

Mayor Steven J. Carrington
Deputy Mayor Pamela Melin
Council Member Carolina Anzilotti
Council Member John Alcantra
Council Member Richard W. Best
Council Member Thomas Ojala IV
Council Member Joshua Tudor

City Manager John Moosey
City Clerk Shelly M. Acteson, CMC
City Attorney Sarah Heath, Esq.

City of Palmer, Alaska
Regular City Council Meeting
July 11, 2023, at 6:00 PM
City Council Chambers
231 W. Evergreen Avenue, Palmer
www.palmerak.org

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda

- a) Introduction and set public hearing date of July 25, 2023, for **Ordinance No. 23-003**, Expanding the Zoning Designation of Public (P) with the use limited to an emergency medical facility building (EMS) for Tract 5, Cedar Hills Unit No. 2, Phase 1 to include Fire and Telecommunication services, located in Section 29, Township 18 North, Range 2 East, Seward Meridian, Alaska
- b) Introduction and set public hearing date of July 25, 2023, for **Ordinance No. 23-004**, An Ordinance Providing for the Submission to the Qualified Voters of the City of Palmer at the General Election on October 3, 2023, the Question of Confirming Action Taken by Palmer City Council, by the Adoption of Ordinance No. 22-007, Which Amended PMC 3.12.032, by Increasing the Amount of the Residential Real Property Exemption for Seniors and Disabled Veterans to \$150,000, Resulting in a Total City of Palmer Exemption of \$300,000

E. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Proclamation – Recognizing the Historical Impact of the Valley Hotel and Restaurant and Efforts of Janet Kincaid

F. REPORTS

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

G. AUDIENCE PARTICIPATION

H. PUBLIC HEARINGS

1. **Ordinance No. 23-002**: An Ordinance Providing for the Submission to the Qualified Voters of the City of Palmer at the General Election on October 3, 2023, the Question of the Issuance of Not to Exceed Ten Million Dollars (\$10,000,000) of General Obligation Bonds of the City of Palmer to Pay the Costs of Capital Improvements to the Palmer Public Library and Related Matters
2. **Resolution No. 23-022**: Accepting and Appropriating the FFY2023 State of Alaska High Visibility Enforcement DUI Events Grant 405d FA in the Amount of \$15,680 to be used for DUI Enforcement Activities by the Palmer Police Department

I. ACTION MEMORANDA

1. **Action Memorandum No. 23-024:** Authorizing the City Manager to Enter into an Agreement for a Five-Year Contract for a Student Resource Officer Services at Colony High School and Colony Middle School
2. **Action Memorandum No. 23-040:** Authorizing the City Manager to Purchase Insurance Coverage for the Period of July 1, 2023, through June 30, 2024, per the Premium Quote Submitted by the City’s Insurance Broker, Combs Insurance
3. **Action Memorandum No. 23-041:** Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Blue River Aviation, LLC on Palmer Municipal Airport Lot 25A, Block 3 for the Purposes of Maintaining a Flight School Operation, to Include an Office building, Aircraft Hanger, and Tie-downs

J. UNFINISHED BUSINESS

K. NEW BUSINESS

L. RECORD OF ITEMS PLACED ON THE TABLE

M. AUDIENCE PARTICIPATION

N. EXECUTIVE SESSION

Subjects That Tend to Prejudice the Reputation and Character of Any Person – City Attorney Evaluation (Note: Action may be taken by the Council following the Executive Session)

O. COUNCIL MEMBER COMMENTS

P. ADJOURNMENT

Tentative Future Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
July 25	Regular	6 pm	
August 8	Regular	6 pm	
August 22	Regular	6 pm	
September 12	Regular	6 pm	
September 26	Regular	6 pm	

**City of Palmer
Ordinance No. 23-003**

Subject: Expanding the Zoning Designation of Public (P) with the use limited to an emergency medical facility building (EMS) for Tract 5, Cedar Hills Unit No. 2, Phase 1 to include Fire and Telecommunication services, located in Section 29, Township 18 North, Range 2 East, Seward Meridian, Alaska


Agenda of: July 11, 2023 - Introduction

Council Action: **Adopted** **Amended:** _____
 Defeated

Originator Information:

Originator: Brad Hanson, Community Development Director

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development		June 21, 2023
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):

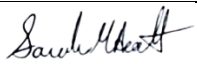
- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

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

Director of Finance Signature: _____

Approved for Presentation By:

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

Attachment(s):

1. Ordinance No. 23-003
2. Planning and Zoning Commission Resolution No. 23-004 with Findings of Facts
3. Planning and Zoning Commission Minutes for June 15, 2023 (Draft Copy)
4. Staff Report
5. Public Notice and Vicinity Map for Commission Public Hearing of June 15 & City Council Public Hearing of July 25, 2023
6. Zoning Map Amendment Application
7. Public Comments Received for Commission and City Council Public Hearing
8. Plat No. 2017-60

Summary Statement/Background:

On May 15, 2023, the Matanuska-Susitna Borough initiated a zoning map amendment to expand the Public (P) use for an establishment of an Emergency Medical (EMS) facility building located on Tract 5, Cedar Hills Unit No. 2, Phase 1, to include Fire and telecommunication services.

On June 23, 2020, City Council approved the rezone of Tract 5 to P-Public with the following considerations:

- The public use of the property is limited to the establishment of an emergency medical facility building with necessary buffers, open space and setbacks for mitigation of noise and light. Emergency medical facility building must be oriented in such a way that provides safe access to the Glenn Highway, as outlined in applicant's response.
- No use of the property authorized by subparagraph A (above) shall commence or continue except in conformance with a conditional use permit approved by the Palmer Planning Commission, consistent with the above findings (as stated in Ordinance No. 20-006).

Tract 5 has a 30-foot greenbelt buffer strip located on the west and north section of the tract which lies adjacent to the residential lots in the Cedar Hills subdivision as noted on the plat of Cedar Hills subdivision Unit No. 2, Phase 1, (Plat No. 2017-60). Tract 5 is large enough to support the development of an EMS, Fire and telecommunications building and achieve sufficient setbacks from the residential development to the west and future medium density residential development to the north.

During the June 15, 2023, Planning and Zoning meeting, the Commission reviewed and approved the proposed site plan showing side, front and rear yard setbacks, landscaping, off-street parking, snow storage, access and 30-foot greenbelt buffer as required per PMC 17.40.050, Commission Approval. The Commission also discussed the potential impact to the proposed development from the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades and addressed their concern of any taking of Tract 5 as reflected in the considerations (D).

Expansion of the Public use to include Fire and telecommunication services will help provide adequate fire protection measures and services in Palmer to respond to current and future anticipated emergency service needs.

Ordinance No. 23-003 will expand the Public (P) use limited to an emergency medical facility building for Tract 5, Cedar Hills Unit No. 2, Phase 1 to include Fire and Telecommunication services.

Administration's Recommendation:

Adopt Ordinance No. 23-003 to expand the zoning designation of Public (P) with the use limited to an emergency medical facility building for Tract 5, Cedar Hills Unit No. 2, Phase 1 to include Fire and Telecommunication services located in Section 29, Township 18 North, Range 2 East, Seward Meridian, Alaska.

LEGISLATIVE HISTORY

Introduced by:

Date:

Public Hearing:

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Ordinance No. 23-003

An Ordinance of the Palmer City Council expanding the Zoning Designation of Public (P) with the use limited to an emergency medical facility (EMS) building for Tract 5, Cedar Hills Unit No. 2, Phase 1 to include Fire and Telecommunication services, located in Section 29, Township 18 North, Range 2 East, Seward Meridian, Alaska

WHEREAS, the Matanuska-Susitna Borough, has initiated a zoning map amendment application on May 15, 2023, to expand the Public (P) use zoning designation of Tract 5, Cedar Hills Unit No. 2, Phase 1, for establishment of an Emergency Medical Facility building to include Fire and Telecommunication services; 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 30, 2023, 205 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 June 9, 2023. A total of 7 written comments were received in response with 4 in favor, 3 opposed and 0 no objection; and

WHEREAS, Chapter 5, Transportation, Goal 1, states, "Shape the character and use of the Glenn Highway."; and

WHEREAS, Chapter 6, Land Use, Goal 3, Objective A states, "Provide for the continuation and expansion of Palmer's traditional role as a center for institutional and governmental users for the Mat-Su Borough and State."; and

WHEREAS, Chapter 4, Public Services, Facilities & Infrastructure, Goal 1, Objective B states, "Fire & Emergency Services – Provide adequate fire protection measures and services in Palmer to respond to current and future anticipated emergency service needs."; and

WHEREAS, Chapter 7, Economic Vitality, Goal 1, states "Strengthen Palmer's competitiveness as the region's institutional center."

THE CITY OF PALMER, ALASKA, ORDAINS:

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

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

Section 3. The City of Palmer Public (P) Zoning Designation for Tract 5, Cedar Hills Unit No. 2, Phase 1, is hereby expanded from the exclusive limited use of an emergency medical facility building to include Fire and Telecommunication services, located in Section 29, Township 18 North, Range 2 East, Seward Meridian, Alaska with the following considerations:

- A. The Public Use (P) of the property is limited to the establishment of an emergency medical facility, Fire and telecommunications building that is oriented in such a way that provides access to the Glenn Highway, as outlined in applicant's response.
- B. Development is limited to site plan provided that has been reviewed and approved by the Planning and Zoning Commission; any changes in setbacks, access, parking, building footprint or landscaping requires reevaluation by the City of Palmer Planning and Zoning Commission pursuant to PMC 17.40.050.
- C. The expansion of use to include Fire services is conditional on plan review from all city Departments and any required necessary upgrades to water or sewer services to be provided by the applicant.
- D. On June 7, 2023, State of Alaska Department of Transportation and Public Facilities (SOA DOT&PF) requested agency comments for the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades. The project includes acquisition of the Glenn Highway of up to 300'. Currently, there is 70' from the centerline of the Glenn Highway to Tract according to Plat No. 2017-60. Additional site plan review will be warranted if SOA DOT&PF has any taking of Tract 5.

Section 4. Effective Date. Ordinance No. 23 -003 shall take effect upon adoption by the city of Palmer City Council.

Passed and approved this _____ day of _____, 2023.

Steve Carrington, Mayor

Shelly M. Acteson, CMC, City Clerk

PALMER PLANNING AND ZONING COMMISSION

RESOLUTION NO. 23-004

A RESOLUTION OF THE PALMER PLANNING AND ZONING COMMISSION RECOMMENDING CITY COUNCIL APPROVE A ZONING MAP AMENDMENT TO EXPAND THE PUBLIC USE (P) ZONING OF TRACT 5, CEDAR HILLS SUBDIVISION, UNIT 2, PHASE 1 FOR ESTABLISHMENT OF AN EMERGENCY MEDICAL FACILITY BUILDING TO INCLUDE FIRE AND TELECOMMUNICATION SERVICES LOCATED IN SECTION 29, TOWNSHIP 18 NORTH, RANGE 2 EAST, SEWARD MERIDIAN

WHEREAS, the Matanuska Susitna Borough has initiated a Zoning Map Amendment application to expand the P-Public (P) use of the property for an establishment of an Emergency Medical Facility building to include Fire and telecommunication services to be located on Tract 5, Cedar Hills Subdivision, Unit 2, Phase 1;

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 30, 2023, 205 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 June 9, 2023. A total of 7 comments was received in response, with 4 in favor of, 3 opposed, and 0 no objection; and

WHEREAS, Chapter 5, Transportation, Goal 1 from the 2006 Palmer Comprehensive Plan states, "Shape the character and use of the Glenn Highway."; and

WHEREAS, Chapter 6, Land Use, Goal 3, Objective A states, "Provide for the continuation and expansion of Palmer's traditional role as a center for institutional and governmental users for the Mat-Su Borough and State."; and

WHEREAS, Chapter 4, Public Services, Facilities & Infrastructure, Goal 1, Objective B states, "Fire & Emergency Services – Provide adequate fire protection measures and services in Palmer to respond to current and future anticipated emergency service needs"; and

WHEREAS, Chapter 7, Economic Vitality, Goal 1, states "Strengthen Palmer's competitiveness as the region's institutional center"; and

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) Tract 5 is large enough to support the development of an EMS, Fire and telecommunications building and achieve sufficient setbacks from the residential development to the west and future medium density residential development to the north.
- b) Accomplish objective of monitoring the needs of existing institutional uses and working with these organizations to meet their needs.

- c) Mat-Su Borough provides emergency medical services for the City of Palmer, and the City of Palmer provides fire and rescue. Locating the facility on the Glenn Highway will provide for faster and more efficient response times for medical emergencies. Fire response times will be improved if Dan Contini Fire Station (Palmer Fire and Rescue station 3-1) continues to operate.

Fact 2:

- a) Tract 5's original use was a nursery. Nurseries are a permitted use within the agriculture district, which can have a higher intensity of use than low density residential. The property has had limited use since 1966. Tract 5's previous zoning of Commercial Limited (CL) indicated the property was to be developed to a higher intensity than low density residential. Tract 5 has been rezoned from CL-Commercial Limited to P-Public with the use limited to an emergency medical facility building (EMS) since June 2020. Expanding the use to include Fire and telecommunications is compatible with the current zoning designation and will continue to be compatible with surrounding zoning districts.
- b) The land is surrounded on the south by a working farm and to the east by commercial and a church. The expansion of the public use of an EMS building to include Fire and telecommunications would be an acceptable use of property considering land use patterns around the property are as high of an intensity as a public use zone.
- c) Public use (P) zones are compatible with surrounding zoning districts because of the safeguards established in Palmer Municipal Code 17.40.050 requiring commission approval to ensure compatibility. The petitioner has provided a site plan, by Architects Alaska, showing orientation of the building, setbacks, snow storage, access and a parking plan for review and approval, if appropriate, by the Commission as required by PMC 17.40.050.
- d) Tract 5 contains a 30' wide greenbelt buffer along the west and north side of the property along with appropriately orienting the placement of the building to minimize the impacts to the low density residential to the west as shown on the submitted site plan.

Fact 3:

- a) Public facilities such as schools and utilities are established in Cedar Hills. A facility will have access to city sewer and water. Gas and electric are accessible to the property.
- b) The current approved zoning of Public for this property limits the use to an emergency medical facility. The expansion of use to include Fire services is conditional on plan review from all city Departments and any required necessary upgrades to water or sewer services to be provided by the applicant as required by City of Palmer Public Works Director.
- c) Facility vehicular access points will need approval from the Alaska Department of transportation Public Facilities (AK DOT/PF). The City of Palmer recommends acceptance of access as described in the rezone application.
- d) On June 7, 2023, State of Alaska Department of Transportation and Public Facilities (SOA DOT&PF) requested agency comments for the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades. The project includes acquisition of the Glenn Highway of up to 300'. Currently, there is 70' from the centerline of the Glenn Highway to Tract according to Plat No. 2017-60. Additional site plan review will be warranted if SOA DOT&PF has any taking of Tract 5.

Fact 4:

- a) Improvements to the Glenn Highway have spurred development in the area around Marsh Road. A proposed development of an emergency medical facility with fire and telecommunication services that is well conceptualized and appropriately placed will serve the greater Palmer community.

- b) Residential growth on Fishhook Roads and Farm Loop roads has necessitated the evaluation of how emergency services can better serve the public and the placement of facilities.
- c) Recent improvements to the Glenn Highway have increased safety for ingress and egress onto the highway.

Fact 5:

- a) The proposed map amendment is consistent with the public welfare as an appropriately placed facility will improve efficiency and response times for EMS and fire services.
- b) The map amendment request to expand the current public use for an emergency medical facility building to include Fire and telecommunications services does not grant a special privilege to the owners as this 5.72-acre parcel is large enough to sufficiently minimize impacts on non-compatible uses.

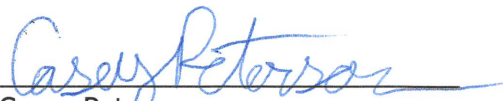
NOW, THEREFORE, BE IT RESOLVED that the Palmer Planning and Zoning Commission does hereby recommend the City Council approve the Zoning Map Amendment for Tract 5, Cedar Hills Subdivision, Unit 2, Phase 1 to expand the Public Use (P) of the property for an establishment of an Emergency Medical facility building to include Fire and telecommunication services with the following Considerations:

- A. The Public Use (P) of the property is limited to the establishment of an emergency medical facility, Fire and telecommunications building that is oriented in such a way that provides access to the Glenn Highway, as outlined in applicant's response.
- B. Development is limited to site plan provided that has been reviewed and approved by the Planning and Zoning Commission; any changes in setbacks, access, parking, building footprint or landscaping requires reevaluation by the City of Palmer Planning and Zoning Commission pursuant to PMC 17.40.050.
- C. The expansion of use to include Fire services is conditional on plan review from all city Departments and any required necessary upgrades to water or sewer services to be provided by the applicant.
- D. On June 7, 2023, State of Alaska Department of Transportation and Public Facilities (SOA DOT&PF) requested agency comments for the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades. The project includes acquisition of the Glenn Highway of up to 300'. Currently, there is 70' from the centerline of the Glenn Highway to Tract according to Plat No. 2017-60. Additional site plan review will be warranted if SOA DOT&PF has any taking of Tract 5.

Passed by the Planning and Zoning Commission of the City of Palmer, Alaska, this 15th day of June 2023.



Kimberly McClure
Community Development Specialist



Casey Peterson
Chairman



Community Development Zone Change Application

Staff Report to Commission

PART I. GENERAL INFORMATION

Location:	Tract 5, Cedar Hills Unit No. 2 Phase 1	
Site Address:	13069 E. Marsh Road	
Request:	To expand the Public use to include EMS, Fire and telecommunications	
Applicant(s) & Owner:	Matanuska-Susitna Borough	
Public Hearing Date:	June 15, 2023	
Notification Requirements:	In accordance with 17.80.030	
On May 30, 2023, 205 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 June 9, 2023. A total of 6 written comments were received in response, with 4 in favor of, 2 opposed, and 0 no objection.		

PART II. BACKGROUND

Site Information:

This parcel was annexed into the City in 1976 as a part of 160 acres tract. In 1979, a master plan was proposed creating Tracts A, B and C, Northgate Subdivision. Current Tract 5 was at that time Tract C. A rezone of those Tracts was passed on August 26, 1980 with Ordinance No. 238-Z-2, changing Tract A from Single-family Residential (R-1) to Low Density Residential (R-2) and Tracts B and C to Commercial Limited (CL). That master plan however, lapsed. The Zoning of Tract 5 remained Commercial Limited (CL).

In 1999, a new master plan was platted, creating Tract A, Cedar Hills Subdivision Unit No. 2, Phase 1, Plat No. 2000-66, for the entire acreage of Northgate Subdivision and the name was subsequently changed to Cedar Hills. Tract A zoning designation was Low Density Residential (R-2). In 2017, Tract A was re-platted into Tracts 4 and Tract 5, Cedar Hills Subdivision Unit No. 2, Phase 1, Plat No. 2017-60. Tract 4 zoning designation is Low Density Residential (R-2); and Tract 5 zoning designation was Commercial Limited (CL). On June 23, 2020, City Council approved the rezone of Tract 5 to P-Public with the following considerations:

- The public use of the property is limited to the establishment of an emergency medical facility building with necessary buffers, open space and setbacks for mitigation of noise and light. Emergency medical facility building must be oriented in such a way that provides safe access to the Glenn Highway, as outlined in applicant's response.
- No use of the property authorized by subparagraph A (above) shall commence or continue except in conformance with a conditional use permit approved by the Palmer Planning Commission, consistent with the above findings (as stated in Ordinance No. 20-006).

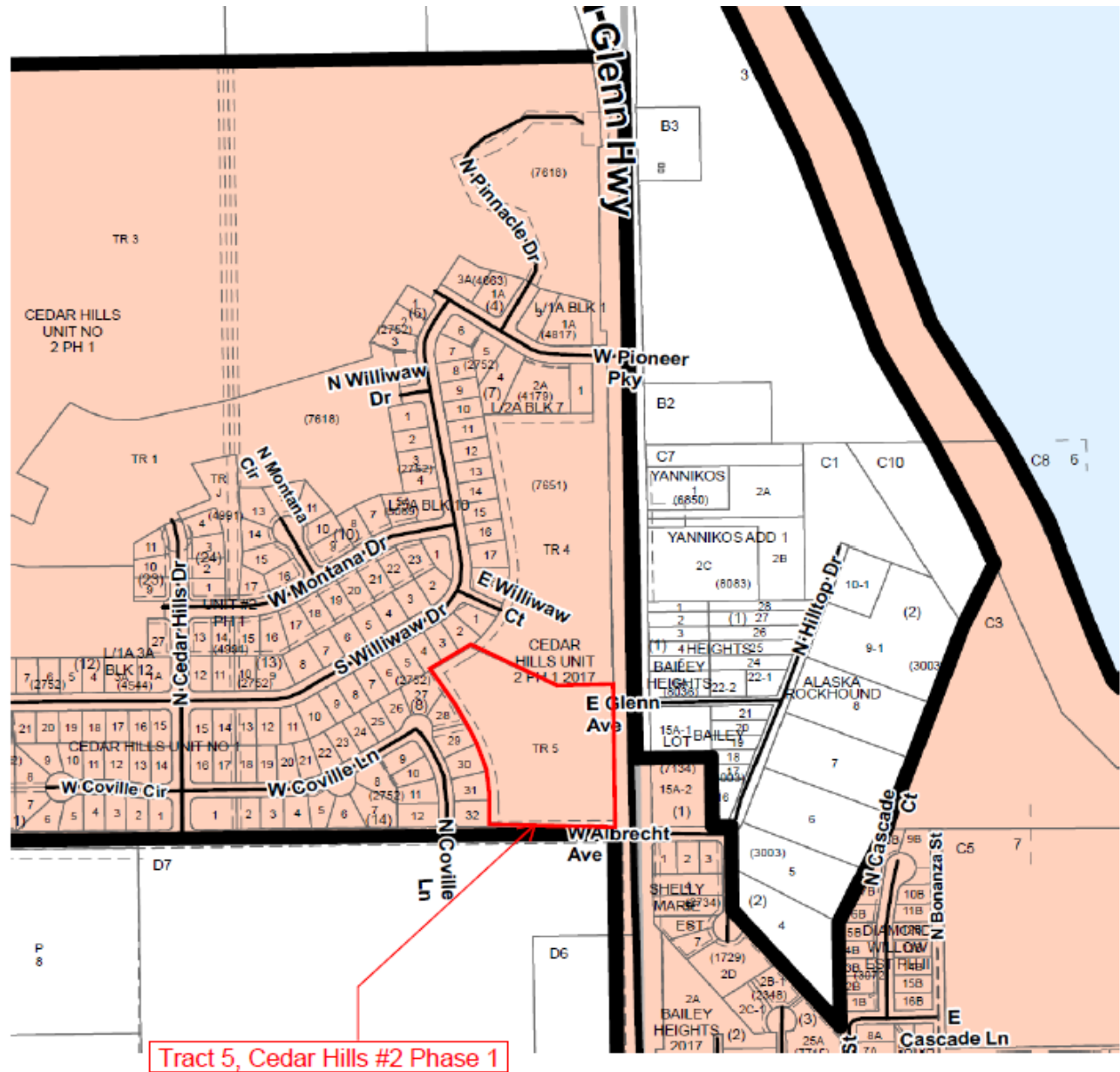
The plat of Cedar Hills subdivision Unit No. 2, Phase 1, (Plat No. 2017-60) notes that Tract 5 has a 30-foot greenbelt buffer strip located on the west and north section of the tract which lies adjacent to the residential lots in the Cedar Hills subdivision.

