The purpose of her presentation was to bring awareness and to invite input from the city as well as public comment for which the deadline is the end of June. Plan details can be found at www.MSBLRTP2035.com which contains an interactive map on which to place comments.

Questions and further discussion ensued on various transportation issues and challenges.

J. PLAT REVIEWS:

1. **IM 17-010:** Preliminary Plat with Vacation Review: To create one lot from Tract 1-A, Tract 3, Lot 8, Lot 7 and the west half of Lot 6, Block 3, TA Smith to be known as Fisher's Corner and to vacate a portion of the 20' wide alley, located inside Palmer city limits.

Director Garley summarized the request pointing out that this is the property related to the rezoning request heard earlier this evening. City departments have reviewed: Community Development commented that minimum lot sizes will be met and access will be from West Arctic Avenue; Public Works' only concern was that no structures be built over the sewer main running down the middle of the property; other city comments were no changes necessary.

The Commission had no additional comments.

K. PUBLIC COMMENTS:

*There were no persons wishing to speak on a topic not on the agenda.

L. STAFF REPORT: Ms. Garley had no additional staff report.

M. COMMISSIONER COMMENTS:

Commissioner Petty:

- Commented the meeting was very informative tonight and that he learned a lot.

Commissioner Cordero-Giorgana:

- Commented that he is glad to be back from Juneau;
- Spoke in appreciation of the Commission's patience and is looking forward to attending the meetings in person for the rest of the year.

Chairman Lucas:

- Welcomed both Commissioners Cordero-Giorgana and Ornquist back.

Commissioner Ornquist:

- Spoke in appreciation of the telephonic accommodation while she was away and noted she is glad to be back.

N. ADJOURNMENT:

There being no further business, the meeting adjourned at 9:08 p.m.

Dan Lucas, Chairman

Kimberly A. McClure
Planning and Code Compliance Technician

Norma Alley

From: Samuel D Tribble <2olbones@gci.net>
Sent: Saturday, June 10, 2017 10:09 AM
To: City Clerk
Subject: [EXTERNAL]amend zoning map to revise designation of Tax Parcel c8

We are very much in favor of this change. Grow Palmer Grow!!

Samuel David Tribble and Gillian May Tribble
691A East Primrose Circle, Palmer

Norma Alley

From: VIRGINIA TABOR <rubberqueen@msn.com>
Sent: Monday, June 12, 2017 7:51 AM
To: City Clerk
Subject: [EXTERNAL]Tax Parcel C8 in Section 4, Township 17 North, Range 2 East, Seward Meridian

The following are my comments on the proposed rezoning of this parcel, from R-1, Single-family Residential to R-4, High Density Residential with special limitations. Although I am generally not in favor of high density developments, the special limitations of this rezoning goes a long way to change my mind, as long as the limitations are strictly adhered to. My remaining problem with this rezoning is the emergency road that will be built directly behind my residence. I would urge the Council to provide additional measures to prevent its use by non-emergency vehicles. I would suggest an additional breakaway gate at Chugach Street and signage that its use by non-emergency vehicles is punishable by law.

Sincerely,

Virginia Tabor
475A - Melissa Rose Circle
Palmer, AK 99645

RECEIVED

JUN 13 2017

City of Palmer

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

I think all us Senior Senior should be together also to be able to use of new Beautiful Senior Center together in a quite area -

NAME: Mary Ann Anderson -

ADDRESS: 1740 N. So. Heritage Cr - Palmer Mt. Pal Estates

I have lived in Palmer since 1945 - I'm 87 yrs old. Thank you

RECEIVED

JUN 15 2017

City of Palmer

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

NAME: Carol Strouse

ADDRESS: 495B Sitka Rose Dr Palmer, AK 99645

RECEIVED

JUN 16 2017

City of Palmer

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

as long as the special limitations are followed as proposed.

NAME: EARL & JUDY TUCKER

ADDRESS: 1740A. So HEIRLOOM CIR
MOUNTAIN ROSE ESTATES



Norma I. Alley, MMC
City Clerk

June 7, 2017

Phone: (907) 745-3271
Direct: (907) 761-1301
Fax: (907) 745-0930
Email: nalley@palmerak.org

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

Dear Property Owner:

During the June 27, 2017, regular Palmer City Council meeting, the Palmer City Council will hold a public hearing on Ordinance No. 17-009-Z-1-SL: Amending the Zoning Map to revise the designation of 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:

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 purpose of the public hearing is to receive testimony on the proposed re-zoning of the above tax parcel from its present R-1, Single-family Residential to R-4, High Density Residential with special limitations. The affected area is shown on the accompanying map.

The meeting will be held on June 27, 2017, at 7:00 p.m. in the City Council Chambers located at 231 W. 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 comment to the City Council by June 20, 2017. Written comments may be mailed to the attention of the City Clerk at the address above, dropped off at City Hall, or emailed to cityclerk@palmerak.org. If you have any questions regarding the council meeting process, please call 761-1301. If you have any questions regarding the rezone, please call 761-1322.

Sincerely,

Norma I. Alley, MMC
City Clerk

RECEIVED

JUN 15 2017

City of Palmer

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

(1) Strictly adhere to the special limitations
(2) Make sure the public cannot use Commercial Hwy.

NAME: PATRICIA A. COLLIER / Patricia A Collier
ADDRESS: 475-B MELISSA ROSE CIR PALMER, AK 99645

City of Palmer



JUN 14 2017

Norma I. Alley, MMC
City Clerk

June 7, 2017

Phone: (907) 745-3271
Direct: (907) 761-1301
Fax: (907) 745-0930
Email: nalley@palmerak.org

231 W. Evergreen Ave.
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Sincerely,

Norma I. Alley, MMC
City Clerk

RECEIVED

JUN 16 2017

City of Palmer

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

Affordable housing for seniors is in high demand in the Mat Su Valley and Palmer. This project will deliver 84 units of housing to the community and will be compatible with nearby senior housing and within walking distance to services at the Palmer Seniors Center.

NAME: *Kon Fasset, VP Development of Valley Residential Services*
 ADDRESS: *1075 Cheek Street, Suite 102, Wasilla, AK 99654*

City of Palmer

Norma Alley

From: Carol Moorman <carolm@mtaonline.net>
Sent: Saturday, June 17, 2017 4:11 PM
To: City Clerk
Subject: [EXTERNAL]Proposed re-zoning Ordinance No. 17-009-Z-1-SL

I am in favor of this ordinance. We need more senior housing in Palmer, and this fits with the other senior facilities in the immediate area.

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



Norma I. Alley, MMC
City Clerk

June 7, 2017

RECEIVED

JUN 19 2017

City of Palmer

Phone: (907) 745-3271
Direct: (907) 761-1301
Fax: (907) 745-0930
Email: nalley@palmerak.org

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

Dear Property Owner:

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The purpose of the public hearing is to receive testimony on the proposed re-zoning of the above tax parcel from its present R-1, Single-family Residential to R-4, High Density Residential with special limitations. The affected area is shown on the accompanying map.

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Sincerely,

Norma I. Alley, MMC
City Clerk

For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

NAME: James & Sherrill Brown
ADDRESS: 901 S. Gunnysock Rd. Palmer AK / 1745 B S. Heritage Cir, Palmer

City of Palmer



Norma I. Alley, MMC
City Clerk

June 7, 2017

Phone: (907) 745-3271
Direct: (907) 761-1301
Fax: (907) 745-0930
Email: nalley@palmerak.org

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

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Sincerely,

Norma I. Alley, MMC
City Clerk

RECEIVED

JUN 20 2017

City of Palmer

For the following reason, I am CONDITIONALLY

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-009-Z-1-SL. I would also like to provide additional comments below:

We do not oppose this application PROVIDED ALL
CONDITIONS ARE IMPOSED AND ENFORCED
ADDITIONALLY VOA MUST WITHDRAW ITS APPROVED
PUD.

NAME: D. Dan Krause + Richard Krause
ADDRESS: 360A Melissa Rose Circle Palmer AK 99645

Whispering Winds Senior Apartments



Page 347 of 478

Cameron Johnson

www.amgland.com

www.tpchousing.com

AMG & ASSOCIATES



Project Location



Whispering Winds Senior Apartments

Project Details

.....

- 84 unit senior apartment community
 - 40 1BR units (607 SF)
 - 44 2BR units (805 SF)
- 128 total bedrooms
- 9 dwelling units / acre
- 59,700 SF – Total unit square footage
- 142 total parking spaces
- Restricted to seniors 55 years and older
- 24-hour on-site resident management

Whispering Winds Senior Apartments

R-3 Zoning 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 ratio not to exceed 1.7 parking stalls per unit

Whispering Winds Senior Apartments

Proposed Setback

.....



Whispering Winds Senior Apartments

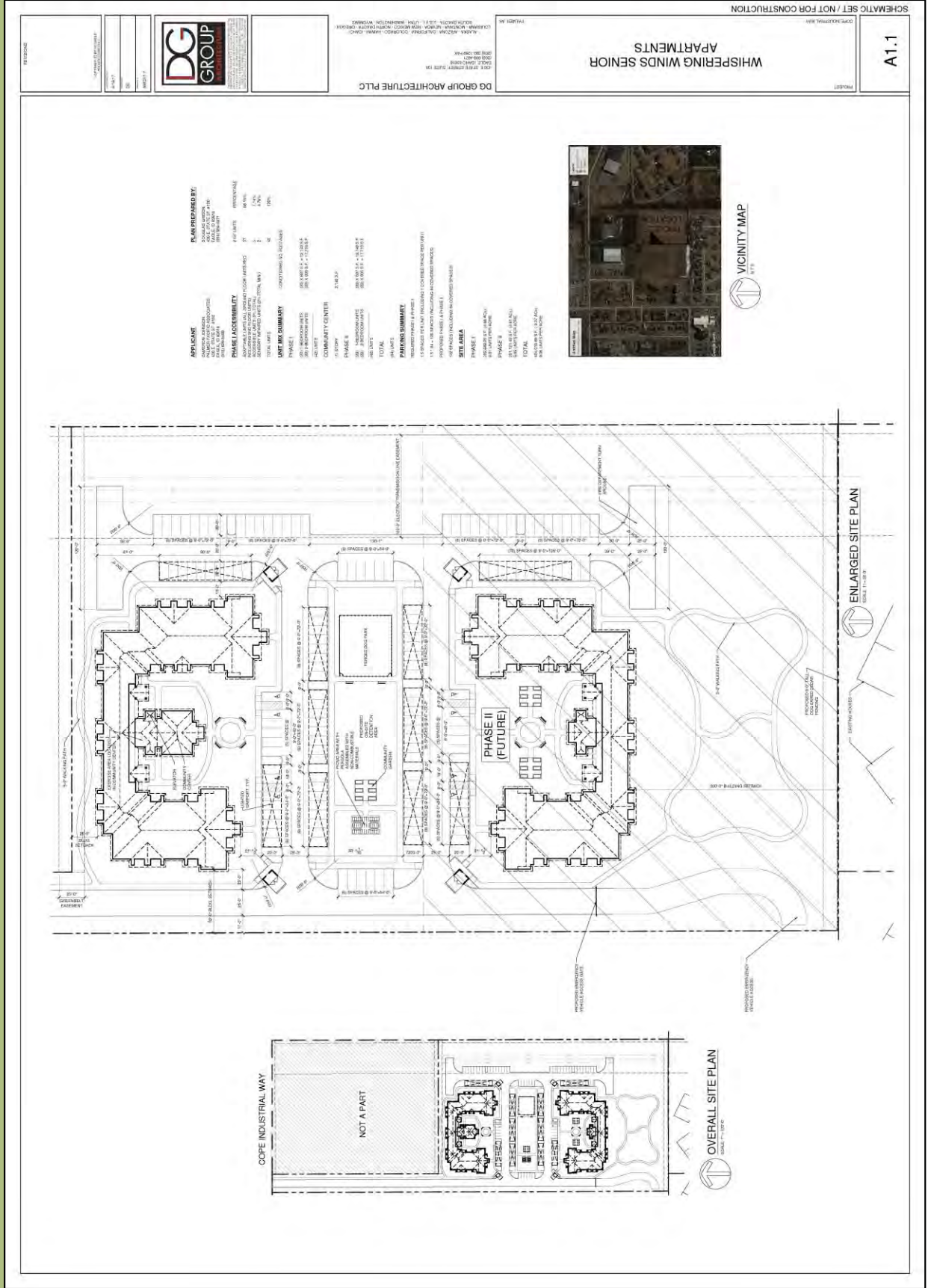
Proposed Setback

.....



Whispering Winds Senior Apartments

Proposed Design



PROJECT: WHISPERING WINDS SENIOR APARTMENTS

DATE: 11/11/11

SCALE: AS SHOWN

PROJECT NO: 11-11-11

ARCHITECT: DG GROUP ARCHITECTURE PLLC

1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE I: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE II: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE III: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE IV: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE V: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE VI: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE VII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE VIII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE IX: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE X: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XI: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XIII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XIV: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XV: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XVI: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XVII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XVIII: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XIX: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

PHASE XX: 1111 11TH AVENUE, SUITE 1111, DENVER, COLORADO 80202

A1.1


SCHEMATIC SET / NOT FOR CONSTRUCTION

Whispering Winds Senior Apartments

Proposed Design

REVISIONS:

NO.	DATE	BY	DESCRIPTION
1	4/18/17	EB	ISSUED FOR PERMIT
2	4/18/17	EB	ISSUED FOR PERMIT




DG GROUP
DESIGN GROUP, INC.
1000 W. 10TH STREET, SUITE 100
DENVER, CO 80202
TEL: 303.733.1100
WWW.DGGROUP.COM

DG GROUP ARCHITECTURE
PLLC
100 S. KATT STREET, SUITE 100
DENVER, CO 80202
TEL: 303.461.2887
WWW.DGGROUP.COM


PROJECT: WHISPERING WINDS SENIOR APARTMENTS
CLIENT: DOWE INDUSTRIAL WAY
PUMPER, AK
DENVER, CO 80202

SCHEMATIC SET / NOT FOR CONSTRUCTION


A4.1




SOUTH ELEVATION












EAST ELEVATION



WEST ELEVATION



NORTH ELEVATION

	BOARD & BATTEN COLOR: TAUPE GRADE: TAUPE		SIDING - 4" REVEAL COLOR: TAUPE GRADE: TAUPE		SIDING - 6" REVEAL COLOR: TAUPE GRADE: TAUPE
	SHINGLESHAKE SIDING COLOR: TAUPE GRADE: TAUPE		TRIM BOARDS, BELLY DOWNSCOUT AND DECKING SYSTEMS COLOR: TAUPE GRADE: TAUPE		FABCO FIBERGLASS SHINGLES COLOR: TAUPE GRADE: TAUPE
	STONE VENEER COLOR: TAUPE GRADE: TAUPE		FABCO FIBERGLASS SHINGLES COLOR: TAUPE GRADE: TAUPE		FABCO FIBERGLASS SHINGLES COLOR: TAUPE GRADE: TAUPE

Whispering Winds Senior Apartments

Proposed Design

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ARCHITECTURE



ARCHITECTURE

<p>REVISIONS:</p> <table border="1"> <tr> <th>NO.</th> <th>DATE</th> <th>DESCRIPTION</th> </tr> <tr> <td>1</td> <td>01/15/2024</td> <td>ISSUED FOR PERMITTING</td> </tr> <tr> <td>2</td> <td>01/15/2024</td> <td>ISSUED FOR PERMITTING</td> </tr> <tr> <td>3</td> <td>01/15/2024</td> <td>ISSUED FOR PERMITTING</td> </tr> <tr> <td>4</td> <td>01/15/2024</td> <td>ISSUED FOR PERMITTING</td> </tr> </table>	NO.	DATE	DESCRIPTION	1	01/15/2024	ISSUED FOR PERMITTING	2	01/15/2024	ISSUED FOR PERMITTING	3	01/15/2024	ISSUED FOR PERMITTING	4	01/15/2024	ISSUED FOR PERMITTING	<p>DG GROUP ARCHITECTURE</p> <p>10000 W. WASHINGTON AVENUE SUITE 100 DENVER, CO 80231 TEL: 303.755.1234 WWW.DGGROUP.COM</p>	<p>PROJECT: WHISPERING WINDS SENIOR APARTMENTS PLLC DG GROUP ARCHITECTURE 10012 KENNETT STREET, SUITE 100 DENVER, CO 80231 TEL: 303.755.1234 WWW.DGGROUP.COM</p>	<p>PROJECT: WHISPERING WINDS SENIOR APARTMENTS PLLC DG GROUP ARCHITECTURE 10012 KENNETT STREET, SUITE 100 DENVER, CO 80231 TEL: 303.755.1234 WWW.DGGROUP.COM</p>	<p>SCHEMATIC SET / NOT FOR CONSTRUCTION</p>
NO.	DATE	DESCRIPTION																	
1	01/15/2024	ISSUED FOR PERMITTING																	
2	01/15/2024	ISSUED FOR PERMITTING																	
3	01/15/2024	ISSUED FOR PERMITTING																	
4	01/15/2024	ISSUED FOR PERMITTING																	

A3.1

Whispering Winds Senior Apartments

Site Amenities

.....

- Covered parking
- Community garden
- Business center
- Community gathering room with kitchen
- Exercise room with equipment
- Fenced dog park
- Walking trails
- Picnic tables and BBQ area

Whispering Winds Senior Apartments

Unit Amenities

.....

- Energy-Star Construction
- Refrigerator & Range with Oven
- Dishwasher, Microwave & Disposal
- Washer/Dryer
- Exterior Private Storage
- Private Patio or Balcony
- Green Building Features including solar thermal panels and solar photovoltaic panels

Whispering Winds Senior Apartments

Development Schedule

.....

- Phase I begin construction in June 2018
- Complete construction in June 2019
- Phase II begin construction in June 2020
- Complete construction of phase II in June 2021

Vista Rose Senior Apartments

Currently under construction in Wasilla



AMG & Associates, LLC

.....

- Developer/Owner of over 5,000 units throughout the western United States
- Staff expertise in land use, acquisition, finance, construction, and real estate law
- Proven track record in providing high quality developments, timely execution and community satisfaction
- Currently building 78 units of senior housing in Wasilla

Pacific West Communities, Inc.

.....

- Developer/Owner of over 140 housing developments in 13 western states consisting of over 12,000 units
- Specialize in Public/Private Partnerships with local communities
- Staff expertise in land use, finance, construction, architecture, asset management and real estate law
- Proven track record in providing high quality developments, timely execution and community satisfaction

AHF Top 50 Developers Nationwide, 2016

RANK (VS. 2015)	COMPANY INFO	EXECUTIVE CONTACT	2016 STARTS/ COMPLETIONS	REGION(S)	ORG. TYPE
1 (9)	THE NRP GROUP 5309 Transportation Blvd.; Cleveland, OH 44125 (216) 475-8900 www.nrpgroup.com	J. David Heller, CEO	1,798 550	MW, NE, SC, SE	For- profit
The NRP Group tops the developers list after starting construction on eight new affordable housing projects with 1,798 units in 2016.					
2 (19)	THE MICHAELS ORGANIZATION 3 E. Stow Road, Suite 100; P.O. Box 994; Marlton, NJ 08053 (856) 596-3008 www.themichaelsorg.com	John O'Donnell, president	1,656 776	National	For- profit
Michaels doubled its pipeline and opened new offices in Colorado and Texas last year.					
3 (14)	MILLER-VALENTINE GROUP 9349 Waterstone Blvd.; Cincinnati, OH 45249 (513) 588-1000 www.mvg.com	Brian McGeedy, president, MV Affordable Housing Development	1,134 419	MW, SC, SE	For- profit
In addition to the firm's affordable housing work, it started construction on four market-rate developments with 967 units in 2016.					
4 (16)	LDG DEVELOPMENT 1469 S. Fourth St.; Louisville, KY 40208 (502) 638-0534 www.ldgdevelopment.com	Chris Dischinger and Mark Lechner, co-owners	1,060 0	MW, SC, SE	For- profit
LDG plans for another strong year in 2017, anticipating starting seven new developments with almost 1,200 units.					
5 (6)	THE PACIFIC COS. 430 E. State St., Suite 100; Eagle, ID 83616 (208) 461-0022 www.tpchousing.com	Caleb Roope, president and CEO	976 298	W	For- profit
The Pacific Cos. had the most affordable-unit starts in its history last year, with 976 units in 10 developments.					

