

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2020-64

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT RENEWING A 20 YEAR LEASE WITH TELALASKA FOR THE LEAR ROAD WATER TANK SITE

WHEREAS, the Unalaska City Council presently leases a portion of city owned real estate for use by TelAlaska for its tower located on Lear Road and shared with the water tank; and

WHEREAS, the existing contract expires at the end of 2020 and TelAlaska is seeking a new lease to use the same city owned real estate; and


WHEREAS, TelAlaska currently pays \$14,400 annually for the use of the real estate and the proposed rate remains the same, as it is within the most recent appraisal from Appraisal Company of Alaska LLC dated September 13, 2014.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into a new lease for the site at \$14,400 per year for a period of 20 years, examining the payment terms every five years for any changes in the real estate appraised value.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on October 13, 2020.

  
\_\_\_\_\_  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
\_\_\_\_\_  
Marjie Veeder, CMC  
City Clerk



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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: William Homka, Planning Director  
Through: Erin Reinders, City Manager  
Date: October 13, 2020  
Re: Resolution 2020-64: Authorizing the City Manager to enter into an agreement renewing a 20 Year Lease with TelAlaska for the Lear Road Water Tank Site

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**SUMMARY:** TelAlaska currently has a cellular communications tower on a city owned parcel in the valley on which a water tower is also present. TelAlaska is seeking another long term lease of twenty years. City Council must authorize the City Manager to enter into leases with terms extending beyond five years. Staff recommends approval.

**BACKGROUND:** The existing lease for TelAlaska's use is for a portion of city owned real estate situated off Lear Road and on the same parcel as the Lear Road Water Tower. The existing lease spanned 10 years, beginning in 2010 and expiring this year.

**DISCUSSION:** Staff has drafted a 20 year lease renewal agreement with TelAlaska. The rate is within the range indicated as acceptable per a letter from the Appraisal Company of Alaska LLC dated September 13, 2014. The appraisal letter establishes a rate of between \$800 and \$1,200 per month. The current lease rate is \$14,400 per year, or \$1,200 per month. Exhibit 'A' indicates the general vicinity of the water tank, and Exhibit 'B' illustrates the tower site in relation to the water tank and access.

**ALTERNATIVES:** Council may deny the lease or amend the proposed terms including lease period and rate.

**FINANCIAL IMPLICATIONS:** The city receives \$14,400 annually from the present lease for this tower and location.

**LEGAL:** Draft agreement is being reviewed by our attorney.

**STAFF RECOMMENDATION:** Approve Resolution 2020-64 authorizing the City Manager to enter into an agreement renewing a 20 Year Lease with TelAlaska.

**PROPOSED MOTION:** This is a consent agenda item and will be included in the motion to adopt the consent agenda.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

**ATTACHMENTS:**

- Draft lease
- Appraisal Company of Alaska letter, Tower and Cell Site Leases, September 13, 2014

**EXHIBIT A**  
Vicinity Map





**EXHIBIT B**  
Location Map



## LEASE AGREEMENT

This Lease Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2020, between the City of Unalaska, a first-class Alaska municipal corporation ("Lessor"), whose address is P.O. Box 610, Unalaska, Alaska 99685, and TeAlaska, an Alaskan corporation ("Lessee"), whose address is 201 E. 56<sup>th</sup> Avenue, Anchorage, AK 99518.

NOW THEREFORE, the Lessor and the Lessee, in consideration of the mutual covenants and conditions stated in this Lease, agree as follows:

**Leased Parcel:** The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively "Parcel") located within, Plat No. 93-6, City of Unalaska, Aleutian Islands Recording District, Third Judicial District, State of Alaska, more particularly described as follows, with the right of vehicular access to and from the Premises across Water Tank Hill Subdivision:

Legal Description:

LEAR ROAD WATER TANK TRACT

Containing approximately 280 square feet, more or less, as shown on the attached drawing (marked as Exhibit A) made a part hereof.

- A. Together with a right-of-of-way for ingress to and egress from the Premises; a right-of-way for establishing and maintaining an underground line or underground lines for extending electric power and/or telecommunication lines to the Premises; all rights-of-way to be under said lands and adjoining lands of the Licensor, and unless herein described otherwise, to be by routes reasonably determined to be the most convenient to the Licensee.
- B. And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the Premises hereby Licensed, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said Premises shall be and remain the property of the Licensee.