Parcel Size: Tract 5 is 5.72 acres.

Existing Zoning: P-Public with limitations

Surrounding Land Uses:

	Zoning	Land use for surrounding areas
North	R-2	Low Density Residential
East	Commercial	Commercial use partially outside City limits (church)
South	Agricultural	Agricultural use outside City limits
West	R-1	Single-family Residential



Considerations:

The **intent of the P - Public Use district** is established as a district in which the use of land is for public buildings and that certain lands be reserved and protected for compatible public uses. This parcel is surrounded by R-2, R-1, Commercial and Agricultural properties.

- The parcel appears to have immediate and adequate access to the Glenn Highway and Marsh Road.

- The parcel contains a 30' greenbelt buffer strip listed on Cedar Hills Subdivision Unit No. 2, Phase 1, Plat No. 2017-60 that would be compatible with the R-1, Single-Family Residential zoned district along the West portion.

Code Requirements:

In the P - Public Use District, the required minimum lot width is 60 feet and the required minimum lot area is 7,200 square feet.

- Tract 5 has a lot area of 249,326 square feet, which exceeds the minimum requirements.
- Tract 5 is a uniquely shaped piece of property; it is approximately 508' in width and 550' in depth.
- Development of an Emergency Medical Services (EMS), Fire and telecommunications facility will require Planning and Zoning approval of a building or structure, Palmer Municipal Code (PMC 17.40.050). The approval includes a plot plan, architectural design, setbacks, off-street parking and conformance to the city and borough comprehensive plans.
 - **STAFF NOTES** the review by the Planning and Zoning Commission prior to the approval of a building or structure has been included as part of this zoning map amendment request to expand the Public use to include EMS, Fire and telecommunications.

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:

Yes. The city comp plan Goal 1 is to provide and improve essential city services, respond to current need and plan for future demand (Sept 2006 pg 4-1); and MSB PF-1 goal (Public Facilities) is to develop efficient and effective public facilities to meet community/economy/growing needs (2005 Update Pg 6).

Staff finds the following support in the Comprehensive Plan:

- Chapter 5, Transportation, Goal 1, states, "Shape the character and use of the Glenn Highway."
- Chapter 6, Land Use, Goal 3, Objective A states, "Provide for the continuation and expansion of Palmer's traditional role as a center for institutional and governmental users for the Mat-Su Borough and State."
- Chapter 4, Public Services, Facilities & Infrastructure, Goal 1, Objective B states, "Fire & Emergency Services – Provide adequate fire protection measures and services in Palmer to respond to current and future anticipated emergency service needs."
- Chapter 7, Economic Vitality, Goal 1, states "Strengthen Palmer's competitiveness as the region's institutional center."

Staff finds the following facts in support:

- a) Tract 5 is large enough to support the development of an EMS, Fire and telecommunications building and achieve sufficient setbacks from the residential development to the west and future medium density residential development to the north.

- b) Accomplish objective of monitoring the needs of existing institutional uses and working with these organizations to meet their needs.
- c) Mat-Su Borough provides emergency medical services for the City of Palmer, and the City of Palmer provides fire and rescue. Locating the facility on the Glenn Highway will provide for faster and more efficient response times for medical emergencies. Fire response times will be improved if Dan Contini Fire Station (Palmer Fire and Rescue station 3-1) continues to operate.

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

Applicant's response:

City zoning includes CL-Commercial Light, R-1 Residential, R-2 Low Density. Property is on edge of city with surrounding land use to include a varied mix of commercial, agriculture, and residential. Emergency service public facilities have blended well with this type of mixed use throughout the MSB.

Staff finds:

- a) Tract 5's original use was a nursery. Nurseries are a permitted use within the agriculture district, which can have a higher intensity of use than low density residential. The property has had limited use since 1966. Tract 5's previous zoning of Commercial Limited (CL) indicated the property was to be developed to a higher intensity than low density residential. Tract 5 has been rezoned from CL-Commercial Limited to P-Public with the use limited to an emergency medical facility building (EMS) since June 2020. Expanding the use to include Fire and telecommunications is compatible with the current zoning designation and will continue to be compatible with surrounding zoning districts.
- b) The land is surrounded on the south by a working farm and to the east by commercial and a church. The expansion of the public use of an EMS building to include Fire and telecommunications would be an acceptable use of property considering land use patterns around the property are as high of an intensity as a public use zone.
- c) Public use (P) zones are compatible with surrounding zoning districts because of the safeguards established in Palmer Municipal Code 17.40.050 requiring commission approval to ensure compatibility. The petitioner has provided a site plan, by Architects Alaska, showing orientation of the building, setbacks, snow storage, access and a parking plan for review and approval, if appropriate, by the Commission as required by PMC 17.40.050.
- d) Tract 5 contains a 30' wide greenbelt buffer along the west and north side of the property along with appropriately orienting the placement of the building to minimize the impacts to the low density residential to the west as shown on the submitted site plan.

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

Applicant's response:

Yes, the ability to hook into city services and utilize existing utility lines is a significant plus. Primary access is anticipated from Marsh Road.

Staff finds:

- a) Public facilities such as schools and utilities are established in Cedar Hills. A facility will have access to city sewer and water. Gas and electric are accessible to the property.
- b) The current approved zoning of Public for this property limits the use to an emergency medical facility. The expansion of use to include Fire services is conditional on plan review from all city Departments and any required necessary upgrades to water or sewer services to be provided by the applicant as required by City of Palmer Public Works Director.
- c) Facility vehicular access points will need approval from the Alaska Department of transportation Public

Facilities (AK DOT/PF). The City of Palmer recommends acceptance of access as described in the rezone application.

- d) On June 7, 2023, State of Alaska Department of Transportation and Public Facilities (SOA DOT&PF) requested agency comments for the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades. The project includes acquisition of the Glenn Highway of up to 300'. Currently, there is 70' from the centerline of the Glenn Highway to Tract according to Plat No. 2017-60. Additional site plan review will be warranted if SOA DOT&PF has any taking of Tract 5.

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

Applicant's response:

Currently the property is zoned for Public Use (P) for the purpose of an emergency medical facility. There may be concerns with regards to sirens and lights when responding to an emergency. See attached memorandum which addresses these concerns. Staff notes additional information provided by applicant on June 2, 2023, "We are already permitted to run EMS out of this station, we are adding fire/rescue to the building which will add little to no additional emergency response that would require lights and sirens. We are respectful to our community that we serve, we will not activate our lights and sirens until we are on the highway as we do with other emergency services facilities we respond out of. DES has 36 facilities that we respond out of all are surrounded by homes. We have had NO complaints regarding noise, we operate under a response codes alpha through echo, delta and echoes are the only responses that we activate lights and sirens, counts for about 15% of our responses."

Staff finds:

- a) Improvements to the Glenn Highway have spurred development in the area around Marsh Road. A proposed development of an emergency medical facility with fire and telecommunication services that is well conceptualized and appropriately placed will serve the greater Palmer community.
- b) Residential growth on Fishhook Roads and Farm Loop roads has necessitated the evaluation of how emergency services can better serve the public and the placement of facilities.
- c) Recent improvements to the Glenn Highway have increased safety for ingress and egress onto the highway.

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:

Public welfare will be served through this location due to its access ability to a major highway, a better facility design to accommodate equipment and personnel, and more efficient response time to Palmer, Sutton and Butte communities. No special privilege is granted to the Matanuska-Susitna Borough.

Staff finds:

- a) The proposed map amendment is consistent with the public welfare as an appropriately placed facility will improve efficiency and response times for EMS and fire services.
- b) The map amendment request to expand the current public use for an emergency medical facility building to include Fire and telecommunications services does not grant a special privilege to the owners as this 5.72-acre parcel is large enough to sufficiently minimize impacts on non-compatible uses.

PART IV. STAFF RECOMMENDATION

Based on the information provided by the applicant, public comments received before publication of this report and staff analysis, staff recommends approval of the request to expand the Public Use (P) of the property for an establishment of an Emergency Medical facility building to include Fire and telecommunication services to be located on Tract 5, Cedar Hills #2 Phase 1, is consistent with, and in conformance with the Palmer Comprehensive Plan. Pursuant to PMC 17.40.050, site plans have been

provided showing side, front and rear yard setbacks, landscaping, off-street parking, snow storage and access for review and approval by the Planning and Zoning Commission.

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 zoning map amendment to expand the Public Use (P) of the property for an establishment of an Emergency Medical facility building to include Fire and telecommunications services for Tract 5, Cedar Hills #2 Phase 1 with the following considerations and forward a recommendation for approval to the City Council:

- A. The Public Use (P) of the property is limited to the establishment of an emergency medical facility, Fire and telecommunications building that is oriented in such a way that provides access to the Glenn Highway, as outlined in applicant's response.
- B. Development is limited to site plan provided that has been reviewed and approved by the Planning and Zoning Commission; any changes in setbacks, access, parking, building footprint or landscaping requires reevaluation by the City of Palmer Planning and Zoning Commission pursuant to PMC 17.40.050.
- C. The expansion of use to include Fire services is conditional on plan review from all city Departments and any required necessary upgrades to water or sewer services to be provided by the applicant.
- D. On June 7, 2023, State of Alaska Department of Transportation and Public Facilities (SOA DOT&PF) requested agency comments for the Glenn Highway, Arctic Avenue to Palmer-Fishhook Road Safety and Capacity Improvements project upgrades. The project includes acquisition of the Glenn Highway of up to 300'. Currently, there is 70' from the centerline of the Glenn Highway to Tract according to Plat No. 2017-60. Additional site plan review will be warranted if SOA DOT&PF has any taking of Tract 5.



DEPARTMENT OF COMMUNITY DEVELOPMENT

Brad Hanson
Director

Vacant
Building Inspector

Beth Skow
Library Director

Bret Chisholm
Acting Parks & Facilities Manager

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

May 30, 2023

Dear Property Owner:

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment application for Tract 5, Cedar Hills #2 Phase 1 subdivision, initiated by Matanuska-Susitna Borough, property owner. The property is located at the intersection of East Marsh Road and North Glenn Highway, Palmer, Alaska.

The property is zoned P, Public with the use limited to an emergency medical facility building (EMS). The request is to expand the Public use to include EMS, Fire and telecommunications. The map on the reverse side of this notice indicates the location of the subject property. For additional information on the Public Use District, please refer to Palmer Municipal Code Chapter 17.40, Public Use District, located online at www.palmerak.org.

The Commission will hold a Public Hearing to consider this application and allow an opportunity for public comments. The meeting will be held on June 15, 2023, at 6:00 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 June 13, 2023. Written comments may be mailed to Palmer Community Development, 645 E. Cope Industrial Way, Palmer, AK 99645, faxed to 907-745-5443 or emailed to me at: kmclure@palmerak.org.

Sincerely,

Kimberly McClure, Community Development Specialist



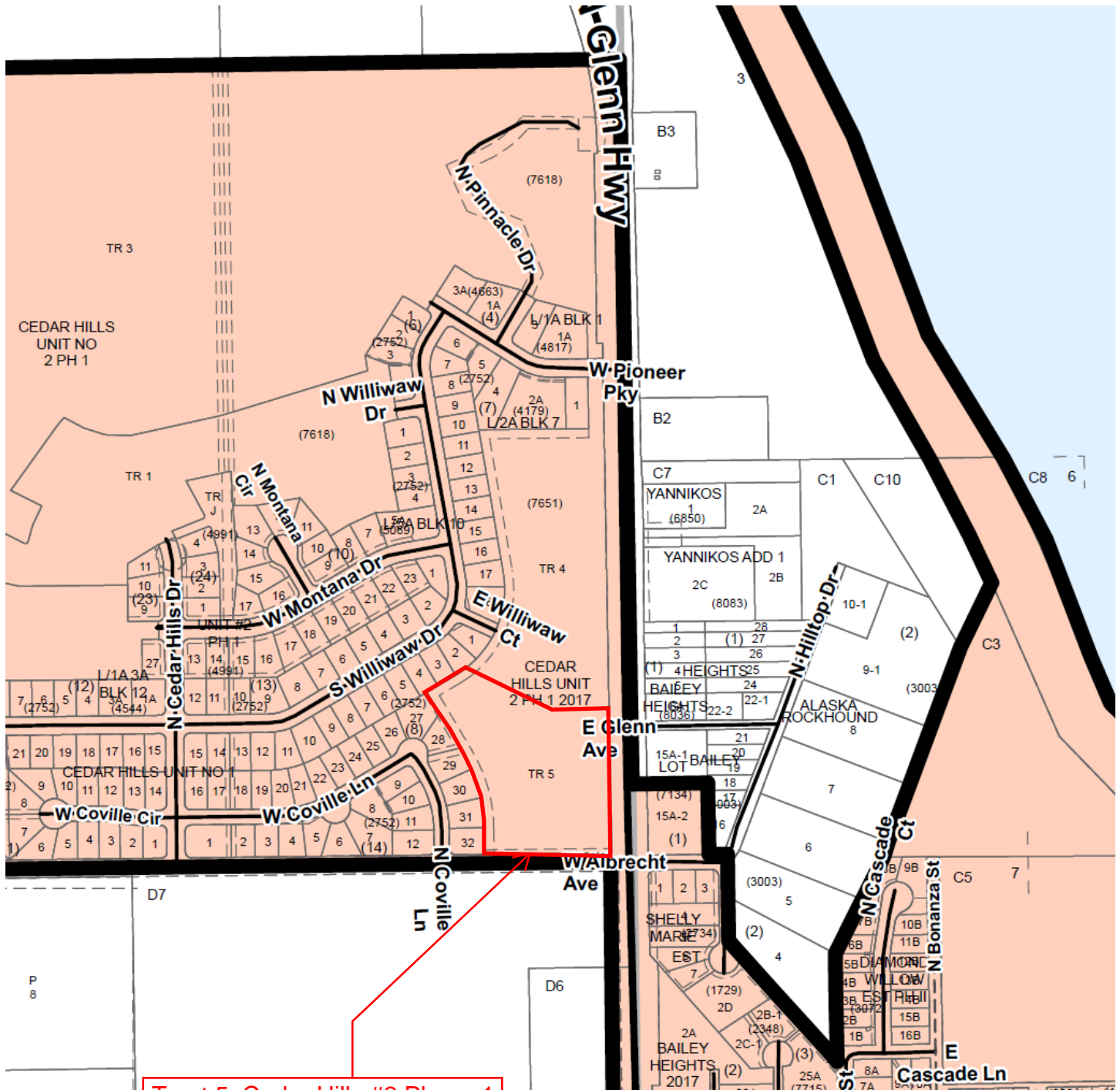
For the following reason, I am (please circle one): in favor of, NOT in favor of, or have no objection to expand the Public use to include EMS, Fire and telecommunications.

Four horizontal lines for handwritten response.

Name: _____

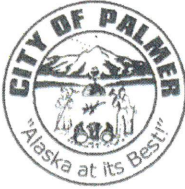
Address: _____

VICINITY MAP



Tract 5, Cedar Hills #2 Phase 1

Location of proposed expansion of Public use; Tract 5, Cedar Hills #2 Phase 1 subdivision located in Section 29, Township 18 North, Range 2 East, in Palmer, Alaska.



**City of Palmer
Community Development Department**

645 E. Cope Industrial Way, Palmer, AK 99645

Phone: 907-745-3709

www.palmerak.org

Zoning Map Amendment Application Form

Applicant: Matanuska-Susitna Borough

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

Tract 5, Cedar Hills Subdivision, Unit No. 2, Phase 1, 2017, according to plat number 2017-60, Palmer Recording District, Third Judicial District, State of Alaska. (Tax Parcel #7651000T005)

Requested District Change (i.e., from - to): Public Use to Public Use

Reason for request: City Ordinance No. 20-006 was approved for an emergency medical facility for the relocation of Palmer Ambulance Station 3-9. The Borough wishes to change the zoning to an all inclusive public use for all functions represented in the station to include EMS, Fire and telecommunications.

Please provide a written narrative explaining the following:

1. Is the proposed change in accordance with the borough and city comprehensive plans? Yes.
The city comp plan Goal 1 is to provide and improve essential city services, respond to current need and plan for future demand (Sept 2006 pg 4-1); and MSB PF-1 goal (Public Facilities) is to develop efficient and effective public facilities to meet community/economy/growing needs (2005 Update Pg 6).

2. How is the proposed change compatible with surrounding zoning districts and the established land use pattern?
City zoning includes CL-Commercial Light, R-1 Residential, R-2 Low Density. Property is on edge of city with surrounding land use to include a varied mix of commercial, agriculture, and residential. Emergency service public facilities have blended well with this type of mixed use throughout the MSB.

3. Are public facilities such as schools, utilities and streets adequate to support the proposed change? Yes, the ability to hook into city services and utilize existing utility lines is a significant plus. Primary access is anticipated from Marsh Road.

4. Do changed conditions affecting the subject parcel or the surrounding neighborhood support the proposed change? Currently the property is zoned for Public Use (P) for the purpose of an emergency medical facility. There may be concerns with regards to sirens and lights when responding to an emergency. See attached memorandum which addresses these concerns.
5. Is the proposed change consistent with public welfare and will it grant a special privilege to the owners? Public welfare will be served through this location due to its access ability to a major highway, a better facility design to accommodate equipment and personnel, and more efficient response time to Palmer, Sutton and Butte communities. No special privilege is granted to the Matanuska-Susitna Borough.

Date of application: 5-15-23

\$500.00 filing fee paid: _____



Signature of owner or owner's authorized representative

350 E. Dahlia Avenue, Palmer, AK 99645
Address

907-861-7848, lisa.gray@matsugov.us, Lisa Gray, Land Management Agent, MSB
Contact/phone/email



Lisa Gray
Land Management Agent

MATANUSKA-SUSITNA BOROUGH
350 E. Dahlia Avenue
Palmer, Alaska 99645-6488

PH: (907) 861-7848
Fax: (907) 861-8635
lisa.gray@matsugov.us



MATANUSKA-SUSITNA BOROUGH
DEPARTMENT OF EMERGENCY SERVICES
680 N. Seward Meridian Pkwy • Wasilla, AK 99654
Phone (907) 861-8000 • Fax (907) 861-8014



MEMORANDUM

Date: April 19, 2023
To: Ken Barkley, Director – DES
CC: Brian Davis, Deputy Director – Fire
From: Tracey Loscar, Deputy Director – EMS
RE: Seasonal Modified Operational Schedule

Station 3-9 is being designed as a multi-purpose facility that will enhance the public safety needs of the residents and visitors to the eastern region of the Matanuska-Susitna Borough (MSB). This includes the City of Palmer, the Greater Palmer area, Butte and Knik River Road, Sutton, Glacierview and the surrounding areas. To that end, it will house three services: MSB EMS (Emergency Medical Services), Palmer Fire and Telecommunications (Telecom).

EMS: The station will serve a dual purpose as a station for 24/7 emergency response and a Training Facility for emergency responders. The capacity for the ongoing training of EMS responders is limited and currently operates out of outdated and inadequate spaces. This increased capability not only improves service delivery to the residents and visitors of Mat-Su Borough, but it also benefits the community by expanding the ability to provide local and regional outreach programs.

- MSB EMS responds to approximately 2,200 calls/year, or 6 calls/day, in this area of the Borough.
- Approximately 34%, or around 750 calls/year (2 calls/day), are considered “Alpha” or low-priority responses. This means that they do not require lights & sirens in their response.
- Per standard operating procedures, the use of lights and sirens are only for emergency response and are supported by Alaska Administrative Code (13 Alaska Admin. Code § 04.210)¹, meaning:
 - Emergency lights shall always be used when vehicles are operating in an emergency response mode.
 - Audible warning devices (siren and/or horn) shall be used as necessary to warn other drivers and pedestrians of the approach of an emergency vehicle and request the right-of-way. Audible warning devices shall be used in moderation when they are not required to provide a warning (night, light traffic, or open road situations).
 - Responders are cognizant of residential areas and limit the use of audible devices when it will not impact safe driving conditions. Multiple stations operate in residential areas and to date have not generated public complaint.