Thank You!



Cameron Johnson (818)380-2600 cjohnson@amgland.com

**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


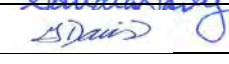
Agenda of: June 13, 2017

Council Action: **Adopted** **Amended:** _____
 Denied


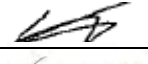
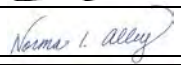
Originator Information:

Originator: Community Development Director Sandra Garley

Department Review:

Route to:	Department Director:	Signature:	Date:
<u>X</u>	Community Development		<u>5/22/17</u>
<u>X</u>	Finance		<u>5/23/17</u>
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):

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

Funds are (√):

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

Director of Finance Signature: 

Attachment(s):

- Ordinance No. 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
- Planning and Zoning Commission Minutes from May 18, 2017
- Public Comment Received for City Council Public 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: June 27, 2017
 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.



Kimberly A. McClure
Planning & Code Compliance Technician



Dan Lucas, Chairman

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

⊗ Background
 Information on adjacent
 lot

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:

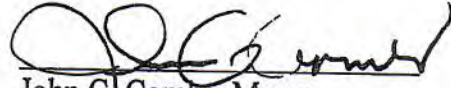
Tract 1, T.A. Smith Subdivision

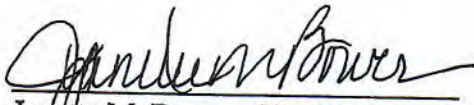
- A. The rezone shall become effective after Tract 1 and Tract 2 of the T.A. Smith subdivision have been replatted into one lot, and duly recorded with the State of Alaska;
- B. Access to the replatted property is restricted to the south side of the parcel on West Arctic Avenue or on the Glenn Highway 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

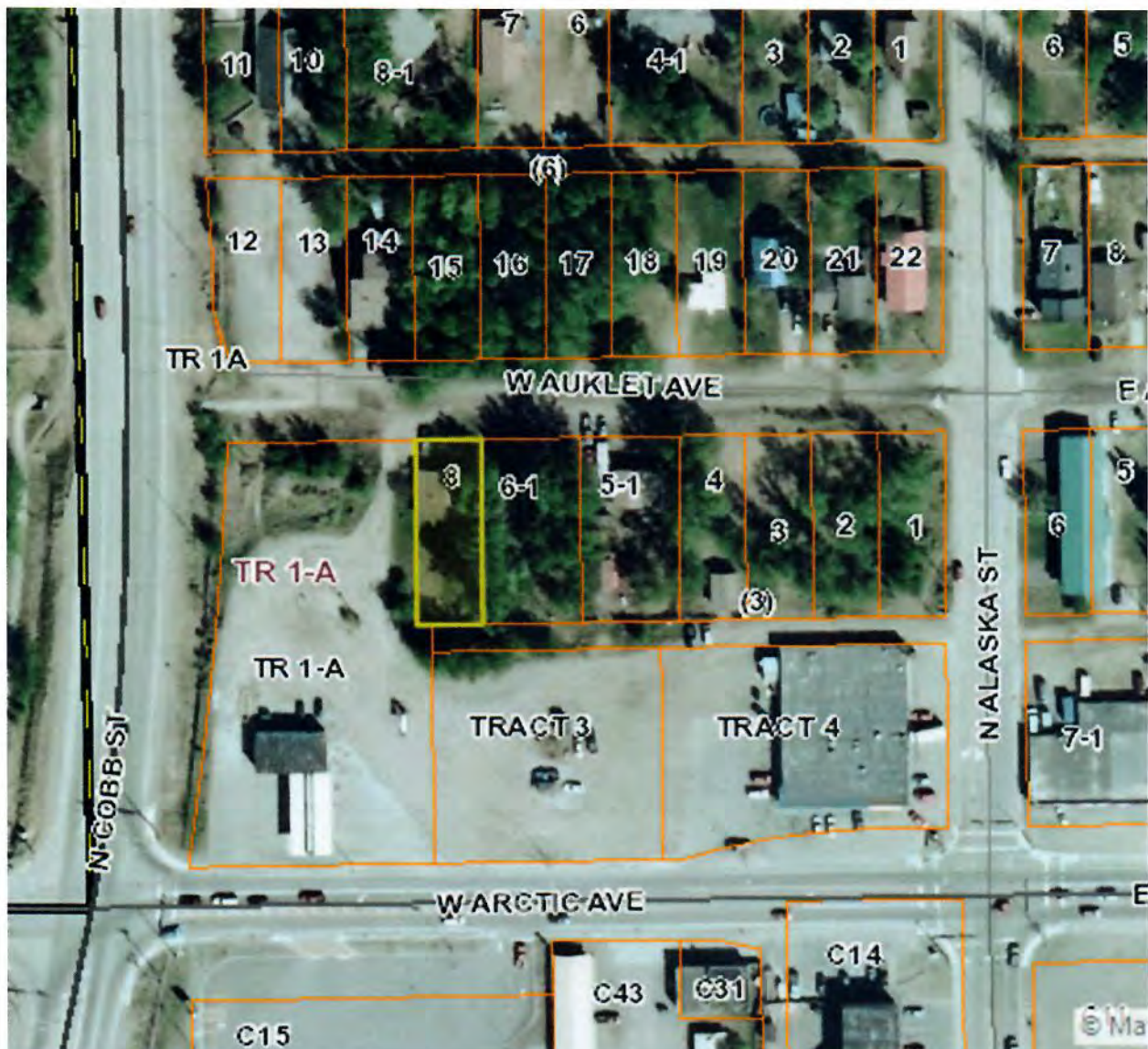
- The owners are requesting these lots to have the same CG General Commercial zoning designation as Tract 1-A and Tract 3 of T A Smith for a future replat that combines all the lots and tracts into one new CG General Commercial tract containing 2.29 acres

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-plate 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

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 1, 2017

Dear Property Owner:

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: kmclure@palmerak.org.

Sincerely,

Kimberly McClure, Planning & Code Compliance Technician

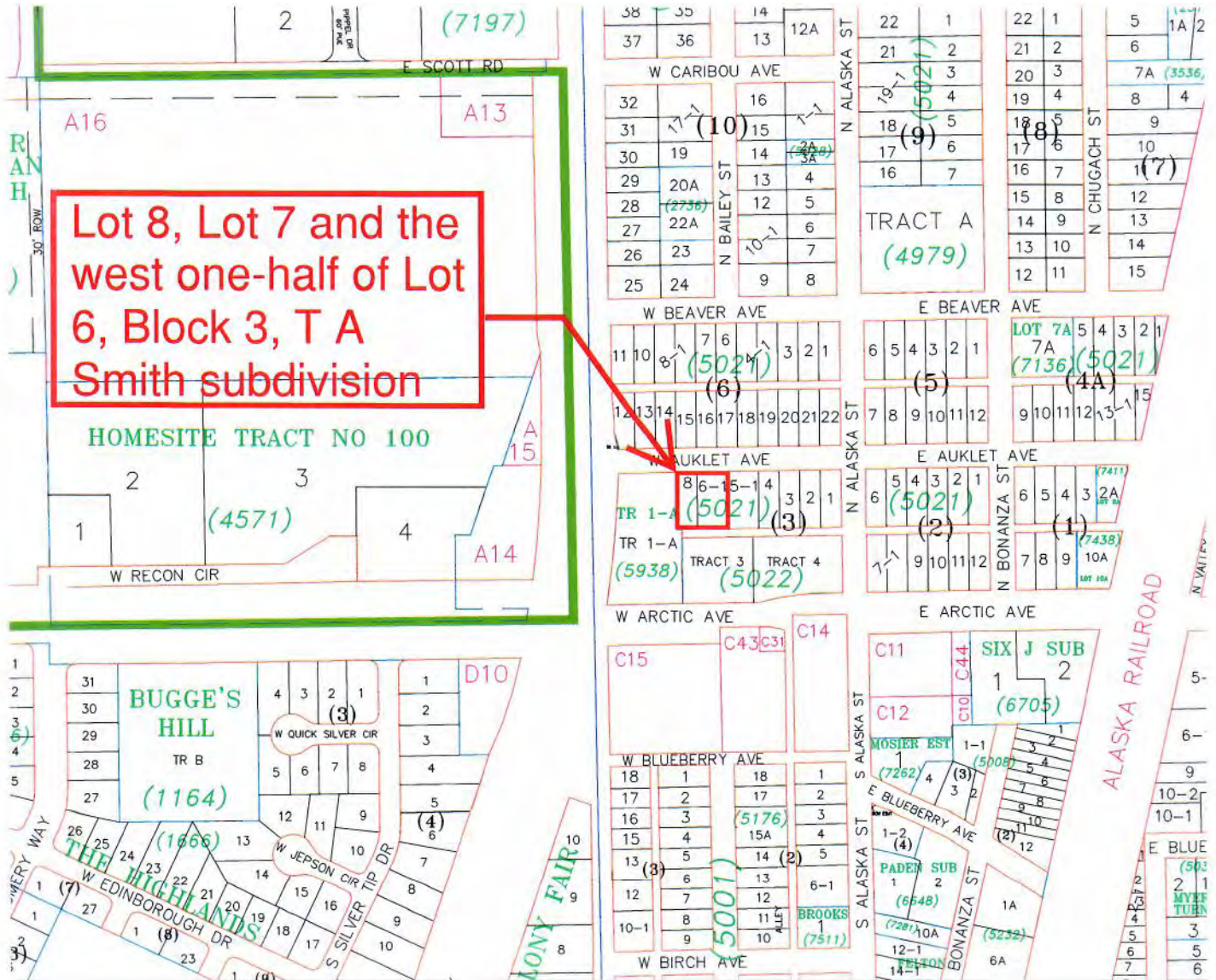


For the following reason, I am (please circle) (in favor of), (NOT in favor of), (have no objection to) the issuance of the proposed re-zone from R-2 to CG.

Name: _____

Address: _____

VICINITY MAP



Lot 8, Lot 7 and the west one-half of Lot 6, Block 3, T A Smith subdivision

HOMESITE TRACT NO 100

BUGGE'S HILL
TR B
(1164)

THE HIGHLANDS

LONY FAIR

SIX J SUB
(6705)

MOSIER EST
(7262)

PADEN SUB
(6648)

BROOKS
(7511)



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. Artic 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. Artic 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: ✓

 Robert S. Fisher
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, there be no access for motorized vehicles from these lots onto W. Auklet.

DEPARTMENT OF COMMUNITY DEVELOPMENT

Sandra Garley
Director

David Meneses
Building Inspector

Beth Skow
Library Director

Received

MAY 10 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 1, 2017

Dear Property Owner:

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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: kmclure@palmerak.org.

Sincerely,

Kimberly A. 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 Glenn Hi and children

Name: *Katie L. Rousey*

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 385 of 478 might also increase dangerous traffic on W. Auklet.

**PLANNING & ZONING COMMISSION
CITY OF PALMER, ALASKA
REGULAR MEETING
THURSDAY, MAY 18, 2017
7:00 P.M. - COUNCIL CHAMBERS**

- A. CALL TO ORDER:
The regular meeting of the Planning and Zoning Commission was called to order by Chairman Lucas at 7:00 p.m.
- B. ROLL CALL:
Present and constituting a quorum were Commissioners:
Dan Lucas, Chairman
David Petty, Vice Chairman
Douglas Cruthers
Kristy Thom Bernier
Erick Cordero-Giorgana (at 7:03 pm)
Gena Ornquist
Absence(s):
Merry Maxwell (Excused)
Also present were:
Sandra S. Garley, Community Development Director
Kimberly A. McClure, Planning and Code Compliance Technician
Nathan Wallace, City Manager
Pam Whitehead, Recording Secretary
- C. PLEDGE OF ALLEGIANCE: The Pledge was led by Commissioner Petty.
- D. APPROVAL OF AGENDA:
The agenda was unanimously approved as presented. There were no objections.
[Cruthers, Thom Bernier, Ornquist, Petty, Lucas]
- E. MINUTES OF PREVIOUS MEETING:
The minutes of the **April 20, 2017 Regular Meeting** were unanimously approved as presented. There were no objections.
[Cruthers, Thom Bernier, Ornquist, Petty, Lucas]
- F. PERSONS TO BE HEARD:
There were no persons in the audience wishing to speak on a topic not on the agenda.
- G. PUBLIC HEARINGS:
1. **Resolution 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, located within Section 33, Township 18 North, Range 2 East, Seward Meridian, Alaska.

Chairman Lucas called for the motion:

Main Motion: To recommend approval of the requested Zoning Map Amendment more particularly described in Resolution No. 17-003, to include the adoption of recommended Findings of Fact outlined below by staff that support the requested rezone of 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.

Moved by:	Petty
Seconded by:	Cruthers

Staff Report: Director Garley recited general and background information including site information, parcel size, existing zoning, surrounding land uses, particular considerations, code requirements, and findings of fact. Public notice and publishing requirements pursuant to code have been met. A total of 1 written comment was received in response, with 0 in favor, 1 opposed, and 0 no objection.

According to PMC 17.80.036 C, the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience. Staff finds that the following facts support a finding that this zone change is in accordance with Zoning Code Title 17 and the Comprehensive Plan:

Fact 1: The proposed change is in accordance with the borough and city comprehensive plans.

- 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.

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 the 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.

a) The property in question is continuous 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.

a) The property owners are currently in the platting process to combine three 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.

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-plate 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):

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.

If the Commission concurs, following Public Hearing and the information provided, staff recommends that the Commission approve the request for rezone and forward with a recommendation for approval to the City Council.

There were brief questions and discussion concerning the tunnel used by high school students to cross the Glenn Highway and placement of a fence for safety as well as create a buffer to the residential community.

Public Hearing – Chairman Lucas opened the Public Hearing at 7:16 p.m.

Paul Hulbert, surrogate for Petitioners Robert and Barbara Fisher, spoke in support. He explained the goal is to clean up the site and combine the parcels into one large parcel, making it compatible with the General Commercial area. Speaking to the concern of the neighbor objecting to the use of W. Auklet for commercial traffic, he explained there is no intent to put commercial traffic onto W. Auklet; that in the re-platting process, they have asked for vacation of that portion of the 20-foot alley to provide a smooth transition to route all traffic to W. Arctic. They have no problems with the special conditions regarding access only onto W. Arctic.

There being no further comments, the public hearing was closed at 7:20 p.m.

Following brief Commission discussion:

Resolution No. 17-003:

Vote on Motion: Carried unanimously by voice vote.

In favor:	Cruthers, Thom-Bernier, Cordero-Giorgana, Ornquist, Petty, Lucas
Opposed:	None
Absent:	Maxwell

- Resolution 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.

Chairman Lucas called for the motion:

Main Motion: To recommend approval of the requested Zoning Map Amendment more particularly described in Resolution No. 17-004, to include the adoption of Findings of Fact outlined below by staff that support the requested rezone of Tax Parcel C8 from R-1, Single-family Residential, to R-4 High Density Residential with Special Limitations.

Moved by:	Petty
Seconded by:	Cruthers

Staff Report: Director Garley recited general and background information including site information, parcel size, existing zoning, surrounding land uses, particular considerations, code requirements, and findings of fact. Public notice and publishing requirements pursuant to code have been met. Of the 180 notices sent, a total of 15 written comments were received in response, with 9 in favor, 3 opposed, and 3 no objection. (See detailed information in the packet)

According to PMC 17.80.036 C, the Commission shall give consideration as to what effect the proposed change would have on public health, safety, welfare and convenience. Staff finds that the following facts support a finding that this zone change is in accordance with Zoning Code Title 17 and the Comprehensive Plan:

Fact 1: The proposed change is in accordance with the borough and city comprehensive plans.

- 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."

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:

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 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 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:

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:

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 owners(s):

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.

Special limitations proposed by the applicant include: 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.

If the Commission concurs, following Public Hearing and the information provided by the applicant and others, staff recommends that the Commission approve the request for rezone and forward with a recommendation for approval to the City Council.

There were brief questions of staff regarding vegetative screening and access.

Public Hearing – Chairman Lucas opened the public hearing at 7:40 p.m.

For the Applicant:

Cameron Johnson, representing AMG & Associates, gave a brief presentation on the overall vision for the project; spoke to his background in affordable housing for families and seniors; referred to a similar senior development they are currently building in Wasilla (Vista Rose Senior Apartments); described the proposed Whispering Winds apartment development will provide much needed housing for a segment of the population in the Mat-Su Valley hugely underserved; cited statistics supporting the need; discussed the differences between this project and the PUD proposed by VOA last year and how it addresses some of the concerns raised. Mr. Johnson spoke to details of the development and the special limitations which were outlined by staff; described some of the amenities and noted that vegetative buffers will be planted to provide screening from neighboring properties. He described the site plan and what is included with the one and two-bedroom apartments. Construction of phase one is expected to begin June, 2018 with completion in 2019; phase two in 2020 with completion of entire project in summer of 2021.

Ron Fasset, Valley Residential Services (VRS), spoke in support of the project, testifying to the escalating demand for senior affordable housing in the Mat-Su Borough; cited McDowell Group study statistics. This housing project will make a major contribution toward providing quality, safe, and affordable housing for seniors in the Valley. He encouraged the Commission to support rezoning this property as part of their collective effort to bring more affordable senior housing to the city of Palmer.

Robert Nilsen, President, Mountain Rose Estates Condominium Association, spoke in support of the Whispering Winds Senior Apartments project and the requested rezone of R-1 to R-4 with Special Limitations. Speaking on behalf of the MRE Board and following a special meeting of MRE residents, they will not contest the rezoning from R-1 to R-4 with Special Limitations if approved by the Planning and Zoning Commission and provided the special limitations as proposed are adopted and VOA withdraws their PUD application.

Keith R. Morberg, Mountain Rose Estates resident, spoke in support, and in particular thanked AMG and Cameron Johnson for researching MRE concerns and incorporating them into the rezone proposal through the special limitations, which he itemized. In addition, he noted that MRE wishes to waive the requirement of a fence between R-1 and R-4, in the belief that MRE and Whispering Winds Apartments will be good neighbors. The vegetative screen and the

200' setback is much preferred over a fence which would compound the snow drifting problem which already exists. They would like free access between the two developments and share the proposed walking trails in both developments. MRE has been assured by Mr. Johnson they will be allowed to review and comment on development plans as they evolve to assure adequate drainage and snow storage so that the risk of any future flooding to MRE is minimized – evidence of being a good neighbor. This is a good fit and he strongly recommended approval of the rezoning request.

Dave Rose, Coordinator, Matsu Coalition on Housing and Homelessness, spoke in strong support. He highlighted the Matsu Health Foundation study predicting the senior population in the Mat-Su Valley at three times greater by the year 2030. The Mat-Su Valley is a great place to live and he could find no negatives here. He spoke to the ways in which seniors contribute to the community. And he would listen to anybody who is able to label a project in Palmer “Whispering Winds.”

Casey Adney, a neighbor on E. Kniknik and State of Alaska law enforcement officer, spoke in support, noting this is a good step in direction for public safety in Palmer, which is his number one concern. He agreed that it is hard to find any negatives about this project. He noted some cautions regarding senior apartments in Anchorage not being filled and subsequently being taken over by Title 47 housing, however considering the predicted numbers does not see that happening here.

Cameron Johnson confirmed that VOA/VRS has agreed to withdraw its PUD application upon approval of this project and is also in agreement with MRE concerning a vegetative buffer as oppose to a fence.