A plan view of the Premises is attached as Exhibit A which shows the leased parcel and the location in Water Tank Hill Subdivision.

EXCEPTING AND RESERVING THEREFROM, to the Lessor and its assigns during the term of this Lease, the following specific interests, which shall be in addition to and not in derogation of any general reservations to the Lessor, which may be stated elsewhere in this Lease: easements, rights of way and reservations of record.

1. Term: The term of this Lease shall be for a period of 20 year(s) commencing on the \_\_\_\_\_, 2020 and ending on \_\_\_\_\_, 2040 unless sooner terminated as herein provided.

Early Termination by Lessee: Lessee shall have the option to terminate this lease at any time prior to the expiration of the initial term subject to the following conditions:

- (a) Lessee shall give Lessor written notice of its intent to so terminate this lease no less than ninety (90) days prior to the date of termination; and
- (b) Lessee shall pay a termination fee to Lessor equal to one year's rent at the then-existing rental rate.

2. Rent: The Lessee shall pay to the Lessor ("Rent") in the amount of Fourteen Thousand Four Hundred Dollars (\$14,400) per year, in advance, on January 1 of each year, based on the market rate for tower and cell site leases as determined by the City Assessor.

3. Adjustments to Rent: Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Rent shall be adjusted upward or downward, but not less than Nine Thousand Six Hundred Dollars (\$9,600), in accordance with the market rate for tower and cell site leases as determined by the City Assessor.

4. Payment of Rent: Rent payments shall be made payable to the City of Unalaska and delivered to the City of Unalaska Finance Department, P.O. Box 610, Unalaska, Alaska 99685, or to any other address that Lessor may designate in writing.

5. Interest on Delinquent Payments: All unpaid rents and fees shall accrue interest at the rate of ten and one-half per cent (10.5%) per annum beginning thirty (30) days after payment is due.

6. Use of Parcel: The Lessee shall use and occupy the Parcel in compliance with all applicable laws, regulations, ordinances and orders which a public authority has promulgated or may promulgate, including those of a building or zoning authority and those relating to pollution and sanitation control. The Lessee shall not permit any unlawful occupation, business, or trade to be conducted on the Parcel. The Lessee shall properly locate itself and its improvements on the Parcel, and shall not commit waste of the Parcel, whether ameliorated or otherwise. Notwithstanding such laws, regulations, ordinances and orders, the Lessee shall maintain the Parcel in a reasonably neat and clean condition, and take all prudent precautions to prevent

or suppress pollution of the ground, surface water, air, or land, and to prevent erosion or destruction of the land.

(a) Lessee may use the Parcel for any lawful purpose in connection with its telecommunication operations or any business purpose of the Lessee.

- (1) All equipment on the Parcel, including, but not limited to, antennas placed on the Parcel shall not interfere with other equipment which is located on or about the same general site.
- (2) All antennas and equipment shall be grounded to meet the National Electrical Code (NEC). The antenna/equipment facilities wind support guide lines shall include anti-reflective insulators as to prevent any Electro Magnetic Interference (EMI) with any other equipment on or about the site. The lessee will investigate any and all interference reports sent in written form. The Lessee will maintain technical support to correct any and all reports of interference by the Lessee's equipment. The Lessee will install any equipment necessary to filter, tune, and isolate any interference developed by the installed equipment.
- (3) All towers shall be designed to prevent the climbing of the tower by the general public.

7. Quiet Enjoyment: Lessor covenants and agrees that Lessee, upon performance of all of Lessee's obligations under this Lease, shall lawfully, quietly and exclusively hold, occupy and enjoy the Parcel during the term of this Lease without disturbance by Lessor or by any person having title paramount to Lessor's title or by any person claiming under Lessor, provided, however, that Lessor expressly reserves the right, without compensation or adjustment of rentals to Lessee, to grant surface, underground or overhead easements or rights-of-way for public improvements and purposes in or upon the Parcel if the exercise of this right will not unreasonably interfere with Lessee's improvements and use of the Parcel.

8. Alterations and Improvements: Upon receiving written permission from Lessor, Lessee may make alterations, additions and improvements to the Parcel, at Lessee's sole cost and expense. Lessor's consent shall not be unreasonably withheld. Lessee shall remove all improvements and personal property of Lessee from the Parcel at the end of the Lease term and the Parcel shall be restored to the condition prevailing on the effective date of this Lease.