¹ <https://casetext.com/regulation/alaska-administrative-code/title-13-public-safety/part-1-division-of-alaska-state-troopers/chapter-04-motor-vehicle-and-driving-offenses-vehicle-equipment-and-inspection/article-4-brakes-and-other-equipment/section-13-aac-04210-horns-and-warning-devices>

Fire: The station will increase capacity for Palmer Fire to provide fire and rescue services to the City of Palmer and Greater Palmer area. It will also improve their ability to support the surrounding areas (i.e., Butte & Sutton) with fire and rescue resources.

- Palmer Fire responds to approximately 900 calls/year or 2.5 calls/day. This includes supporting the surrounding areas. Not all calls are responded to out of each station, so this number (per station) varies depending on the location of the call or nature of the request.
- While there is limited data available compared to EMS, it is estimated that around 30% of calls are also considered "Alpha" or low priority response, therefore reducing the number of times that lights and sirens would be required for use.

Telecom: The station will house the Telecommunications division, supporting the communications needs of emergency services throughout the Borough. They will be able to manage a percentage of repairs, maintenance and fabrication needs on-site.

- While some assembly and installation occur outside, most of the physical work occurs within the building. The station will give Telecom the capability to work on intricate systems with sensitive components in a climate-controlled environment, reducing the chances of breakage or loss.

Access: Utilizing the intersection of Marsh Road, versus directly accessing the Glenn, will improve safety. It will increase the field of vision and response time for drivers both approaching the Glenn and those already traveling on it.

ARCHITECTS ALASKA
 500 W. 5th Avenue, Suite 403
 Anchorage, Alaska 99501
 Phone: 907.273.3333
 Fax: 907.273.3333
 www.architects-alaska.com

ENGINEERS, INC.
 425 CHASE ST. SUITE 202
 ANCHORAGE, ALASKA 99501
 PHONE: 907.707.3000
 WWW.ENRINC.COM

NOT FOR CONSTRUCTION

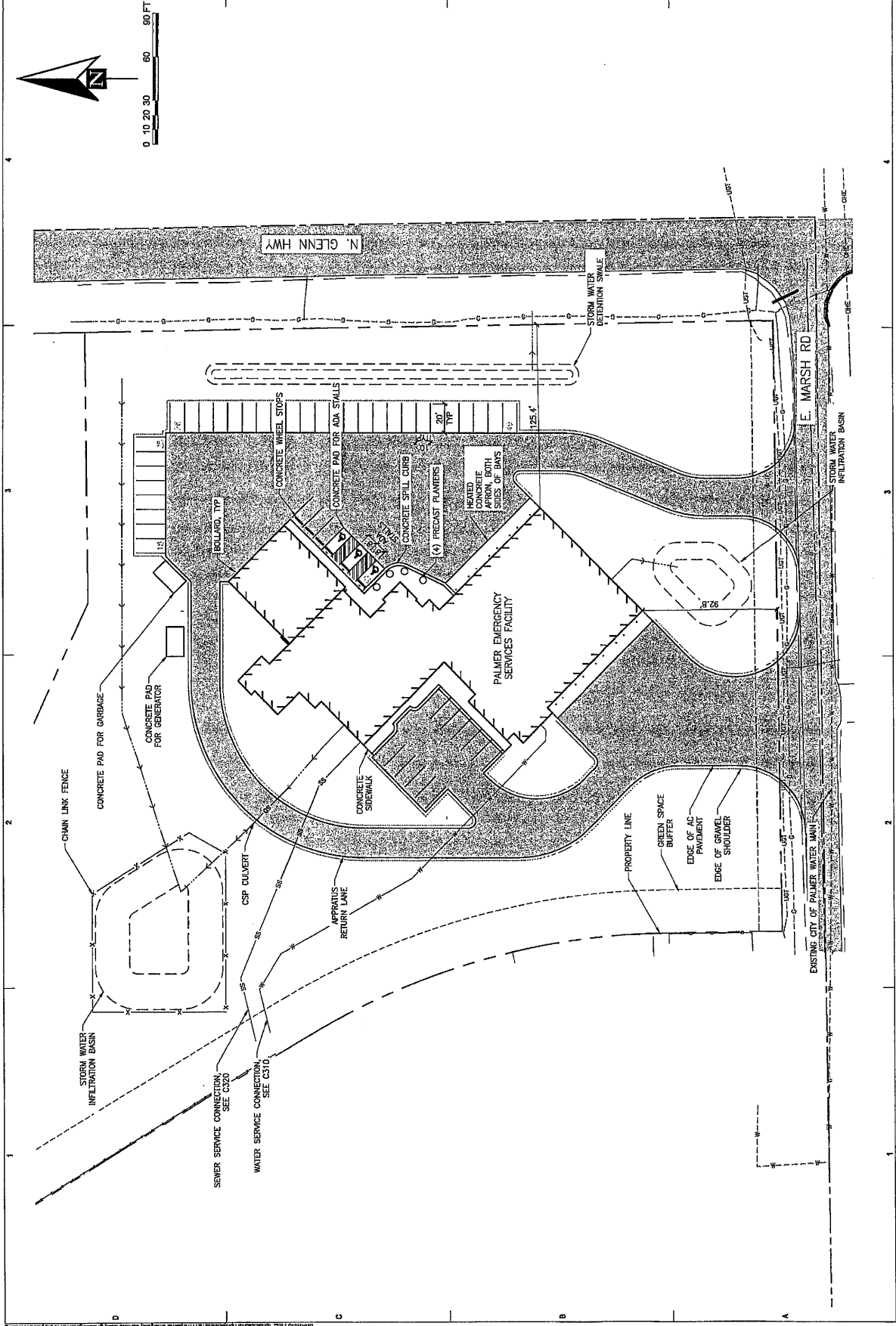
MAT-SU BOROUGH
 EMERGENCY SERVICES FACILITY
 PALMER, AK

Revision No.	Description	Date

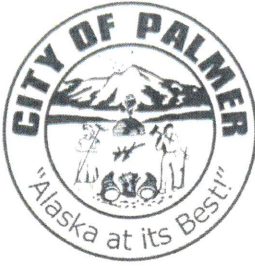
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Checked by BMC	Job No.

Sheet Contents
 01-TRACK

Sheet No.
C110



DATE PLOTTED: 11/17/2011 11:12 AM. FILE: \\server\projects\11172\palmer-emergency-services\c110.dwg. USER: jkelly. PLOTTER: HP DesignJet 2400. PLOT SCALE: 1:1. PLOT SHEET: C110.



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.palmerak.org

Invoice No.: CD23-066

Invoice Date: 05/15/2023

Sold To: MATANUSKA-SUSITNA BOROUGH
350 E. DAHLIA AVE.
PALMER, AK 99645

Qty	Description	Price
	ZONING MAP AMENDMENT REQUEST CEDAR HILLS SUBD., UNIT NO. 2, PH. 1, TRACT 5	\$500.00

01-00-00-3427

TOTAL
\$500.00

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



Palmer Emergency Services Facility

6/2/2023
CCS

Parking Calculation

	n	per	Actual	Stalls Req'd	Stalls Provided
Warehouse	1	2,000	16,000	8	
Boarding	1	2	10	5	
Office	1	300	9,900	33	
			Total	46	49
			ADA	2	3

Received
JUN 06 2023
City of Palmer

ARCHITECTS ALASKA
 500 W. 5th Avenue, Suite 403
 Anchorage, Alaska 99501
 Phone: 907.273.2387
 131 E. Sandbar Avenue, Suite 300
 Anchorage, Alaska 99501
 Phone: 907.273.2387
 www.architectsalaska.com

ENGINEERS, INC.
 1000 W. 5th Avenue, Suite 403
 Anchorage, Alaska 99501
 Phone: 907.273.2387
 www.jrengineering.com

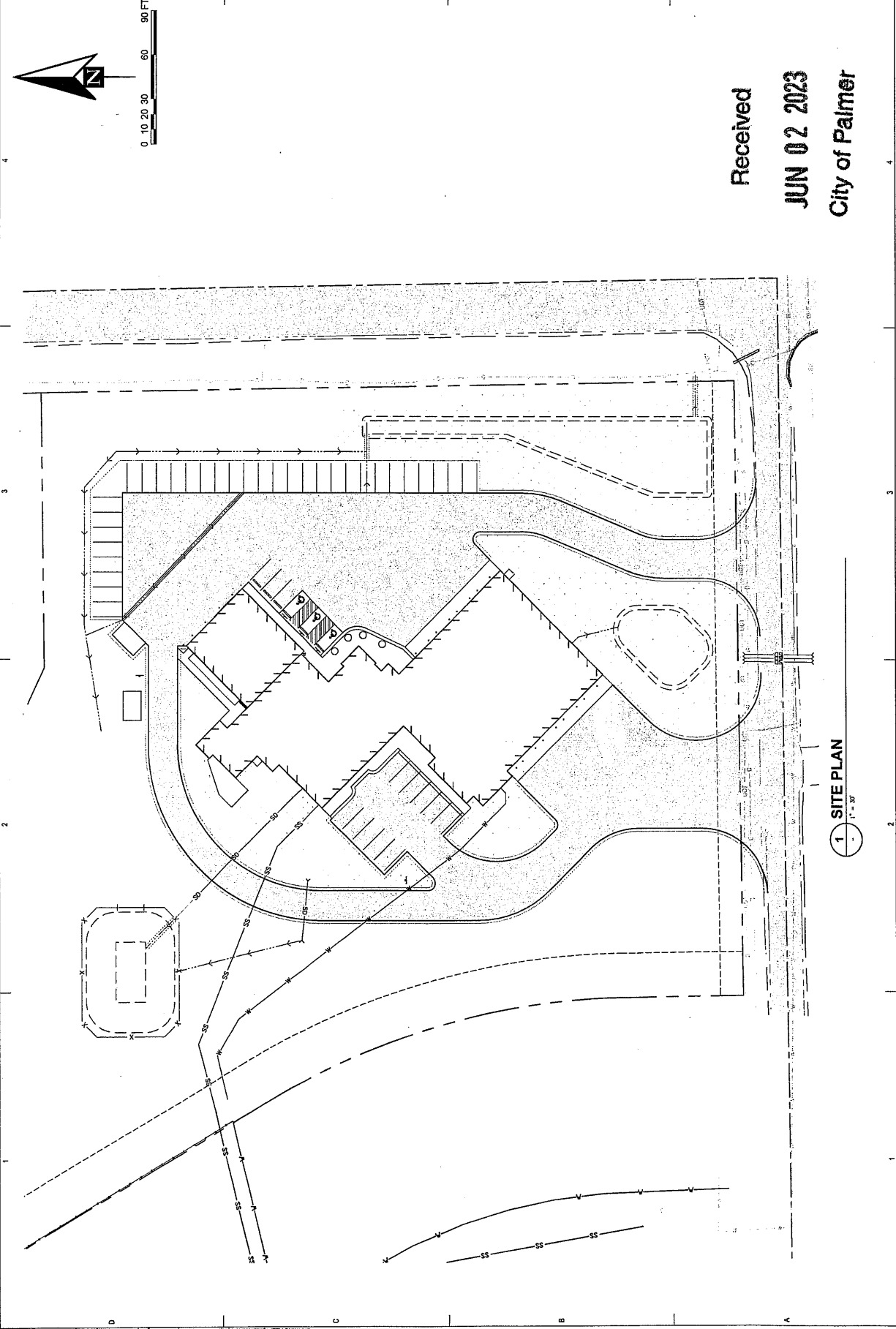
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MAT-SU BOROUGH
 EMERGENCY SERVICES FACILITY
 PALMER, AK

Revision	No.	Description	Date

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Checked by JRS	Job No. 2023-001
Sheet Contents SITE PLAN	

Sheet No.
C110



Received
 JUN 02 2023
 City of Palmer

ARCHITECTS ALASKA
 900 W. 5th Avenue, Suite 423
 Anchorage, Alaska 99501
 Telephone: 907.273.2387
 191 E. Summer Avenue, Suite 209
 Fairbanks, Alaska 99701
 Telephone: 907.273.2384
 www.architecturalaska.com

ENGINEERS, INC.
 1000 W. 5th Avenue, Suite 423
 Anchorage, Alaska 99501
 Telephone: 907.273.2387
 191 E. Summer Avenue, Suite 209
 Fairbanks, Alaska 99701
 Telephone: 907.273.2384
 www.engineersinc.com

PROJECT # 21112
NOT FOR CONSTRUCTION

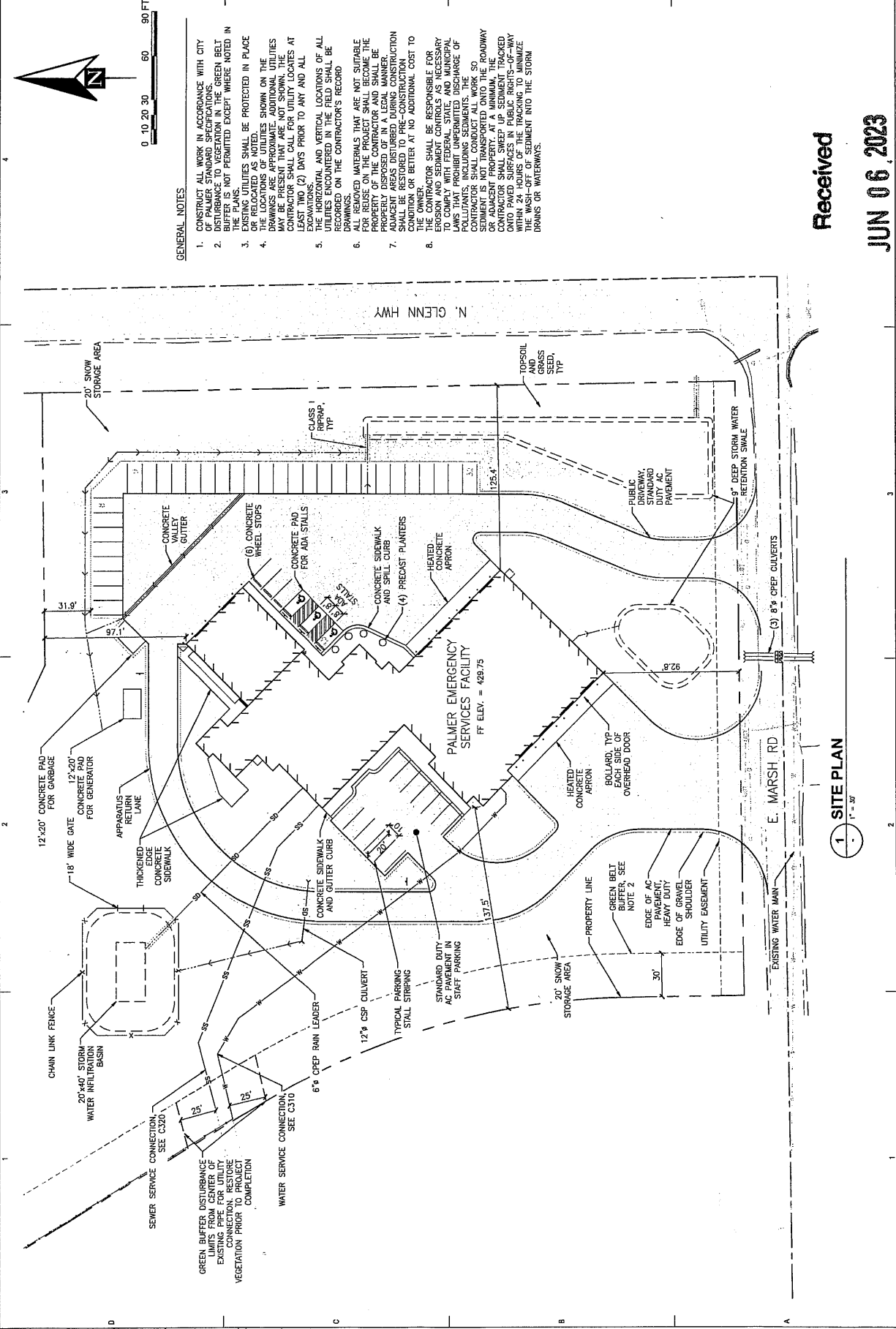
**MAT-SU BOROUGH
 EMERGENCY SERVICES
 FACILITY
 PALMER, AK**

Revisions	No.	Description	Date

Drawn by CS	Scale AS SHOWN
Checked by JH	Job No. 21112
	Event

Sheet Contents
SITE PLAN

Sheet No.
C110




- GENERAL NOTES**
1. CONSTRUCT ALL WORK IN ACCORDANCE WITH CITY SPECIFICATIONS AND THE CITY GREEN BELT DISTURBANCE TO VEGETATION IN THE GREEN BELT BUFFER IS NOT PERMITTED EXCEPT WHERE NOTED IN THE PLANS.
 2. EXISTING UTILITIES SHALL BE PROTECTED IN PLACE AND THE LOCATIONS OF UTILITIES SHOWN ON THE DRAWINGS ARE APPROXIMATE. ADDITIONAL UTILITIES MAY BE PRESENT THAT ARE NOT SHOWN. THE CONTRACTOR SHALL CALL FOR UTILITY LOCATES AT LEAST 14 DAYS PRIOR TO ANY AND ALL EXCAVATIONS.
 3. THE HORIZONTAL AND VERTICAL LOCATIONS OF ALL UTILITIES ENCOUNTERED IN THE FIELD SHALL BE DRAWINGS ON THE CONTRACTOR'S RECORD.
 4. ALL REMOVED MATERIALS THAT ARE NOT SUITABLE FOR REUSE ON THE PROJECT SHALL BECOME THE PROPERTY OF THE CONTRACTOR AND SHALL BE REMOVED FROM THE PROJECT SITE. ADVANCE AREAS DISTURBED DURING CONSTRUCTION SHALL BE RESTORED TO PRE-CONSTRUCTION CONDITION OR BETTER AT NO ADDITIONAL COST TO THE CONTRACTOR.
 5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR EROSION AND SEDIMENT CONTROLS AS NECESSARY TO COMPLY WITH FEDERAL, STATE, AND MUNICIPAL LAWS THAT PROHIBIT UNPERMITTED DISCHARGE OF MATERIALS TO ADJACENT AREAS. THE CONTRACTOR SHALL CONDUCT ALL WORK SO THAT MATERIALS ARE NOT TRANSPORTED ONTO THE ROADWAY OR ADJACENT PROPERTY. AT A MINIMUM, THE CONTRACTOR SHALL CONDUCT ALL WORK SO THAT MATERIALS ARE NOT TRANSPORTED ONTO THE ROADWAY OR ADJACENT PROPERTY. THE CONTRACTOR SHALL CONDUCT ALL WORK SO THAT MATERIALS ARE NOT TRANSPORTED ONTO THE ROADWAY OR ADJACENT PROPERTY. THE CONTRACTOR SHALL CONDUCT ALL WORK SO THAT MATERIALS ARE NOT TRANSPORTED ONTO THE ROADWAY OR ADJACENT PROPERTY. THE CONTRACTOR SHALL CONDUCT ALL WORK SO THAT MATERIALS ARE NOT TRANSPORTED ONTO THE ROADWAY OR ADJACENT PROPERTY.
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Received

JUN 06 2023

City of Palmer

1 SITE PLAN
 P-30



ARCHITECTS ALASKA
 960 W. 5th Avenue, Suite 403
 Anchorage, Alaska 99501
 Phone: 907.275.1567
 191 E. Swenson Avenue, Suite 203
 Anchorage, Alaska 99503
 Phone: 907.272.7600
 www.earthtechnika.com