There being no other comments, Chairman Lucas closed the public hearing at 8:07 pm.

It was the general consensus of the Commission that this project will be a good fit and a win/win for our community; that foregoing the barrier fence for vegetation and sharing walkways between the two senior communities is an excellent idea; that it is a well-planned development and the whole area will be well served.

Resolution 17-004:

Vote on Motion: Carried unanimously by voice vote.

In favor:	Cruthers, Thom-Bernier, Cordero-Giorgana, Ornquist, Petty, Lucas
Opposed:	None
Absent:	Maxwell

[The Commission took a short break at 8:13 pm.; recalled to order at 8:15 pm.]

H. UNFINISHED BUSINESS:

1. **IM 17-013:** Items for discussion for revisions to Title 17 Zoning of the Palmer Municipal Code – Definitions.

Director Garley provided a staff report, noting the Commission has been asked to review

and make recommendations for updating Palmer zoning code, beginning with PMC 17.08 Definitions. Provided in the packet is a copy of current code definitions and examples of code definitions from other communities for the Commission's review, consideration, and homework for the next meeting.

Discussion ensued on how the Commission wished to proceed. City Manager Wallace provided input regarding the impact of code definitions and the importance of updating definitions to fit the use. Definitions must be fair and reasonable to current and future owners and must be enforceable; discussed some of the issues that have come up.

The Commission should review and be prepared to begin a committee of the whole discussion on definitions language next meeting.

I. NEW BUSINESS:

1. Presentation by Sara Jansen, Matanuska-Susitna Borough Planning Services Chief to discuss the Long Range Transportation Plan.

Ms. Jansen gave a presentation discussing the Borough's Long Range Transportation Plan looking ahead to where we want our transportation needs to be in the year 2035. She spoke to federal funding, challenges, risks, and identified some of the goals and strategies. The purpose of her presentation was to bring awareness and to invite input from the city as well as public comment for which the deadline is the end of June. Plan details can be found at www.MSBLRTP2035.com which contains an interactive map on which to place comments.

Questions and further discussion ensued on various transportation issues and challenges.

J. PLAT REVIEWS:

1. **IM 17-010:** Preliminary Plat with Vacation Review: To create one lot from Tract 1-A, Tract 3, Lot 8, Lot 7 and the west half of Lot 6, Block 3, TA Smith to be known as Fisher's Corner and to vacate a portion of the 20' wide alley, located inside Palmer city limits.

Director Garley summarized the request pointing out that this is the property related to the rezoning request heard earlier this evening. City departments have reviewed: Community Development commented that minimum lot sizes will be met and access will be from West Arctic Avenue; Public Works' only concern was that no structures be built over the sewer main running down the middle of the property; other city comments were no changes necessary.

The Commission had no additional comments.

K. PUBLIC COMMENTS:

*There were no persons wishing to speak on a topic not on the agenda.

L. STAFF REPORT: Ms. Garley had no additional staff report.

M. COMMISSIONER COMMENTS:

Commissioner Petty:

- Commented the meeting was very informative tonight and that he learned a lot.

Commissioner Cordero-Giorgana:

- Commented that he is glad to be back from Juneau;
- Spoke in appreciation of the Commission's patience and is looking forward to attending the meetings in person for the rest of the year.

Chairman Lucas:

- Welcomed both Commissioners Cordero-Giorgana and Ornquist back.

Commissioner Ornquist:

- Spoke in appreciation of the telephonic accommodation while she was away and noted she is glad to be back.

N. ADJOURNMENT:

There being no further business, the meeting adjourned at 9:08 p.m.

Dan Lucas, Chairman

Kimberly A. McClure
Planning and Code Compliance Technician



Norma I. Alley, MMC
City Clerk

Phone: (907) 745-3271
Direct: (907) 761-1301
Fax: (907) 745-0930
Email: nalley@palmerak.org

RECEIVED

JUN 12 2017

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

June 14, 2017

Community Development

Dear Property Owner:

During the June 27, 2017, regular Palmer City Council meeting, the Palmer City Council will hold a public hearing on 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, from R-2, Low Density Residential to CG, General Commercial.

The purpose of the public hearing is to receive testimony on the proposed re-zoning of the above tax parcel from its present R-2, Low Density Residential to CG, General Commercial. The affected area is shown on the accompanying map.

The meeting will be held on June 27, 2017, at 7:00 p.m. in the City Council Chambers located at 231 W. 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 comment to the City Council by June 20, 2017. Written comments may be mailed to the attention of the City Clerk at the address above, dropped off at City Hall, or emailed to cityclerk@palmerak.org. If you have any questions regarding the council meeting process, please call 761-1301. If you have any questions regarding the rezone, please call 761-1322.

Sincerely,

Norma I. Alley, MMC
City Clerk



For the following reason, I am

- In favor of (proponent)
- NOT in favor of (opponent)
- Have no objections to

the proposed re-zoning Ordinance No. 17-010-Z-2-SL. I would also like to provide additional comments below:

NAME: MSB Land and Resource Management Division

ADDRESS: 350 E. Dahlia Ave. Palmer, AK 99645

City of Palmer

**City of Palmer
Resolution No. 17-021**

Subject: Authorizing the Vacation of a 20' by 113' Alley Adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision and Replacement of Vacated Area with a 20' Utility Easement



Agenda of: June 27, 2017

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



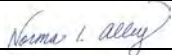
Originator Information:

Originator: City Manager Nathan Wallace

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		06/09/2017
_____	Fire	_____	_____
_____	Police	_____	_____
X	Public Works		06/09/2017

Approved for Presentation By:

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

Certification of Funds:


Total amount of funds listed in this legislation: \$ _____

This legislation (√):

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

Funds are (√):

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

Director of Finance Signature: 

Attachment(s):

- Resolution No. 17-021
- Letter from Amy Ott Buchanan, Platting Technician giving notice of Platting Board Action
- MSB support documents

Summary Statement:

The Robert Fisher has requested that the City vacate its interests in a 20' wide by 113' long portion of an alley access easement across his property and replace it with a 20' wide by 113' long utility easement. The alley is adjacent to Tract 3 and Lots 8, 7 and 6 Block 3, TA Smith Subdivision. Palmer Municipal Code Section 3.20.080(I) provides that the city council may convey or relinquish its interest in an easement if the public purpose is no longer used or useful.

The need for an alley access to the adjacent property along the 113' section of alley no longer exists. Replacing the alley access easement with a utility easement preserves the 20' needed for installation or maintenance of utilities on the property while allowing the property owners to better control the access points to the property.

Background:

This 20' alley was dedicated as part of the plat of TA Smith Subdivision, recorded as plat #64-6 on February 21, 1964.

PMC 3.20.080(I)

"Conveyance of Public Improvement Property Interests. The city council may at any time, without public sale, convey, quitclaim, release, cancel, or otherwise relinquish any real property easement, right-of-way, permit, or license the city may have or hold for the purpose of installing, constructing, or maintaining a public improvement, whenever the interest is no longer used or useful for that purpose."

Replacing this 20' alley with a 20' utility easement will permit the combining of these lots with adjacent property owned by Mr. Fisher allowing the property to be developed in a unified manner that will enhance the economic base of the City.

Administration's Recommendation:

Approve Resolution No. 17-021 Authorizing the Vacation of a 20' by 113' Alley adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision and Replacement of Vacated area with a 20' Utility Easement.

Introduced by: City Manager Wallace

Date: June 27, 2017

Action:

Vote:

Yes:

No:

--	--

CITY OF PALMER, ALASKA

Resolution No. 17-021

A Resolution of the Palmer City Council Authorizing the Vacation of a 20' by 113' Alley adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision and Replacement of Vacated area with a 20' Utility Easement

WHEREAS, Robert Fisher, owner of Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision submitted a request to the Matanuska-Susitna Borough (MSB) Platting Board to vacate of a 20' by 113' portion of the alley adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision Plat No. 71-87 and replacement of vacated area with a 20' utility easement; and

WHEREAS, the Matanuska-Susitna Borough Platting Board met on June 1, 2017 and voted to approve the request for vacation of the 20' alley as described above and replacement with a 20' utility easement; and

WHEREAS, MSB 43.15.035(0) requires vacations to be approved by City Council within 30 days of the written notification; and

WHEREAS, MSB 43.15.035(8)(1) Vacations notes "a vacation is conditioned upon the final approval of a plat affecting the same land which provides equal or better access to all areas affected by the vacation (B)(1)(a); the surrounding area is fully developed and all planned or needed rights-of-way and utilities are constructed (B)(1)(b); the right-of-way is not being used and alternative access has been provided (8)(1)(c)"; and

WHEREAS, the alley is not constructed and the property owner proposes to replace the vacated portion of the alley with a utility easement; and

WHEREAS, Palmer Municipal Code 3.20.080(I), Conveyance of Public Improvement Property Interests provides that the city council may at any time, without public sale, convey, quitclaim, release, cancel, or otherwise relinquish any real property easement, right-of-way, permit, or license the city may have or hold for the purpose of installing, constructing, or maintaining a public improvement, whenever the interest is no longer used or useful for that purpose; and

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council hereby authorizes the vacation of a 20' by 113' alley adjacent to Tract 3 and Lots 8, 7 and 6 of Block 3, TA Smith Subdivision and replacement of vacated area with a 20' utility easement.

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

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk



MATANUSKA-SUSITNA BOROUGH

PLATTING DIVISION

350 EAST DAHLIA AVENUE, PALMER, ALASKA 99645-6488
PHONE 861-7874 • FAX 861-8407

June 7, 2017

Norma Alley, City Clerk
City of Palmer
231 W. Evergreen Avenue
Palmer AK 99645

Subject: Vacate a 20'X113' portion of alleyway, TA Smith Subdivision
MSB Case Nos. 2017-038 & 2017-039

Dear Norma:

Petitioner, Fisher's Fuel, requests to vacate a 20'X113' portion of an alleyway between Lots 8, Block 3, TA Smith Subdivision, Plat No. 64-6, Lot 7, the west ½ of Lot 6, Block 3, created by Personal Representative's Deed No. 2015-009062-0 and Tract 3, Block 3, TA Smith Subdivision, Plat No. 71-87. The vacated portion of the alley would be replaced with a 20'X113' utility easement.

Platting Board approved the vacation of the 20'X113' alleyway on June 1, 2017 (written notification dated June 7, 2017). MSB 43.15.035(D) requires vacations to be approved by City Council within 30 days of the written notification.

MSB 43.15.035(B)(1) Vacations notes "a vacation is conditioned upon the final approval of a plat affecting the same land which provides equal or better access to all areas affected by the vacation (B)(1)(a); the surrounding area is fully developed and all planned or needed rights-of-way and utilities are constructed (B)(1)(b); the right-of-way is not being used and alternative access has been provided (B)(1)(c)." Petitioner proposes to replace the vacated portion of the alley with a utility easement. The alley is not constructed, it does not extend to serve other properties, nor does it connect to N. Glenn Highway. Better access is provided by W. Arctic Avenue and W. Auklet Avenue.

MSB Platting Board recommends the City Council approved the vacation of the 20'X113' alleyway, as the decision is consistent with MSB 43.15.035(B)(1)(a)-(c). Platting staff respectfully requests a determination of the City Council's decision be forwarded to MSB Platting Division.

Sincerely,

Amy Otto-Buchanan
Platting Technician

Direct line: 861-7872

Email: amy.otto-buchanan@matsugov.us

- Encl: 1. Platting Board Notification of Action, dated June 7, 2017
2. Partial Draft Minutes from Platting Board hearing, June 1, 2017
3. Vicinity Map, showing area to be vacated



MATANUSKA-SUSITNA BOROUGH

Planning and Land Use Department

Platting Division

350 East Dahlia Avenue • Palmer AK 99645

Phone (907) 861-7874 • Fax (907) 861-8407

NOTIFICATION OF ACTION

June 7, 2017

Fisher's Fuel
Robert & Barbara Fisher
PO Box 520209
Big Lake, AK 99652

Case #: 2017-038/039

Case Name: FISHER'S CORNER & 20' ALLEY VACATION

Action taken by the Platting Board on June 1, 2017 is as follows:

THE PRELIMINARY PLAT AND PARTIAL VACATION OF THE 20' WIDE ALLEY FOR FISHER'S CORNER WAS APPROVED AND WILL EXPIRE ON JUNE 7, 2023 CONTINGENT UPON THE FOLLOWING CONDITIONS / REASONS (see attached).

ALL DECISIONS AS TO APPROVAL OR DISAPPROVAL BY THE PLATTING BOARD OR OFFICER SHALL BE FINAL UNLESS APPEALED TO THE BOARD OF ADJUSTMENT AND APPEALS, MSB 15.39. A PETITION WHICH IS TABLED BY THE BOARD SHALL BE DEEMED DENIED UNLESS THE APPLICANT BRINGS THE MATTER BACK BEFORE THE BOARD WITH ALL CONDITIONS MET WITHIN THE TIME ALLOWED BY THE BOARD OR BY LAW.

If this is in reference to a plat application, recordation at the appropriate District Recorder's Office of the plat is required before any transfer of title can occur. Should you have any questions or require a copy of the minutes of the meeting, please feel free to contact this office.

Kindest regards,

Mr. Jay Van Diest
Platting Board Chairman

sv

cc: DPW – Jamie Taylor

Paul Hulbert
6177 S. Big Lake Road
Wasilla, AK 99623

Additional Plat Reviews After 2nd Final are \$100.00 Each

CONDITIONS of APPROVAL:

The Platting Board approved the Preliminary Plat and Partial Vacation of the 20' wide alley for Fisher's Corner, contingent upon the following:

1. Obtain approval from the City of Palmer for the vacation of a portion of the 20' wide alley.
2. Taxes and special assessments must be current prior to the recording, pursuant to MSB 43.15.053(F) and AS 40.15.020. Pay taxes and special assessments (LIDs) by certified funds or cash.
3. Pay mailing and advertising fees.
4. Provide updated Certificate to Plat executed within 90 days of recording and submit Beneficiary Acknowledgement for any holder of a beneficial interest.
5. Provide documentation from the City of Palmer that the proposed lot has been rezoned G-C (General Commercial).
6. Show or list all easements of record on final plat.
7. Submit recording fee payable to State of Alaska, Department of Natural Resources (SOA/DNR).
8. Submit final plat in full compliance with Title 43.

FINDINGS:

1. The plat of Fisher's Corner and partial vacation of the alley is consistent with AS 29.40.070 Platting Regulations, MSB 43.15.016 Preliminary Plats, and MSB 43.15.035 Vacations.
2. MSB 43.15.035(B)(1) Vacations notes "a vacation is conditioned upon the final approval of a plat affecting the same land which provides equal or better access to all areas affected by the vacation (B)(1)(a); the surrounding area is fully developed and all planned or needed rights-of-way and utilities are constructed (B)(1)(b); the right-of-way is not being used and alternative access has been provided (B)(1)(c)."
3. Petitioner is replacing the vacated alley with a 20' wide utility easement.
4. There were no objections from any federal or state agencies, Borough departments, or utilities.
5. No objections were received from the general public in response to the Notice of Public Hearing.
6. At the time of staff report write-up, there were no responses to the Request for Comments (RFC) from US Army Corps of Engineers; ADF&G; MSB Emergency Services, Assessments, Planning and Pre-Design Division; or MEA.

7. Frontage for the subdivision exists pursuant to MSB 43.20.320 Frontage.
8. Legal and physical access is provided to the proposed lots, consistent with MSB 43.20.100 Access Required, MSB 43.20.120 Legal Access, and MSB 43.20.140 Physical Access.
9. A geotechnical report was not required, pursuant to MSB 43.15.025(B). The parcel is served by City of Palmer Water and Sewer.
10. Petitioner posted and maintained notification of the vacation for 30 days prior to the public hearing.
11. An affidavit of the vacation posting was provided to Platting staff, pursuant to MSB 43.10.065(G).
12. The City of Palmer Planning and Zoning Commission has recommended the rezoning of the parcels from R-2 to G-C. The recommended approval will be sent to the City of Palmer City Council for final approval.

MOTION:

- Johnson moved to approve the preliminary plat and vacation of a portion of the Section Line Easements for Stannard. The motion was seconded.

VOTE:

- The motion passed with all in favor. There are 13 findings.

TIME: 1:25 P.M.

CD: 0:21:24

C. FISHER'S CORNER & VACATION

Sloan Von Gunten, Administrative Specialist, provided the mailing report.

- Stated that 243 public hearing notices were mailed out on May 10, 2017.

Amy Otto-Buchanan, Platting Technician, provided a staff report:

- Gave an overview of the case, # 2017-038/039.

Chair Jay Van Diest

- Opened the public hearing and asked any members of the public wishing to speak to come forward. Seeing no members of the public wishing to speak, closed the public hearing.

Paul Hulbert (Petitioner's Representative)

- Does not agree with recommendation #5.

MOTION:

- Johnson moved to approve the preliminary plat and the partial vacation of the 20' wide alley for Fisher's Corner. The motion was seconded. Modify finding #9 and Add #12.

DISCUSSION:

- Discussion on zoning.

MOTION TO AMEND:

- Anderson moved to amend the motion to remove Recommendation #5 for Fisher's Corner. The motion was seconded.

VOTE:

- The motion failed with 3 in favor (Anderson, Gillespie, and Van Diest) and 1 against. (Johnson)

FINDINGS:

- Modify #9: A geotechnical report was not required, pursuant to MSB 43.15.025(B). The parcel is served by the City of Palmer Water and Sewer.
- Add #12: The City of Palmer Planning and Zoning Commission has recommended the rezoning of the parcels from R-2 to G-C. The recommended approval will be sent to the

City of Palmer City Council for final approval.

VOTE:

- The motion passed with all in favor. There are 12 findings.

TIME: 1:46 P.M.

CD: 0:43:15

AUDIENCE PARTICIPATION (*Three minutes per person, for items not scheduled for public hearing*)

5. ITEMS OF BUSINESS & MISCELLANEOUS

A. Special Meeting Session on amendments and changes to Title 43.

The Chair, Jay Van Diest Suspended the Rules.

DISCUSSION:

- Discussion on Title 43 Substantial Items, Ordinance 17-033.

TIME: 2:44 P.M.

CD: 01:41:17

BREAK

TIME: 3:07 P.M.

CD: 02:03:05

DISCUSSION:

- Continued discussion on Title 43 Substantial Items, Ordinance 17-033.
- Write up draft points for a memo for the assembly meeting on Title 43.

The Chair, Jay Van Diest, brought the meeting back to Rules of Order.

MOTION:

- Gillespie moved to approve a memorandum on Title 43 ordinance 17-033 and Parking Lot items and that the Platting Board Chairman to represent the board at the upcoming assembly meeting on June 6, 2017. The motion was seconded.

VOTE:

- The motion passed with all in favor.

