

Regular Meeting
Tuesday, December 14, 2021
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Dennis M. Robinson
Alejandro R. Tungul
Shari Coleman

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff Sr. **City Manager:** Erin Reinders
City Clerk: Marjie Veeder, mveeder@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

The community is encouraged to attend meetings of the City Council:

- In person at City Hall
- Online via ZOOM (link, meeting ID & password below)
- By telephone (toll and toll free numbers, meeting ID & password below)
- Listen on KUCB TV Channel 8 or Radio Station 89.7

PUBLIC COMMENT

The Mayor and City Council value and encourage community input at meetings of the City Council. There is a time limit of 3 minutes per person, per topic. Options for public comment:

- In person
- By telephone or ZOOM - notify the City Clerk if you'd like to provide comment using ZOOM features (chat message or raise your hand); or *9 by telephone to raise your hand; or you may notify the City Clerk during regular business hours in advance of the meeting
- Written comment is accepted up to one hour before the meeting begins by email, regular mail, fax or hand delivery to the City Clerk, and will be read during the meeting; include your name

ZOOM MEETING LINK: <https://us02web.zoom.us/j/85203975430>

Meeting ID: 852 0397 5430 / **Passcode:** 977526

TELEPHONE: Meeting ID: 852 0397 5430 / **Passcode:** 977526

Toll Free numbers: (833) 548-0276; or (833) 548-0282; or (877) 853-5247; or (888) 788-0099

Non Toll Free numbers: (253) 215-8782; or (346) 248-7799; or (669) 900-9128

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Recognition of Visitors**
5. **Awards**
 - a. City Employee Anniversary Award, Erin Enlow, 15 Years
 - b. Community Extra Mile Awards
 - i. Terry Warren
 - ii. Melanee Tiura
6. **Adoption of Agenda**

7. **Approve Minutes of Previous Meeting:** [November 9, 2021](#)
8. **Reports**
 - a. [Financial Reports, October 2021](#)
 - b. [City Manager Report](#)
9. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
10. **Public Comment on Agenda Items** *Time for members of the public to provide information to Council regarding items on the agenda. Members of the public may also speak when the issue comes up on the regular agenda by signing up with the City Clerk. Three-minute time limit.*
11. **Public Hearing** *Members of the public may testify about any item set for public hearing. Three-minute time limit.*
 - a. [Ordinance 2021-16: Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \\$55,000 of surcharge revenue and appropriating \\$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \\$139,000 from Alaska Energy Authority and appropriating \\$139,000 in the Wind Power Development Project; and recognizing \\$2,000,000 of private contributions from OCCP LLC and appropriating \\$2,000,000 in the Makushin Geothermal Project](#)
 - b. [Ordinance 2021-17: Amending Unalaska Code of Ordinances § 13.24.090 Regulating Fireworks](#)
 - c. [Ordinance 2021-18: Amending UCO §3.44.060 "Recognized City Holidays" to add Juneteenth National Independence Day as an annual floating holiday beginning calendar year 2022 and make minor descriptive edits](#)
12. **Work Session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
 - a. [Discussion: Request from the Qawalangin Tribe of Unalaska for exemption from City Sales Tax](#)
 - b. [Discussion: Management of Airport Long Term Parking](#)
13. **Consent Agenda** *Approval of non-controversial and routine items, accomplished without debate and with a single motion and vote. Council members may request an item be moved to the regular agenda for discussion purposes.*
 - a. [Ordinance 2021-16 \(2nd reading\): Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \\$55,000 of surcharge revenue and appropriating \\$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \\$139,000 from Alaska Energy Authority and appropriating \\$139,000 in the Wind Power Development Project; and recognizing \\$2,000,000 of private contributions from OCCP LLC and appropriating \\$2,000,000 in the Makushin Geothermal Project](#)
 - b. [Ordinance 2021-17 \(2nd reading\): Amending Unalaska Code of Ordinances § 13.24.090 Regulating Fireworks](#)
 - c. [Ordinance 2021-18 \(2nd reading\): Amending UCO §3.44.060 "Recognized City Holidays" to add Juneteenth National Independence Day as an annual floating holiday beginning calendar year 2022 and make minor descriptive edits](#)
 - d. [Resolution 2021-74: Adopting an alternative allocation method for the FY2022 Shared Fisheries Business Tax Program](#)
 - e. [Resolution 2021-75: Establishing Community Wide COVID-19 Protective Measures](#)
14. **Regular Agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three-minute time limit.*
 - a. [Resolution 2021-78: Authorizing the City Manager to enter into an agreement with F & W Construction Company, Inc., to construct of the Library Improvements Project for \\$6,514,196](#)
 - b. [Resolution 2021-76: Approving a 75-year Tideland Lease Agreement with LFS, Inc., for Unalaska Tidelands Survey 103 Tracts B and C](#)
 - c. [Resolution 2021-77: Identifying the City of Unalaska's State Priorities for Fiscal Year 2022](#)
 - d. [Liquor License Review – Alaska Ship Supply](#)
15. **Council Directives to City Manager**
16. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community. Three-minute time limit.*
17. **Adjournment**