95% CONSTRUCTION DOCUMENTS

**MAT-SU BOROUGH
 EMERGENCY SERVICES FACILITY
 13069 E Marsh Road, Palmer AK**

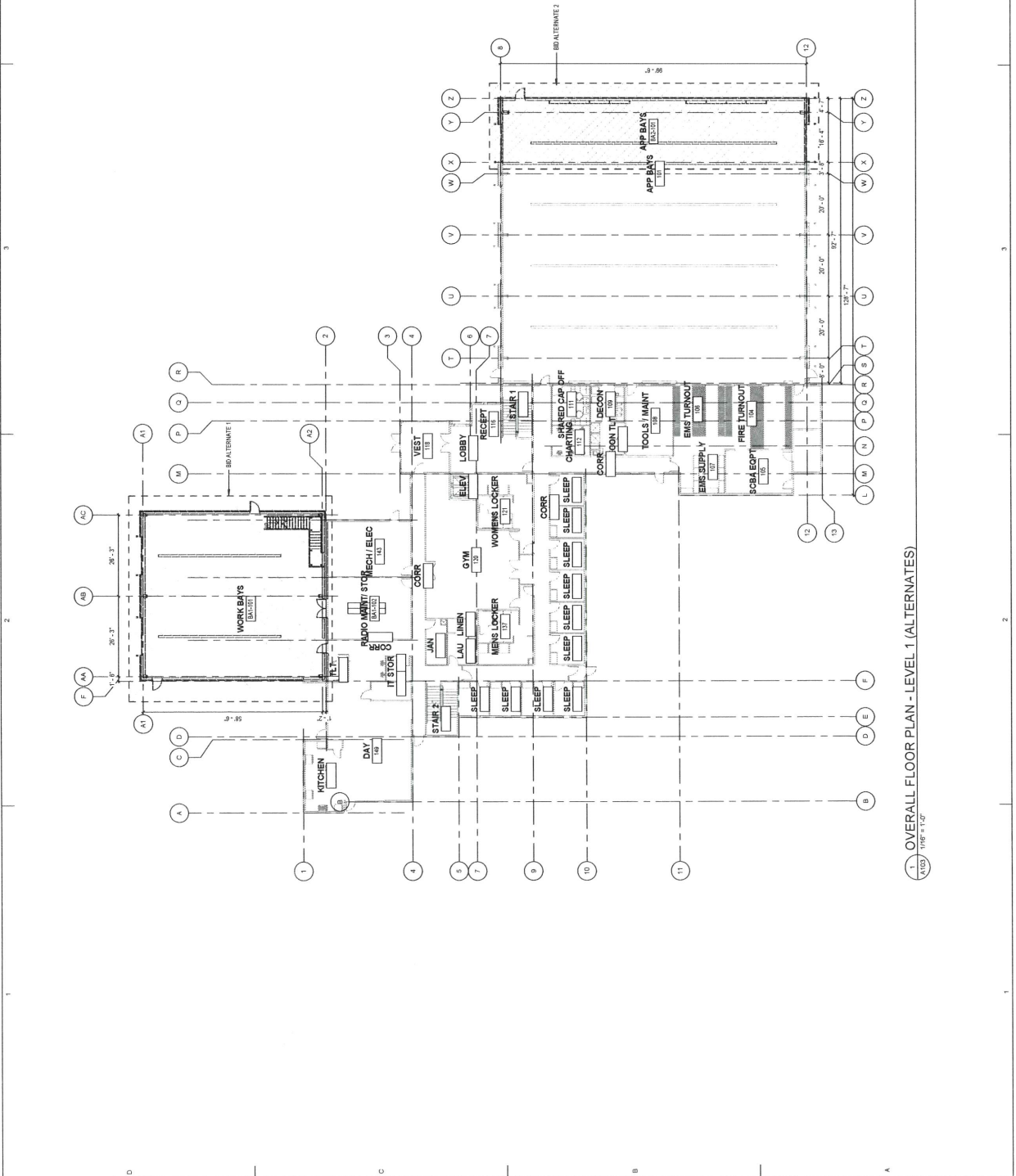
Revisions		
No.	Description	Date

Drawn by Mater	Date 6/1/23
Checked Cramer	Job No. 21078.01

SHEET CONTENTS
 EMERGENCY FACILITY - LEVEL 1
 (ALTERNATES)

Sheet No.
A103

- BID ALTERNATE LEGEND**
- ALTERNATE 1:
ADD TELECOM WORK BAY BUILDING
 - ALTERNATE 2:
ADD ONE APPARATUS BAY TO P&MB
 - ALTERNATE 3:
ADD ASPHALT CONCRETE PAVING, REF. CIVIL DRAWINGS FOR LOCATION



Received

JUN 06 2023

City of Palmer

1 OVERALL FLOOR PLAN - LEVEL 1 (ALTERNATES)
 A103 1/16" = 1'-0"

ARCHITECTS ALASKA
 900 AL 10th Avenue, Suite 403
 Anchorage, Alaska 99501
 907.272.1947
 191 E. Stearns Avenue, Suite 203
 Palmer, Alaska 99646
 907.272.7903
 www.architectsalaska.com

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CONSTRUCTION DOCUMENTS

**MAT-SU BOROUGH
 EMERGENCY SERVICES FACILITY**
 13069 E Marsh Road, Palmer AK

REVISIONS	
No.	Description

Drawn by	Date
Checked	Date
Job No.	

Sheet Contents
 WORKSHEET FOR PLAN-LEVEL 2
 (ALTERNATES)

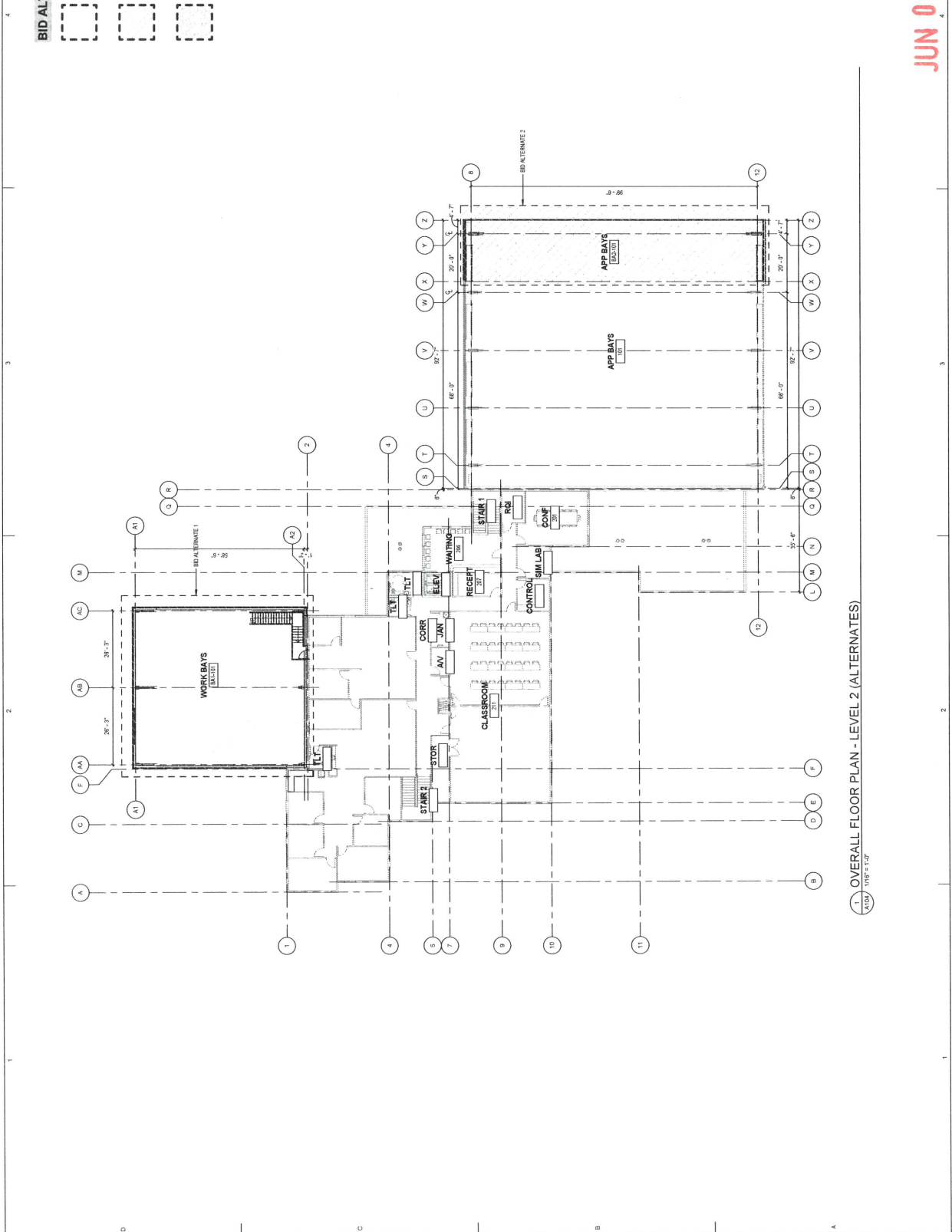
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A104

BID ALTERNATE LEGEND

ALTERNATE 1:
 ADD TELECOM WORK BAY BUILDING

ALTERNATE 2:
 ADD ONE APPARATUS BAY TO PEMB

ALTERNATE 3:
 ADD ASPHALT CONCRETE PAVING
 (SEE DIMENSIONS FOR LOCATION)



OVERALL FLOOR PLAN - LEVEL 2 (ALTERNATES)
 A104 1/16" = 1'-0"

JUN 06 2023

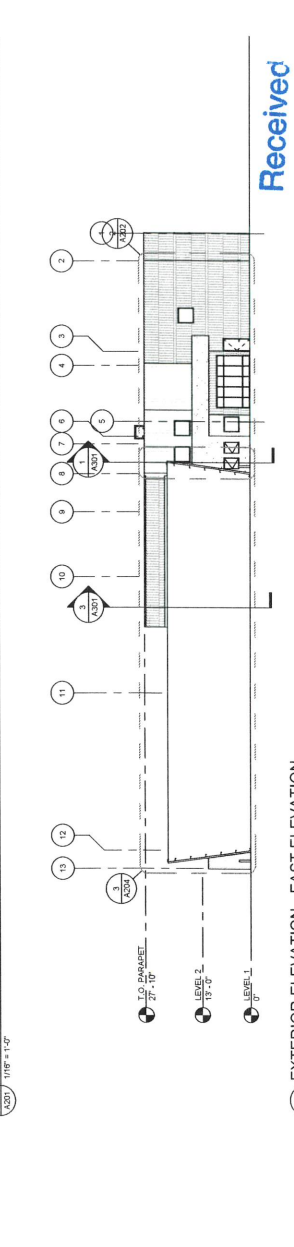
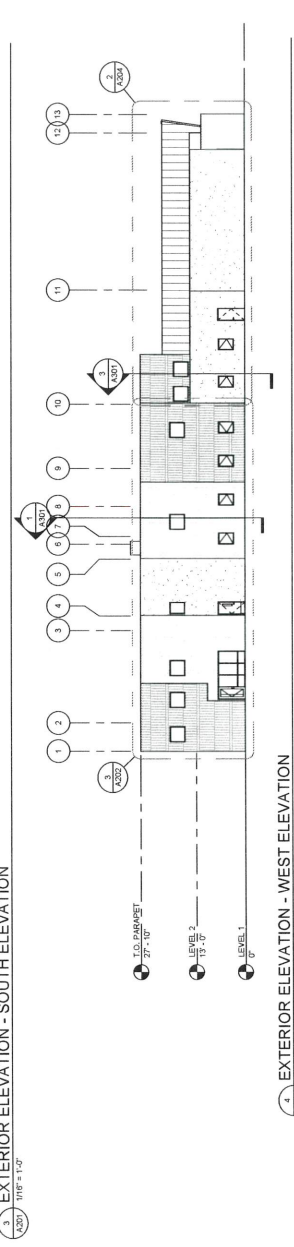
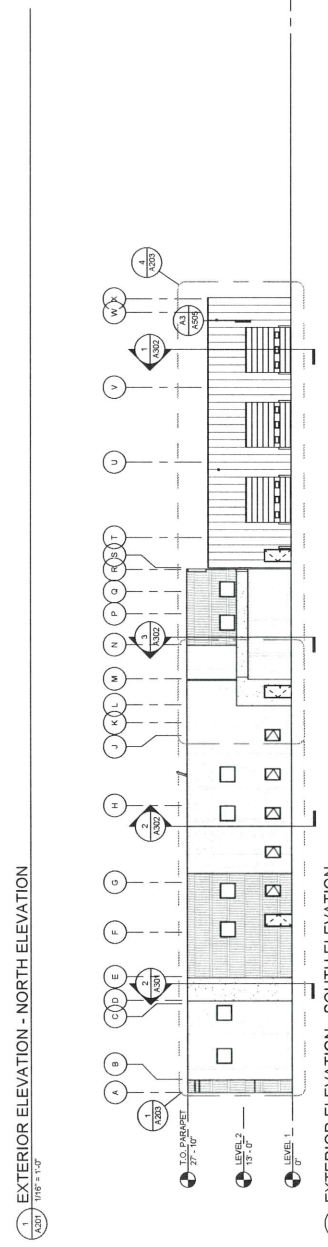
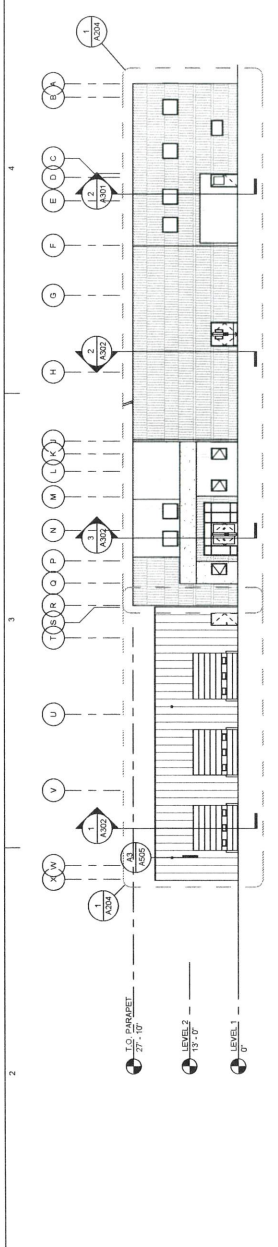
City of Palmer

REVISIONS	
No.	Description

Drawn by	Date
Author	7.1.23
Checked	
Checker	107831

SHEET CONTENTS
 OVERALL EXTERIOR ELEVATIONS

Sheet No.
A201



Received

JUN 06 2023
 City of Palmer



DEPARTMENT OF COMMUNITY DEVELOPMENT

Brad Hanson
Director

Vacant
Building Inspector

Beth Skow
Library Director

Bret Chisholm
Acting Parks & Facilities Manager

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

Received

JUN 01 2023

City of Palmer

May 30, 2023

Dear Property Owner:

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment application for Tract 5, Cedar Hills #2 Phase 1 subdivision, initiated by Matanuska-Susitna Borough, property owner. The property is located at the intersection of East Marsh Road and North Glenn Highway, Palmer, Alaska.

The property is zoned P, Public with the use limited to an emergency medical facility building (EMS). The request is to expand the Public use to include EMS, Fire and telecommunications. The map on the reverse side of this notice indicates the location of the subject property. For additional information on the Public Use District, please refer to Palmer Municipal Code Chapter 17.40, Public Use District, located online at www.palmerak.org.

The Commission will hold a Public Hearing to consider this application and allow an opportunity for public comments. The meeting will be held on **June 15, 2023**, at 6:00 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 *June 13, 2023*. Written comments may be mailed to Palmer Community Development, 645 E. Cope Industrial Way, Palmer, AK 99645, faxed to 907-745-5443 or emailed to me at: kmccclure@palmerak.org.

Sincerely,
Kimberly McClure
Kimberly McClure, Community Development Specialist

☆☆

For the following reason, I am (please circle one): **in favor of**, **NOT in favor of**, or **have no objection to** expand the Public use to include EMS, Fire and telecommunications.

our mother - Janet M. Browning passed away last year she and we have no objection > in favor =

Name: *Janet M. Browning, Ricky and Terry Browning*
Address: *668 3rd. St. Palmer, AK 99645.*



DEPARTMENT OF COMMUNITY DEVELOPMENT

Brad Hanson
Director

Vacant
Building Inspector

Beth Skow
Library Director

Bret Chisholm
Acting Parks & Facilities Manager

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

Receiver

JUN 05 2023

City of Palmer

May 30, 2023

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Sincerely,
Kimberly McClure

Kimberly McClure, Community Development Specialist



For the following reason, I am (please circle one): in favor of, NOT in favor of, or have no objection to expand the Public use to include EMS, Fire and telecommunications.

please see attached comments.

Name: Mary Ann Gilbert
Address: 535 S. Willow Dr, Palmer

535 South Williwaw Dr.
Palmer, AK 99645
June 2, 2023

Kimberly McClure, Community Development Specialist
Palmer Community Development
645 E. Cope Industrial Way
Palmer, AK 99645

Received

JUN 05 2023

City of Palmer

Dear Ms. McClure,

Thank you for your notice regarding the proposed additional purpose of Tract 5, Cedar Hills #2 Phase 1 subdivision. I attended the meeting long ago regarding the purchase and proposed use of this tract in order to express my strong disagreements with it's intended purpose. My disagreements have not changed; in fact, they have become stronger.

- 1) This area, as dramatically shown by the map enclosed with your announcement is closely settled, meaning there are many people who will be negatively affected by the noise unavoidably created by the vehicles leaving the area on their emergency activities. This will occur day and night. This addition of fire engines will increase the noise!
- 2) Secondly, apparently no one has come out here in person to consider the great hazards each emergency vehicle will face leaving the facility. The intersection of Marsh Road with the Glenn Highway is very dangerous. The sight line in either direction is short, due to the sharp and steep hills both to the north and the south on the Glenn. Also, there are 3 lanes of traffic which are very often very busy in both directions. A rapid entrance onto the Glenn will often be very risky!

On this aspect, I have approached Edna DeVries, mayor of the MatSu Borough, to obtain information and was told that the Glenn highway is a Federal highway and the placement of a stoplight must be arranged through that agency. In other words, Palmer City Council can't put one up there without finding out if you can get the Federal government to allow one!

Please do not go forward with this project for the sake of your workers and the many nearby neighbors.

Sincerely,



Mary Ann Gilbert

Received

Kim McClure, Comm. Dev. Specialist
Palmer Commun. Development
645 E. Cope Industrial Way
Palmer, AK 99645

JUN 05 2023
City of Palmer

William (Bill) Gilbert
535 S. Williwaw Dr.
PALMER, ak 99645
4 June 2023

My opposition to this proposed Zoning Change was expressed in person at a meeting of the City Council 2-3 years ago. The zoning change at that time was to allow an ambulance depot at that "Tract 5, Cedar Huills #2 phase" proposal. Unfortunately, that passed.. AND NOW this proposal appears to request yet another re-zoning to allow a whole fleet of EMS, Fire, and telecommun. vehicles. That intersection of Marsh Rd. and the Glen Highway is NOT A SAFE place for such an additional traffic burden!! I obviously SUSPECT that the previous proposal was requested & passed because it only asked for an ambulance depot... so that a much larger depot could be requested as a mere 'add-on' a couple of years later.-

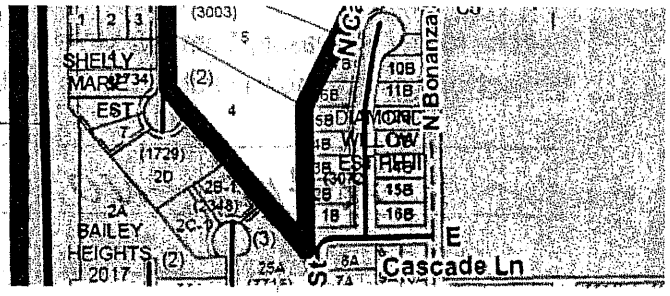
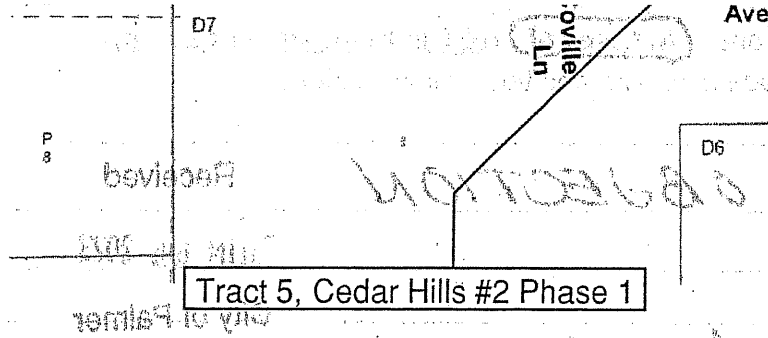
Moreover, the present vehicle depot near south end of Palmer is, and has been adequate: I have visited that site and urge the Council to do so also. This proposal is for a VERY expensive and unnecessary construction of a large facility at an intersection that is TOO DANGEROUS for such a traffic increase. I drive up Bailey's Hill on the Glenn Hwy regularly and turn onto Marsh Rd. I am occasionally surprised by an approaching vehicle.. partially hidden by the 'dip' in the on-coming lane. Because of my frequent use, I anticipate that "surprise", but most drivers there do not. It is a BIG MISTAKE to try and make that area into a much busier corner, which I fear will result in bad accidents there!

I urge the City Council to PLEASE vote this expensive and unnecessary proposal DOWN!!

Thank you for your consideration of my PROTEST about this matter.



cc: Steve Carrington, Mayor of Palmer
Brad Hanson, Director: Dept. of Communi. Development



Tract 5, Cedar Hills #2 Phase 1

Location of proposed expansion of Public use; Tract 5, Cedar Hills #2 Phase 1 subdivision located in Section 29, Township 18 North, Range 2 East, in Palmer, Alaska.



For the following reason, I am (please circle one): in favor of NOT in favor of, or have no objection to expand the Public use to include EMS, Fire and telecommunications.

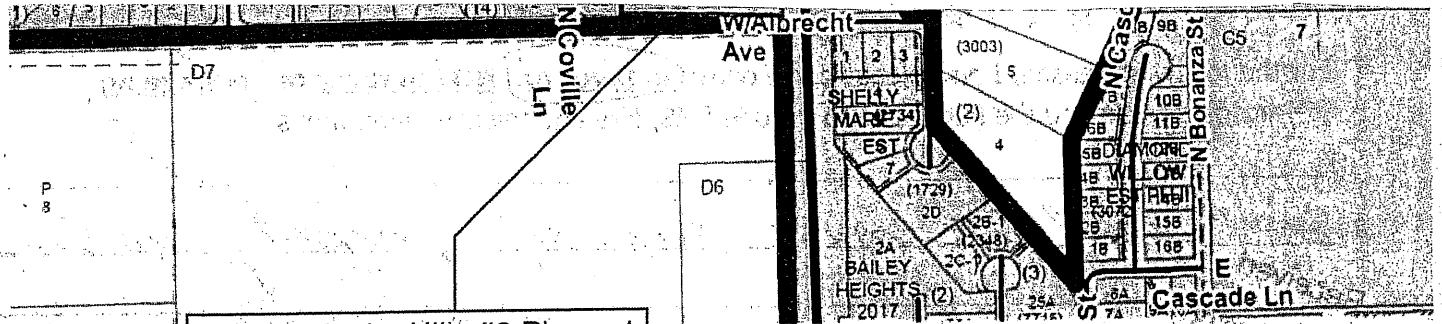
HAVE NO OBJECTION Received

JUN 06 2023

City of Palmer

Name: MARIANNE ABERLE

Address: 560 S. WILLIAMS DR. PALMER AK



Tract 5, Cedar Hills #2 Phase 1

Location of proposed expansion of Public use; Tract 5, Cedar Hills #2 Phase 1 subdivision located in Section 29, Township 18 North, Range 2 East, in Palmer, Alaska.