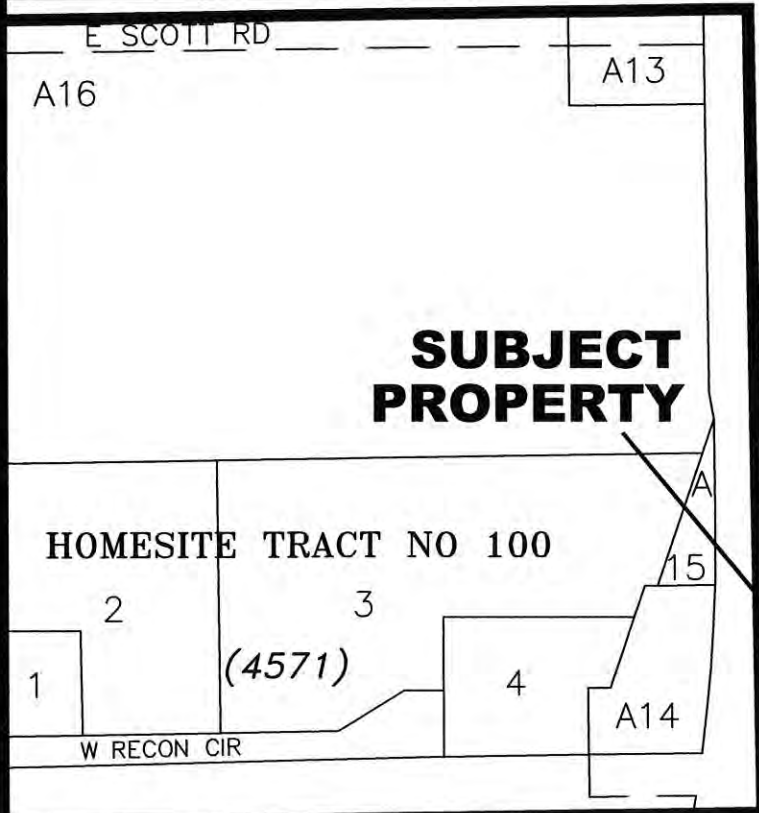
TIME: 3:53 P.M.

CD: 02:50:06

6. RECONSIDERATIONS/APPEALS

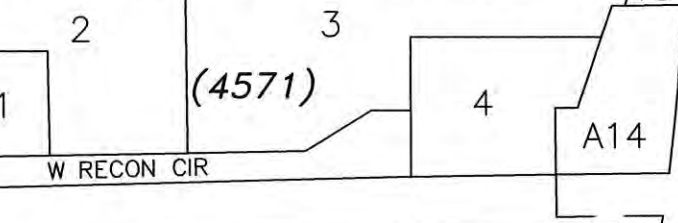
7. PLATTING STAFF & OFFICER COMMENTS

- There is 1 case to be heard at the next Platting Board Meeting.



SUBJECT PROPERTY

HOMESITE TRACT NO 100



BUGGE'S HILL

TR B

(1164)



FRED MEYER

TR A & TR B

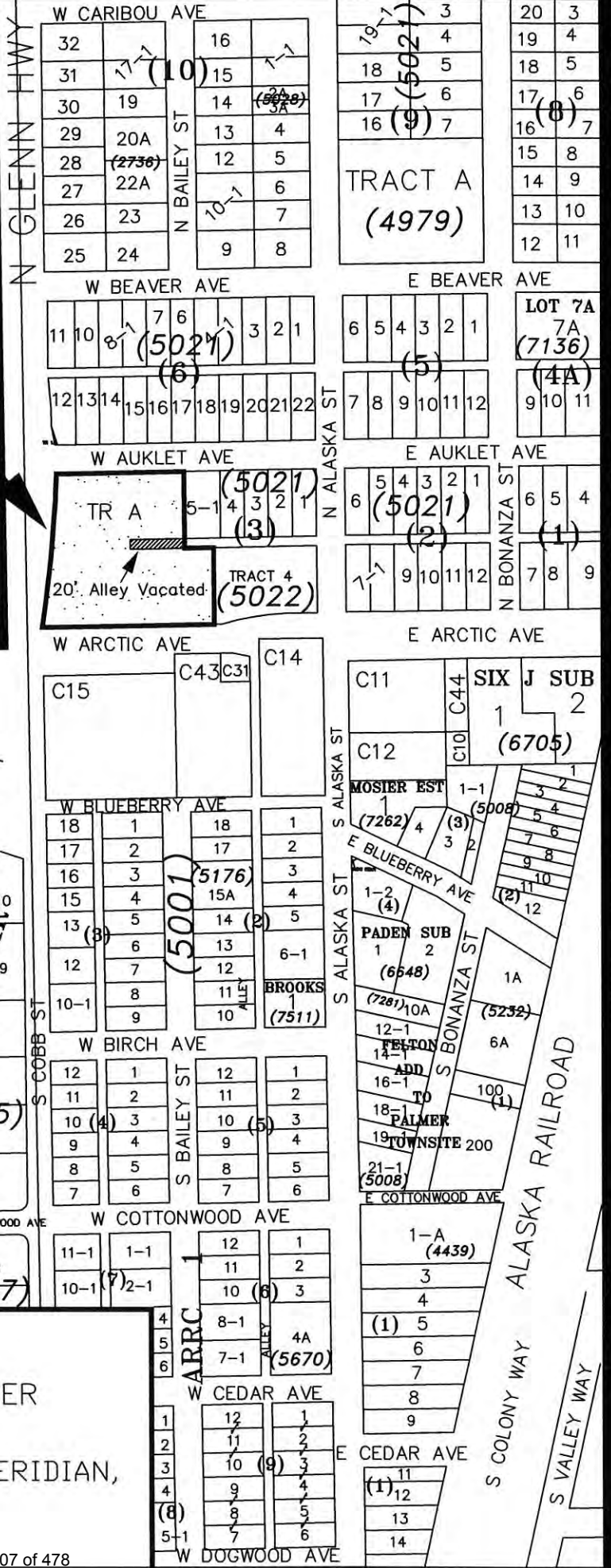
(7482)

VICINITY MAP

FOR PROPOSED FISHER'S CORNER
LOCATED WITHIN

SECTION 33, T18N, R02E, SEWARD MERIDIAN,
ALASKA

PALMER 05 MAP



**City of Palmer
Resolution No. 17-022**

Subject: Accepting and Appropriating the 2017 Volunteer Fire Assistance Grant From the State of Alaska, Department of Natural Resources, Division of Forestry, in the Amount of \$7,500.00 for the Purchase of Wildland Firefighting Equipment, Fire Safety Shelters, Firefighting Suppression Foam and Wildland Fire Personal Protective Clothing

Agenda of: June 27, 2017

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


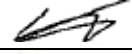
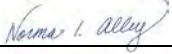
Originator Information:

Originator: John McNutt, Fire Chief

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance		06/08/17
_____	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: \$ **8,250.00**

This legislation (√):

<input checked="" type="checkbox"/>	Creates revenue in the amount of:	\$ <u>7,500.00</u>
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>8,250.00</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>01-13-10-6046 (\$750)</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>01-00-00-3344 (\$7500)</u>

Director of Finance Signature: 

Attachment(s):

- Resolution No. 17-022
- Grant Award Letter

Summary Statement:

The City of Palmer has been granted a State of Alaska, Department of Natural Resources, Division of Forestry, Volunteer Fire Assistance Grant in the amount of \$7,500.00 to purchase wildland firefighting equipment, fire safety shelters, firefighting suppression foam and firefighter protective clothing for Palmer Fire and Rescue. Palmer Fire & Rescue applied for this grant in February of 2017. This grant is used to assist in the purchase of wildland fire protection equipment for departments across Alaska. In March of 2017 an interagency committee met to allocate the funds to area fire departments, and Palmer Fire & Rescue was chosen to receive \$7,500.00. This grant will be matched by Palmer Fire & Rescue budgeted funds in the amount of \$750.00.

The firefighting equipment that will be purchased is forestry firefighting hand tools and shovels. These hand tools will allow wildland firefighting activities to stay efficient and effective by replacing worn and damaged equipment within the department inventory. The fire safety shelters will increase the current inventory of safety shelters in the department. The personal protective clothing will replace worn clothing that is not safe for responders to use in a wildland fire emergency response. This allows more responders to work safely when deployed on a large wildland fire emergency response. The firefighting suppression foam will allow for a more efficient extinguishment in areas that water re-supply is not available.

Administration's Recommendation:

Approve Resolution No. 17-022 to accept and appropriate the 2017 Volunteer Fire Assistance Grant from the State of Alaska, Department of Natural Resources, Division of Forestry for the purchase of wildland firefighting equipment, fire safety shelters and wildland firefighting personal protective clothing.

Introduced by: City Manager Wallace

Date: June 27, 2017

Action:

Vote:

Yes:

No:

CITY OF PALMER, ALASKA

Resolution No. 17-022

A Resolution of the Palmer City Council Authorizing the City Manager to Accept and Appropriate The 2017 Volunteer Fire Assistance Grant: Local Solicitation and Authorizing the City Manager to Purchase Wildland Firefighting Equipment, Fire Safety Shelters and Wildland Fire Personal Protective Clothing

WHEREAS, the City of Palmer Fire & Rescue provides fire protection and response to calls for service for the citizens of Palmer; and

WHEREAS, the City of Palmer Fire & Rescue needs dependable wildland firefighting equipment for the suppression of wildland fire emergencies; and

WHEREAS, the City of Palmer Fire & Rescue needs fire safety shelters for the responders' protection during the extinguishment of fire emergencies; and

WHEREAS, the City of Palmer Fire & Rescue needs wildland fire personal protective clothing for the safety of responders' during fire suppression activities; and

WHEREAS, the City of Palmer needs firefighting suppression foam for extinguishment of wildland fire emergencies; and

WHEREAS, the City of Palmer Fire & Rescue has been awarded \$7,500.00 from the State of Alaska, Department of Natural Resources, Volunteer Fire Assistance Grant for the purchase of wildland firefighting equipment, fire safety shelters and wildland fire personal protective clothing.

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council accept and appropriate the 2017 Volunteer Fire Assistance Grant from the State of Alaska, Department of Natural Resources, Division of Forestry for the purchase of wildland firefighting equipment, fire safety shelters, firefighting suppression foam and wildland fire personal protective clothing.

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

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF FORESTRY
MAT-SU/SOUTHWEST AREA OFFICE
101 AIRPORT RD.
PALMER, AK 99645
PHONE: 907.761.6300
FAX: 907.761.6319

CERTIFIED MAIL RECEIPT #7012 3050 0001 6767 2348

March 28, 2017

Dear Palmer Fire & Rescue:

Enclosed is the 2017 Volunteer Fire Assistance (VFA) grant award in the amount of \$ 4,810.00 for the purchase of the requested items in the 2017 VFA grant application minus any disallowed items. The check must be cashed within 90 days of issuance or it will expire. To be in compliance with the VFA award and to be eligible for VFA funding in 2018, copies of receipts and/or canceled checks documenting the purchase of the following items

- Forestry Coats (size TBD) (5)
- Forestry Pants (size TBD) (5)
- Forestry Helmets (5)
- Wildland Gloves (size TBD) (10)
- Forestry Shirts (size TBD) (10)
- Forestry Shelters (5)
- Web Belts for Shelters (5)
- Kestrel weather meters (3)
- Pulaskis (5)
- Class A Foam (5 gallon buckets) (36)
- Shipping Costs for above items (1)

must be sent to the Division of Forestry by October 31, 2017 to the address above.

USDA Forest Service 'Complying with Civil Rights Requirements' brochure is enclosed.

A Volunteer Fire Assistance grant is an award of Federal financial assistance (CFDA # 10.664) and is subject to USDA 7 CFR 2016, (A-102) Uniform Requirements, 2 CFR 225 Cost Principles, and OMB Circular A-133 as implemented by USDA Regulation 7 CFR 3052. All Federal and Recipient matching/cost share contributions are subject to all relevant Circulars and Code of Federal Regulations.

Electronic copies of the CFR's can be obtained at the following internet site: www.ecfr.gov. If you are unable to retrieve these regulations electronically, please contact Arlene Weber-Sword at: arlene.weber-sword@alaska.gov.

Please be advised that next year the VFA application process will be moved to the State of Alaska's online application system (OLAS). More information on this to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Norm McDonald".

Norm McDonald
Fire Management Officer

Enclosures



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Natural Resources

DIVISION OF FORESTRY
MAT-SU/SOUTHWEST AREA

101 AIRPORT ROAD
PALMER, AK 99645
Main: (907) 761-6300
Fax: (907) 761-6319

Chief McNutt,

Please except this as confirmation that the VFA check assigned to Palmer Fire & Rescue was unintentionally split into two separate checks. The first check warrant # 20258206 was issued for \$4810, the second check warrant 20264448 was issued for \$2690. Both checks fall under the VFA requirements for reporting and were awarded based on the 2017 application submitted by Palmer Fire & Rescue. Please feel free to contact me direct with questions.

Sincerely,

Norm McDonald
Fire Management officer
Mat-Su/Southwest Area.
(907)761-6302 Office
(907) 863-2007 Mobile

**City of Palmer
Action Memorandum No. 17-053**

Subject: Authorizing the City Manager to Negotiate and Purchase Insurance Coverage for the Period July 1, 2017, through June 30, 2018, per the Premium Quote Submitted by the City's Insurance Broker, Insurance Brokers of Alaska


Agenda of: June 27, 2017

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


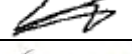
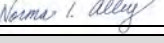
Originator Information:

Originator: Gina Davis, Finance Director & Alice Williams, HR Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance		6/5/17
_____	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: \$ **\$308,407.66**

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
X	Creates expenditure in the amount of:	\$ <u>\$308,407.66</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>Various Accounts</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: 

Attachment(s):

- Insurance Brokers of Alaska Commercial Insurance Proposal

Summary Statement:

Insurance Brokers of Alaska is the City's current Insurance Broker. They presented the attached proposal from Alaska Public Entity Insurance (APEI) to continue as the City's Insurance Carrier for the year beginning July 1, 2017.

The insurance coverage includes property (including earthquakes and fire); crime; general liability; police professional liability; auto liability and physical damage; and worker's compensation.

The last contract was for \$266,303.90. This contract is for ~~\$308,137.66~~ \$308,407.66, which is an increase of \$42,103.76. (There was a typographical error in the attached quote in which numbers in the airport liability were transposed)

The proposal from the Alaska Public Entity Insurance (APEI) has an annual premium of \$319,253.37. Upon receipt of premium payment, APEI will apply a Member Dividend to the City the amount of \$10,845.71, resulting in a net premium of \$308,407.66.

This increase is primarily from a drop in dividends from last year by over \$5,000.00, an increase in physical damage coverage (asset value increase) by over \$16,000.00 and workman's comp by over \$10,000.00

The City has had insurance coverage with excellent service through APEI since 2008.

Administration's Recommendation:

To approve Action Memorandum No. 17-053 with a description of what is being approved.

PREMIUM SUMMARY

COVERAGE	EXPIRING 2016-2017	PROPOSED 2017-2018
Property including Earthquake & Flood	\$65,761.61	\$73,821.41*
Crime	Included in above	Included in above
General Liability	\$36,707.44	\$40,163.81
Police Professional Liability	Included in GL	Included in GL
Auto Liability and Physical Damage	\$65,462.89	\$81,185.78**
Workers' Compensation	\$99,955.00	\$109,758.37***
APEI PKG TOTAL DUE AT BINDING	\$267,886.94	\$304,929.37
2017-2018 Credit can be applied now or issued later	-\$15,907.04	-\$10,845.71
APEI PKG TOTAL	\$251,979.90	\$294,083.66
Airport Owners/Operators Liability	\$7,854.00	\$7,854.00***
Inland Marine	\$6,470.00	\$6,470.00
GRAND TOTAL	\$266,303.90	\$308,137.66

* Increase in Property premium is due to the carrier's increased cost for reinsurance due to property losses in Alaska over the last year and some increased values.

**Increase in Auto premium is mostly due to the increase in values used for Physical Damage coverage on 12 autos, plus the addition of 2 new trucks that have a total insured value of \$1,530,500

***Increase in Work Comp premium is due to combination of rate increases and an increase to the Experience Modification Factor.

****Airport Premises – If terrorism and war coverage is requested add \$981 to above premium. Also, Airport Owners /Operators Premium is 25% Minimum Earned Premium No Flat Cancellations

Inland Marine Policy doesn't include terrorism, if elected add \$194 to above quote, when policy is received there will be a terrorism rejection form to sign and return and credit will be allowed.

CITY OF PALMER



Commercial Insurance Proposal

Presented By



Insurance Brokers of Alaska

ACRISURE Agency Partner

Jan Martinson, CMIP
Senior Account Executive

Margery A. Moberly, CISR, CIC
Senior Account Manager/CTC

July 1, 2017 to July 1, 2018

INSURANCE BROKERS OF ALASKA SERVICE TEAM

SENIOR ACCOUNT EXECUTIVE

Jan Martinson, CMIP

907.365.5108 – Direct Line
jmartinson@insurancebrokersak.com

Jan aggressively represents your firm in the insurance marketplace and intends to thoroughly acquaint you with coverage proposals and placements. She is responsible to make sure your account is handled to your satisfaction.

CUSTOMER SERVICE REPRESENTATIVE

Margery A. Moberly, CISR, CIC
Senior Account Manager/CTC

907.365.5133 – Direct Line
mmoberly@insurancebrokersak.com

Margery is qualified to help you with service needs, questions, changes in coverage, or problems you may have with your policies. Her goal is your satisfaction.

CLAIMS

Jan or Margery can be called when you have an insurance claim. We can help you with every step of the claim process, from the initial report to staying in contact with the insurance company to make sure your claim is handled in a manner that meets our high standards.

ACCOUNTING

Margery A. Moberly, CISR, CIC
Senior Account Manager/CTC

907.365.5133
mmoberly@insurancebrokersak.com

CLIENT INFORMATION SHEET

Account Name: City of Palmer
Mailing Address: 231 W. Evergreen Avenue
Palmer, AK 99645
Phone Number: (907) 745-3271
Fax Number: (907) 745-0930

Individuals to Contact:

Nathan Wallace, City Manager (907) 761-1317
Alice Williams, HR/ Risk Manager (907) 761-1302
Frank Kelly, Airport Superintendent (907) 761-1334

Insurance Brokers of Alaska provides this Insurance Proposal as a working document for easy reference concerning insurance coverage, not as a legal contract. This Insurance Proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operations, hiring employees in new states, buying additional property, etc., please let us know so proper coverage can be discussed.

NAMED INSUREDS

City of Palmer

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PREMIUM SUMMARY

COVERAGE	EXPIRING 2016-2017	PROPOSED 2017-2018
Property including Earthquake & Flood	\$65,761.61	\$73,821.41*
Crime	Included in above	Included in above
General Liability	\$36,707.44	\$40,163.81
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Auto Liability and Physical Damage	\$65,462.89	\$81,185.78**
Workers' Compensation	\$99,955.00	\$109,758.37***
APEI PKG TOTAL DUE AT BINDING	\$267,886.94	\$304,929.37
2017-2018 Credit can be applied now or issued later	-\$15,907.04	-\$10,845.71
APEI PKG TOTAL	\$251,979.90	\$294,083.66
Airport Owners/Operators Liability	\$7,854.00	\$7,854.00***
Inland Marine	\$6,470.00	\$6,470.00
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Inland Marine Policy doesn't include terrorism, if elected add \$194 to above quote, when policy is received there will be a terrorism rejection form to sign and return and credit will be allowed.