9. Title to Improvements. All buildings, structures, fixtures and permanent improvements placed or attached on or about the Parcel by Lessee shall remain the property of Lessee until such time as the expiration or termination of this Agreement.

10. Removal of Improvements And Chattels After Termination:

- (a) Lessee shall, within three (3) months after termination of this Agreement, remove all improvements and chattels from the Parcel provided that Lessor first determines that such removal will not cause injury or damage to the Parcel or seriously impair its redisposal.
- (b) If any improvements or chattels having an appraised value exceeding \$20,000.00 as determined by the Lessor, are not removed from the Parcel within the time allowed, they shall, upon thirty (30) days prior written notice to Lessee, be sold at public auction under the direction of Lessor.
- (c) Any chattels or improvements having a total appraised value of \$20,000.00 or less, as determined by the Lessor, and which are authorized for removal by Lessor but are not removed within the time allowed, shall become the absolute property of the Lessor.
- (d) Lessee shall reimburse Lessor for damages to the Parcel caused by the removal of fixtures and improvements.

11. Encumbrance of Parcel: The Lessee, during the term of this Lease, shall not encumber or cloud the Lessor's reversionary interest in the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld; and any such act or omission, without the prior written consent of the Lessor, shall be voidable by the Lessor.

12. Assignment of Lease and Sublease of Parcel: The Lessee may not assign this Lease or sublet the Parcel, without the prior written consent of the Lessor, which shall not be unreasonably withheld. No assignment of this Lease shall be approved until the assignee agrees to be subject to and governed by the provisions of this Lease in the same manner as the original Lessee to the extent that they may be applicable to the sublease except for the payment of Rent and other monetary obligations. No such assignment or sublease will be effective until approved by the Lessor in writing or shall annul the Lessee's obligation to pay the rent herein required for the full term of this Lease. Except as permitted by the Lessor, no subdivision of the Lessee's leasehold interest, including any exposed airspace thereon, shall occur.

13. Denial of Warranty Regarding Conditions: The Lessor makes no warranty, express or implied, nor assumes any liability whatsoever, regarding the natural, social, economic, or environmental conditions of the Parcel, including, without limitation, the soil, water and drainage conditions, natural or artificial hazards, and the profitability or fitness of the Parcel for any use.

Lessee represents and warrants that it has independently inspected the Parcel and made all tests, investigations and observations necessary to satisfy itself of the condition of the Parcel. Lessee shall and is relying solely on such independent inspection, tests, investigations and observations in making this Agreement. Lessee accepts and shall be responsible for any risk of harm to any person and property, including but not limited to, employees of Lessee, from any latent defects in the Parcel.



14. Agreement to Terms of Lease: The Lessor and the Lessee agree and recognize that each of the covenants and conditions in this Lease and any attachments thereto are merged and incorporated into this agreement and shall be binding upon themselves and upon their respective successors, successors in interest and assigns and shall inure to their benefit. The Lessor and the Lessee further agree and recognize that this Lease shall be conditioned upon satisfactory performance by the Lessor and the Lessee of all covenants and conditions contained herein.
15. Utilities and Services: Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefor which are necessary or appropriate for its operation or use of the Parcel.
16. Easements: Lessor reserves the right to make grants to third parties or reserve to the Lessor easements through, on or above the Parcel for the purpose of providing water, sewer or electric services to the Parcel or to adjacent properties, or for the purpose of providing reasonable public access to public waters, provided that no such easement or may be granted or reserved which unreasonably interferes with the Lessee's use of the Parcel.
17. Access: The Lessor makes no representations or warranty that it will construct or maintain access to the Parcel.
18. Valid Existing Rights: This Lease is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land of record on the date of execution of this Lease.
19. Inspection: The Lessor shall have reasonable access to the Parcel for purposes of inspection regarding the faithful performance by the Lessee of the covenants and conditions of this Lease and for the performance of other lawful requirements.
20. Acquisition of Rights or Interests: Any right or interest acquired during the term of this Lease and accruing to the benefit of the Parcel shall remain appurtenant to the Parcel during that term, and shall not be severed or transferred from the Parcel without the prior consent of the Lessor. In the event of termination or forfeiture of this Lease, any such right or interest shall revert to the Lessor along with the Parcel.
21. Environmental Indemnification: If any hazardous substances are released or discharged on or from the Parcel to, on or about the Parcel or other properties, including, but not limited to, the surface or subsurface waters adjacent to the Parcel during the term of this Agreement, Lessee shall indemnify, defend, and hold Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses, including, but not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal or state agency due to the presence of hazardous substances in the soil or groundwater on or under the Parcel or other affected properties, whether such losses arise during or after the term of this Agreement, but only to the extent that such release or discharge is not caused by the fault of Lessor or its agents, representatives, contractors or employees.