For the following reason, I am (please circle one): in favor of, NOT in favor of, or have no objection to expand the Public use to include EMS, Fire and telecommunications.

I feel it may help our property value

Received
JUN 07 2023

Name: *Kathryn T. Hall*
City of: *Palmer*
Address: *1020 N Coville Ln Palmer AK 99645*

Kimberly McClure

From: Jerilyn Burtch <jburtchak@me.com>
Sent: Thursday, June 8, 2023 6:37 AM
To: Kimberly McClure
Subject: in favor of expansion of public use
Attachments: * 23-05-30 Albrecht public use expansion_20230608_0001.pdf

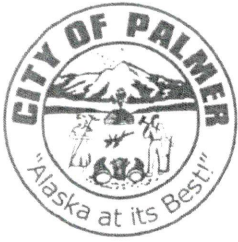
See attached

Received

JUN 08 2023

City of Palmer

Received as attachment to Burtch email



DEPARTMENT OF COMMUNITY DEVELOPMENT

Brad Hanson
Director

Vacant
Building Inspector

Beth Skow
Library Director

Bret Chisholm
Acting Parks & Facilities Manager

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

Received

JUN 08 2023

City of Palmer

May 30, 2023

Dear Property Owner:

The Palmer Planning and Zoning Commission will consider a Zoning Map Amendment application for Tract 5, Cedar Hills #2 Phase 1 subdivision, initiated by Matanuska-Susitna Borough, property owner. The property is located at the intersection of East Marsh Road and North Glenn Highway, Palmer, Alaska.

The property is zoned P, Public with the use limited to an emergency medical facility building (EMS). The request is to expand the Public use to include EMS, Fire and telecommunications. The map on the reverse side of this notice indicates the location of the subject property. For additional information on the Public Use District, please refer to Palmer Municipal Code Chapter 17.40, Public Use District, located online at www.palmerak.org.

The Commission will hold a Public Hearing to consider this application and allow an opportunity for public comments. The meeting will be held on **June 15, 2023**, at 6:00 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 *June 13, 2023*. Written comments may be mailed to Palmer Community Development, 645 E. Cope Industrial Way, Palmer, AK 99645, faxed to 907-745-5443 or emailed to me at: kmclure@palmerak.org.

Sincerely,
Kimberly McClure
Kimberly McClure, Community Development Specialist

☆☆

For the following reason, I am (please circle one): **in favor of**, **NOT in favor of**, or **have no objection to** expand the Public use to include EMS, Fire and telecommunications.

Name: Monte + Jennlyn Burtch 6-8-23
Address: 230 W Albrecht



DEPARTMENT OF COMMUNITY DEVELOPMENT

Brad Hanson
Director

Vacant
Building Inspector

Beth Skow
Library Director

Bret Chisholm
Acting Parks & Facilities Manager

Mail: 231 W. Evergreen Ave.
Location: 645 E. Cope Industrial Way
Palmer, AK 99645-6748
Phone: 907-745-3709
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Received

JUN 15 2023

City of Palmer

May 30, 2023

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Sincerely,
Kimberly McClure
Kimberly McClure, Community Development Specialist



For the following reason, I am (please circle one): **in favor of**, **NOT in favor of**, or **have no objection to** expand the Public use to include EMS, Fire and telecommunications.

NO. Been here over 20 years with the impression we are in a neighborhood not to have businesses, too many small children here and with it getting worse

Name: *Terese Umassessan, noise and chaos.*
Address: *600 W. Montrose Drive, Palmer, AK 99645
George A. & Shuan L. Peterson*

**City of Palmer
Ordinance No. 23-004**

Subject: Providing for the Submission to the Qualified Voters of the City of Palmer at the General Election on October 3, 2023, the Question of Confirming Action Taken by the Palmer City Council, by the Adoption of Ordinance No. 22-007, Which Amended PMC 3.12.032, by Increasing the Amount of the Residential Real Property Exemption for Seniors and Disabled Veterans to \$150,000, Resulting in a Total City of Palmer Exemption of \$300,000

Agenda of: July 11, 2023

Council Action: **Adopted** **Amended:** _____
 Defeated

Originator Information:

Originator: Mayor through the City Clerk

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):


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

Funds are (√):

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

Director of Finance Signature: _____

Approved for Presentation By:

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

Attachment(s):

1. Ordinance No. 23-004

Summary Statement/Background:

On September 27, 2022, the Palmer City Council adopted Ordinance No. 22-007, which amended the PMC 3.12.032, Residential Real Property Exemption, To Increase the Assessed Value of a Single Parcel of Residential Real Property Owned and Occupied by the Owner of Record as the Owner's Permanent Place of Residence in the City from Sixty-Eight Thousand Dollars to One Hundred Fifty Thousand Dollars.

Last year the Borough put on the ballot question to increase the optional exemption to \$114,000 and index an increase annually according to a federal housing cost index. That ballot question passed, resulting in a total Borough exemption of \$264,000.

On June 20, 2023, the Mat-Su Borough submitted a letter to the City Manager requesting that the City of Palmer place confirmation of Ordinance 22-007 before the voters to ratify the action taken by the Council.

Administration's Recommendation:

Adopt Ordinance No. 23-004.

LEGISLATIVE HISTORY

Introduced by: Mayor through the City Clerk

Date:

Public Hearing:

Action:

Vote:

Yes:

No:

CITY OF PALMER, ALASKA

Ordinance No. 23-004

An Ordinance of the Palmer City Council Providing for the Submission to the Qualified Voters of the City of Palmer at the General Election on October 3, 2023, the Question of Confirming Action Taken by Palmer City Council, by the Adoption of Ordinance No. 22-007, Which Amended PMC 3.12.032, Residential Real Property Exemption, by Increasing the Amount of the Residential Real Property Exemption for Seniors and Disabled Veterans to \$150,000

WHEREAS, on September 27, 2022, the Palmer City Council adopted Ordinance No. 22-007, which amended the PMC 3.12.032, Residential Real Property Exemption, to Increase the Assessed Value of a Single Parcel of Residential Real Property Owned and Occupied by the Owner of Record as the Owner’s Permanent Place of Residence in the City from Sixty-Eight Thousand Dollars to One Hundred Fifty Thousand Dollars; and

WHEREAS, if this ballot question passes, it will result in a total City of Palmer exemption of \$300,00; and

WHEREAS, last year the Mat-Su Borough put on the ballot to increase the optional exemption to \$114,000 and index an increase annually according to a federal housing cost index. That ballot question passed, resulting in a total Borough exemption of \$264,000; and

WHEREAS, on June 20, 2023, the Mat-Su Borough submitted a letter to the City requesting that the City of Palmer place the Ordinance before the voters for ratification.

THE CITY OF PALMER, ALASKA, ORDAINS:

Section 1. At the City of Palmer election to be held on October 3, 2023, the following proposition shall be submitted to the qualified City of Palmer voters in substantially in the following form:

PROPOSITION NO. 2

AMENDMENT OF THE PALMER CITY CODE, 3.12.032, Residential real property exemption

Palmer Municipal Code Section 3.12.032, Residential real property exemption, is hereby amended to read as follows (new language is underlined and deleted language is stricken):

One Hundred Fifty Thousand dollars of assessed value of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the city shall be exempt from the city tax levy on real property within the city.

This exemption applies to real property owned and occupied by a resident who is:

1. 65 years of age or older;
2. A disabled veteran, including a person who was disabled in the line of duty while serving in the Alaska Territorial Guard; or
3. At least 60 years old and a widow or widower of a person who qualified for an exemption under this subsection.

Proposition No. 2 Yes () (A yes vote adds the language).
 No () (A no vote does not add the language).

Section 2. This Resolution shall take effect immediately upon its adoption.

Passed and approved this _____ day of _____, 2023.

Steve Carrington, Mayor

Shelly M. Acteson, CMC, City Clerk

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on June 13, 2023, at 6:00 p.m. in the Council Chambers, Palmer, Alaska. Deputy Mayor Melin called the meeting to order at 6:00 p.m.

B. ROLL CALL

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

Mayor Steve Carrington (on Zoom), Deputy Mayor Pam Melin, Joshua Tudor, Thomas Ojala IV, Richard W. Best, John Alcantra, and Carolina Anzilotti

Staff in attendance:

- Shelly M. Acteson, CMC, City Clerk
- Holly Dubose, Deputy City Clerk
- Sarah Heath, City Attorney
- Jude Bilafer, Public Works Director
- Brad Hansen, Community Development Director
- John Moosey, City Manager

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

Main Motion: To Approve the amended Agenda with the postponement of the City Manager’s evaluation

Moved by:	Alcantra
Seconded by:	Ojala
Vote:	Unanimous Consent
Action:	Motion Carried

A motion was made and seconded to enter committee of the whole with no objection.

E. COMMITTEE OF THE WHOLE – Resolution No. 23-013, with invited guest Jackson Fox, Executive Director of the Fairbanks Metropolitan Area Transportation System

Jackson Fox, Executive Director of Fairbanks Metropolitan Area Transportation System gave a brief bio and addressed Council questions.

A motion was made by Council Member Best, seconded by Council Member Alcantra to Suspend the Rules and allow DOT representative Bradley to join the Committee of the Whole.

A motion was made to exit Committee of the Whole by Council Member Best, seconded by Council Member Anzilotti. The Council had no objections.

F. COMMUNICATIONS AND APPEARANCE REQUESTS

1. **Proclamation Recognizing June 14th, 2023, as Flag Day**
Council Member Best read a proclamation recognizing June 14th, as Flag Day.
2. **Presentation Alaska Scottish Highland Games, Jeni McDaniel, Executive Director**
Jeni McDaniel, Executive Director of the Alaska Scottish Highland Games gave an overview of the upcoming event.
3. **Proclamation Recognizing June 19th, 2023, as Juneteenth in Palmer, Alaska**
Council Member Tudor presented a proclamation recognizing June 19th, 2023, as Juneteenth.

Deputy Mayor Melin called a recess at 7:03 p.m., the meeting reconvened at 7:09 p.m.

G. REPORTS

1. City Manager's Report
 - Job Corp Center Rededication ceremony.
 - Arctic Winter Games request breakdown on the table.
 - VIC & Museum were well attended over the weekend.
 - MTA capital credit check for the City of Palmer.
 - Selection of Architect for the Library during the next meeting.
 - June 20th is Palmer Day at the Mat-Su Miner Game.
2. Mayor's Report
 - Written report in the packet.
 - June 27th Bond Attorney to present details about placing a bond proposition on the October 3rd, 2023, ballot.
3. City Clerk's Report
 - No formal report.
 - October 3, 2023, election preparation has started.
4. City Attorney's Report
 - The Ethics and Code of Conduct is almost finalized.
 - The contract audit is almost finalized.
 - Review of policies and insurance for City events: requested by Council Member Best and supported by Deputy Mayor Melin.

H. AUDIENCE PARTICIPATION

Travis Friesen:

- Commented on protesting efforts at a Wasilla bookstore.

I. PUBLIC HEARINGS

1. **Resolution No. 23-013:** In Support of The Designation of The Mat-Su Valley Planning For Transportation (MVP For Transportation) as the Metropolitan Planning Organization (MPO) of the Mat-Su Area, Formation of the MVP as an Independent Organization and Provide for Membership in the MPO and as a Member of the Board of Directors

Deputy Mayor Melin opened the public hearing.

Mike Chmielewski: Spoke in favor of resolution 23-013.

Eric Anderson: Commented in opposition of resolution 23-013.

Seeing no one else come forward, the Deputy Mayor Melin closed the public hearing.

Main Motion: To Approve Resolution No. 23-013.

Moved by:	Anzilotti
Seconded by:	Alcantra
Vote:	Unanimous
Action:	Motion Carried

Discussion ensued and Council Member Tudor suggested changes to the title of the resolution that defined the Mayor as the elected official to represent the City in the MPO groups.

Primary #1: Amend language of the last "Be it further resolved clauses", to read "the city of palmer mayor", will serve as a member of the policy board of MVP for transportation and be it further resolved that the city of palmer mayor will serve as a member of the board of directors and MVP for transportation and execute all related organizational and administrative documents on behalf of MVP for transportation."

Moved by:	Alcantra
Seconded by:	Tudor
Vote:	Unanimous
Action:	Motion Carried

Discussion followed and the Council agreed to postpone the amended resolution to the June 27 meeting.

- Resolution No. 23-017:** Authorizing the City Manager to Accept and Appropriate \$5,000 From Thrive Mat-Su and United Way of Mat-Su to Support the Palmer Police Department Bicycle Patrol Unit

Deputy Mayor Melin opened the public hearing.

Travis Friesen: Commented in support of Resolution 23-017.

Eric Anderson: Commented in support of Resolution 23-017.

Chief Dwayne Shelton: Commented in support of Resolution 23-017.

Deputy Mayor Melin closed the public hearing.

Main Motion: To Approve Resolution No. 23-017

Moved by:	Alcantra
Seconded by:	Anzilotti
Vote:	Unanimous Consent
Action:	Motion Carried

- Resolution No: 23-018:** A Resolution of the Palmer City Council Supporting the Palmer Parks & Recreational Advisory Board and Funding a Concept Development Plan for a Veterans/First Responders Memorial Wall

Deputy Mayor Melin opened the public hearing.

Travis Friesen: Commented in support of Resolution 23-018.

Deputy Mayor Melin closed the public hearing.

Council discussion ensued.

Main Motion: To Approve Resolution No. 23-018

Moved by:	Ojala IV
Seconded by:	Alcantra
Vote:	Unanimous Consent
Action:	Motion Carried

I. ACTION MEMORANDA

- 1. Action Memorandum No. 23-030:** Approving a Request from Arctic Winter Games 2024 to Waive Facility Use Fees up to \$32,205 for the Usage of the MTA Events Center and the Palmer Train Depot during March of 2024

Main Motion: To Approve Action Memorandum No. 23-030

Moved by:	Alcantra
Seconded by:	Tudor
Vote:	Unanimous Consent
Action:	Motion Carried

- 2. Action Memorandum No. 23-038:** Authorizing the City Manager to Dispose of Surplus City Wastewater Equipment (Dredge) Valued at More than \$10,000.

Manager Moosey provided a staff report.

Main Motion: To Approve Action Memorandum No. 23-038

Moved by:	Best
Seconded by:	Anzilotti
Vote:	Unanimous
Action:	Motion Carried

J. AUDIENCE PARTICIPATION

Travis Friesen:

- Commented on the use of animals for Police Patrol, bicycle construction and recycling.

Cheryl Metiva:

- Commented on the Arctic Winter Games and thanked the City of Palmer for their sponsorship.

Jennifer Williams:

- Commented on patron suggestions for the new Palmer Library.

Marty Metiva:

- Commented positively on the Palmer Council.

Mike Chmielewski:

- Commented on the Public Works crew painting curbs in the city.
- Noted the timeliness of the Palmer City Council Meetings.

Eric Anderson:

- Commented on property purchased by the Borough.

K. COUNCIL MEMBER COMMENTS

Mayor Carrington:

- Thanked Deputy Mayor Melin for running the meeting.

Council Member Tudor:

- Palmer Pavilion for Juneteenth on June 19th
- Asked the public for comments regarding the MPO.

Council Member Alcantra:

- Thanked the public for their comments this evening.
- Attended Colony Days this weekend.
- Commented on the Job Corp Center Rededication ceremony.

Council Member Ojala IV:

- Commented on the Cedar Hills traffic.
- Suggested a center turn lane for traffic turning left onto Palmer Fishhook.
- Commented positively on Colony Days.
- Acknowledged the new curb paint.

Council Member Anzilotti:

- Commented positively on Colony Days.
- Thanked the presenters for attending this evening.
- Excited to sing the National Anthem during the upcoming Miners Game.

Council Member Best:

- Thanked the public for their comments this evening.

Deputy Mayor Melin:

- Commented positively on the new street paint in Palmer and the flowers.
- Thanked Public Works Department for making the city beautiful.

L. UNFINISHED BUSINESS

M. NEW BUSINESS

N. RECORD OF ITEMS PLACED ON THE TABLE

Memo from Manager Moosey

O. EXECUTIVE SESSION

P. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 8:23 p.m.

Approved this 27th day of June, 2023.

Shelly M. Acteson, CMC, City Clerk

Steve Carrington, Mayor



PROCLAMATION

A PROCLAMATION RECOGNIZING THE HISTORICAL IMPACT OF THE VALLEY HOTEL AND RESTAURANT AND EFFORTS OF JANET KINCAID

Whereas, the Valley Hotel and Restaurant has been a vital establishment in the town of Palmer, Alaska, since its inception in 1936, and has played a central role in the history and development of the community; and

Whereas, the Valley Hotel and Restaurant has become a symbol of Palmer's resilience and determination, representing the town's unique history, and serving as a gathering place for residents and visitors alike; and

Whereas, Janet Kincaid has expertly managed the Valley Hotel and Restaurant, ensuring its continued operation and success through periods of change and growth, while maintaining its historic character and charm; and

Whereas, through her unwavering efforts, Janet Kincaid has contributed significantly to the local economy, providing job opportunities, and attracting visitors to the region, thereby enhancing the reputation of Palmer as a thriving and vibrant community; and

Whereas, Janet Kincaid has actively participated in community events, demonstrating her deep commitment to the people of Palmer, fostering a sense of pride in the town's history and heritage, and serving as a role model for civic engagement; and

NOW, THEREFORE, IT IS PROCLAIMED the mayor and city council of the city of Palmer, Alaska hereby recognizes and honors the historical impact of the Valley Hotel and Restaurant and the dedicated service of Janet Kincaid and extends its heartfelt gratitude for her enduring contributions to the town of Palmer and its citizens.

Be it further resolved that a copy of this resolution be presented to Janet Kincaid as a token of our appreciation and admiration, and that a framed copy of the resolution be displayed prominently in the Valley Hotel and Restaurant to inspire future generations to appreciate and preserve the town's history.


IN WITNESS WHEREOF, I have hereunto set my hand and cause the seal of the city of Palmer to be affixed on this _____ day of _____, 2023.

This text box represents the space needed for the seal. Ensure there is proper space for the seal.

Remove this text box prior to printing

Steve Carrington, Mayor

Shelly Acteson, CMC, City Clerk



Palmer Mayor's Report

July 11, 2023, Council Meeting

Candidates Wanted!

July is that time of year when candidates can file to run for Palmer City Council. The Candidacy filing for the 2 open council seats opens at 8 am on Monday, July 17, 8 am, and closes on Friday, July 28, 4 pm. Contact the city clerk's office for more information.

Celebrate Palmer!

Show your pride in your community Day is Friday, July 21, 3 pm to 7 pm. Council members will be grillin and chillin with their constituents and their families at the Depot and the surrounding area. The Saroma Kai group will have their famous "Noodle Chute", and awards will be given out by the Mayor for Citizen of the Year, and other awards. Please let us know if you can help with grilling and kid games. There's even rumor of a bouncy house. It's going to be a fun event for the community!

P&Z opening

We still have one seat open on the Planning and Zoning Commission. For more information visit [Planning & Zoning Commission | Palmer, AK \(palmerak.org\)](https://palmerak.org/planning-zoning-commission) to read minutes from previous meetings and even apply for the Planning & Zoning Commission (must be a City of Palmer resident).

Library meetings coming soon

At our last city council meeting we awarded a Professional Service Contract to Wolf Architecture for Architectural Design Services to evaluate alternatives to repair, renovate and expand or replace the Palmer Public Library. This means in the next few months be looking for public meetings to learn and give input.

Meeting Agenda Highlights:

Public Hearings and Action Memoranda

We have two public hearings for this meeting. The first ordinance will put the question of a Library Bond before the Palmer voters on the Oct. 3 ballot. The bond will be up to \$10 million to pay for capital improvements cost for the Palmer Public Library.

Palmer Mayor's Report

The second is a resolution receives grant money for the Palmer Police for the DUI events.


We have three Action Memoranda. The first is for a 5-year SRO officer for Colony Middle and High schools. Three-quarters of the cost will be covered by the School District. The second is to purchase insurance coverage as recommended by our City Insurance Broker. The third is to authorize the City Manager to negotiate and execute an airport lease which will include a flight school.

At the end of the meeting, we have an Executive Session for the annual review of our City Attorney Sarah Heath. I have asked staff to email her contract to each council member.

Upcoming Meetings and Projects



**July 21, 3 – 7 p.m. Celebrate Palmer!
A Family Event to celebrate Palmer
At the Depot and surrounding area**



Palmer Mayor's Report

The mayor will present awards to Business of the Year and Citizen of the Year.

- Hot dogs grilled by council members
- Chips, water, otter pops, cookies
- Bouncy house
- Sidewalk chalk
- Bubbles
- Noodle Chute from the Saroma Kai group

Email Etiquette for Council Members

Recently there has been some questions about Open Meetings Act and email etiquette. Below is a quote from an attorney opinion the City of Palmer received in 2021 a bit more on the matter:

“It is important to distinguish the common practice of the clerk or manager providing Council Members with correspondence relating to City business via e-mail. Such communications are public documents (unless otherwise privileged) and so long as members do not respond to each other there is no collective consideration outside of a properly noticed meeting. Most clerks have a routine practice of blind copying the elected officials on such correspondence to prevent inadvertent discussion by hitting “reply to all”. If members do ‘reply to all’, then such chain e-mails may pose the same risks as social media communications and create a serial meeting which is neither properly notice nor open to the public.”