PREMIUM CREDITS

PREMIUM CREDITS: Applied to 2017 – 2018

GL: LC and safety meetings	\$4,462.65
WC: LC Training & Safety meetings	\$19,369.12
Property: Site Inspections	included in Fire Dept credits
Fire Department	\$1,014.68
Sprinklered bldgs	\$5,276.35
<u>Dividend Credit Given</u>	<u>\$10,845.71</u>
Total	\$40,968.51

PREMIUM CREDITS: Applied to 2016 – 2017

GL: LC and safety meetings	\$4,293.27
WC: LC Training & Safety meetings	\$18,567.49
Property: Site Inspections	included in Fire Dept credits
Fire Department	\$1,292.19
Sprinklered bldgs	\$5,291.54
<u>Dividend Credit Given</u>	<u>\$ 15,907.04</u>
Total	\$45,351.53

PREMIUM CREDITS: Applied to 2015 – 2016

GL: LC and safety meetings	\$ 4,439.30
WC: LC Training & Safety meetings	\$ 4,985.71
Property: Site Inspections	included in Fire Dept credits
Fire Department	\$ 753.08
Sprinklered bldgs	\$ 2,790.16
<u>Dividend Credit Given</u>	<u>\$ 12,070.39</u>
Total	\$25,038.63**

PREMIUM SUMMARY – LAST 4 YEARS

COVERAGE	EXPIRED 2014-2015	EXPIRED 2015-2016	EXPIRING 2016-2017	PROPOSED 2017-2018
Property W/Earthquake &Flood	\$43,889.03	\$40,841.28	\$65,761.61	\$73,821.41
Crime	Included in above	Included in above	Included in above	Included in above
General Liability	\$41,429.78	\$39,953.68	\$36,707.44	\$40,163.81
Police Professional Liability	Included in GL	Included in GL	Included in GL	Included in GL
Auto Policy including Physical Damage	\$54,383.82	\$57,662.46	\$65,462.89	\$81,185.78
Workers' Compensation	\$108,682.97	\$94,728.46	\$99,955.00	\$109,758.37
APEI PKG SUB-TOTAL	\$248,385.60	\$233,185.88	\$267,886.94	\$304,929.37
Dividend APEI	\$10,953.36	-\$12,070.39	-\$15,907.04	-\$10,845.71
APEI PKG TOTAL	\$237,432.24	\$221,115.49	\$251,979.90	\$294,083.66
Airport Owners/Operators Liability	\$7,700.00	\$7,700.00**	\$7,854.00**	\$7,857.00
Inland Marine	\$6,046.00	\$6,470***	\$6,470***	\$6,470.00
GRAND TOTAL	\$251,178.24	\$235,285.49	\$275,492.88	\$308,137.66

PROPERTY INSURANCE

Insurance Carrier:	Alaska Public Entity Insurance
Policy Period:	July 1, 2017 to July 1, 2018
Coverage:	All Risk for direct physical damage including boiler & machinery, earthquake and flood, subject to standard policy terms, conditions, and exclusions.
Property:	\$200,000,000 Program Limit Shared by all participants
Earthquake:	\$75,000,000 Program Limit Shared by all participants
Flood:	\$75,000,000 Program Limit Shared by all participants
Equipment Breakdown:	\$200,000,000 Program Limit Shared by all participants
Location, Limits & Property Covered:	See Attached Schedules for limits
Co-Insurance:	None
Recovery Basis:	Replacement Cost on Property buildings, contents, Electronic Data Processing equipment.
Deductible:	\$10,000 Per Occurrence – Building and B&M \$5,000 Contents, EDP, Fine Arts
Deductible:	Earthquake & Flood \$10,000 Each

**Safety Premium Credit: Fire Dept Credit/ Property Site Inspections: \$ 1,014.68
Sprinklers: \$5,276.35**

Note: Contents value includes fine arts, edp/media and leased equipment

Bolded items on the property schedule are to show values that are increased

CITY OF PALMER PROPERTY SCHEDULE

LOC #	ADDRESS	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
1	Tourist Center Restrooms	723 S. Valley Way	250,000	0	0	250,000
2/1	Lift Station 1	South Gulkana Street	80,000	76,000	0	156,000
2/2	Lift Station 2	South Chugach Street	100,000	89,000	0	189,000
2/3	Lift Station 3	South Chugach Street	406,500	0	0	406,500
2/4	Lift Station 4	Woodruff Loop SWX	60,000	130,000	0	190,000
2/5	Lift Station 5	Mile 35 Glenn Hwy SWX	60,000	130,000	0	190,000
3	A-Moose-ment Park	West Fern Ave.	100,000	0	0	100,000
4	Lift Station 6	Inner Springer Loop SWX	60,000	110,000	0	170,000
5	Airport Energy Module Building	901 Access Road A	60,000	80,000	0	140,000
6	Little league baseball complex	North Gulkana Street	0	0	130,000	130,000
7	Pressure Reducing Station 1	North Alaska Street	20,000	12,000	0	32,000
8	Pressure Reducing Station 2	North Gulkana Street	20,000	12,000	0	32,000
9	Soccer Field Bathroom Building	North Gulkana Street	100,000	0	0	100,000
10	Sewer Lagoon Equipment Storage	1802 S. Brooks	118,700	46,800	0	165,500
11	Farmers Market Pavilion	South Valley Way	50,000	0	0	50,000

LOC #	ADDRESS	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
12	Community Center Depot	610 S. Valley Way	1,408,500	119,700	0	1,528,200
13	250,000 Gal. Water Storage Tank	Cedar Hills Subdivision	0	0	15,000	15,000
14	1,000,000 Gal. Water Storage Tank	E. Scott Road	0	0	1,640,900	1,640,900
15	Airport Office FAA Building	901 Access Road A	1,002,800	240,800	0	1,243,600
16	Booster Pump Station	Cedar Hills Drive	20,000	100,000	0	120,000
17	Community Development	645 E. Cope Industrial Way	156,000	106,804	0	262,804
18	City Hall	231 Evergreen	2,540,800	447,100	0	2,987,900
19	City Vehicle Maint PPD Car Wash	1316 Bonanza	90,440	5,000	0	95,440
20	Equipment Storage (Airport)	800 E. Evergreen	348,600	305,300	0	653,900
21	Cold Storage Bldg	Muni Golf Course	140,400	138,000	0	278,400
22	Restrooms	645 E. Cope Industrial Way	50,762	10,000	0	60,762
23/1	Sewer Lagoon / Lab / Blower Bldg	1802 S. Brooks	520,200	310,900	0	831,100
23/2	Sewer Lagoon Headworks	1802 S. Brooks	1,439,400	0	0	1,439,400
23/3	Sewer Lagoon Main Blower Bldg	1802 S. Brooks	490,900	56,000	0	546,900
23/4	Sewer Lagoon UV Bldg	1802 S. Brooks	1,126,400	0	0	1,126,400
24	Tourist Center/Museum	723 S. Valley Way	387,421	227,500	0	614,921
25	Equipment Storage	645 E. Cope Industrial Way	299,820	10,000	0	309,820
26	Public Works Office	1316 Bonanza	180,000	157,782	0	337,782
27	Well House #4 & 5	950 Cope Industrial	180,000	400,000	0	580,000

LOC #	ADDRESS	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
28	MTA Events Center	1317 Kerry Weiland Way	10,935,100	690,500	0	11,625,600
29	Fire Hall Station 31	717 S. Cobb	1,672,700	139,000	0	1,811,700
30/1	Fire Maintenance Bldg	645 E. Cope Industrial Way	1,303,500	273,400	0	1,576,900
30/2	Fire Training Classroom	645 E. Cope Industrial Way	260,000	200,000	0	460,000
30/3	Fire Training Tower	645 E. Cope Industrial Way	130,701	2,000	0	132,701
31	Golf Clubhouse	Muni Golf Course	771,800	80,700	0	852,500
32	Reservoir Bldg 250,000 Gal. Tank	12050 E. Scott	0	0	559,000	559,000
33	Library	655 S. Valley Way	4,125,000	1,654,300	0	5,779,300
34	Pump house Bldg	12050 E. Scott	75,000	250,000	0	325,000
35/1	Public Safety Bld IPPD	423 S. Valley Way	2,481,600	464,000	0	2,945,600
35/2	Public Safety Bldg 2 AST/ DISP	453 S. Valley Way	2,717,900	508,200	0	3,226,100
35/3	Public Safety Comm. Shelter	423 S. Valley Way	150,000	1,500,000	0	1,650,000
36	Public Works Equipment Building	1432 S Bonanza Street	401,455	1,000,000	0	1,401,455
37/1	Public Works Equipment Building	1316 Bonanza	399,750	700,000	0	1,099,750
37/2	Public Works Mech / Shop	1316 Bonanza	1,609,900	559,900	0	2,169,800
38	Golf Course Storage	Muni Golf Course	91,853	0	0	91,853
39	Church Property	2390 S. Glenn Hwy	175,000	0	0	175,000
40	Public Works Meter Building	1432 S Bonanza Street	29,000	75,000	0	104,000
41	Bugge Park	220 S. Cobb Street	0	0	12,000	12,000
42	Hagen Park	201 E. Dolphin Avenue	0	0	3,500	3,500
43	McKechmie Park	643 W. Daron Drive	0	0	19,000	19,000
44	Meier Park	325 S. Silver Tip Drive	0	0	3,500	3,500

LOC #	BLDG # ADDRESS	DESCRIPTION	BLDG VALUES	CONTENTS VALUES	OTHER STRUCTURES	TOTAL
45	Palmer Skateboard Park	231 E. Arctic Avenue	0	0	60,000	60,000
46	Wilson Park	1115 S. Felicia Street	0	0	47,000	47,000
47	50 Kw Diesel Generator	Palmer	0	0	77,100	77,100
48/1	Aeration Pond #1	Palmer	0	0	2,752,200	2,752,200
48/2	Aeration Pond #2	Palmer	0	0	2,752,200	2,752,200
48/3	Aeration Pond #3	Palmer	0	0	4,194,800	4,194,800
49	Storage Building #1	Palmer	7,450	2,800	0	10,250
50	50 Kw Diesel Generator	Palmer	0	0	77,100	77,100
51	Storage Building	Palmer	7,700	1,300	0	9,000
Totals:			\$39,213,102	\$11,421,786	\$12,343,300	\$63,281,129

TOTALS	BUILDING	CONTENTS	OTHER STRUCTURES	INLAND MARINE COVERAGE	TOTAL INSURED VALUES
2016-2017	\$39,146,552	\$11,362,786	\$12,320,700	\$247,010	\$63,077,048
2015-2016	\$24,703,684	\$13,881,940	\$896,218	\$247,010	\$39,728,852
2014-2015	\$24,703,684	\$13,881,940	\$751,218	0	\$39,336,842

INLAND MARINE – MOBILE EQUIPMENT

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2017 to July 1, 2018

Coverage: Provides Direct Physical Loss or Damage coverage for scheduled equipment, subject to policy terms, conditions, and exclusions.

Deductible: \$1,000

Coinsurance: 90%

Recovery Basis: Actual Cash Value

Year	Make/Description	Serial Number	Value
2006	Caterpillar 140 Grader 520S	CAT043HTAPN00901	\$247,010
2015	John Deere Tractor w/Loader	1LV3038ETEH61076 1POD16XTEX001623	\$21,000
2000	John Deere Backhoe Attachment	LV0047C060210	\$17,531
2017	GAS Sickle Bar Mowing Attachment	GG95D1885	\$5,200
2017	BE-RC5H06 Rotary Cutter Attachment	152405-RC5HDG-Y16	\$2,200
	John Deere #5851 Snowblower	MOB2756X190584	\$5,000
	John Deere #5852 Snowblower	MO60HDB015133	\$5,000

Schedule received from City of Palmer had two items listed that did not have values. If you can provide the value, we will get a quote on cost to add them to the schedule.

Year	Make/Description	Serial Number	Value
1995	Case 821 B Front End Loader	JEE004380	
1996	S&S Snowblower attachment	158HC	

INLAND MARINE – RADIOS AND LAPTOPS

Insurance Carrier: Allianz Global Corporate and Specialty

Policy Period: July 1, 2017 to July 1, 2018

Coverage: Provides Direct Physical Loss or Damage coverage for scheduled equipment, subject to policy terms, conditions, and exclusions.

Deductible: \$1,000

Coinsurance: 90%

Recovery Basis: Actual Cash Value

Item Description	Location	Total	Rate
Radios/Laptops	Police and in Vehicles	\$362,600	1.178
Radios	Public Works and in Vehicles	\$186,600	1.178

No changes were made to values

CRIME

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2017 to July 1, 2018

Location: City of Palmer

<u>COVERAGE</u>	<u>LIMIT</u>	<u>DEDUCTIBLE</u>
<u>EMPLOYEE THEFT, INCLUDING FAITHFUL PERFORMANCE</u>	\$1,000,000	\$2,500
Responds to losses arising out of the failure of an individual to faithfully execute duties required by company bylaws or those prescribed by law as in the case of a public official or employee. Although this coverage may be required occasionally in the private sector, the majority of the time it is written for public entities. (IRMI)		
<u>FORGERY AND ALTERATION</u>	\$1,000,000	\$2,500
Covers loss due to dishonesty in writing, signing, or altering checks or other financial instruments.		
<u>INSIDE THE PREMISE</u>		
THEFT OF MONEY OR SECURITIES	\$1,000,000	\$2,500
ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY	\$1,000,000	\$2,500
<u>OUTSIDE THE PREMISE</u>	\$1,000,000	\$2,500
<u>COMPUTER FRAUD</u>	\$1,000,000	\$2,500
Crime coverage for theft of money, securities, or property by using a computer to transfer covered property from the insured's premises or bank to another person or place. No coverage is provided for theft of information or for computer vandalism.		
<u>FUNDS TRANSFER FRAUD</u>	\$1,000,000	\$2,500
<u>MONEY ORDERS & COUNTERFEIT PAPER</u>	\$1,000,000	\$2,500
Covers loss due to acceptance of money order that was issued (or is purported to have been issued) by a post office or express company and loss due to acceptance of counterfeit paper currency of the United States or Canada.		

GENERAL LIABILITY

Insurance Carrier:	Alaska Public Entity Insurance		
Policy Period:	July 1, 2017 to July 1, 2018		
Coverage:	The insurance company agrees to pay those sums that you are legally obligated to pay as damages because of "bodily injury" and "property damage" to which the insurance applies, subject to policy terms conditions and exclusions.		
Occurrence Limit: No Aggregate	General Liability Per Occurrence		\$15,500,000
	Employee Benefits Liability		\$15,500,000
	Employment Practices Liability		\$15,500,000
	Sewer Backup		\$15,500,000
	Law Enforcement Liability		\$15,500,000
	Volunteer Medical Coverage		\$ 50,000
	No deductible		
Occurrence And Aggregate:	Public Officials Liability Occur/Aggregate		\$15,500,000
	Products/Completed Operations		\$15,500,000
Deductible:	General Liability		No Deductible
	Employment Practices Liability		\$ 10,000
	Sewer backup		\$ 10,000
	Law Enforcement Liability		\$ 10,000
	Employee Benefits		No Deductible
Broadening Endorsements:	Cyber Liability Coverage	\$2,000,000/\$2,500 deductible	
	Host Liquor Liability		Included
Premium Basis: (per \$100 Payroll)	Payroll 2017-2018	\$4,322,985	Rate \$0.9291
	Payroll 2016-2017	\$4,647,685	Rate \$0.8313
	Payroll 2015-2016	\$4,408,688	Rate \$0.9062
	Payroll 2014-2015	\$4,635,521	Rate \$0.8937
Audit Frequency:	Annual		
Form:	GL is Occurrence Triggered by Date of Occurrence Professional is Claims Made Triggered by Claim Presented		

GENERAL LIABILITY Loss Control training/safety meetings credit: \$4,462.65

AUTOMOBILE

Insurance Carrier:	Alaska Public Entity Insurance
Policy Period:	July 1, 2017 to July 1, 2018
Coverage:	The insurance company will pay all sums an "insured" legally must pay for damages as a result of "bodily injury" or "property damage" to which the insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered auto, subject to policy terms conditions and exclusions
Liability Limits:	\$15,500,000 Per Occurrence
Medical Payments:	included in limit above
Physical Damage:	Actual Cash Value, Deductible - \$1,000 Ariel Truck Deductible is \$25,000 due to high value
Uninsured / Underinsured Liability:	\$250,000 Liability, Per Occurrence, \$0 Deductible
Uninsured/Underinsured Physical Damage:	\$ 25,000 Physical Damage, \$250 Deductible
Covered Autos:	See Attached Schedule Non-Owned & Hired Auto Liability
Recovery Basis:	* Actual Cash Value

2017-2018 Units	80
2016-2017 Units	78
2014-2015 Units	80

Premium Credit is reflected on the GL / Property data

Bolded items on the Auto schedule are to show values that are increased

AUTOMOBILE SCHEDULE

Location	ModelYear	Make	Body Type	Insured Value	VIN	C/C Coverage Deductibles
FD	1974	Seagraves	Fire Truck		D73313	
PW	1977	Ford	Flat bed Fuel Truck		F37BRY45183-EG-74	
PW	1980	Western Star	8cy Dump Truck		LONFPGJ903927	
PW	1980	White	Sand Truck		LONFPGJ904494	
SWR	1982	Ford	Vactor		1FDYR80U7CVA48222	
PW	1983	Ford	Dump Truck		1FDYU80UXDVA16302	
PW	1983	International	Steam Truck		1HTAA17B9DHB13828	
FD	1984	Spartan	Ladder Truck	550,000	S39RT6C08EC6643672	1,000/1,000
PW	1986	Ford	F800 Truck		1FDYK87UOGVA34338	
FD	1987	Spartan	Fire Truck	500,000	1S9AT6A0XHC185172	1,000/1,000
FD	1987	Ford	1-Ton Fire Truck		2FTJW36L2HCB03849	
FD	1989	Ford	F350		1FDKF38G6KKB51583	
PW	1991	Chevrolet	Pickup		1GCDC14H8MZ206814	
FD	1991	Chevrolet	Plow Truck		1GBJK34JXME179910	
PW	1994	Chevrolet	Flatbed		1GBHC34K1RE307124	
FD	1994	Freightlnr	FL70	300,000	1FV6HF6AA2RL626582	1,000/1,000
FD	1994	Pierce	Pumper	500,000	4P1CT02UXRA000560	1,000/1,000
PW	1994	Chev	2500 PU		1GBGK24K9RE305128	
GARB	1995	Ford	Garbage Truck		1FDZW82E5SVA17956	
PW	1996	Chevrolet	S10 Blazer		1GCDT14X6T8134216	
FD	1997	Ford	Expedition		1FMFU18LOVLC23210	
PW	1998	Chevrolet	S10		1GCDT14X9W8128737	
PW	1998	Chevrolet	S10		1GCDT14XXW8127855	
AP	1998	Ford	Contour		1FAFP66L9WK257185	
PD	2000	Dodge	Pickup		3B7HF13Z8YG148003	
PW	2000	Dodge	PU		1B7GG26XXYS729343	

Location	Model/Year	Make	Body Type	Insured Value	VIN	C/C Coverage Deductibles
CD	2001	Chevrolet	Pickup		IGCEK19V31E311737	
PW	2001	Chevrolet	Truck		IGCEC14V91Z155250	
SWR	2001	Chevrolet	Truck		IGCEC14V21Z155302	
SWR	2001	Chevrolet	Truck		IGCEC14V21Z156207	
PD	2001	Dodge	Pickup		3B7KF23621G219008	
ADM	2001	Dodge	Durango		1B4HS28221F597367	
PW	2002	Chevrolet	Silverado		IGCEC14T12Z309840	
FD	2002	Chevrolet	Silverado 2500		IGCHK29U42E228698	
PW	2002	Ford	Explorer		1FMZU72E22UB04977	
PD	2003	Chev	Silverado		IGCHK23G03F169406	
PW	2004	Sterling/Elgin	Sweeper		49HAADBVS4DN04722	
AP	2004	International	Dump Truck	134,385	IHTXHAXT24JO18709	1,000/1,000
GARB	2004	Peterbilt	320 Garbage Truck	190,981	1NPZLTOX84D715290	1,000/1,000
PW	2004	International	4300 Bucket Truck	43,779	IHTMMAAL94H653960	1,000/1,000
WTR	2005	Chevrolet	Pickup		IGCEC14T95Z193890	
PW	2005	Chevrolet	Pickup		IGCEC14T95Z193808	
PD	2005	Ford	Crown Victoria		2FAFP71W95X166405	
PD	2005	Ford	Expedition		1FMPU16505LA79067	
FD	2005	Ford	Fire Truck	200,000	1FDAW57P65EC56104	1,000/1,000
SWR	2005	International	TN-Vactor Truck	201,000	IHTWDAAR151044644	1,000/1,000
PD	2006	Ford	Crown Victoria		2FAHP71W76X160239	
PW	2006	International	7400 SBA 6X4	90,000	1HTWGAATX61355073	1,000/1,000
PD	2007	Ford	F250	25,000	1FTSX2152EA65813	1,000/1,000
SWR	2007	Ford	F450 Plow & Svc Truck	48,215	1FDXF47P37EA91748	1,000/1,000
FD	2007	Pierce	Fire Truck	500,000	4PICC01AX7A007528	1,000/1,000
PD	2007	Haulmark	Crime Scene Trailer	22,000	16HPB20227H156078	1,000/1,000
PW	2007	Peterbilt	Dump Truck	71,000	2NPLLZ9X37M695220	1,000/1,000
PD	2009	Ford	Crown Vic	22,000	2FAHP71V59X105445	1,000/1,000
PD	2009	Ford	Explorer	16,000	1FMEU73E89UA30021	1,000/1,000