Regular Meeting
Tuesday, November 9, 2021
6:00 p.m.



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Vincent M. Tutiakoff Sr., Mayor
Erin Reinders, City Manager
Marjie Veeder, City Clerk mveeder@ci.unalaska.ak.us

MINUTES

1. **Call to order.** Mayor Tutiakoff called the November 9 regular meeting of the Unalaska City Council to order at 6:23 p.m. following a meeting of Unalaska Crab, Inc.

Council Member Tungul read the City's Mission Statement.

2. **Roll call.** The City Clerk called the roll.

Present: Mayor Tutiakoff and Council Members Nicholson (via ZOOM), Looby, Robinson, Tungul and Coleman

Absent: Council Member Bell (excused).

The Mayor announced that a quorum was established.

3. **Pledge of Allegiance.** Council Member Tungul led the Pledge of Allegiance.
4. **Recognition of Visitors.** No particular recognitions made.
5. **Approve Minutes of Previous Meeting.** Robinson made a motion to approve the proposed minutes of the October 26, 2021 meeting; Looby seconded; there being no objection, the minutes were adopted by consensus.

6. **Reports**

- a. City Manager: The City Manager presented her report included in the packet, highlighting progress made regarding fiscal sustainability and responded to council questions. Manager notified council of the School District's request for a council member to serve on the school board budget committee. Council Member Looby volunteered; Council Member Tungul volunteered as an alternate. The Manager also gave a local COVID update and indicated the local state of emergency expires at the end of the calendar year.
- b. Financials September 2021: Finance Director Jim Sharpe presented the September 2021 financial reports.

- c. CARES Act Spending Review: Finance Director Jim Sharpe presented the CARES Act spending recap and responded to council questions.
 - d. Status of Power Purchase Agreement with OCCP, LLC: Deputy DPU Director Steve Tompkins presented regarding the status of the agreement with OCCP for the Makushin Geothermal Project and responded to council questions.
7. **Oath of Office**. The City Clerk administered the Oath of Office to DPS Officer Andrew Breda.
8. **Employee Anniversary Awards**. Mayor Tutiakoff recognized two city employee anniversaries:
- a. Nicholai Tutiakoff, 15 years – Dept. of Public Works
 - b. Jim Shaishnikoff, 25 years – Dept. of Public Works

MAYOR TUTIAKOFF ANNOUNCED A SHORT BREAK

RECONVENED AT 7:28 P.M.