Mayor Steve Carrington

**City of Palmer
Ordinance No. 23-002**

Subject: Providing For The Submission To The Qualified Voters Of City Of Palmer At The General Election On October 3, 2023 The Question Of The Issuance Of Not To Exceed Ten Million Dollars (\$10,000,000) Of General Obligation Bonds Of The City Of Palmer To Pay The Costs Of Capital Improvements To The Palmer Public Library And Related Matters

Agenda of: June 27, 2023

Council Action: **Adopted** **Amended:** _____
 Defeated

Originator Information:

Originator: John Moosey, City Manager

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):


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

Funds are (√):

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

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Ordinance No. 23-002

Summary Statement/Background:

This ordinance is presented by the City Council of Palmer, Alaska, and seeks to authorize the issuance of general obligation bonds to repair or replace the Palmer Public Library, which has suffered roof damage due to severe winter conditions. The principal amount of these bonds would not exceed \$10,000,000 and the funds would cover the cost of construction and any associated expenses.

The City has the constitutional authority to issue these bonds as a home rule city, and this course of action is deemed necessary and in the best interest of the City and its residents. The issuance of general obligation bonds must be ratified by a majority of the City's qualified voters.

To secure approval from the residents, the ordinance authorizes the City Clerk to submit the bond proposition to qualified voters to approve in the October 3, 2023, regular City election. This proposition would clearly outline the intent to issue general obligation bonds, what they would be used for, and how they would be secured.

The total expected cost for the project is anticipated not to exceed \$16,000,000, and it is expected that, if approved, some of the costs already incurred by the City in connection with the library repair or replacement project will be reimbursed with proceeds from the bonds.

If passed, and the total sum of \$10,000,000 is required to complete the Palmer Public Library Project and bonds are issued, and the City needs additional funds to retire the debt over a period of twenty (20) years, the potential cost of the bonds to City taxpayers would be approximately \$135.00 annually per \$100,000 of assessed real and personal property value.

The ordinance will only become effective if the majority of voters approve the proposition on the October 3, 2023, election. Until then, all other sections of the ordinance will be in effect upon approval.

Administration's Recommendation:

Adopt Ordinance No. 23-002

LEGISLATIVE HISTORY

Introduced by: Manager Moosey
Date: 7/11/2023
Public Hearing: 7/11/2023
Action:
Vote:

Yes:	No:

CITY OF PALMER, ALASKA

ORDINANCE NO. 23-002

An Ordinance Providing For The Submission To The Qualified Voters Of The City Of Palmer At The General Election On October 3, 2023, The Question Of The Issuance Of Not To Exceed Ten Million Dollars (\$10,000,000) Of General Obligation Bonds Of The City Of Palmer To Pay The Costs Of Capital Improvements To The Palmer Public Library And Related Matters.

WHEREAS, the City of Palmer, Alaska (the "City") owns and operates the Palmer Public Library; and

WHEREAS, due to adverse winter weather conditions a portion of the roof of the Palmer Public Library collapsed and is need of major repairs; and

WHEREAS, the City is evaluating the feasibility of repairing, expanding or replacing the Palmer Public Library; and

WHEREAS, the City is also evaluating available funding sources, in addition to the issuance of general obligation bonds, to assist in paying costs of the repair or replacement of the Palmer Public Library; and

WHEREAS, the City is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City, and the City has determined that the matters set forth in this ordinance are not prohibited by law or the charter; and

WHEREAS, Section 11.1(a)(1) of the Palmer City Charter authorizes the City to issue general obligation bonds, the principal and interest of which are secured by the full faith and credit of the City provided that such general obligation bonds are authorized by the City Council and ratified by a majority of the qualified voters of the City; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City authorize the issuance of general obligation bonds for the purposes described in this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PALMER, ALASKA, that:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City of Palmer ("City") to incur general obligation bond indebtedness in the principal amount not to exceed Ten Million Dollars (\$10,000,000) for purposes of paying Costs of Construction (as defined hereinafter) of the Palmer Public Library ("Project") and to pay costs of issuance of such bonds.

"Costs of Construction" means all costs paid or incurred by the City in connection with the acquisition and construction of capital additions, improvements, replacements and betterments to and extensions of the Project, and placing of the same in operation; paying or reimbursing the City or any fund thereof or any other person for expenses incident and properly allocable to the acquisition and construction of such improvements and the placing of the same in operation; and all other items of expense incident and properly allocable to the acquisition and construction of such additions and or replacements and improvements, the financing of the same, and the placing of the same in operation.

Section 2. The City is authorized to borrow the sum of not to exceed Ten Million Dollars (\$10,000,000) to finance Costs of Construction of the Project described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes shall be levied without limitation as to rate or amount, as necessary, to pay the principal of and interest on the bonds when due.

Subject to voter approval as herein described, the City Council hereby declares it official intent to issue general obligation bonds in the principal amount not to exceed Ten Million Dollars (\$10,000,000) to finance capital costs of the Project. If the ballot proposition described in Section 3 hereof is approved by qualified voters, the City anticipates that certain costs incurred in connection with the Project will be reimbursed with proceeds of the general obligation bonds to the extent permitted by law. The maximum amount of Project is not expected to exceed Sixteen Million Dollars (\$16,000,000).

Section 3. The City Clerk is authorized and directed to submit the following proposition, substantially in the following form, to the qualified voters of the City at the October 3, 2023, regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 1

PALMER PUBLIC LIBRARY GENERAL OBLIGATION BONDS

Shall the City of Palmer incur debt and issue general obligation bonds in the principal amount of not to exceed Ten Million Dollars (\$10,000,000) to finance capital improvements to the Palmer Public Library and pay costs of issuance of such bonds?

Proceeds of the bonds will be used to pay costs of planning, designing, site preparation, and construction of the Palmer Public Library.

The bonds shall be secured by a pledge of the full faith and credit of the City and ad valorem taxes shall be levied without limitation as to rate or amount, as necessary, to pay the principal or and interest on the bonds when due and pay costs of the issuing the bonds. (Ordinance No. 23-002).

Voter approval for this proposition authorizes for each \$100,000 of assessed real and personal property value in the City (based on the estimated FY 2023 assessed valuation) an annual tax increase of approximately \$135.00 to retire the debt.

The proposition set forth in this Section 3 shall be printed on a ballot, and the following words shall be added as appropriate and next to an area provided for marking the ballot for voting:

PROPOSITION NO. 1 Yes ()
 No ()

A "YES" vote approves the issuance of the bonds. A "NO" vote opposes the issuance of the bonds.

Section 4. Section 2 of this Resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular election on October 3, 2023. The remaining sections of this Ordinance shall become effective upon passage and approval.

PASSED AND APPROVED by the City Council of the City of Palmer, Alaska this _____ day of July, 2023.

CITY OF PALMER

Steve Carrington, Mayor

ATTEST:

Shelly M. Acteson, CMC, City Clerk

**City of Palmer
Resolution No. 23-022**

Subject: Accepting and Appropriating the FFY2023 State of Alaska High Visibility Enforcement DUI Events Grant 405d FA in the Amount of \$15,680 to be used for DUI Enforcement Activities by the Palmer Police Department

Agenda of: July 11, 2023

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

Originator Information:

Originator: Dwayne A Shelton, Chief of Police

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
X	Police		06-19-2023
_____	Public Works	_____	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **15,680.00**

This legislation (√):

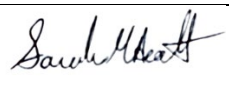
- Creates revenue in the amount of: \$ 15,680.00
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

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

Director of Finance Signature: _____

Approved for Presentation By:

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

Attachment(s):

- Resolution No. 23-022
- Grant Award Documents

Summary Statement/Background:

The City of Palmer has applied to the State of Alaska Department of Transportation for grant monies in the amount of \$15,680.00 to fund high visibility overtime DUI enforcement. That amount includes \$14,840.00 for officers to conduct additional DUI enforcement during high intensity periods when such offenses are more likely. The enforcement is strictly on an overtime basis and will not detract from routine patrol or other duties required of the Palmer Police Department. The enforcement is also voluntary on the part of the officers. The additional \$840.00 is to cover additional fuel costs incurred by the extra enforcement activity. No matching funds are required. The enforcement periods runs from July 1, 2023 through July 4, 2023, and August 16, 2023 to September 4, 2023.

Driving Under the Influence offenses represent a public safety concern due to increased risk of causing motor vehicle accidents. The grant will allow for extra patrol specifically focused on detecting, investigating, and arresting those motorists who violate Alaska DUI laws. The ultimate objective is a decrease in the number of criminally impaired drivers, per State of Alaska DUI statutes. During the course of their enforcement activities, officers also encounter and investigate other crimes and violations on their traffic stops. In the past these have include driving offenses, drug offenses, as well as simple speeding and other traffic violations. The officers address these crimes and violations as they arise, which is also a benefit to public safety.

Administration's Recommendation:

Approve Resolution No. 23-022

LEGISLATIVE HISTORY

Introduced by: Manager Moosey

Date: July 11, 2023

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Resolution No. 23-022

A Resolution of the Palmer City Council Authorizing the City Manager to Accept and Appropriate the FFY2023 High Visibility Enforcement DUI Events Grant 405d FA in the Amount of \$15,680.00 to be Used for High Visibility Enforcement DUI Events by the Palmer Police Department

WHEREAS, DUI offenses are a public safety concern for the citizens of the City of Palmer; and

WHEREAS, drivers operating a vehicle under the influence have been shown to increase the risk of causing vehicle collisions that result in bodily injury, or death, to themselves and others; and

WHEREAS, the Palmer Police Department is tasked with enforcing state statutes, including the Driving Under the Influence statute to increase the safety of the driving public; and

WHEREAS, the Palmer Police Department has been awarded \$15,680.00 under the State of Alaska Department of Transportation 2023 DUI Enforcement Mobilization Grant.

NOW, THEREFORE, BE IT RESOLVED by the Palmer City Council to accept and appropriate \$15,680.00 from the State of Alaska Department of Transportation to be used for Palmer police officers to engage in overtime DUI enforcement activities during dedicated enforcement periods from July 1, 2023 through July 4, 2023, and August 16, 2023 to September 4, 2023.

ORIGINAL SCOPE OF WORK

The City proposes to use the funds from the State of Alaska Department of Transportation to fund voluntary overtime for Palmer Police Department patrol officers to engage in high visibility enforcement of DUI laws. The enforcement will consist of extra patrol dedicated to detection, investigation, and prosecution of DUI offenses, which are a public safety concern for the citizens of the City of Palmer. The enforcement period is specifically identified by the State of Alaska in the grant document and coincides with the DUI National Enforcement Mobilization Grant.

Approved by the Palmer City Council this ____ day of _____, 2023.

Steve Carrington, Mayor

Shelly M. Acteson, CMC, City Clerk



Notice to Proceed

State of Alaska, DOT & PF
 P.O. Box 112500
 Juneau, AK 99801-2500
 Ph: 907-465-4070
 Fx: 907-465-6984
dot.alaska.gov/highwaysafety

Grantee Name and Address: Palmer Police Department 423 S. Valley Way Palmer, AK 99645	Grant Title/ Short Description: FFY2023 High Visibility Enforcement Driving Under the Influence (DUI) Events
---	---

Supplemental Agreements: **Check all that apply.**

Enforcement Agreement Law Enforcement Liaison Agreement

Action Requested:

New Setup Increase Funds Reduce Funds Closure (Decrease)

Revision of Funds: **Please provide explanation of funding change and budget breakdown.**

FUNDING SUMMARY			
Budgets Approved for this NTP			
Budget Category	Current Budget Totals	AHSO Increase (Decrease)	Revised Budget Totals
(100) Personnel Services		\$ 14,840.00	\$ 14,840.00
(200) Travel & Per Diem		\$ -	\$ -
(300) Contractual Services		\$ 840.00	\$ 840.00
(400) Commodities		\$ -	\$ -
(500) Equipment	\$ -	\$ -	\$ -
(Indirect Costs)	\$ -	\$ -	\$ -
TOTALS	\$ -	\$ 15,680.00	
TOTAL AMOUNT AUTHORIZED TO DATE			\$ 15,680.00

Explanation of Approved Grant Application & Activity Dates:
 Reimbursement amount cannot exceed the amount of this NTP. Activities are approved as listed in the signed and approved grant agreement.

AHSO USE ONLY GRANT CODING

Activities as outlined in the FFY 2023 Grant Application covering the period of: **10/1/22-9/30/23**

IRIS Program	<input type="checkbox"/> IPO2 (RSA/Interagency)	AHSO Grant Number
IRIS Phase	<input checked="" type="checkbox"/> GAE (EN/Non-Interagency)	405d FA
Activity Code	Accounting Template	NTP #: 1
289P	TPJ001	Full Grant Amount: 15,680.00
Object Code	Vendor #	UEI #: F449BMLTS5N3
3112	CIP84644	FAIN #: 67A3752130000405DAKM
Grants Administrator Name: Shannon Conger		CFDA # and Name
Signature: <i>Shannon Conger</i> Date: 6/12/23		20.616 National Priority Safety Programs

You may proceed with the activities for the Categories and specific Tasks enumerated above in the Funding Summary. Any activities beyond the written scope and/or any costs above the price estimate in our Agreement require prior AHSO approval and a Project Revision. Actual cost underrun of the Contract Amount for any Category shall not routinely accumulate for other Categories. AHSO reserves the right to retain or reallocate any remaining funds resulting from such cost underruns. Conditions to this agreement are as outlined in the "Agreement Conditions" Section 3 of the application for grant, **CONDITIONS ARE A PART OF THE PROJECT AGREEMENT AND, AS SUCH, ARE BINDING ON ALL PARTIES TO THE PROJECT AGREEMENT.**

This NTP is cumulative and supersedes all prior NTPs for this Agreement.

Issued for the Contracting Agency per ADOT&PF Policy #01.01.050 by AHSO Administrator: Tammy Kramer Signature: <i>Tammy Kramer</i> Date: 06.12.2023	Accepted for the Grantee by: Signature: _____ Date: 6/12/23
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Supplemental DUI Enforcement Agreement #1

State of Alaska, DOT & PF
 P.O. Box 112500
 Juneau, AK 99801-2500
 Ph: 907-465-4070
 Fx: 907-465-6984
dot.alaska.gov/highwaysafety

Grantee Name and Address: Palmer Police Department 423 S. Valley Way Palmer, AK 99645	Title/ Short Description: FFY2023 High Visibility Enforcement DUI Events
---	---

Action Requested New Setup Revision of Agreement: Please provide change in the Enforcement Plan Breakdown.

ACTUAL COST OF OVERTIME TO INCLUDE BENEFITS IS NOT TO EXCEED THE FOLLOWING AMOUNT INCLUDING VEHICLE USAGE

\$ 15,680.00

Enforcement Plan Breakdown				
Enforcement Period	Budget of Time/Hours			Budget
	EXPENSE ITEMS	HOURS	AVERAGE HOURLY	
4th of July Weekend 18:00, 7/1/23 through 06:00, 7/4/23	Hours	40.00	\$ 106.00	\$ 4,240.00
	Vehicle Usage		\$ 6.00	\$ 240.00
Enforcement Period Total:				\$ 4,480.00
Labor Day Holiday 18:00, 8/16/23 through 06:00, 9/4/23	Hours	100.00	\$ 106.00	\$ 10,600.00
	Vehicle Usage		\$ 6.00	\$ 600.00
Enforcement Period Total:				\$ 11,200.00
	Hours		\$ 106.00	\$ -
	Vehicle Usage		\$ 6.00	\$ -
Enforcement Period Total:				\$ -
	Hours		\$ 106.00	\$ -
	Vehicle Usage		\$ 6.00	\$ -
Enforcement Period Total:				\$ -
	Hours		\$ 106.00	\$ -
	Vehicle Usage		\$ 6.00	\$ -
Enforcement Period Total:				\$ -
Total Hours			\$ 14,840.00	
Total Vehicle Usage			\$ 840.00	
GRAND TOTAL of Enforcement Periods			\$ 15,680.00	

Purpose/Objectives: In order to reduce deaths and injuries caused by impaired drivers, the Grantee will conduct high-visibility DUI enforcement as detailed in the Alaska Strategic Enforcement Partnership Enforcement Plan submitted to the Alaska Highway Safety Office in April 2006. The Palmer Police Department agrees to participate in the following enforcement blitzes from October 1, 2022 through September 30, 2023. As a guideline, a minimum of three (3) self-initiated contacts per hour funded with a 'desired outcome' of contacting as many violators as possible should be made. **Allowable use of funds is for overtime salary @ 1.5 times the normal rate, wages and benefits of commissioned personnel in direct support of operational activity.** To receive reimbursement for personnel services the department must provide activity sheets, overtime hours worked and the overtime hourly rates for each officer.

Agreement are as outlined above for FFY2023 Grant period of October 1, 2022 - September 30, 2023.

Project Control DUI Enforcement Agreement Approved

Accepted for the Grantee by: <div style="text-align: center;"><i>6/12/23</i></div>	Grants Administrator: Shannon Conger <div style="text-align: center;"><i>Shannon Conger</i> 6/12/23</div>
Signature	Date
Signature	Date

You may proceed with the activities for the Categories and specific Tasks enumerated in the above Enforcement Agreement. Conditions to this agreement are as outlined in the "Agreement Conditions" **CONDITIONS ARE A PART OF THE PROJECT AGREEMENT AND, AS SUCH, ARE BINDING ON ALL PARTIES TO THE PROJECT AGREEMENT.**

This Enforcement Agreement is cumulative and supersedes all prior Enforcement Agreements.

The AHSO Administrator for this NTP is: Tammy Kramer

Issued for the Contracting Agency per ADOT&PF Policy #01.01.050 by: Tammy Kramer

Tammy Kramer 6/12/23
 Signature Date

**City of Palmer
Action Memorandum No. 23-024**

Subject: Authorizing the City Manager to Enter into an Agreement for a Five Year Contract for a Student Resource Officer Services at Colony High School and Colony Middle School

Agenda of: June 13, 2023

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

Originator Information:

Originator: John Moosey, City Manager

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ Unknown

This legislation (√):


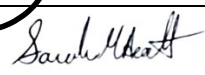
- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): A resolution will be presented for the appropriation of funds once the
- Not budgeted Contract has been signed.

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Action Memorandum 23-024

Summary Statement/Background:

The Matanuska Susitna Borough School District (MSBSD) and the Palmer Police Department want to duplicate the safety efforts that are in place at Palmer High School and Palmer Junior Middle School at both Colony High School and Colony Middle School. The agreement will start July 1, 2023 and be in place until June 30, 2028.

The City Manager and Chief Shelton met with the Matanuska Susitna Borough School District on April 12 to discuss the topic of a School Resource Officer at Colony High School and Colony Middle School. The City Manager and Chief presented the cost estimates for the City to provide this service. The City is waiting for the contract with the total cost to be received from MSBSD. The City Manager will introduce legislation in the form of a resolution once the contract is received with the cost breakdown for the appropriation of funds.

Administration's Recommendation:

Approve Action Memorandum No. 23-024.

**School Resource Officer Program
Memorandum of Agreement
between the
Matanuska-Susitna Borough School District
and the
City of Palmer Police Department**

Purpose:

The purpose of Memorandum of Agreement (MOA) between the Matanuska-Susitna Borough School District (District) and the City of Palmer Police Department (Department), is to document the terms and conditions that have been agreed to provide for a School Resource Officer (SRO) program for the schools located within the City of Palmer. The parties understand and agree that program requirements may change and amendments to this agreement may be necessary from time to time.

Intent:

The District and Department hereby agree to the following collaborative concepts for the School Resource Officer program:

1. Both parties support placing a School Resource Officer (SRO) within the schools located within the City of Palmer to enhance and improve the overall safety and security of schools, youth, and the community.
2. For the term of this Agreement, both parties agree to maintain an open forum for the purpose of evaluating, improving, and managing this program.
3. Both parties intend to secure and maintain local funds for this program to continue for a period of five years. Both parties also pledge to work collaboratively to seek grant funds or other funding sources to support and maintain the program.
4. The parties agree to and monitor key program elements for determining the outcomes and lessons learned from this program.
5. The program involves duties and assignments at Colony High School and Colony Middle School. Nothing in this agreement is intended to restrict or prohibit the SRO from responding to an emergency, investigation of criminal activities, or providing technical assistance to another school as time permits.
6. The parties will jointly develop and implement program goals, tasks, projects, and evaluations on an annual basis.
7. The parties understand, acknowledge, and agree that not every contingency can be covered within this agreement. The parties agree that within the scope and intent of this agreement the discretion and responsibility to develop and grow the program shall be with the assigned points of contact for the District and Department.

The Department agrees to:

1. Employ and assign one Alaska State certified police officer to the program. The officer shall have a minimum of 2 years of patrol experience and other training, skills, knowledge, or abilities that would enhance their ability to work within the school environment.
2. Shall pay all costs associated with the assigned police officer, to include compensation, benefits, overtime, insurance, or other costs routinely associated with and paid for by the Department subject to the cost sharing agreement (Attachment A).
3. Provide supervision of the assigned officer.
4. Provide and maintain the required officer-related equipment such as uniforms, weapons, radio, vehicle, and other related items subject to the cost sharing agreement (Attachment A).
5. Assign the SRO to Colony High School and Colony Middle School (assigned schools) at least 75% of their scheduled days of work. The actual hours of work for each day and days at work will be coordinated between the Department and Colony High School as the lead school.
6. Assign the officer to a flexible work schedule to meet the needs and requirements of the schools and Department to include coverage/attendance of large school functions and events such as dances, etc.