Location	Model Year	Make	Body Type	Insured Value	VIN	C/C Coverage Deductibles
PD	2010	Dodge	Charger	10,000	2B3AA4CT6AH145864	1,000/1,000
PW	2010	Ford	Pickup-F350	10,000	1F1WF3B58AEA90313	1,000/1,000
PW	2010	Ford	Pickup-F350	20,000	1F1WF3B5XAEA90314	1,000/1,000
PD	2010	Dodge	Charger	20,000	2B3AA4CT0AH303566	1,000/1,000
PD	2010	Dodge	Charger	20,000	2B3AA4CT9AH303565	1,000/1,000
FD	2011	Chev	Silverado	40,000	1GC1KVC7BF177701	1,000/1,000
FD	2011	Chev	Silverado	40,000	1GC5KZCG4BZ262289	1,000/1,000
PD	2012	Ford	Explorer	35,000	1FM5K8AR3DGA22272	1,000/1,000
PD	2012	Ford	Explorer	35,000	1FM5K8AR3DGA22273	1,000/1,000
PD	2013	Ford	Explorer	35,000	1FM5K8AR4DGC40561	1,000/1,000
PD	2013	Ford	Explorer	35,000	1FM5K8AR6DGC40562	1,000/1,000
GARB	2013	Peterbilt	320 Garbage Truck	314,138	3BPZL70X8DF193588	1,000/1,000
PD	2014	Ford	F350	33,000	1FD8X3B61EEB36290	1,000/1,000
PD	2014	Ford	F350	33,000	1FD8X3B63EEB36291	1,000/1,000
PD	2014	Ford	F350	33,000	1FD8X3B65EEB36292	1,000/1,000
PD	2014	Ford	Expedition	40,000	1FMJU1G51EEF31536	1,000/1,000
PD	2014	Ford	Expedition	40,000	1FMJU1G53EEF31537	1,000/1,000
FD	2014	International	Fire Truck	400,000	1HTGSSNT2FH143231	1,000/1,000
PD	2015	Ford	F350	33,856	1FTRF3B60FEC26527	1,000/1,000
PD	2015	Ford	F350	33,856	1FTRF3B64FEC03364	1,000/1,000
FD	2015	International	Fire Truck	400,000	1HTGSSNT2FH143231	1,000/1,000
PD	2015	Ford	Explorer	35,000	1FM5K8AR0FGC66870	1,000/1,000
PD	2015	Ford	Explorer	35,000	1FM5K8AR2FGC66871	1,000/1,000
PD	2016	Ford	Explorer	35,000	1FM5K8AR2FGC66871	1,000/1,000
PD	2016	Ford	Taurus	35,000	1FAHP2MK5GG119398	1,000/1,000
GARB	2017	Peterbilt	Garbage Truck	330,500	3BPZL0X9HF1714117	1,000/1,000
FD	2017	Rosenbauer	Cobra (arial truck)	1,200,000	54F3DF10FWM11278	\$25,000/\$25,000

WORKERS' COMPENSATION & EMPLOYER'S LIABILITY

Insurance Carrier: Alaska Public Entity Insurance

Policy Period: July 1, 2017 to July 1, 2018

Named State: Alaska

Workers' Compensation: Statutory Benefits

Employer's Liability:

Bodily Injury by Accident	\$1,000,000	Each Accident
Bodily Injury by Disease	\$1,000,000	Policy Limit
Bodily Injury by Disease	\$1,000,000	Each Employee

Subject To:

- 1.27 2017-2018 Experience Modification
- 1.12 2016-2017 Experience Modification
- 1.08 2015-2016 Experience Modification
- 1.21 2014-2015 Experience Modification

Audit Frequency: Annual

Estimated Payroll: \$4,322,985

Premium Credit: Loss Control training/ safety meetings credit \$19,369.12

WORKERS' COMPENSATION-SPECIFICATIONS

Classification	Code	2016-2017 Estimated Payroll	2016-2017 Base Rate	2017-2018 Estimated Payroll	2017-2018 Base Rate
Street/Road Maintenance	5509	\$168,050	4.4725	\$175,900	4.6606
Water Works	7520	\$116,420	3.1317	\$102,500	3.3660
Sewage Treatment	7580	\$121,545	3.1317	\$105,185	3.3660
Firefighters & Drivers	7710	\$211,535	5.7056	\$175,300	5.7934
Firefighters & Drivers Volunteers	7711	\$104,000	5.7056	\$104,000	5.7934
Police Officers Public Safety & Volunteers	7720	\$900,000	3.2981	\$885,500	3.7113
Police Officer Reserve	7720R	\$37,500	2.7011	\$7,500	3.7112
Municipal Garage (include retail fuel)	8380	\$129,900	4.6878	\$125,000	4.3586
Clerical/Professional includes Elected Officials	8810	\$2,295,000	0.4012	\$2,075,000	0.4423
Building Maintenance and Operations	9015	\$201,500	4.7954	\$206,800	5.459
Parks/Recreation/Ice Rinks	9102	\$109,615	5.5294	\$101,000	5.7503
Refuse	9403	\$51,620	7.3986	\$55,000	7.4117
General Municipal Employees	9410	\$201,000	3.3372	\$204,300	4.2075
Total Payroll		\$4,647,685		\$4,322,985	

Note: Volunteer Firefighters Assume \$2,000 Payroll X # of Volunteers

2015-2016 Payroll \$4,408,688

AIRPORT OWNERS & OPERATORS GENERAL LIABILITY

Insurance Carrier: Ace Property & Casualty Insurance Company **Best Rating:** A+

Policy Period: July 1, 2017 to July 1, 2018

Coverage: Airport Owners and Operators General Liability coverage, in respect of Bodily Injury, Personal and Advertising Injury and Property Damage combined subject to policy terms, conditions and exclusions.

Limits: Each Occurrence/Offense in respect of \$10,000,000
PREMISES Single Limit Bodily Injury and
Property Damage Liability and Personal
and Advertising Injury combined.
Subject to the following limitations:

Products-Completed Operations Agg. \$10,000,000
Single Limit Bodily Injury and
Property Damage Liability
Not Applicable General Aggregate Limit

Personal Injury and Advertising Injury Agg. \$10,000,000

Malpractice Annual Aggregate Limit \$10,000,000

Personal Injury Limit -Aggregate \$10,000,000
Fire Legal Liability Any One Fire \$ 100,000
Premises Medical Each Person \$ 5,000

HANGARKEEPERS –NOT IN FLIGHT

Hangarkeepers Limit Each Occurrence \$10,000,000
Hangarkeepers Limit Each Aircraft \$10,000,000

NON-OWNED AIRCRAFT LIABILITY \$10,000,000

Deductible: \$ None

Excluded Endorsement: War, Hijacking and Other Perils Annual Aggregate
Noise, Pollution and Other Perils, Nuclear Risks, Date Recognition,
Fungi or Bacteria, Asbestos, Silica

Note: 25% Minimum Earned Premium if you cancel – No Flat Cancellations

Annual TRIA premium is \$785

Annual War Premium is \$785 but reduced to \$196 if TRIA is purchased

OPTIONAL COVERAGES FOR CONSIDERATION

- **POLLUTION LIABILITY** – provides coverage for cleanup costs due to a “sudden and accidental” discharge of any pollutant.
- **UMBRELLA / EXCESS LIABILITY** – A form of liability insurance that protects you for claims in excess of the limits of your primary automobile, general liability and employers liability.



Insurance Brokers of Alaska

ACRISURE Agency Partner

Notice of Privacy Policy

Our Privacy Principals

- We do not sell customer information.
- We do not provide customer information to persons or organizations outside of our office, except to companies who are doing business on our behalf, for their own marketing purposes.
- We contractually require any person or organization providing products or services to customers on our behalf to protect the confidentiality of our customer information.
- We do not share customer medical information with anyone, unless you specifically authorize it or unless your insurance policy contract with us permits us to do so.
- We afford prospective and former customers the same protections as existing customers with respect to the use of personal information.

We maintain physical, electronic and organizational safeguards to protect customer information. We continually review our policies and procedures, monitor our computer network and test the strength of our security in order to help ensure the safety of our customer information

INFORMATION WE MAY COLLECT

We collect and use information we believe is necessary to administer our business, to advise you about our products and services and to provide you with customer service. We may collect and maintain several types of customer information needed for these purposes, such as those below.

Types of information we may collect and how we gather it:

- **From you:** on applications for insurance or on other forms, through telephone or in-person interviews with your agent or a customer service representative, such as your address or telephone number.
- **From your transactions:** such as your payment history with us, underwriting and claim documents.
- **From other agencies:** such as your driving record, your credit history or claims history.

HOW WE USE INFORMATION ABOUT YOU

We use customer information to underwrite your policies, process your claims, ensure your proper billing, service your accounts and to offer you other insurance products that we believe may suit your needs.

We share information about our transactions (such as payment of premium) and experiences (such as loss history) within our agency to better serve you and to assist in meeting your current product and service needs. We may also disclose customer information about you to persons or organizations outside our agency as permitted or required by law, including companies that perform marketing services for us or with whom we have joint marketing agreements. These agreements allow us to provide a broader selection of insurance products to you.

We share customer information as necessary to process your claims and protect you against fraud and unauthorized transactions.

SHARING OF INFORMATION WITHIN INSURANCE BROKERS OF ALASKA

What we share: Unless you tell us not to we may share information, within departments at Insurance Brokers of Alaska, that was obtained from your application, such as your occupation; or information from a consumer report such as your credit history. We may also verify information provided by you, such as your driving record, or information regarding your employment, such as your employment history.

Why we share: We may share information about you within our agency to underwrite your policies, measure your interest in our products and services or to monitor customer trends

If you prefer that we not share this information within our agency, please call us at 907-365-5100. Your direction not to share this information does not limit us from sharing certain information, about your transactions with us (such as your name, address or payment history) or your experiences (such as your claims activity.) This choice does not apply to our efforts to market products and services to you.

**City of Palmer
Resolution No. 17-023**

Subject: Authorizing the City Manager to Negotiate and Enter into a Four-Year Agreement with Motorola Solutions to Lease-Purchase Radio and Computer Aided Dispatch Equipment in the Amount of \$725,913.28, and to Lease Over a Term Ending No Later Than August of 2021, and to Obtain the Equipment Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230

Agenda of: June 27, 2017

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



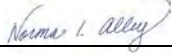
Originator Information:

Originator: Lance Ketterling, Chief of Police

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u> X </u>	Finance		<u>5/26/17</u>
_____	Fire	_____	_____
<u> X </u>	Police		<u>5-23-17</u>
_____	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: \$ **725,913.28**

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
<input checked="" type="checkbox"/>	Creates expenditure in the amount of:	\$ <u>725,913.28 over four years</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>09-01-10-6055 and 50-01-10-6053 (\$125,000 Down Payment)</u>
<input checked="" type="checkbox"/>	Not budgeted	<u>Annual lease payments</u>

Director of Finance Signature: 

Attachment(s):

- Resolution No. 17-023
- Motorola Solutions Project Proposal and schedule
- Lease Proposal
- Lease Agreement

Summary Statement:

The Palmer Dispatch Center currently operates Motorola Gold Elite radio consoles. These consoles allow the dispatch center to transmit and receive radio traffic via the Alaska Land Mobile Radio system (ALMR). ALMR is a common system in the State of Alaska used for radio communications. It allows communication over long distance and between multiple agencies. For example, a Palmer Police officer who happens to be in Anchorage or Big Lake is able to communicate with Palmer Dispatch via ALMR whereas they would not be able to cover that distance on a simplex channel. Additionally, that same Palmer officer is able to talk to Alaska State Troopers, Wasilla Police, or most other organizations in the same manner. Simply put, the ability to use the ALMR system is critical to the Palmer Police mission, particularly in emergencies when interoperability with other agencies is required.

ALMR is updating its operating system to include security patches required by the United States Department of Defense. These security patches and the resulting updates are not supported by the Motorola Gold Elite consoles currently in use by Palmer Dispatch. In order to use ALMR, Palmer must upgrade its dispatch consoles to a newer version, the Motorola MCC 7500 series. This challenge is not unique to the Palmer Dispatch center. Many other centers all around the state are participating in similar upgrades, with much of the work already scheduled or completed.

The Palmer Dispatch center also utilizes a Computer Aided Dispatch system, or CAD. The CAD is used for tracking responding units, providing location and mapping data for certain 911 calls, records management, statistical gathering and analysis, paging responders, and call response recommendations. However, the CAD currently utilized by Palmer Dispatch was originally purchased by the Mat Su Borough in 2007. It was last upgraded in 2013. The Borough has agreed to transfer the CAD hardware to Palmer, but upgrading it to current NextGen standards would cost almost as much as a new system.

Motorola, who supplies the radio consoles mentioned above, has included a new CAD system in its proposal to the City. The new CAD is a NextGen system, meaning it is capable of additional functions such as 911 texting, video and image reception and transmission, and enhanced cellular data accuracy. The last point is particularly important since an estimated 75% of 911 calls come in via wireless rather than landline phones. Finally, NextGen CAD systems are IP rather than analog based, reducing operating and maintenance costs. To amplify this last point, one year of maintenance for Palmer Dispatch's current system is estimated at \$14,900.00. A year of maintenance for the proposed system is estimated to be \$5,800.00

Both the radio consoles and CAD system are key components in the City's public safety role and our Emergency Operations Plan. Their functionality, maintenance, and interoperability are important facets in the police and fire departments being able to achieve their mission. Without them, the police and fire departments would not be able to communicate effectively or manage their resources as efficiently as would be needed in emergencies.

Total project funds for this proposal amount to \$675,654.00, to be paid over a period of five years, not including finance charges. This includes a down payment of \$125,000.00 to be paid upon acceptance, and an additional \$150,228.32 per year for four years. If alternate funding sources can be secured prior to the completion of the agreement, the entire balance may be paid early without penalty. The lease rate is 3.53%, which results in a total finance charge of \$50,259.28 for a total of \$725,913.28 if the City elects to lease to the end of the terms extended by Motorola. Program costs include installation, 12 month

warranty period, and training for dispatch personnel in operating the new systems. Project implementation is estimated to be six months for the radio consoles and 10-12 months for the CAD.

The proposal qualifies for sole source purchasing under Palmer Municipal code in the following ways:

1. The radio consoles have already been pre-bid under the Houston Galveston Area Council (H-GAC). H-GAC is an organization similar to the National Association of State Procurement Officers. Motorola Solutions has extended Palmer H-GAC pricing on the radios consoles and bundled the CAD to that pricing. This satisfies P.M.C. 3.21.230 (A)2.
2. Motorola Solutions is the only means by which Palmer can obtain new Motorola equipment, which both the radio consoles and this particular CAD are examples of. The equipment is not available through other vendors. It has the additional benefit of providing a single point of contact for maintenance services and upgrades as needed.

Administration's Recommendation:

Approve Resolution No. 17-023 authorizing the city manager to negotiate a four year agreement and lease radio and computer aided dispatch equipment in an amount totaling \$725,913.28.

Introduced by: City Manager
Date: June 27, 2017
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Resolution No. 17-023

A Resolution of the Palmer City Council Authorizing the City Manager to Negotiate and Enter into a Four Year Agreement With Motorola Solutions to Lease-Purchase Radio and Computer Aided Dispatch Equipment in the Amount of \$725,913.28, and to Lease Over a Term Ending no Later Than August of 2021, and to Obtain the Equipment Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230

WHEREAS, the Palmer Dispatch Center operates radio consoles and computer aided dispatch equipment for the dispatch of Palmer emergency assets and;

WHEREAS, the Alaska Land Mobile Radio (ALMR) system is a common system in the state of Alaska that allows communication over long distances and between multiple agencies and;

WHEREAS, the ALMR system is being updating with security patches by the United States Department of Defense (primary provider of ALMR) and;

WHEREAS, the ALMR system is essential to the Palmer emergency services mission, particularly in emergencies when interoperability with other agencies is required and;

WHEREAS, the Palmer Dispatch Center radio consoles and computer aided dispatch are outdated and will no longer be interoperable with other agencies and;

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council hereby authorizes the City Manager to negotiate and enter into a four year agreement with Motorola Solutions to lease-purchase radio and computer aided dispatch equipment in the amount of \$725,913.28, and to lease over a term ending no later than August of 2021, and to obtain the equipment under the governmental and proprietary procurements section of Palmer Municipal Code 3.21.230.

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

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk

Motorola Solutions, Inc.
10680 Trenea St., Ste 200
San Diego, CA 92131
USA

May 1, 2017

Palmer Police Department

Subject: Proposal for a Palmer Police Dispatch Center MCC7500 Console Updates

Motorola Solutions, Inc. ("Motorola") is pleased to have the opportunity to provide Palmer PD with quality communications equipment and services. The Motorola project team has taken great care to propose a solution that will meet your needs and provide unsurpassed value.

To best meet the functional and operational specifications of this solicitation, Motorola's solution includes a combination of hardware, software, and services. Specifically, this solution replaces the existing Motorola Solutions Centracom Gold Elite dispatch system with the current Motorola Solutions MCC 7500 Dispatch system, which includes the following:

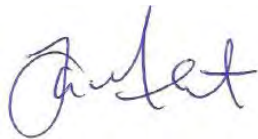
- ◆ 2 MCC7500 Dispatch Console Operator Positions
- ◆ A Backup Conventional Controller and 5 Conventional Gateways
- ◆ An MKM 7000 Console Alias Manager
- ◆ An SDM 3000 Aux I/O Interface
- ◆ An Archiving Interface Server for IP Logging
- ◆ Verint Trunked Radio and Telephony IP Logging Recorders

In addition, this proposal includes pricing for a Spillman CAD system (in Appendix A) which will replace the existing CAD system. This Proposal consists of this cover letter along with its Exhibits. This Proposal is based on the terms and conditions of the existing Communications System Agreement between the City of Palmer Police Department and Motorola Solutions.

Palmer may accept this Proposal by delivering to Motorola a Purchase Order or Contract Award incorporating by reference this Proposal. This proposal shall remain valid for a period of 60 days from the date of this cover letter. In addition, this proposal includes a special and conditional discount to reduce the Contract Price if the project is deployed consistently with (or ahead of) the proposed Project Schedule. Please see the Pricing Summary section of the Proposal.

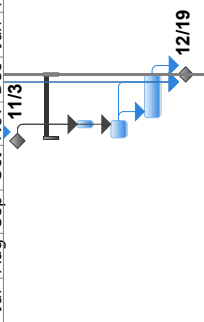
Motorola will be pleased to address any concerns Palmer may have regarding the proposal. Please direct any questions to your Motorola account executive, Roy Kyser at (425) 412-0698.

Sincerely,



Larsen Grabenkort
Area Sales Manager
PNW Region
Motorola Solutions, Inc.