9. **Adoption of Agenda**. Robinson made a motion to adopt the Agenda; Tungul seconded. There being no objection, motion adopted by consensus.
10. **Community Input & Announcements**. The Mayor provided an opportunity for community input and announcements. PCR Director Blakeley made announcements about PCR programs; Council Member Robinson recognized KUCB for raising \$40,000 during a recent fundraiser.
11. **Public Comment on Agenda Items**. Frank Kelty, attending via ZOOM, commented on item 6(b), the September 2021 financial reports.
12. **Work Session**. Tungul made a motion to move into Work Session; Robinson seconded; there being no objection, motion adopted by consensus.
- 7:35 p.m. – Entered into Work Session
- a. State Lobbyist Dianne Blumer provided a report regarding the State Legislative Sessions in 2021. Manager Reinders and Blumer discussed with Council the City of Unalaska's State Legislative Priorities.

Robinson made a motion to reconvene to Regular Session; Tungul seconded; there being no objection, motion adopted by consensus.

8:30 p.m. – Reconvened to Regular Session

13. **Consent Agenda**

Coleman requested that Ordinance 2021-17 be removed from the consent agenda to the regular agenda as item 14(b).

Robinson moved to adopt the remaining items on the Consent Agenda; second by Coleman. Roll call vote: all council members present voted in the affirmative. Motion passed unanimously 5-0

approving the following items, with public hearings and second readings scheduled for Ordinances 2021-16, 2021-17 and 2021-18 on December 14, 2021. Resolutions 2021-72 and 2021-73 adopted.

- a. Ordinance 2021-16 (1st reading): Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \$55,000 of surcharge revenue and appropriating \$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \$139,000 from Alaska Energy Authority and appropriating \$139,000 in the Wind Power Development Project; and recognizing \$2,000,000 of private contributions from OCCP LLC and appropriating \$2,000,000 in the Makushin Geothermal Project
- b. Ordinance 2021-18 (1st reading): Amending UCO §3.44.060 “Recognized City Holidays” to add Juneteenth National Independence Day as an annual floating holiday beginning calendar year 2022 and make minor descriptive edits
- c. Resolution 2021-72: Establishing Community Wide COVID-19 Protective Measures
- d. Resolution 2021-73: Accepting Amendment #1 to the Coronavirus Local Fiscal Recovery Funds Award Agreement

14. Regular Agenda

- a. Resolution 2021-71: Adopting priority rankings for the FY23 - FY32 Capital and Major Maintenance Plan Process Guide

Tungul moved to adopt Resolution 2021-71; second by Nicholson.

Planning Director Bil Homka provided an overview. Council discussion.

Roll call vote. All council members present voted in the affirmative; motion passed unanimously 5-0.

- b. Ordinance 2021-17 (1st reading): Amending Unalaska Code of Ordinances § 13.24.090 Regulating Fireworks

Robinson moved to schedule Ordinance 2021-17 for public hearing and second reading on December 14, 2021; second by Coleman.

Police Chief King provided an overview. Council discussion.

Lobby moved to amend Ordinance 2021-17 to remove the proposed new language in paragraph C; second by Coleman. Council Discussion.

Roll call vote on the proposed amendment: Coleman – yes; Looby – yes; Nicholson – no; Robinson – no; Tungul – no. Motion failed with 2 yes and 3 no votes.

Roll call vote on main motion: Tungul – yes; Lobby – yes; Coleman – no; Nicholson – yes; Robinson – yes. Motion passed 4 yes, 1 no.

15. Council Directives to City Manager: None

16. **Community Input & Announcements:** the Mayor announced, barring an emergency, that no City Council meeting will be held on Tuesday, November 23, 2021 due to the Thanksgiving holiday later that week. No other announcements.

17. **Adjournment:** Having completed all items on the agenda, Mayor Tutiakoff adjourned the meeting at 8:58 p.m.

These minutes were approved by the Unalaska City Council on December 14, 2021.