22. Hazardous Substances: Lessor represents and warrants to Lessee that, to the best of its information, knowledge and belief, no hazardous substances have been released, discharged or spilled on the Parcel; however, Lessor does not represent, warrant or guarantee that this is necessarily the case. Otherwise, Lessor has made no express or implied representations or warranties to Lessee with respect to the release, discharge or spillage of any hazardous substances in, on or about the Parcel. Lessee hereby releases and discharges Lessor, its affiliates and all of their respective past, present and future officials, employees, agents, attorneys, insurers and representatives, with prejudice, from any and all claims, obligations or liabilities which have arisen, resulted from or are based upon, or may in the future arise out of, result from or be based upon, in whole or in part, the past release, discharge or spill of any hazardous substances or other environmental pollution in, on or about the Parcel, regardless of whether such claim, obligation or liability, or the type or extent thereof, is now known or foreseeable; provided, however, that such release and discharge shall be inapplicable to claims, obligations and liabilities that are based upon a material breach of the representations and warranties made by Lessor in this Section.
23. Definition of Hazardous Substance: Hazardous substance, as such term is used in this Agreement, includes: (a) (1) crude oil, (2) petroleum, (3) diesel fuel, (4) marine fuel, (5) heating oil, (6) gasoline, (7) motor oil, (8) kerosene, (9) aviation fuel, (10) other petroleum products, additions and derivatives, (11) urea formaldehyde foam insulation, (12) asbestos, and (13) polychlorinated biphenyls; and (b) any other (1) pollutant, (2) contaminant or (3) toxic, flammable, explosive, radioactive, noxious, hazardous, extremely hazardous, dangerous or potentially dangerous waste, material or substance, the response to which or the remediation or removal of which is required, or the manufacture, preparation, production, use, maintenance, treatment, storage, transfer, disposal, handling, processing or ownership of which is restricted, prohibited, regulated or penalized by any federal or state law or regulation as now or hereafter in effect.
24. Erosion Prevention: Lessee shall prevent unwarranted erosion of the Parcel that is caused by Lessee's use or occupancy of the Parcel. Any such erosion shall be repaired in a manner satisfactory to Lessor at Lessee's sole expense.
25. Waiver or Forbearance: The receipt of rent by the Lessor, with or without knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in the observance or performance of any of the terms, conditions or covenants of this Lease, shall not be deemed to be a waiver of any provision of this Lease. No failure on the part of the Lessor to enforce a condition or covenant of this Lease, nor the waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate the application of such term or covenant; nor shall any forbearance or written waiver affect the right of the Lessor to enforce any term or covenant in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money, or the termination in any manner of the Lease, or the giving by the Lessor of any notice hereunder to effect such termination, shall not reinstate, continue, or extend this Lease, nor destroy or in any manner or impair the validity of any such notice of termination which may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless the contrary effect shall be expressed in writing and signed by the Lessor.

26. Bankruptcy: In the event Lessee becomes insolvent, makes an assignment for the benefit of creditors, becomes the subject of a bankruptcy proceeding, reorganization, arrangement, insolvency, receivership, liquidation, or dissolution proceedings, or in the event of any judicial sale of Lessee's interest under this Lease, Lessor shall have the right to declare this lease in default.

27. Breach and Remedies:

(a) Time is of the essence of this Lease. If the Lessee shall materially breach any of the terms, covenants, conditions or stipulations contained in this Lease or attached hereto which are applicable to it, and said breach shall not be completely cured within 60 days after written notice of such breach has been served by the Lessor upon the Lessee and each holder of a security interest in the Lessee's interest under this Lease that has notified the Lessor of such security interest, the Lessee shall be subject to such legal rights and remedies as the Lessor shall have available to it under applicable law, including, but not limited to, the termination of this Lease; provided, however, that no improvements now upon the Parcel, or which may be placed thereon during the term of this Lease, may be removed therefrom during any time in which the Lessee may be in material breach of this Lease. In the event that this Lease is terminated by the Lessor for a material breach by the Lessee of this Lease, all rents paid by the Lessee shall be forfeited to and retained by the Lessor, not as a penalty, but as liquidated damages for such breach. The Lessor shall not be liable for any expenditures made by the Lessee or undertaken by the Lessee under this Lease prior to such termination.