ID	Task Name	Duration	Start	Finish	3rd Quarter			4th Quarter			1st Quarter	
					Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
40	Cutovers Complete	0d	Fri 11/3/17	Fri 11/3/17								
41	Finalize	30d	Mon 11/6/17	Tue 12/19/17								
42	Remove and recycle backroom equipment and Gold Elite consoles	5d	Mon 11/13/17	Fri 11/17/17								
43	Punchlist Resolution	10d	Mon 11/6/17	Fri 11/17/17								
44	Finalize Documentation	20d	Mon 11/20/17	Tue 12/19/17								
45	Final Acceptance	0d	Tue 12/19/17	Tue 12/19/17								





Date: May 4,2017

To: Palmer, City of
Attn: Chief L. Ketterling
423 S. Valley Way
Palmer, AK 99645

Re: Communications System Financing Proposal

Motorola Solutions, Inc. is pleased to submit the following proposal for the financing of your Motorola communications equipment in accordance with the terms and conditions outlined below:

Transaction Type: Municipal Lease Purchase Agreement (Tax-exempt)

Lessor: Motorola Solutions, Inc. (or its Assignee)

Lessee: Palmer, City of

Total Transaction Value: \$ 675,654.00

Down Payment: \$ 125,000.00

Balance to Finance: \$ 550,654.00

Equipment: 2 Ops of MCC 7500 Connected to the M-Core switch, IP based Verint Voice Logger for all channels and talk groups, installation, integration, optimization, to include Spillman CAD offered as an Addenda to the original proposal. MCC is \$522,164.00, and Spillman is \$153,490.00 = \$675,654.00 (As per the Motorola Solutions equipment proposal.)

Title: Title to the equipment will vest with the Lessee.

Insurance: Lessee will be responsible to insure the equipment as outlined in the lease contract.

Taxes: Personal property, sales, leasing, use, stamp, or other taxes are for the account of the Lessee.

	Option 1
<i>Lease Term</i>	4 Years
<i>Payment Type</i>	Annually Arrears
<i>Lease Rate</i>	3.53%

	Option 1
<i>Lease Factor</i>	0.272818
<i>Payment</i>	\$150,228.32
<i>Payment Commencement</i>	First payment due one year after contract execution

Expiration: The above lease rates and factors are valid for all leases commenced by 6/3/2017. After this date the rate will be reset to reflect current market conditions.

Program Highlights: Terms up to seven years can be structured for Municipal Lease Purchase Agreement (Tax-exempt).

One hundred percent (100%) of a project's acquisition cost can be financed.

Payment frequency can be matched to meet your cash flow and budget requirements.

No pre-payment penalties.

Future equipment upgrades can easily be accommodated via add-on lease schedules, restructuring already existing deals, etc.

Qualifications: Receipt of a properly executed documentation package.

Lessee qualifies as a political subdivision or agency of the State as defined in the Internal Revenue Code of 1986. The interest portion of the Lease Payments shall be excludable from the Lessor's gross income pursuant to Section 103 of the Internal Revenue Code.

Receipt of a copy of the last 2 year's audited financial statements and current year's budget from the Lessee.

This proposal should not be construed as a commitment to finance. It is subject to final credit approval.

Documentation: Municipal Equipment Lease Purchase Agreement
 Opinion of Counsel
 Schedule A/Equipment List
 Schedule B/Amortization Schedule
 8038G
 UCC-1
 Certificate of Incumbency
 Statement of Essential Use/Source of Funds
 Evidence of Insurance or Statement of Self Insurance
 Resolution from governing body authorizing the execution of the Lease
 Delivery & Acceptance Certificate

Please feel free to contact me if there are any questions, or if an alternate structuring is required.

Regards,
 Gary Peters
 Mr.
 +1 (907) 830-4324



6/7/17

Chief Lance Ketterling
City of Palmer
423 S. Valley Way
Palmer AK 99564

RE: Municipal Lease # 24144

Dear Chief Ketterling:

Enclosed for your review, please find the **Municipal Lease** documentation in connection with the [radio equipment] to be leased from Motorola. The interest rate and payment streams outlined in Equipment Lease-Purchase Agreement #24144 are valid for contracts that are executed and returned to Motorola on or before **June 27, 2017**. After **6/27/17**, the Lessor reserves the option to re-quote and re-price the transaction based on current market interest rates.

Please have the documents executed where indicated and forward the documents to the following address:

Motorola Solutions Credit Company LLC
Attn: Bill Stancik / 44th Floor
500 W. Monroe
Chicago IL 60661

Should you have any questions, please contact me at 847-538-4531.

Thank You,

A handwritten signature in blue ink, appearing to read 'Bill Stancik', with a stylized flourish at the end.

MOTOROLA SOLUTIONS CREDIT COMPANY LLC
Bill Stancik

LESSEE FACT SHEET

Please help Motorola provide excellent billing service by providing the following information:

1. Complete Billing Address City of Palmer

E-mail Address: _____
Attention: _____
Phone: _____
2. Lessee County Location: _____
3. Federal Tax I.D. Number _____
4. Purchase Order Number to be referenced on invoice (if necessary) or other "descriptions" that may assist in determining the applicable cost center or department: _____
5. Equipment description that you would like to appear on your invoicing: _____

Appropriate Contact for Documentation / System Acceptance Follow-up:

6. Appropriate Contact & Mailing Address

Phone: _____
Fax: _____
7. Payment remit to address: **Motorola Solutions Credit Company LLC**
P.O. Box 71132
Chicago IL 60694-1132

Thank you

EQUIPMENT LEASE-PURCHASE AGREEMENT
CLEAN SHORT FORM SIMPLIFIED LEASE rev 7.28.16

Lease Number: 24144

LESSEE:

City of Palmer
423 S. Valley Way
Palmer AK 99564

LESSOR:

Motorola Solutions, Inc.
500 W. Monroe
Chicago IL 60661

Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, the equipment and/or software described in Schedule A attached hereto ("Equipment") in accordance with the following terms and conditions of this Equipment Lease-Purchase Agreement ("Lease").

1. TERM. This Lease will become effective upon the execution hereof by Lessor. The Term of this Lease will commence on date specified in Schedule A attached hereto and unless terminated according to terms hereof or the purchase option, provided in Section 18, is exercised this Lease will continue until the Expiration Date set forth in Schedule B attached hereto ("Lease Term").

2. RENT. Lessee agrees to pay to Lessor or its assignee the Lease Payments (herein so called), including the interest portion, in the amounts specified in Schedule B. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment Date as set forth in Schedule B and thereafter on each of the Lease Payment Dates set forth in Schedule B. Any payments received later than ten (10) days from the due date will bear interest at the highest lawful rate from the due date. Except as specifically provided in Section 5 hereof, the Lease Payments will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, or recoupment for any reason whatsoever. Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that a request for appropriation for funds from which the Lease Payments may be made will be requested each fiscal period, including making provisions for such payment to the extent necessary in each budget submitted for the purpose of obtaining funding. It is Lessee's intent to make Lease Payment for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the Equipment will be used for one or more authorized governmental or proprietary functions essential to its proper, efficient and economic operation.

3. DELIVERY AND ACCEPTANCE. Lessor will cause the Equipment to be delivered to Lessee at the location specified in Schedule A ("Equipment Location"). Lessee will accept the Equipment as soon as it has been delivered and is operational. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate in the form provided by Lessor.

Even if Lessee has not executed and delivered to Lessor a Delivery and Acceptance Certificate, if Lessor believes the Equipment has been delivered and is operational, Lessor may require Lessee to notify Lessor in writing (within five (5) days of Lessee's receipt of Lessor's request) whether or not Lessee deems the Equipment (i) to have been delivered and (ii) to be operational, and hence be accepted by Lessee. If Lessee fails to so respond in such five (5) day period, Lessee will be deemed to have accepted the Equipment and be deemed to have acknowledged that the Equipment was delivered and is operational as if Lessee had in fact executed and delivered to Lessor a Delivery and Acceptance Certificate.

4. REPRESENTATIONS AND WARRANTIES. Lessor acknowledges that the Equipment leased hereunder is being manufactured and installed by Lessor pursuant to contract (the "Contract") covering the Equipment. Lessee acknowledges that on or prior to the date of acceptance of the Equipment, Lessor intends to sell and assign Lessor's right, title and interest in and to this Agreement and the Equipment to an assignee ("Assignee"). LESSEE FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH IN THE CONTRACT, LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE OR KIND WHATSOEVER, AND AS BETWEEN LESSEE AND THE ASSIGNEE, THE PROPERTY SHALL BE ACCEPTED BY LESSEE

CLEAN SHORT FORM SIMPLIFIED LEASE rev 7.28.16

"AS IS" AND "WITH ALL FAULTS". LESSEE AGREES TO SETTLE ALL CLAIMS DIRECTLY WITH LESSOR AND WILL NOT ASSERT OR SEEK TO ENFORCE ANY SUCH CLAIMS AGAINST THE ASSIGNEE. NEITHER LESSOR NOR THE ASSIGNEE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER AS A RESULT OF THE LEASE OF THE EQUIPMENT, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, PROPERTY DAMAGE OR LOST PRODUCTION WHETHER SUFFERED BY LESSEE OR ANY THIRD PARTY.

Lessor is not responsible for, and shall not be liable to Lessee for damages relating to loss of value of the Equipment for any cause or situation (including, without limitation, governmental actions or regulations or actions of other third parties).

5. NON-APPROPRIATION OF FUNDS. Notwithstanding anything contained in this Lease to the contrary, Lessee has the right to not appropriate funds to make Lease Payments required hereunder in any fiscal period and in the event no funds are appropriated or in the event funds appropriated by Lessee's governing body or otherwise available by any lawful means whatsoever in any fiscal period of Lessee for Lease Payments or other amounts due under this Lease are insufficient therefor, this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments or other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. The Lessee will immediately notify the Lessor or its Assignee of such occurrence. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. Non-appropriation of funds shall not constitute a default hereunder for purposes of Section 16.

6. LESSEE CERTIFICATION. Lessee represents, covenants and warrants that: (i) Lessee is a state or a duly constituted political subdivision or agency of the state of the Equipment Location; (ii) the interest portion of the Lease Payments shall be excludable from Lessor's gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as it may be amended from time to time (the "Code"); (iii) the execution, delivery and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; (iv) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (v) Lessee will comply with the information reporting requirements of Section 149(e) of the Internal Revenue Code of 1986 (the "Code"), and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (vii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (viii) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Lease Payment to be or become includible in gross income for Federal income taxation purposes under the Code; and (ix) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term.

Lessee represents, covenants and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect, (ii) it has complied with all laws relative to public bidding where necessary, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

If Lessee breaches the covenant contained in this Section, the interest component of Lease Payments may become includible in gross income of the owner or owners thereof for federal income tax purposes. In such event, notwithstanding anything to the contrary contained in Section 11 of this Agreement, Lessee agrees to pay promptly after any such determination of taxability and on each Lease Payment date thereafter to Lessor an additional amount determined by Lessor to compensate such owner or owners for the loss of such excludibility (including, without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). Notwithstanding anything herein to the contrary, any additional amount payable by Lessee pursuant to this Section 6 shall be payable solely from Legally Available Funds.

It is Lessor's and Lessee's intention that this Agreement not constitute a "true" lease for federal income tax purposes and, therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment for federal income tax purposes.

7. TITLE TO EQUIPMENT; SECURITY INTEREST. Upon shipment of the Equipment to Lessee hereunder, title to the Equipment will vest in Lessee subject to any applicable license; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 5 hereof; (ii) upon the occurrence of an Event of Default hereunder, and as long as such Event of Default is continuing; or (iii) in the event that the purchase option has not been exercised prior to the Expiration Date, title will immediately vest in Lessor or its Assignee, and Lessee shall immediately discontinue use of the Equipment, remove the Equipment from Lessee's computers and other electronic devices and deliver the Equipment to Lessor or its Assignee. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

8. USE; REPAIRS. Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies, the Contract, any licensing or other agreement, and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of the possession, use or maintenance of the Equipment. Lessee, at its expense will keep the Equipment in good repair and furnish and/or install all parts, mechanisms, updates, upgrades and devices required therefor.

9. ALTERATIONS. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

10. LOCATION; INSPECTION. The Equipment will not be removed from, [or if the Equipment consists of rolling stock, its permanent base will not be changed from] the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

11. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, licensing, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within ten days of written demand.

12. RISK OF LOSS: DAMAGE; DESTRUCTION. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair (an "Event of Loss") , Lessee at the option of Lessor will: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor the sum of : (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease payment due on such date; and (ii) an amount equal to all remaining Lease Payments to be paid during the Lease Term as set forth in Schedule B.

In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Balance Payment (as set forth in Schedule B) to be made by Lessee with respect to that part of the Equipment which has suffered the Event of Loss.

13. INSURANCE. Lessee will, at its expense, maintain at all times during the Lease Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, Lessee may self-insure against any or all such risks. All insurance covering loss of or damage to the Equipment shall be carried in an amount no less than the amount of the then applicable Balance Payment with respect to such Equipment. The initial amount of insurance required is set forth in Schedule B. Each insurance policy will name Lessee as an insured and Lessor or it's Assigns as an additional insured, and will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or it's Assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee will furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto.

14. INDEMNIFICATION. Lessee shall, to the extent permitted by law, indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages or liabilities, including attorneys' fees and court costs, arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, licensing, possession, use, operation, rejection, or return and the recovery of claims under insurance policies thereon.

15. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment or; (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights, title and interest in and to this Lease, the Equipment and any documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

Lessee covenants and agrees not to assert against the Assignee any claims or defenses by way of abatement, setoff, counterclaim, recoupment or the like which Lessee may have against Lessor. No assignment or reassignment of any Lessor's right, title or interest in this Lease or the Equipment shall be effective unless and until Lessee shall have received a notice of assignment, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Lease, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. During the Lease Term Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

After notice of such assignment, Lessee shall name the Assignee as additional insured and loss payee in any insurance policies obtained or in force. Any Assignee of Lessor may reassign this Lease and its interest in the Equipment and the Lease Payments to any other person who, thereupon, shall be deemed to be Lessor's Assignee hereunder.

16. EVENT OF DEFAULT. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events: (i) Lessee fails to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of the Lease when funds have been appropriated sufficient for such purpose, and any such failure continues for ten (10) days after the due date thereof; (ii) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure is not cured within twenty (20) days after written notice thereof by Lessor; (iii) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in writing delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (iv) proceedings under any bankruptcy, insolvency, reorganization or similar legislation shall be instituted against or by Lessee, or a receiver or similar officer shall be appointed for Lessee or any of its property, and such proceedings or appointments

shall not be vacated, or fully stayed, within twenty (20) days after the institution or occurrence thereof; or (v) an attachment, levy or execution is threatened or levied upon or against the Equipment.

17. REMEDIES. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies: (i) by written notice to Lessee, declare all amounts then due under the Lease, and all remaining Lease Payments due during the fiscal period in effect when the default occurs to be immediately due and payable, whereupon the same shall become immediately due and payable; (ii) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly discontinue use of the Equipment, remove the Equipment from all of Lessee's computers and electronic devices, return the Equipment to Lessor in the manner set forth in Section 5 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (iii) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for all Lease Payments and other amounts due prior to the effective date of such selling, leasing or subleasing and for the difference between the purchase price, rental and other amounts paid by the purchaser, Lessee or sublessee pursuant to such sale, lease or sublease and the amounts payable by Lessee hereunder; (iv) promptly return the Equipment to Lessor in the manner set forth in Section 5 hereof; and (v) exercise any other right, remedy or privilege which may be available to it under applicable laws of the state of the Equipment Location or any other applicable law or proceed by appropriate court action to enforce the terms of the Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Equipment. In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

18. PURCHASE OPTION. Upon thirty (30) days prior written notice from Lessee to Lessor, and provided that no Event of Default has occurred and is continuing, or no event, which with notice or lapse of time, or both could become an Event of Default, then exists, Lessee will have the right to purchase the Equipment on the Lease Payment dates set forth in Schedule B by paying to Lessor, on such date, the Lease Payment then due together with the Balance Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that the Equipment is free and clear of any liens created by Lessor.

19. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to such mailing.

20. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

21. GOVERNING LAW. This Lease shall be construed in accordance with, and governed by the laws of, the state of the Equipment Location.

22. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

23. ENTIRE AGREEMENT; WAIVER. This Lease, together with Schedule A Equipment Lease-Purchase Agreement, Schedule B, Evidence of Insurance, Statement of Essential Use/Source of Funds, Certificate of Incumbency, Certified Lessee Resolution (if any), Bank Qualified Statement, Information Return for Tax-Exempt Governmental Obligations and the Delivery and Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitutes the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of the Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

CLEAN SHORT FORM SIMPLIFIED LEASE rev 7.28.16

The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

24. EXECUTION IN COUNTERPARTS. This Lease may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of June, 2017.

LESSEE:
City of Palmer

LESSOR:
MOTOROLA SOLUTIONS, INC.

By: _____
Title: _____

By: _____
Title: Assistant Treasurer

CERTIFICATE OF INCUMBENCY

I, _____ do hereby certify that I am the duly elected or
(Printed Name of Secretary/Clerk)

appointed and acting Secretary or Clerk of the City of Palmer, an entity duly organized and existing under the laws of the State of Alaska that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) executing this agreement is/are the duly elected or appointed officer(s) of such entity holding the office(s) below his/her/their respective name(s). I further certify that (i) the signature(s) set forth above his/her/their respective name(s) and title(s) is/are his/her/their true and authentic signature(s) and (ii) such officer(s) have the authority on behalf of such entity to enter into that certain Equipment Lease Purchase Agreement number **24144**, between City of Palmer and Motorola Solutions, Inc. If the initial insurance requirement on Schedule B exceeds \$1,000,000, attached as part of the Equipment Lease Purchase Agreement is a Certified Lessee Resolution adopted by the governing body of the entity.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of City of Palmer , hereto this _____ day of June 2017.

By: _____
(Signature of Secretary/Clerk)

SEAL

OPINION OF COUNSEL

With respect to that certain Equipment Lease-Purchase Agreement 24144 by and between Motorola Solutions, Inc. and the Lessee, I am of the opinion that: (i) the Lessee is, within the meaning of Section 103 of the Internal Revenue Code of 1986, a state or a fully constituted political subdivision or agency of the State of the Equipment Location described in Schedule A hereto; (ii) the execution, delivery and performance by the Lessee of the Lease have been duly authorized by all necessary action on the part of the Lessee, (III) the Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; and (iv) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year of the Lease, and such monies have been properly budgeted and appropriated for this purpose in accordance with State law. This opinion may be relied upon by the Lessor and any assignee of the Lessor's rights under the Lease.

Attorney for City of Palmer

**SCHEDULE A
EQUIPMENT LEASE-PURCHASE AGREEMENT**

**Schedule A 24144
Lease Number:**

This Equipment Schedule is hereby attached to and made a part of that certain Equipment Lease-Purchase Agreement Number **24144** ("Lease"), between Lessor and Lessee.

Lessor hereby leases to Lessee under and pursuant to the Lease, and Lessee hereby accepts and leases from Lessor under and pursuant to the Lease, subject to and upon the terms and conditions set forth in the Lease and upon the terms set forth below, the following items of Equipment

QUANTITY	DESCRIPTION (Manufacturer, Model, and Serial Nos.)
	Refer to attached Equipment List.
Equipment Location:	

Initial Term: 60 Months

Commencement Date: 7/1/17

First Payment Due Date: 7/1/18

5 annual payments as outlined in the attached Schedule B, plus Sales/Use Tax of \$0.00, payable on the Lease Payment Dates set forth in Schedule B.

SECTION 2

EQUIPMENT LIST

The below equipment list includes the necessary backroom equipment, logging recorder equipment, and 2 dispatch consoles.