Marjie Veeder, CMC
City Clerk

DRAFT

General Fund Operating Monthly Summary - Month Ending October 2021

	FY2022 Budget	October	FY2022 YTD	% OF BUD	FY2021 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	4,200,000	408,316	2,423,597	58%	1,697,788	725,809
AK Fisheries Business	3,300,000	0	0	0%	0	0
AK Fisheries Resource Landing	3,900,000	0	4,549,661	117%	0	4,549,661
Property Taxes	7,100,000	3,255,766	7,486,525	105%	7,038,214	448,311
Sales Tax	6,000,000	1,487,914	3,433,990	57%	2,158,320	1,275,670
Investment Earnings	1,800,000	(351,605)	(216,909)	-12%	242,232	(459,141)
Other Revenues	2,806,749	159,722	1,434,137	51%	1,214,974	219,163
Appropriated Fund Balance	5,892,342	0	0	0%	0	0
Total General Fund Revenues	34,999,091	4,960,113	19,111,001	55%	12,351,529	6,759,473
EXPENDITURES						
Mayor & Council	473,640	17,764	110,588	23%	73,814	36,774
City Administration						
City Manager's Office	449,980	50,972	170,202	38%	121,955	48,247
Administration	1,523,473	106,819	759,053	50%	691,583	67,471
Total City Administration	1,973,453	157,791	929,256	47%	813,538	115,717
City Clerk	582,081	50,165	166,136	29%	144,604	21,532
Finance						
Finance	1,130,466	122,138	402,376	36%	330,242	72,134
Information Systems	1,046,170	51,335	385,234	37%	375,702	9,532
Total Finance	2,176,636	173,473	787,610	36%	705,944	81,666
Planning	766,085	48,967	207,930	27%	162,986	44,943
Public Safety						
Police and Admin	4,213,318	222,473	905,702	21%	898,348	7,354
Police Communications	905,615	74,171	262,206	29%	254,981	7,224
Police Corrections	1,113,288	71,249	300,997	27%	253,251	47,746
Total Public Safety	6,232,221	367,893	1,468,904	24%	1,406,580	62,324
Fire & EMS						
Fire and Emergency Services	1,722,680	91,898	442,492	26%	361,186	81,306
Total Fire & EMS	1,722,680	91,898	442,492	26%	361,186	81,306
Public Works						
DPW Admin & Engineering	829,126	65,267	233,127	28%	210,652	22,475
Streets and Roads	2,787,973	296,267	842,003	30%	516,808	325,195
Receiving and Supply	309,214	25,311	98,851	32%	81,624	17,227
Veh & Equip Maintenance	1,217,520	81,198	335,158	28%	352,027	(16,869)
Facilities Maintenance	1,304,914	111,784	422,836	32%	442,894	(20,058)
Total Public Works	6,448,747	579,827	1,931,975	30%	1,604,006	327,970
Parks, Culture & Recreation						
PCR Administration	265,679	17,385	76,795	29%	66,319	10,476
Recreation Programs	819,983	55,422	208,453	25%	176,412	32,040
Community Center Operations	1,054,881	70,049	283,689	27%	286,558	(2,869)
Library	960,614	71,344	304,238	32%	261,950	42,288
Aquatics Center	505,232	37,243	154,844	31%	165,244	(10,400)
Parks	42,500	439	45,614	107%	38,195	7,420
Total Parks, Culture & Recreation	3,648,889	251,882	1,073,633	29%	994,679	78,954
Other Expenses	5,833,557	477,880	2,010,519	34%	1,901,114	109,405
XXXXXXX	0	0	0	0%	0	0
Total Operating Expenditures	29,857,989	2,217,540	9,129,042	31%	8,168,451	960,591
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	1,896,013	0	1,896,013	100%	1,104,658	791,355
Transfers To Enterprise Funds	0	0	0	0%	0	0
Transfers To Enterprise Capital	3,494,500	0	3,494,500	100%	0	3,494,500
	5,390,513	0	5,390,513	100%	1,104,658	4,285,855
	35,248,502	2,217,540	14,519,555	41%	9,273,109	5,246,446
Surplus/(Deficit)	(249,411)	2,742,573	4,591,446	48%	3,078,420	1,513,027