(b) If the Lessee fails to completely cure a material breach of this Lease by it within the time allowed in (a) of this paragraph, any holder of a security interest in the Lessee's interest under this Lease who has notified the Lessor such security interest may cure or remedy such breach if the breach can be cured by the payment of money or, if this cannot be done, by performing, or undertaking in writing to perform, the Lessee's obligations which are the subject of such breach that are capable of performance by the holder. The holder shall act within 60 days from the date of receipt of notice under (a) of this paragraph, or within any additional period, which the Lessor may allow for good cause.

(c) In the event that this Lease is terminated, or in the event that the Parcel is abandoned by the Lessee during the term of this Lease, the Lessor may immediately, or at any time thereafter, enter or reenter and take possession of such Parcel and without liability for any damage there for, remove all persons and personal properties therefrom, either by summary proceedings or by suitable action at law; provided, however, that the words "enter" and "re-enter" as used herein are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession, or dispossession by the Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or part, for any monetary liability under the Lease.

28. Indemnification: To the fullest extent allowed by law, Lessee shall defend indemnify and hold harmless Lessor from and against all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims arising out of or in connection with the use or occupancy of the Parcel by Lessee

or by any other person holding under Lessee from any accident or fire on the Parcel and from any nuisances made or suffered thereon; and from any failure by Lessee to keep the Parcel in a safe and lawful condition except to the extent that such claims or demands are caused by the fault of Lessor or its agents, representatives, employees or contractors.

29. Surrender of Leasehold: Upon the expiration or sooner termination of this Lease, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the Parcel. In the event that Lessee remains in possession of the Parcel after the expiration of this Agreement with Lessor's permission, Lessee shall be deemed to be occupying the Parcel as a month-to-month tenant, subject to all of the terms and conditions of this Agreement and the law, to the extent that they may be applicable to a month-to-month tenant.

30. Required Insurance: The following insurance coverage is required to be furnished by the Lessee and is subject to annual review and adjustment by the Lessor, who may require reasonable increases in such coverage based on increased risks. Prior to execution of this Lease, Lessee shall provide Lessor with a certificate of insurance meeting the insurance requirements below. Acceptance of deficient evidence of insurance does not constitute a waiver of lease insurance requirements.

Insurance shall be placed with companies acceptable to the City of Unalaska; such companies shall be licensed to do business in Alaska or shall be a surplus carrier approved by the State of Alaska, and shall be rated "A-" or better in *Best's Key Rating Guide*.

(a) Commercial General Liability Insurance. Such insurance must have coverage limits of not less than \$1,000,000 combined single limits per occurrence and not less than two million dollars (\$2,000,000) aggregate limits and shall include Parcel operations, independent contractors, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

The policies evidencing such coverage shall contain, or be endorsed to contain, the following provisions:

1. The Lessor, its officers, its agents and its employees are to be covered as additional insureds with respect to liability arising out of use of the Parcel or operations of the Lessee with respect to the Parcel and all rights of subrogation must be waived against the Lessor, its officers, its agents and its employees for losses arising as a result of this lease.
2. The Lessee's insurance coverage shall be primary insurance with respect to the Lessor, its officers, agents, and employees. Any insurance or self-insurance maintained by the Lessor shall be excess of the Lessee's insurance and shall not contribute to it.
3. Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit brought except with the respect to the limits of insurer's liability.
4. That, as respects the interests of Lessor, such insurance shall (A) not be invalidated by any action or neglect of any person other than Lessor and (B) insure Lessor regardless of any misrepresentation, breach or non-observance of



any warranty, declaration or condition contained in any applications by Lessee for, or policy evidencing, such insurance; and

5. That no such insurance shall be canceled or materially changed as respects the interests of Lessor on less than thirty days prior written notice to Lessor;

(b) Workers' Compensation and the Employer's Liability Coverage. The Lessee shall be covered with workers compensation insurance and employer's liability insurance in the required statutory amounts.