Type	Item	O	Qty	Part Number	Description
Licenses	1	-	1	SQM01SUM0239	MASTER SITE CONFIG UPGRADE
Licenses	1	a	1	CA00996AK	NM/ZC LICENSE KEY 7.13
Licenses	1	b	1	CA00997AK	UCS LICENSE KEY 7.13
Licenses	1	c	1	CA02105AA	MCC7500/MCC7100 CONSOLE LIC
OP_POSIT	2	-	1	B1905	MCC 7500 ASTRO 25 SOFTWARE
OP_POS	3	-	2	B1933	MOTOROLA VOICE PROCESSOR MODULE
OP_POS_LIC	3	a	2	CA01642AA	ADD: MCC 7500 BASIC CONSOLE FUNCTIONALITY SOFTWARE LICENSE
OP_POSIT	3	b	2	CA01644AA	ADD: MCC 7500 /MCC 7100 ADV CONVL OPERATION
OP_POSIT	3	c	2	CA01643AA	ADD: MCC 7500 / MCC 7100 TRUNKING OPERATION
OP_POSIT	3	d	2	CA02073AA	ADD: MCC 7500 Enhanced Console Telephony Operation License
OP_POSIT	3	e	2	CA00147AF	ADD: MCC 7500 SECURE OPERATION
OP_POSIT	3	f	2	CA00182AB	ADD: AES ALGORITHM
OP_POSIT	3	g	2	CA00140AA	ADD: AC LINE CORD, NORTH AMERICAN
OP_POSIT	4	-	2	TT2833	COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)
OP_POSIT	5	-	2	T7449	WINDOWS SUPPLEMENTAL TRANS CONFIG
OP_POSIT	6	-	8	B1912	MCC SERIES DESKTOP SPEAKER
OP_POSIT	7	-	2	B1914	MCC SERIES DESKTOP GOOSENECK MICROPHONE
OP_POSIT	8	-	4	B1913	MCC SERIES HEADSET JACK
OP_POSIT	9	-	4	RLN6098	HDST MODULE BASE W/PTT, 15' CBL
OP_POSIT	10	-	4	RMN5077B	SUPRAPLUS SINGLE MUFF HEADSET
OP_POSIT	11	-	2	DSTWIN6328A	PROVIDES ONE DUAL PEDAL FOOTSWITCH FOR USE WITH MOTOROLA MCC 7500 DISP
OP_POSIT	12	-	2	T7885	MCAFFEE WINDOWS AV CLIENT
OP_POSIT	13	-	2	DDN2089	DUAL IRR SW USB HASP WITH LICENSE (V47)

Type	Item	O	Qty	Part Number	Description
OP_POSIT	14	-	2	DDN2134	SOUND BLASTER AUDIGY FX PCIE SOUND CARD
OP_POSIT	15	-	2	CDN6673	CREATIVE LABS INSPIRE A60
AIS Recorder	16	-	1	TT2833	COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)
AIS Recorder	17	-	1	B1933	MOTOROLA VOICE PROCESSOR MODULE
AIS Recorder	17	a	1	CA00288AB	ADD: MCC 7500 ARCHIVING INTERFACE SERVER SOFTWARE LICENSE
AIS Recorder	17	b	1	CA00147AF	ADD: MCC 7500 SECURE OPERATION
AIS Recorder	17	c	1	CA00182AB	ADD: AES ALGORITHM
AIS Recorder	17	d	1	CA00140AA	ADD: AC LINE CORD, NORTH AMERICAN
FIREWALL	18	-	1	DDN9590	SSG140 FIREWALL-NON CANCELLABLE,NON RETURNABLE,1 YR WNTY
SWITCH	19	-	2	CLN1856	2620-24 ETHERNET SWITCH
ROUTER	20	-	2	SQM01SUM0205	GGM 8000 GATEWAY
ROUTER	20	a	2	CA01616AA	ADD: AC POWER
AUX_IO	21	-	1	F4543	SITE MANAGER BASIC
AUX_IO	21	a	1	VA00874	ADD: AUX I-O SERV FW CURR ASTRO REL
AUX_IO	21	b	1	V266	ADD: 90VAC TO 260VAC PS TO SM
AUX_IO	21	c	3	V592	AAD TERM BLCK & CONN WI
GCP8000	22	-	1	T7038	GCP 8000 SITE CONTROLLER
GCP8000	22	a	1	CA00303AA	ADD: QTY (1) SITE CONTROLLER
GCP8000	22	b	1	X153AW	ADD: RACK MOUNT HARDWARE
GCP8000	22	c	1	CA01136AA	MCC 7500 CONVEN SITE OPER
CCGW	23	-	5	SQM01SUM0205	GGM 8000 GATEWAY
CCGW	23	a	5	CA01616AA	ADD: AC POWER
CCGW	23	b	5	CA02086AA	ADD: HIGH DENSITY ENH CONV GATEWAY
RACK	24	-	1	THN1012	RACK 7' OPEN
RACK	25	-	2	DS1101990	SPD, SHIELDED RJ-45 JACK, SINGLE LINE GBE (1000MBPS) R56 COMPLIANT
RACK	26	-	2	DSTSJADP	RACK MOUNT GROUND BAR, 19 IN FOR TSJ AND WPH SERIES DATA SPDS
RACK	27	-	2	DSRMP615A	SPD, TYPE 3, 120V RACK MOUNT, 15A PLUG-IN W/ (6) 15A NEMA 5-15 OUTLETS



Type	Item	O	Qty	Part Number	Description
Logging Recorder	28		1	DQPALMERVERINT	VERINT RECORDING FOR PALMER ALASKA
CAM	29		2	BVN1013	MKM 7000 Console Alias Manager Software
CAM	30		1	TT2833	COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)
CAM	31		1	T7885	MCAFFEE WINDOWS AV CLIENT
SPARES	32	-	1	B1912	MCC SERIES DESKTOP SPEAKER
SPARES	33	-	1	B1914	MCC SERIES DESKTOP GOOSENECK MICROPHONE
SPARES	34	-	1	B1913	MCC SERIES HEADSET JACK
SPARES	35	-	1	TT2833	COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)
SPARES	36	-	1	B1934	MCC 7500 VOICE PROCESSOR MODULE FRU
SPARES	36	a	1	CA00147AF	ADD: MCC 7500 SECURE OPERATION
SPARES	36	b	1	CA00182AB	ADD: AES ALGORITHM
SPARES	37	-	1	CLN1856	2620-24 ETHERNET SWITCH

SECTION 2 MOTOROLA MCC 7500 EQUIPMENT LIST

The below equipment list includes the necessary backroom equipment, logging recorder equipment, and 2 dispatch consoles.

Type Item O Qty Part Number Description

Licenses 1 - 1 SQM01SUM0239 MASTER SITE CONFIG UPGRADE

Licenses 1 a 1 CA00996AK NM/ZC LICENSE KEY 7.13

Licenses 1 b 1 CA00997AK UCS LICENSE KEY 7.13

Licenses 1 c 1 CA02105AA MCC7500/MCC7100 CONSOLE LIC

OP_POSIT 2 - 1 B1905 MCC 7500 ASTRO 25 SOFTWARE

OP_POS 3 - 2 B1933 MOTOROLA VOICE PROCESSOR MODULE

OP_POS_LIC 3 a 2 CA01642AA ADD: MCC 7500 BASIC CONSOLE FUNCTIONALITY
SOFTWARE LICENSE

OP_POSIT 3 b 2 CA01644AA ADD: MCC 7500 /MCC 7100 ADV CONVL OPERATION

OP_POSIT 3 c 2 CA01643AA ADD: MCC 7500 / MCC 7100 TRUNKING OPERATION

OP_POSIT 3 d 2 CA02073AA ADD: MCC 7500 Enhanced Console Telephony Operation
License

OP_POSIT 3 e 2 CA00147AF ADD: MCC 7500 SECURE OPERATION

OP_POSIT 3 f 2 CA00182AB ADD: AES ALGORITHM

OP_POSIT 3 g 2 CA00140AA ADD: AC LINE CORD, NORTH AMERICAN

OP_POSIT 4 - 2 TT2833 COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON
RETURNABLE)

OP_POSIT 5 - 2 T7449 WINDOWS SUPPLEMENTAL TRANS CONFIG

OP_POSIT 6 - 8 B1912 MCC SERIES DESKTOP SPEAKER

OP_POSIT 7 - 2 B1914 MCC SERIES DESKTOP GOOSENECK MICROPHONE

OP_POSIT 8 - 4 B1913 MCC SERIES HEADSET JACK

OP_POSIT 9 - 4 RLN6098 HDST MODULE BASE W/PTT, 15' CBL

OP_POSIT 10 - 4 RMN5077B SUPRAPLUS SINGLE MUFF HEADSET

OP_POSIT 11 - 2 DSTWIN6328A PROVIDES ONE DUAL PEDAL FOOTSWITCH FOR USE
WITH MOTOROLA MCC 7500 DISP

OP_POSIT 12 - 2 T7885 MCAFFEE WINDOWS AV CLIENT

OP_POSIT 13 - 2 DDN2089 DUAL IRR SW USB HASP WITH LICENSE (V47)

City of Palmer Revised 1 May 2017

MCC 7500 Dispatch Console Migration and CAD Use or disclosure of this proposal is subject to the restrictions on the cover page.

Motorola Solutions Confidential Restricted Equipment List 2-2

Type Item O Qty Part Number Description

OP_POSIT 14 - 2 DDN2134 SOUND BLASTER AUDIGY FX PCIE SOUND CARD

OP_POSIT 15 - 2 CDN6673 CREATIVE LABS INSPIRE A60

AIS Recorder 16 - 1 TT2833 COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)

AIS Recorder 17 - 1 B1933 MOTOROLA VOICE PROCESSOR MODULE

AIS Recorder 17 a 1 CA00288AB ADD: MCC 7500 ARCHIVING INTERFACE SERVER SOFTWARE LICENSE

AIS Recorder 17 b 1 CA00147AF ADD: MCC 7500 SECURE OPERATION

AIS Recorder 17 c 1 CA00182AB ADD: AES ALGORITHM

AIS Recorder 17 d 1 CA00140AA ADD: AC LINE CORD, NORTH AMERICAN

FIREWALL 18 - 1 DDN9590 SSG140 FIREWALL-NON CANCELLABLE, NON RETURNABLE, 1 YR WNTY

SWITCH 19 - 2 CLN1856 2620-24 ETHERNET SWITCH

ROUTER 20 - 2 SQM01SUM0205 GGM 8000 GATEWAY

ROUTER 20 a 2 CA01616AA ADD: AC POWER

AUX_IO 21 - 1 F4543 SITE MANAGER BASIC

AUX_IO 21 a 1 VA00874 ADD: AUX I-O SERV FW CURR ASTRO REL

AUX_IO 21 b 1 V266 ADD: 90VAC TO 260VAC PS TO SM

AUX_IO 21 c 3 V592 AAD TERM BLCK & CONN WI

GCP8000 22 - 1 T7038 GCP 8000 SITE CONTROLLER

GCP8000 22 a 1 CA00303AA ADD: QTY (1) SITE CONTROLLER

GCP8000 22 b 1 X153AW ADD: RACK MOUNT HARDWARE

GCP8000 22 c 1 CA01136AA MCC 7500 CONVEN SITE OPER

CCGW 23 - 5 SQM01SUM0205 GGM 8000 GATEWAY

CCGW 23 a 5 CA01616AA ADD: AC POWER

CCGW 23 b 5 CA02086AA ADD: HIGH DENSITY ENH CONV GATEWAY

RACK 24 - 1 THN1012 RACK 7' OPEN

RACK 25 - 2 DS1101990 SPD, SHIELDED RJ-45 JACK, SINGLE LINE GBE

(1000MBPS) R56 COMPLIANT

RACK 26 - 2 DSTSJADP RACK MOUNT GROUND BAR, 19 IN FOR TSJ AND WPH

SERIES DATA SPDS

RACK 27 - 2 DSRMP615A SPD, TYPE 3, 120V RACK MOUNT, 15A PLUG-IN W/ (6)

15A NEMA 5-15 OUTLETS

City of Palmer Revised 1 May 2017

MCC 7500 Dispatch Console Migration and CAD Use or disclosure of this proposal is subject to the restrictions on the cover page.

Motorola Solutions Confidential Restricted Equipment List 2-3

Type Item O Qty Part Number Description

Logging

Recorder

28 1 DQPALMERVERTINT VERINT RECORDING FOR PALMER ALASKA

CAM 29 2 BVN1013 MKM 7000 Console Alias Manager Software

CAM 30 1 TT2833 COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)

CAM 31 1 T7885 MCAFEE WINDOWS AV CLIENT

SPARES 32 - 1 B1912 MCC SERIES DESKTOP SPEAKER

SPARES 33 - 1 B1914 MCC SERIES DESKTOP GOOSENECK MICROPHONE

SPARES 34 - 1 B1913 MCC SERIES HEADSET JACK

SPARES 35 - 1 TT2833 COMPUTER, Z440 WORKSTATION WINDOWS 7 (NON RETURNABLE)

SPARES 36 - 1 B1934 MCC 7500 VOICE PROCESSOR MODULE FRU

SPARES 36 a 1 CA00147AF ADD: MCC 7500 SECURE OPERATION

SPARES 36 b 1 CA00182AB ADD: AES ALGORITHM

SPARES 37 - 1 CLN1856 2620-24 ETHERNET

END of MOTOROLA MCC 7500 CONSOLE EQUIPMENT LIST....

BEGIN - Spillman Equipment and Software

Integrated Hub - Names, Vehicles, Property, Wanted Persons, Message
Center

18,034

Sentryx GIS (Geobase) 0

Hub Total: \$18,034

CAD 0 11,166

CAD Mapping 0 7,708

E-911 Interface 0 1,675

Rapid Notification 0 4,266

CAD Total: \$24,815

PortServer TS 2 P MEI 425

Cisco 891 950

HP Server - Windows (1-50 Concurrent)

6 Core, 16GB RAM, 720GB SSD (600GB useable) , 5TB NL-SATA (4 TB
useable)

5 Year Maintenance

Crashplan Backup Service

29,227

Hardware/3rd Party Total \$30,602

Pre-Implementation Meeting Project Management 1,200

Project Team Training Project Management 1,200

Go Live Project Management 5,400

Small Agency Training Trips 12,000

Services Total: \$19,800

Learning Management System - 1 Year 639

Command Solutions Total: \$639

Page 2 of 4

City of Palmer (Schedule B)

Compound Period: Monthly

Nominal Annual Rate: 3.670%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	7/1/2017	\$ 550,654.00	1		
2 Payment	7/1/2018	\$ 122,763.35	5	Annual	7/1/2022

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	7/1/2017				\$550,654.00
1	7/1/2018	\$122,763.35	\$ 20,552.46	\$102,210.89	\$448,443.11
2	7/1/2019	\$122,763.35	\$ 16,737.57	\$106,025.78	\$342,417.33
3	7/1/2020	\$122,763.35	\$ 12,780.29	\$109,983.06	\$232,434.27
4	7/1/2021	\$122,763.35	\$ 8,675.31	\$114,088.04	\$118,346.23
5	7/1/2022	\$122,763.35	\$ 4,417.12	\$118,346.23	\$ -
Grand Totals		\$613,816.75	\$ 63,162.75	\$550,654.00	

INITIAL INSURANCE REQUIREMENT: \$550,654.00

Except as specifically provided in Section five of the Lease hereof, Lessee agrees to pay to Lessor or its assignee the Lease Payments, including the interest portion, in the amounts and dates specified in the above payment schedule.

EVIDENCE OF INSURANCE

Fire, extended coverage, public liability and property damage insurance for all of the Equipment listed on Schedule A number **24144** to that Equipment Lease Purchase Agreement number **24144** will be maintained by the City of Palmer as stated in the Equipment Lease Purchase Agreement.

This insurance is provided by:

Name of insurance provider

Address of insurance provider

City, State and Zip Code

Phone number of local insurance provider

E-mail address

In accordance with the Equipment Lease Purchase Agreement Number **24144**, City of Palmer, hereby certifies that following coverage are or will be in full force and effect:

Type	Amount	Effective Date	Expiration Date	Policy Number
Fire and Extended Coverage	_____	_____	_____	_____
Property Damage	_____	_____	_____	_____
Public Liability	_____	_____	_____	_____

Certificate shall include the following:

Description: All Equipment listed on Schedule A number 24144 to that Equipment Lease Purchase Agreement number 24144. Please include equipment cost equal to the Initial Insurance Requirement on Schedule B to Equipment Lease Purchase Agreement number 24144 and list any deductibles.

Certificate Holder:

MOTOROLA SOLUTIONS, INC. and or its assignee as additional insured and loss payee
1303 E. Algonquin Road
Schaumburg, IL 60196

If self insured, contact Motorola representative for template of self insurance letter.

STATEMENT OF ESSENTIAL USE/SOURCE OF FUNDS

To further understand the essential governmental use intended for the equipment together with an understanding of the sources from which payments will be made, please address the following questions by completing this form or by sending a separate letter:

1. What is the specific use of the equipment?

2. Why is the equipment essential to the operation of **City of Palmer**?

3. Does the equipment replace existing equipment?
If so, why is the replacement being made?

4. Is there a specific cost justification for the new equipment?
If yes, please attach outline of justification.

5. What is the expected source of funds for the payments due under the Lease for the current fiscal year and future fiscal years?

Bank Qualified Statement

LESSEE CERTIFIES THAT IT **HAS NOT** DESIGNATED THIS LEASE AS A QUALIFIED TAX-EXEMPT OBLIGATION IN ACCORDANCE WITH SECTION 265(b)(3) OF THE CODE AND IF THE LESSEE HAS DESIGNATED THIS LEASE AS A QUALIFIED TAX-EXEMPT OBLIGATION, IT HAS NOT DESIGNATED MORE THAN \$10,000,000 OF ITS OBLIGATIONS AS QUALIFIED TAX-EXEMPT OBLIGATIONS IN ACCORDANCE WITH SUCH SECTION FOR THE CURRENT CALENDAR YEAR AND THAT IT REASONABLY ANTICIPATES THAT THE TOTAL AMOUNT OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY LESSEE DURING THE CURRENT CALENDAR YEAR WILL NOT EXCEED \$10,000,000.

CERTIFIED LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease #24144) held on or before June _____, 2017, the following resolution was introduced and adopted.

BE IT RESOLVED by the Governing Board of Lessee as follows:

1. **Determination of Need.** The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease between City of Palmer (Lessee) and Motorola Solutions, Inc. (Lessor).
2. **Approval and Authorization.** The Governing body of Lessee has determined that the Lease, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease by the Lessee and hereby designates and authorizes the following person(s) referenced in the Lease to execute and deliver the Lease on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease.
3. **Adoption of Resolution.** The signatures in the Lease from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Palmer		2 Issuer's employer identification number (EIN)	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
423 S. Valley Way		3	
6 City, town, or post office, state, and ZIP code Palmer AK 99564		7 Date of issue 7/1/2017	
8 Name of issue Equipment Lease-Purchase Agreement 24144		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education		11
12 Health and hospital		12
13 Transportation		13
14 Public safety	550,654.00	14
15 Environment (including sewage bonds)		15
16 Housing		16
17 Utilities		17
18 Other. Describe ▶		18
19 If obligations are TANs or RANs, check only box 19a ▶ <input type="checkbox"/>		
If obligations are BANs, check only box 19b ▶ <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box ▶ <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	7/1/2022	\$ 550,654.00	\$ 550,654.00	5 years	3.67 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)		
22 Proceeds used for accrued interest		22
23 Issue price of entire issue (enter amount from line 21, column (b))		23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)		29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	_____
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/>			
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/>			
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/>			
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/>			
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/>			
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

EQUIPMENT LEASE PURCHASE AGREEMENT DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned Lessee hereby acknowledges receipt of the Equipment described below ("Equipment") and Lessee hereby accepts the Equipment after full inspection thereof as satisfactory for all purposes of lease Schedule A to the Equipment Lease Purchase Agreement executed by Lessee and Lessor.

Equipment Lease Purchase Agreement No.: 24144

Lease Schedule A No. : 24144

EQUIPMENT INFORMATION

QUANTITY	MODEL NUMBER	EQUIPMENT DESCRIPTION
		Equipment referenced in lease Schedule A# 24144. See Schedule A for a detailed Equipment List.

LESSEE:

City of Palmer

By: _____

Date: _____