The District agrees to:

1. Provide annual funding support for this program in the amounts specified in Attachment A as approved by the School Board in its annual budget.
2. Provide an office space at Colony High School, a computer with internet access, desk, chair, telephone, and office supplies as needed for the SRO.
3. The district will assign a staff member at Colony High School and at Colony Middle School as the single points of contact with its administration between the schools and Department.
4. Colony High School and Colony Middle School will advise the SRO of any criminal activity it becomes aware of that occurs in or around the school.
5. Colony High School and Colony Middle School will allow the SRO to participate in classroom discussions and presentations in such areas as substance abuse prevention, personal safety, law enforcement careers, and other areas or topics as the SRO may be qualified or trained in providing. The SRO will not be assigned classroom assignments or tasks that supplant a certified teacher's responsibility.
6. Single points of contact and assigned district administration representative will assist in the annual program evaluation, goal setting, and activities.
7. Assist Department with the selection of the SRO and provide input to the performance evaluation of the SRO.

Payments:

The Department shall invoice the District quarterly for actual SRO expenses within 5 business days after the end of each quarter as defined below:

- Q1 July 1 - September 30
- Q2 October 1 - December 31
- Q3 January 1 - March 31
- Q4 April 1 - June 30

The District will pay net 30 days from receipt of invoice. Invoice must be accompanied by supporting documentation including payroll and benefits expense reports, applicable gas receipts, etc. Invoices and applicable backup can be emailed to Accounting@matsuk12.us or mailed to:

Matanuska-Susitna Borough School District
Attn: Business Services
501 N. Gulkana St.
Palmer, AK 99645

Term:

The term of this Agreement shall be from July 1, 2023, through June 30, 2028, after which it shall automatically terminate.

Student Discipline:

1. Student discipline shall remain the responsibility of the District.
2. The SRO may be called in to assist in student disciplinary cases that involve criminal activity where the student is the offender or victim, to provide technical expertise in proper investigative procedures or to act as a third-party during interviews.
3. The SRO will not be requested to initiate or hand out administrative disciplinary actions.
4. The District will refer all criminal acts - Class A misdemeanors or felonies that occur on school grounds, facilities, or programs, or that become known to the District regarding students at Palmer area schools to the SRO for potential criminal investigation and evaluation.
5. District may coordinate administrative disciplinary actions with the SRO's criminal investigation when appropriate.
6. If agreed to by both the school and Department, disciplinary actions for minor criminal acts will be handled by the school.

Transporting Students:

1. The SRO shall not transport students in their vehicle while engaged in SRO duties at a school except:
 - a. When the student is under arrest or otherwise detained, the SRO shall follow the Department policies and procedures for transporting juveniles.
 - b. To transport a student to a referral agency such as the hospital, clinic, or other location as determined by the school when the student represents an immediate safety threat to themselves or others.
 - c. To remove a student who has been suspended or expelled, the parent or guardian is not available to remove the student, and the student represents an immediate safety threat to themselves or others.
 - d. At the discretion of the SRO supervisor.
 - e. The SRO shall notify the school principal or designee prior to removing any student from the school.

Investigation Procedures:

1. The SRO has the responsibility and authority to investigate criminal acts or suspected criminal activity on and around the school. The SRO shall coordinate such activities with the school to minimize education disruptions and to assure coordination with any administrative actions required by the school.
2. The SRO may conduct interviews of students during school hours with the approval of the principal and after notifying the parents or guardians, provided such notification does not conflict with appropriate investigatory procedures.
3. If in the opinion of the SRO and principal an immediate investigation or interview is necessary to protect the safety of a student, school, or staff, the SRO may conduct the interview without parental contact.
4. The SRO will follow the Department policies and procedures for interviews of juveniles.

Search Procedures:

1. School officials shall always follow the District policy on student searches.
2. Evidence of criminal acts uncovered during an administrative search conducted by and at the direction of the school officials shall be turned over to the SRO for criminal investigation and proceedings.
3. The SRO shall refrain from using a school official as an agent of the police in conducting a search and seizure situation. The SRO will not ask or manipulate a school official into making a search on behalf of the SRO that would otherwise be prohibited by law.

Arrest Procedures:

1. The principal of the school is responsible for notifying the parent or guardian of any student arrested during school hours.
2. When any student is placed under arrest while the student is on campus, the SRO shall immediately notify the School Safety and Emergency Preparedness Manager, who shall notify the principal.
3. If the SRO arrests a school district employee on school property, the SRO shall immediately notify the School Safety and Emergency Preparedness Manager. The School Safety and Emergency Preparedness Manager shall then notify the principal, who shall notify the Deputy Superintendent of Business and Operations and the Superintendent's office.
4. When any other person is arrested while on campus, the SRO shall notify the School Safety and Emergency Preparedness Manager as soon as is reasonably possible. The School Safety and Emergency Preparedness Manager will notify the principal.

Access to Education Records:

The parties understand that some student records maintained by the District are subject to legal restrictions on disclosure to protect student privacy. District officials shall be solely responsible for interpreting and applying those restrictions in cases where the SRO requests access to student records in the performance of police investigative duties, and the SRO shall abide by the determination of the District concerning access of the SRO to student records maintained by the District.

1. School officials shall allow the SRO access to inspect and copy public records maintained by the school, such as directory information and yearbooks.
2. School officials shall grant the SRO access to student educational records when such access is necessary to protect the health and safety of a student, other students in the school, staff, or the public. Such disclosure shall be documented by the school and maintained in a confidential manner.
3. Confidential records may also be released to the SRO upon receipt of a release of information signed by the parent or guardian or upon receipt of a search warrant or subpoena.

Complaints Regarding the School Resource Officer:

1. In the event of a complaint made against the SRO received by the school district, the School Safety and Emergency Preparedness Manager and SRO shall meet to discuss and resolve the issues or concerns raised. The SRO supervisor shall be notified of the complaint and may assist in the initial stage of resolution.
2. If the complaint cannot be resolved at the first level or is considered a serious problem, the School Safety and Emergency Preparedness Manager shall notify the SRO supervisor and refer the complaint to the SRO supervisor. The Department may notify the School Safety and

Emergency Preparedness Manager whether any disciplinary action was taken as a result of the complaint.

3. Concerns or issues regarding the performance of the SRO by the School Safety and Emergency Preparedness Manager shall be brought to the SRO supervisor. If the issue cannot be resolved at this level, the School Safety and Emergency Preparedness Manager shall meet with the Department chief to resolve the conflict.
4. If the SRO has a complaint regarding a school employee, they shall notify the School Safety and Emergency Preparedness Manager, who will contact the principal of the school the employee works in. The principal shall be responsible for investigating and handling the complaint in an appropriate manner. Should the complaint involve a principal or assistant principal, the School Safety and Emergency Preparedness Manager shall forward the complaint through the Executive Director of Operations to the Deputy Superintendent of Business and Operations.

Classroom Instruction:

1. The SRO may instruct or present materials in a classroom setting on topics or materials that have been approved through the principal.
2. The SRO may instruct in a classroom only when there is a certified teacher present. The teacher is responsible for classroom management.

Records:

1. All investigative records created by the SRO shall remain the property of the Department, who shall maintain and control them in accordance with Department policies and procedures.
2. Records other than investigative records created by the Department that pertain to the SRO's work and tasks that are not of an investigative or confidential nature shall be shared by the Department and the District.

District School Safety and Emergency Preparedness Manager:

Duties which are specifically assigned to the District School Safety and Emergency Preparedness Manager include:

- a. Provide for annual program evaluation
- b. Conduct an annual review of program goals and objectives and modify them as needed
- c. Prepare an annual report of the program for Department and District

Modifications and Amendments:

This agreement may be modified only in writing signed by both Parties.

The parties agree that for non-financial modifications to this agreement the format shown in Attachment B will be used to modify or amend operational details of this agreement.

Notices:

All written notices under this agreement shall be sent to the following:

For **the** District:

Steven Paine, School Safety and Emergency Preparedness Manager
501 N. Gulkana Street
Palmer, AK 99645

For the Department:

Dwavne Shelton, Chief of Police
423 S . Valley Way
Palmer, AK 99645

Duty of Defense and Indemnification:

Each party shall indemnify, defend, and hold the other party harmless from and against any claim of, or liability for, its own negligent acts, errors, and omissions under this Agreement. In the event of a claim of, or liability for, a negligent act, error, or omission of both parties, the indemnification, defense, and hold harmless obligations of this provision shall be apportioned on a comparative fault basis. This indemnification shall survive the termination of the Agreement.

Furthermore, the Department also agrees to indemnify, hold harmless and defend the District from and against all claims, liabilities, damages, losses, and expenses, of any nature whatsoever, arising out of or resulting from the Department's storage of property on or in Matanuska-Susitna Borough or District land or buildings for purposes related to the parties' School Resource Officer Program, and the overall safety and security of the schools, students, staff, and community. The term "property" includes weapons, both deadly and defensive, as defined in Alaska Statute 11.81.900. This indemnification, defense, and hold harmless provision is intended to protect the Matanuska-Susitna Borough and District even if the property is accessed and/or used by individuals without the knowledge or consent of the Department.

Insurance:

For the duration of this agreement, Department agrees to, at its expense, to have and maintain the following insurance coverage for the SRO:

1. State required workers' compensation
2. Professional and general liability
3. Vehicle damage and liability
4. Employee benefits as provided to other City of Palmer police officers

Termination:

Either party may terminate this agreement at any time, without cause, by providing written notice to the other party at least 90 days prior to the requested termination date, stating the reasons for termination and the effective date. In the event of early termination, the District will only be obligated to pay its Attachment B. percentage of Salary, Benefits, and Other Costs up to the date of termination. If the District has made advance payment of those costs, the Department shall reimburse the District, within 30 days of the date of termination, for those advanced costs will be, or would have been, incurred subsequent to the date of termination.

Agreed to this day:

For the Matanuska-Susitna Borough School District:

Dr. Randy Trani, Superintendent

Date

For the City of Palmer Police Department:

Dwayne Shelton, Chief of Police

Date

Attachment A

**School Resource Officer
Cost Sharing Agreement**

Compensation and Benefit Cost-Sharing:

Fiscal Year	District		City of Palmer		Total Budget
	Amount	Percentage	Amount	Percentage	
FY2022	\$ 95,350.00	75%	\$31,783.33	25%	\$ 127,133.33
FY2023	\$100,385.00	75%	\$33,461.67	25%	\$ 133,846.67
FY2024	\$104,925.00	75%	\$34,975.00	25%	\$ 139,900.00

Other Cost Sharing:

Both the District and Department recognize that other costs related to the SRO program may arise in addition to compensation and benefits costs. Costs which are directly related to the SRO program will be shared in the same 75% (District), 25% (Department) ratio as the compensation and benefits costs. At no time shall the District's be financially obligated to pay more than \$125,000 in costs related to the SRO program in any given fiscal year.

Attachment B

**School Resource Officer
Agreement Form
For Minor Agreement Amendments**

Amendment number (INSERT NUMBER) to the School Resource Officer program Memorandum of Agreement between the Matanuska-Susitna Borough School District (District) and the City of Palmer Police Department (Department) is hereby agreed to this day _____, 20 _____

Whereas the District and Department desire to amend the agreement for non-financial reasons and have agreed to use this form for that purpose, and

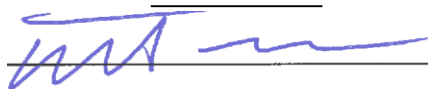
Whereas the amendment set forth below is of an operational nature necessary to the proper functions for the School Resource Officer program.

Now therefore the parties agree to the following amendment:

(INSERT AMENDMENT AGREEMENT HERE)

Dated this day _____ of _____, 20____

For the District:



For the Department:

**City of Palmer
Action Memorandum No. 23-040**

Subject: Authorizing the City Manager to Purchase Insurance Coverage for the Period of July 1, 2023, through June 30, 3024, per the Premium Quote Submitted by the City's Insurance Broker, Combs Insurance

Agenda of: July 11, 2023

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

Originator Information:

Originator: John Moosey

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **745,808.52**

This legislation (√):


- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 745,808.52
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): \$295,916 Budgeted in Various Accounts
- Not budgeted \$76,989 Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

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



June 20, 2023

Kimberly Green, Human Resource Manager
City of Palmer
231 W Evergreen Ave
Palmer, AK 99645

Re: Insurance Program Renewal
Term: July 1, 2023 to July 1, 2024

Dear Kimberly:

City of Palmer's insurance program is scheduled for renewal in the term July 1, 2023 to July 1, 2024. Please review the below summary of renewal coverages and exposures, and advise of any necessary changes for the upcoming policy year.

Renewal premium includes commission which will be reduced by the commission amount as insurance services are provided on a broker fee basis. Alaska Public Entity Insurance (APEI) includes a 5% discount for the 3-year agreement and Longevity Credit of \$33,972.38 for renewal of their coverage. Both credits are included in quoted premium.

A marketing effort was conducted to several insurance companies as detailed in the proposal.

After review, please provide your authorization to bind per below by **June 21st**.

Sincerely,

Michael F. Combs

Michael F. Combs, CIC, CRM
President / City of Palmer Broker
Combs Insurance Agency, Inc.
Main Office: 907-745-2144
Email: mike@combsinsurance.com

341 S. Alaska Street · Palmer, Alaska 99645 · Phone: (907) 745-2144 · Fax: (907) 745-7275



PROPERTY COVERAGE:

Property coverage includes mobile equipment, fine arts, equipment breakdown, earthquake and flood. Coverage is placed through Alaska Public Entity Insurance’s pool program with a blanket Property limit of \$200,000,000 and earthquake and flood with a sub-limit of \$75,000,000. APEI’s retention is \$500,000. City of Palmer’s 2023/24 renewal gross premium is \$362,188.20 which includes 11.5% broker commission, generating a net/billable premium of **\$320,536.56**. Renewal premium provides a 5% credit for the three-year program and a Longevity Credit.

Program Summary:

Insurance Company:	Alaska Public Entity Insurance
Per Occurrence Limit:	\$ 200,000,000
Fine Arts Sub-Limit	\$ 5,000,000
Mobile Equipment Sub-Limit:	\$ 10,000,000
Earthquake & Flood Sub-Limit:	\$ 75,000,000
Member Building/Structure Deductible:	\$ 10,000
Member Contents Deductible:	\$ 5,000
Member Mobile Deductible:	\$ Varies

Exposures – Total Insured Values (TIV):

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Building & Contents TIV	\$99,510,648	\$152,138,805	52.9%
Fine Arts TIV	\$0	\$0	0.0%
Mobile Equipment TIV	\$1,682,826	\$3,401,222	102.1%
Total TIV	\$101,193,474	\$155,540,027	53.7%

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium	\$150,720.88	\$320,536.56	112.7%
Rate - per \$100 of TIV	0.1489	0.2061	38.4%

Marketing Effort:

- AMLJIA – quoted Per Occurrence Blanket Limit of \$500M, Building & Contents Deductible \$10,000. Earthquake limit of \$100M with 2%/\$100k deductible. Flood limit of \$125M with \$100k/\$250k deductible. Net/billable premium of \$492,012.00.
- Alaska National Insurance – declined
- CRC Group (General Agent) - declined
- Liberty Mutual Insurance – declined
- Umialik Insurance – declined



LIABILITY COVERAGE:

Liability coverage includes General Liability, Public Officials Errors & Omissions, Law Enforcement Liability, Employee Benefit Liability, Sexual Abuse & Molestation and Employment Practices Liability. Coverage is placed through Alaska Public Entity Insurance's pool program with a Liability limit of \$15,500,000. APEI's retention is \$500,000. City of Palmer's 2023/24 renewal gross premium is \$233,268.60 which includes 11.5% broker commission, generating a net/billable premium of **\$206,442.71**. Renewal premium provides a 5% credit for the three-year program and a Longevity Credit.

Program Summary:

Insurance Company:	Alaska Public Entity Insurance
Per Occurrence Limit:	\$ 15,500,000
Sexual Molestation Per Victim Sublimit:	\$ 1,000,000
Sexual Molestation Per Perpetrator Sublimit:	\$ 5,000,000
Member Liability Deductible:	\$ 0
Member Law Enforcement & EPL Deductible:	\$ 10,000

Exposures – Payroll:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Total Payroll	\$5,201,781	\$5,704,177	9.7%

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium	\$177,492.58	\$206,442.71	16.3%
Rate - per \$1,000 of Payroll	34.1215	36.1915	6.1%

Marketing Effort:

- AMLJIA – quoted Per Occurrence Limit of \$15M, Law Enforcement Liability limit of \$10.25M and Sexual Abuse & Molestation limit of \$10.25M with \$15.5M pool aggregate. No deductible. Net/billable premium of \$264,579.00.

AUTOMOBILE COVERAGE:

Automobile coverage includes auto liability and physical damage. Coverage is placed through Alaska Public Entity Insurance’s pool program with a Liability limit of \$15,500,000. APEI’s retention is \$500,000. City of Palmer’s 2023/24 renewal gross premium is \$91,632.13 which includes 11.5% broker commission, generating a net/billable premium of \$81,094.44. Renewal premium provides a 5% credit for the three-year program and a Longevity Credit.

Program Summary:

Insurance Company:	Alaska Public Entity Insurance
Per Occurrence Limit:	\$ 15,500,000
Member Liability Deductible:	\$ 0
Member Physical Damage Deductible:	Varies

Exposures – Vehicles:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Total Vehicles	88	87	-1.1%

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium	\$82,057.04	\$81,094.44	-1.2%
Rate - per vehicle	932.4664	932.1199	0.0%

Marketing Effort:

- AMLJIA – quoted Per Occurrence Limit of \$15M. Physical Damage deductible varies. Net/billable premium of \$78,713.00.

WORKERS COMPENSATION COVERAGE:

Workers Compensation coverage provides no-fault statutory benefits and employer's liability. Coverage is placed through Alaska Public Entity Insurance's pool program with Workers' Compensation Statutory limits for Alaska and Employer's Liability limit of \$3,000,000. APEI's retention is \$1,000,000. City of Palmer's 2023/24 renewal gross premium is \$130,780.53 which includes 11.5% broker commission, generating a net/billable premium of **\$115,740.77**. Renewal premium provides a 5% credit for the three-year program and a Longevity Credit.

Program Summary:

Insurance Company:	Alaska Public Entity Insurance
Workers Compensation Limit:	Statutory
Employer's Liability Limit:	\$ 3,000,000
Member Deductible:	\$ 0

Exposures – Payroll:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Total Payroll	\$5,201,781	\$5,704,177	9.7%

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium	\$98,152.81	\$115,740.77	17.9%
Rate - per \$100 of Payroll	1.8869	2.0291	7.5%

Marketing Effort:

- AMLJIA – quoted net/billable premium of \$210,334.

CRIME COVERAGE:

Crime coverage includes employee theft, forgery/alteration, loss inside/outside of premises, computer fraud, funds transfer fraud, and money orders and counterfeit money. Coverage is placed through Alaska Public Entity Insurance’s pool program with a limit of \$1,000,000. APEI’s retention is \$22,500. City of Palmer’s 2023/24 renewal gross premium is \$827.50 which includes 11.5% broker commission, generating a net/billable premium of **\$732.34**. Renewal premium provides a 5% credit for the three-year program and a Longevity Credit.

Excess Crime coverage with a limit of \$4,000,000 was placed last year to satisfy a loan requirement. This additional coverage is no longer needed.

Program Summary:

Insurance Company: Alaska Public Entity Insurance
 Primary Limit: \$ 1,000,000
 Excess Limit: \$ 3,000,000
 Member Liability Deductible: \$ 2,500

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium-Primary	\$630.59	\$732.34	16.1%
Net Premium-Excess	\$3,200.00	N/A	N/A

Marketing Effort:

- AMLJIA – quoted limit of \$100,000 with \$1,000 deductible. Net/billable premium of \$500.00.

AIRPORT OPERATORS' COVERAGE:

Airport Operators' Legal Liability coverage insures the liability exposures associated with the operation of the airport including premises liability, hangarkeeper liability and non-owned aircraft liability. Coverage is placed with ACE Property and Casualty Insurance Company through Alaska Public Entity Insurance with limits of \$10,000,000. Coverage is on a 3-year policy term from 7/1/2021 to 7/1/2024 that is paid on annual installments. This will be the third and final premium installment. City of Palmer's 2023/24 net/billable annual premium installment is **\$10,992.00**.

CYBER LIABILITY COVERAGE:

Cyber Liability coverage includes privacy and network security, payment card loss, regulatory fines, media liability, network extortion and cyber crime. Coverage is placed through Alaska Public Entity Insurance's pool program with a Liability limit of \$2,000,000 per member and \$5,000,000 pool aggregate. APEI's retention is \$50,000. CITY OF PALMER's 2023/24 renewal gross premium is \$11,604.19 which includes 11.5% broker commission, generating a net/billable premium of **\$10,269.71**.