31. Notices: All notices required or permitted under this Lease shall be personally delivered or sent by certified mail, postage prepaid, to the parties at the following addresses:

If to Lessee:

If to Lessor:

Erin Reinders, City Manager  
City of Unalaska  
P.O. Box 610  
Unalaska, AK 99685

Any notice or demand which must be given or made by the Lessor or the Lessee shall be in writing and shall be complete if personally delivered or sent by United States certified mail to the address shown in the Lease Agreement, or to such other address as each of the parties may designate in writing from time to time. A copy of any such notice shall be forwarded to the Lessor, and to the holder of any security interest in the Lessee's interest in the Lease has properly given notice of its security interest in the Lease to the Lessor.

32. Integration and Modification: This Lease, including all attachments and documents which by reference are incorporated herein or made a part hereof, contains the entire agreement between the parties hereto.

33. Amendments: This Lease may not be modified or amended except by a document signed by both parties hereto, and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties hereto.

34. Severability of Clauses of Lease Agreement: If any clause, or provision, herein contained, shall be adjudged to be invalid or unenforceable, it shall not affect the validity or enforceability of any other clause or provision of this Lease or give any cause of action in favor of either party as against the other.

35. Applicable Law: This Lease shall be governed by the laws of the State of Alaska. The venue for any dispute between the parties shall lie exclusively with the courts for the Third Judicial District for the State of Alaska at Anchorage, or, alternatively, with the

United States District Court for the District of Alaska at Anchorage, unless a nonwaivable federal or Alaska law should require to the contrary.

- 36. Effective Date: This Lease shall not be effective until and unless approved by the City Council of Lessor and the Board of Directors of Lessee. This Lease shall become effective upon the occurrence of the last such approval.

EFFECTIVE DATE: \_\_\_\_\_, 2020.

IN WITNESS WHEREOF, the Lessor and Lessee have each caused this lease to be duly executed as of the date first written above.

LESSEE: \_\_\_\_\_

Dated: \_\_\_\_\_ BY **Dave Goggins, General Manager**

STATE OF Alaska )  
 ) ss.

Third Judicial District )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by \_\_\_\_\_ of \_\_\_\_\_ Anchorage, Alaska, on behalf of the corporation.

\_\_\_\_\_

Notary Public, State of Washington

My Commission expires \_\_\_\_\_

LESSOR: CITY OF UNALASKA

Dated: \_\_\_\_\_ BY Erin Reinders, City Manager

STATE OF ALASKA     )  
  ) ss.

Third Judicial District     )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by Erin Reinders, City Manager for the City of Unalaska, a First-Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

\_\_\_\_\_  
Notary Public, State of Alaska

My Commission expires \_\_\_\_\_

Exhibit A





Return to:  
City of Unalaska  
Planning Department  
P.O. Box 610  
Unalaska, AK 99685

UNALASKA

Fax  
(907) 563-1368

Telephone  
(907) 562-2424

## Appraisal Company of Alaska LLC

3940 ARCTIC BOULEVARD, SUITE 103  
ANCHORAGE, ALASKA 99503  
[office@appraisalalaska.com](mailto:office@appraisalalaska.com)  
EIN#26-2071908

September 13, 2014

Erin Renders, Planning Director  
City of Unalaska  
P.O. Box 610  
Unalaska, AK 99685

RE: Tower and Cell Site Leases

Dear Ms. Reinders:

In the past we have leased these sites based upon the market value of the larger parcel per square foot times the area leased. After research in the market throughout the state I believe this method equates to a below market rate for tower and cell site leases. In talking to other telecommunication companies the lease rates for tower and cell sites range from \$800 to \$1200 per month. These rates are not dependent on size but the amount of revenue that can be generated from the site. The higher rates are for towers in densely populated urban areas. The lower end of the range is for sites with less usage.

It would be my recommendation that we set a minimum lease rate of \$800 per month for a tower or cell site lease. Very large sites would trend to the upper end of the range. Again I would recommend that the leases be reviewed every five years at the maximum.

I know that this methodology is different than what has been done in the past, but these sites are unique in the market place and we should follow the market for valuing them. I will be in Unalaska the 25<sup>th</sup> or 26<sup>h</sup> for a week, weather and airline tickets cooperating if you have additional questions.

Sincerely,



Michael C. Renfro  
Contract Assessor  
City of Unalaska