Program Summary:

Insurance Company:	Westchester Surplus Lines Insurance Company
Member Aggregate:	\$ 2,000,000
Member Cyber Crime Aggregate Sublimit:	\$ 250,000
Pool Aggregate	\$ 5,000,000
Member Deductible:	\$ 50,000 (2022: \$35,000)

Exposures – Operating Budget:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Operating Budget	\$20,000,000	\$30,750,000	53.8%

Premium Summary:

Description	7/1/2022 to 7/1/2023	7/1/2023 to 7/1/2024	Change (%)
Net Premium	\$8,191.88	\$10,269.71	25.4%
Rate - per \$1,000 of Budget	0.4096	0.3340	-18.5%

Marketing Effort:

- Lloyd's/CFC (Non-Admitted) – quoted \$2,000,000, including a Cyber Crime sublimit of \$250,000 each claim, with \$10,000 deductible. Certain lines of coverage have aggregates however no policy aggregate. Gross Premium of \$19,821.53. Net/billable premium of \$17,989.03.
- Houston Casualty Company (Non-Admitted) – quoted \$2,000,000 aggregate, including a Cyber Crime sublimit of \$250,000 aggregate, with \$10,000 deductible and \$30,000 deductible aggregate. Gross Premium of \$17,941.44 including 10% commission. Net premium of \$16,259.74.
- AXIS Insurance – declined
- BCS Insurance – declined
- Hiscox Insurance – declined

Renewal Instructions:

In order to renew coverage, please provide the following:

1. Auto Uninsured / Underinsured – review and sign. We have pre-selected coverage based on expiring.
2. Cyber Liability, Lloyds/CFC – implement Multi-Factor Authentication (MFA) on cloud resources and backups within 60 days of binding.
3. Cyber Liability, Lloyds/CFC – download CFC's incident response mobile app within 30 days of binding.
4. Cyber Liability, Surplus Lines Notice – coverage is provided on a non-admitted basis. Please review the attached Surplus Lines Notice. In accordance with Department of Insurance requirements, this notice will be provided twice.
5. Authorization to Bind – please provide your authorization to bind per below.

Program Premium Comparison

Premiums are shown net of commission:

Package Coverage	APEI (incum)	AMLJIA
Property & Mobile Equipment	\$320,536.56	\$512,331.00
Liability	\$206,442.71	\$264,579.00
Automobile	\$81,094.44	\$78,713.00
Worker's Compensation	\$115,740.77	\$210,334.00
Crime	\$732.34	\$500.00
TOTAL PREMIUM	\$724,546.81	\$1,066,457.00
Broker Fee	\$30,900.00	\$30,900.00

Authorization to Bind Coverage:

Named Insured: City of Palmer

Coverage: Property/Mobile Equipment; Liability; Automobile; Workers Compensation; Crime; Airport Operators Liability; and Cyber

Term: 07/01/2023 to 07/01/2024

Coverage	Insurance Company	Premium	Authorization <i>(indicate with 'X' or initials)</i>
Package	Alaska Public Entity Ins (incum)	\$724,546.81	
Package	Alaska Municipal League JIA	\$1,066,457.00	
Airport Liability	ACE Property and Casualty (incum)	\$10,992.00	
Cyber – Option 1	Westchester Surplus / APEI (incum)	\$10,269.71	
Cyber – Option 2	Lloyd's/CFC	\$17,292.50	
Cyber – Option 3	Houston Casualty Company	\$15,630.30	

Accepted: _____

Date: _____

Signed

Printed

City of Palmer



Premium Comparison:

Policy Term: 2022/2023

<u>Coverage</u>	<u>Gross Premium</u>	<u>Net Premium</u>
Property	\$ 170,306.08	\$ 150,720.88
General Liability	\$ 200,556.59	\$ 177,492.58
Automobile	\$ 92,719.82	\$ 82,057.04
Workers Compensation	\$ 110,907.13	\$ 98,152.81
Crime-Primary	\$ 712.53	\$ 630.59
Crime-Excess	\$ 3,615.82	\$ 3,200.00
Airport Operators	\$ 10,992.00	\$ 10,992.00
Cyber	\$ 9,256.36	\$ 8,191.88
Broker Fee	\$ -	\$ 30,000.00
TOTAL PREMIUM	\$ 599,066.33	\$ 561,437.78

General liability and workers' compensation have not been audited yet.

Policy Term: 2021/2022

<u>Coverage</u>	<u>Net Premium</u>
Property	\$ 149,110.57
General Liability	\$ 156,691.42
Automobile	\$ 82,677.80
Workers Compensation	\$ 96,881.18
Crime-Travelers	\$ 5,575.00
Airport Operators	\$ 10,992.00
Cyber	\$ 5,197.60
Broker Fee	\$ 20,000.00
TOTAL PREMIUM	\$ 527,125.57

This includes the general liability and workers' comp audits.

It is a pleasure working with you on this account and we look forward to your renewing with us. If you have any questions regarding the renewal process or feel we can be of any assistance, please let us know.

Sincerely,

Michael F. Combs

Michael F. Combs, CIC, CRM
President / City of Palmer Broker

Attachment(s):

1. Combs Insurance APEI Insurance Proposal

Summary Statement/Background:

The City's Insurance Broker, Combs Insurance, presented the attached proposal to the administration for the renewal of the City's insurance policies for the year beginning July 1, 2023.

The insurance coverage includes property (including earthquake and fire); crime; general liability, police professional liability; auto liability and physical damage; worker's compensation expenses and cyber security. As with previous years, the City entered into a three-year agreement with Alaska Public Entity Insurance with provides for a 5% discount for each year of coverage. The City has had insurance coverage with excellent service through APEI since 2008.

This year's policy represents an overall increase of 38% as a result in higher loss experience by APEI as well as changes in property valuation. As seen in the proposal provided by Combs, attempts were made to market the city's coverage to other carriers and even with the large increase, APEI provided the best coverage and rates.

Administration's Recommendation:

Approve Action Memorandum No. 23-040.

**City of Palmer
Action Memorandum No. 23-041**

Subject: Authorizing the City Manager to Negotiate and Execute a New Lease Agreement with Blue River Aviation, LLC on Palmer Municipal Airport Lot 25A, Block 3 for the Purposes of Maintaining a Flight School Operation, to Include an Office building, Aircraft Hanger, and Tie-downs

Agenda of: July 11, 2023

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

Originator Information:

Originator: Rosalie Kelly, Airport Superintendent

Department Review:

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

Certification of Funds:

Total amount of funds listed in this legislation: \$ **6760**

This legislation (√):


- Creates revenue in the amount of: \$ 6,760
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-00-00-3431
- Not budgeted

Director of Finance Signature: 

Approved for Presentation By:

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

Attachment(s):

1. Draft Lease Agreement PMA No. 23-001
2. Draft Memorandum of Lease PMA No. 23-001

Summary Statement/Background:

Blue River Aviation, a flight school located at the Palmer Municipal "Bud Woods" Airport, would like to construct a flight school base of operations on Lease Lot 25A. Lease Lot 25A became available after the City was forced to terminate the lease due to non-performance of the lease terms by the prior Lessee. Blue River Aviation LLC was the first in line for this lot and has agreed to the terms of Draft Lease Agreement PMA 23-001.

Administration's Recommendation:

Approve Action Memorandum No. 23-041.



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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 23-001**

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DRAFT



City of Palmer

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

**PALMER MUNICIPAL AIRPORT
LEASE AGREEMENT No. 23-001**

This LEASE AGREEMENT is made and entered into this _____ of July, 2023, 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 Blue River Aviation, LLC, hereinafter referred to as the "Lessee".

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

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

ARTICLE I - PREMISES, TERM AND RENTALS

Section 1.1 Premises and Purpose

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

Palmer Municipal Airport, Block 3, Lease Lot 25 (A)
Containing 1.94 acres or 84,500 square feet, more or less
A.K.A. 820 E. Evergreen Avenue, Palmer, AK. 99645
See Attached "Exhibit A"

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

- 30' utility easement (waterline) running north to south located 100' from the westerly lot line. This easement is 15' on either the west side of or the east side of said waterline.
- 10' electrical easement running north to south along the most easterly edge of lot line bordering the westerly edge of Apron B.

- B. Lessee shall use the Premises for the following Aeronautical uses only, and for no other: "Fixed Base Operations, conduct of flight training, aircraft inspection and maintenance, charter and rental services, and uses incidental thereto, including aircraft parking, storage, sales, parts sales, fueling activities and administrative and business uses for Lessee's aeronautical activities".

- C. Any use of the premises for non-aeronautical activity is strictly prohibited, unless an approved amendment to this lease is adopted and fair market value rates for non-aeronautical areas are applied.

Section 1.2 Term and Renewal

- A. The term of the lease shall be for a period of 25 years, commencing on the 15th day of July 2023 (the "Commencement Date") and ending on the 15th day of July of 2045, subject to the terms of provisions hereof.
- B. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period,
 - 1. The rental rate will continue to be subject to changes as provided in Section 1.4 "Rent Adjustment,";
 - 2. The renewal insurance provision as provided in Section 4.3 will apply along with any other changes made in accordance with Section 4.3;
 - 3. The Lease will be subject to such other and further changes as are deemed necessary by Lessor for the reasonable protection of Lessor;
 - 4. In addition, if this Lease is renewed, it shall be subject to all provisions of the Palmer Municipal Code and to the City's Regulations that pertain to the Airport in effect at the time of the renewal or amended thereafter. Including but not limited to the current airport regulations.
- C. To renew this Lease, Lessee must comply strictly with the following:
 - 1. Not more than 24 months nor less than 12 months before the end of the term of this Lease, the Lessee must indicate in a signed writing delivered to the Palmer City Superintendent , 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 \$6,760.00 per year, payable annually in advance without demand, beginning January 15, 2023 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: 84,500 square feet X \$0.08 cents per square foot)
 - 1. Lessee has agreed that the City of Palmer has full access to this Lease Lot for construction staging purposes until January 15, 2024; in consideration of this use rent is waived until January 15, 2024.
 - 2. Failure to pay rent by the thirtieth day after the due date shall obligate the Lessee to pay a late charge of \$100.00, which sum is agreed to a reasonable estimate of the Lessor's damages for late rental payments and shall not be construed as a penalty or a limitation on Lessor's remedies.

3. This late charge is in addition to a 12 percent daily interest rate from the due date.
($0.12\% / 365 = .00033 \times \$6,760.00 = \$2.23$ cents per day)
- B. All rent shall be payable in current legal tender of the United States. Payment may be tendered by check, but payment shall not be made in fact until such check has been honored by the drawee bank. The tender of payment by check within the time provided shall be deemed sufficient to meet any due date only if the check is subsequently honored by the drawee bank and the Lessor subsequently receives the legal tender required by this Lease. Any subsequent dishonor and non-receipt of rent payment shall constitute a default of this Lease.
- C. The extension of time for the payment of any installment of rent, or the acceptance by the Lessor of any money other than of the kind herein specified, shall not be a waiver of the right Lessor to insist on all other payments of rent to be made in the manner and at the time herein specified. The acceptance by the Lessor of a past due installment payment shall not waive the Lessor's right as to any other default or breach of the Lease.
- D. The rent herein specified shall be net to the Lessor and such payment shall not be subject to any abatement, deduction or off set (except as otherwise provided in this Lease).
- E. All taxes, charges, costs, expenses, utilities and assessments which the Lessee is required to pay hereunder, and all damages, costs and expenses which the Lessor may incur by reason of any default of the Lessee or failure on the Lessee's part to comply with the terms of the Lease, shall be deemed to be additional rent and in the event of nonpayment by the Lessee, the Lessor shall have all the rights and remedies with respect thereto that the Lessor has for the nonpayment of the basic rent.

Section 1.4 Rent Adjustment

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

the dissatisfied party(s) may then designate another Qualified Appraiser who shall conduct a second (or additional) independent appraisal(s) of the premises and the fair market rental of the premises shall be determined to be the average of the two appraisals. The cost of the additional appraisal shall be borne by the dissatisfied party. In the event that both the Lessor and the Lessee are both dissatisfied with the original appraisal than the cost of, the second appraisal shall be borne equally between the Lessor and Lessee.

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

Section 1.5 Determination of Fair Market Rent

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

ARTICLE II - IMPROVEMENTS

Section 2.1 Improvements

- A. Promptly after the execution and delivery of this Lease, and as hereinafter more particularly provided, the Lessee at its own cost and expense shall cause plans and

specifications to be prepared for the construction of the following building, structures and improvements to be placed on the leased Premises, hereinafter referred to as "Improvements".

- 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 Superintendent on or before July 15, 2024. The conceptual plans shall have a site plan, building floor plan, 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 Superintendent shall inform the Lessee in writing of any objections to the conceptual plans.
 - 1. In event of objections, the Lessee shall have thirty (30) days to propose any corrective amendments which the Airport Superintendent shall accept or reject within the next twenty (20) days.
 - 2. Failure of the Airport Superintendent to inform the Lessee in writing of his or her objections within twenty (20) days shall constitute the Airport Superintendent 's and the Department of Community Development's approval.
- B. The Airport Superintendent 's and Department of Community Development's approval of the conceptual plans submitted by Lessee shall not constitute the assumption of any liability of Lessor for their compliance or conformity with applicable building codes, zoning regulations, and/or city, borough, state and federal laws, ordinances and/or regulations, or for their accuracy.
 - 1. Lessee shall be solely responsible for such plans.
 - 2. The Airport Superintendent and Department of Community Development approval of such plans shall not constitute a waiver of Lessor's right to thereafter require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, city, borough, state or federal laws, ordinances or regulations.
 - 3. The review and approval required by this section is in addition to any other review and approval needed for any required building permits or similar authorization.

Section 2.4 Final Plans

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

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

Section 2.5 Airport Superintendent 's Approval

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

Section 2.6 Compliance with part 77 FAR

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

Section 2.7 Commencement of Construction

If the Lessee has not commenced construction of the Improvements by, on or before July 15, 2025, 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 end of construction season 2026.
- B. The construction shall be completed when the Improvements have been substantially completed and are capable of the use for which they were intended.
- C. If the Lessee has not completed the construction by the scheduled completion date the Lessor shall have the right, at Lessor's option, to terminate the Lease on ten days written notice.

Section 2.9 Liens

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

Section 2.11 Performance Guarantee

- A. The work, of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 110% of the estimated cost of the Improvements to be accomplished, which guarantees the completion of the work by Lessee or Lessee's contractor in accordance with the plans and specifications approved by Lessor and guarantees the payment by Lessee or Lessee's contractor of all subcontractors' charges and all other persons and firms supplying services, labor, materials or supplies in connection with the work.
- B. The work, if funded by an Alaskan Financial Institution on behalf of the Lessee of \$100,000, as described in this lease document shall not begin until the Lessee's Financial Institution has provided to the Lessor a "Letter of Construction Financing" in an amount equal to 100% of the cost of improvements in a "Construction Loan Account" which ensures the payment by Lessee, Lessee's Contractor 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 Superintendent to do so.
- B. In addition, Lessees' activities are to be aeronautical related activities as defined in the Federal Aviation Administration's (FAA's) Airport Compliance Handbook, FAA order 5190.6B and the FAA Revenue Diversion Policy and all planned development shall be consistent with the Palmer Municipal Airport Layout Plan and Master Plan.
- C. It is the purpose of this Lease to foster and abet air commerce at Palmer Municipal Airport and it is not the intent of this Lease to provide premises for uses which do not promote the development and use of Palmer Municipal Airport.
- D. All uses normally incidental to an airport such as car rental agencies, limousine service, restaurants, insurance sales, and other such incidental services not directly related to the maintenance and operation of aircraft are prohibited except when the Airport and the FAA have established that a specific facility is not currently needed for aeronautical purposes.
- E. Any non-aeronautical use must be limited and incidental.
- F. Any non-aeronautical use must be approved by the Airport Superintendent and the FAA in writing prior to its commencement.
- G. Any approved non-aeronautical use will be allowed only on an interim basis and will be phased out if aeronautical demand increases.
- H. If a non-aeronautical use is approved, the rent provided in section 1.3 shall be increased to reflect the fair market value of the portion of the Premises used for non-aeronautical uses.
- I. Requests for non-aeronautical uses will be made first to the Airport Superintendent and if approved by the Airport Superintendent and FAA, the non-aeronautical use and the conditions associated therewith will be detailed in an addendum to this Lease.
- J. Lessee shall not use or permit any part of the Premises to be used for any unlawful purpose 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 Superintendent a list showing all aircraft on the Premises for any purpose, together with the aircraft type, model and number, the name and address of the owner, the purpose of the aircraft being on the Premises, and such other information concerning its identification thereof as the Airport Superintendent shall deem necessary.

Section 3.8 Discriminatory Acts Prohibited

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

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

Section 3.9 Affirmative Action

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

Section 3.10 Maintenance of Premises

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

Section 3.11 Signs

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

Section 3.12 Improvements and Alterations

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

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

- contractor, material man, mechanic, person or corporation named in such contract of all right of lien which he or it might otherwise have upon or against the Premises, or the improvements to be constructed or altered, or the interest of Lessor therein.
- K. Lessee hereby warrants to Lessor that the Premises and all such other improvements thereto, shall be free and clear of all liens, claims and encumbrances and agrees to indemnify, defend and hold Lessor harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees and appellate attorneys' fees, with respect thereto.
 - L. If any lien or notice of lien on account of the alleged debt of Lessee or lien or notice of lien by any party engaged by Lessee or Lessee's contractor to work on the Premises shall be filed against the Premises or improvements, Lessee shall cause the same to be discharged of record by payment, deposit, bond, order of court or competent jurisdiction or otherwise.
 - M. The work, in excess of \$100,000, as described in this lease document shall not begin until the Lessee or Lessee's contractor has provided to the Lessor a performance guarantee in the form of a performance bond, escrow, an irrevocable letter of credit, or deed of trust in an amount equal to 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 activities with a single combined liability limit of not less than \$1,000,000 occurrence and \$2,000,000 aggregate limit.
- 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, for administrative costs.

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 Superintendent.

Section 7.4 Condemnation

- A. If all the Premises, or any part thereof required for the reasonable use of the Premises, is taken by eminent domain, this Lease shall expire on the date when the Lessee is required to vacate the Premises, and the rent shall be apportioned as of that date.
- B. If there is a taking of a part of the Premises not required for the reasonable use of the Premises, then this Lease shall continue in full force and effect and the rent shall be equitably reduced, based on the proportion by which the Premises is 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 months, 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
231 W. Evergreen Ave.
Palmer, AK 99645

Lessee's address: Blue River Aviation, LLC
P.O. Box 248
Palmer, Alaska 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.

Section 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: _____
John Moosey, City Manager

Date

LESSEE: Blue River Aviation, LLC

By: _____
Stephen Jaime Hastings, owner/CEO

Date

GUARANTY

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

By: _____ Date _____
Stephen Jaime Hastings "Individually"

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stephen J. Hastings, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____



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

**PALMER MUNICIPAL AIRPORT
MEMORANDUM OF LEASE AGREEMENT No. 23-001**

This is a Memorandum of Lease Agreement No. 23-001 made and entered into as of this July 15, 2023, 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 Blue River 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. 23-001 between the parties hereto dated the July 15, 2023, are hereby incorporated by reference into this Memorandum.

2. **Demised Premises.** The Demised Premises, which are the subject of The Lease Agreement No. 20-002, are more particularly described as follows:

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

Palmer Municipal Airport, Block 3, Lease Lot 25 (A)
Containing 1.94 acres or 84,500 square feet, more or less
A.K.A. 820 E. Evergreen Avenue, Palmer, AK. 99645
See Attached "Exhibit A"

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

- 30' utility easement (waterline) running north to south located 100' from the westerly lot line. This easement is 15' on either the west side of or the east side of said waterline.
- 10' electrical easement running north to south along the most easterly edge of lot line bordering the westerly edge of Apron B.

3. **Commencement Date of Lease.** The Lease Agreement shall be deemed to have commenced on **July 15, 2023** as set forth within the terms of the Lease. The Term of the Lease Agreement shall be 25 years from the Commencement Date as stated in the written Lease. The initial term shall commence on the date hereof and terminate on **July 15, 2048**. Provided Lessee fully and faithfully performs all of the covenants and conditions contained herein for the term of the Lease, Lessor may approve an additional period of 20 years at the expiration of this Lease so that the

total number of years available to Lessee is 45 years. As with the initial term at the start of and continuing through the renewal period.

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

5. **Notices.** Any notices required to be sent in accordance with the terms of this Lease Agreement No. 20-002, 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: Blue River Aviation, LLC
P.O. Box 248
Palmer, Alaska 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. 23-001; it being distinctly understood and agreed that said Lease Agreement No. 23-001 constitutes the entire lease and agreement between Lessor and the Lessee with respect to the Demised Premises and is hereby incorporated by reference. The Lease Agreement No. 23-001 contains and sets forth additional rights, terms, conditions, duties, and obligations not enumerated within this instrument which govern the Lease and addendum. This Memorandum is for information purposes only and nothing contained herein may be deemed in any way to modify or vary any of the terms or conditions of the Lease Agreement No. 23-001. In the event of any inconsistency between the terms of the Lease Agreement No. 23-001 and this instrument, the terms of the Lease Agreement No. 23-001, shall control. The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

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

LESSOR: CITY OF PALMER

By: _____
John Moosey, City Manager

Date

LESSEE: Blue River Aviation, LLC

By: _____
Stephen J. Hastings, Owner/CEO

Date

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 2023, before me the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared, John Moosey, to me known and known to me to be the identical individual described in and who executed the within and foregoing LEASE AGREEMENT as City Manager of the City of Palmer, freely and voluntarily on behalf of the City of Palmer for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska

My commission expires: _____

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the _____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stephen J. Hastings, owner 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: _____

GUARANTY

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

By: _____ Date _____
Stephen J. Hastings, Individually

NOTARY

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the ____ day of _____, 2023, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared, Stephen J. Hastings, known to me to be the person named in the foregoing instruments, acknowledged to me that he/she had executed the same for the uses and purposes therein stated.

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

Notary public in and for Alaska

My commission expires: _____