	FY2022 Budget	October	FY2022 YTD	% OF BUD	FY2021 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	11,653,995	1,531,925	6,276,903	54%	3,815,764	2,461,139
Electric Line Repair & Maint	1,373,785	65,678	290,431	21%	189,403	101,028
Electric Production	8,253,615	1,017,040	3,700,116	45%	2,040,428	1,659,688
Facilities Maintenance	133,699	6,923	22,666	17%	21,409	1,258
Utility Administration	5,859,086	381,141	2,125,908	36%	2,087,919	37,989
Veh & Equip Maintenance	66,220	7,392	19,028	29%	5,757	13,271
Transfers Out	715,000	0	715,000	100%	2,052,338	(1,337,338)
EXPENSES	16,401,404	1,478,175	6,873,149	42%	6,397,254	475,895
NET EARNINGS/(LOSS)	(4,747,410)	53,750	(596,246)		(2,581,490)	1,985,244
Water Proprietary Fund						
REVENUES	2,563,057	87,748	1,077,710	42%	1,168,166	(90,456)
Transfers Out	1,915,500	0	1,915,500	100%	259,735	1,655,765
Facilities Maintenance	61,556	3,956	10,179	17%	17,552	(7,373)
Utility Administration	1,853,406	133,059	660,087	36%	663,952	(3,865)
Veh & Equip Maintenance	41,016	2,384	9,069	22%	7,658	1,411
Water Operations	1,765,308	126,335	451,367	26%	409,270	42,097
EXPENSES	5,636,786	265,734	3,046,202	54%	1,358,167	1,688,036
NET EARNINGS/(LOSS)	(3,073,729)	(177,986)	(1,968,492)		(190,001)	(1,778,491)
Wastewater Proprietary Fund						
REVENUES	2,452,806	159,747	871,617	36%	888,063	(16,446)
Transfers Out	43,000	0	43,000	100%	0	43,000
Facilities Maintenance	65,492	6,059	19,989	31%	19,412	578
Utility Administration	2,058,375	148,751	729,864	35%	724,680	5,185
Veh & Equip Maintenance	30,921	3,239	12,236	40%	7,804	4,432
Wastewater Operations	2,633,406	180,695	1,009,110	38%	445,684	563,426
EXPENSES	4,831,194	338,744	1,814,200	38%	1,197,579	616,620
NET EARNINGS/(LOSS)	(2,378,388)	(178,997)	(942,583)		(309,516)	(633,066)
Solid Waste Proprietary Fund						
REVENUES	2,385,699	156,145	957,217	40%	929,360	27,857
Facilities Maintenance	103,795	3,083	14,825	14%	15,332	(507)
Solid Waste Operations	2,268,263	107,502	387,934	17%	312,997	74,937
Utility Administration	1,701,420	99,247	438,537	26%	546,476	(107,939)
Veh & Equip Maintenance	147,476	5,891	21,029	14%	15,391	5,638
Transfers Out	1,171,100	0	1,171,100	100%	100,000	1,071,100
EXPENSES	5,392,054	215,724	2,033,424	38%	990,196	1,043,228
NET EARNINGS/(LOSS)	(3,006,355)	(59,579)	(1,076,207)		(60,836)	(1,015,371)

	FY2022 Budget	October	FY2022 YTD	% OF BUD	FY2021 YTD	INC/(DEC) Last Year
Ports & Harbors Proprietary Fund						
REVENUES	8,651,862	819,760	2,908,630	34%	2,077,498	831,132
Bobby Storrs Small Boat Harbor	196,004	7,206	40,986	21%	45,674	(4,688)
CEM Small Boat Harbor	701,825	58,632	253,947	36%	218,887	35,060
Facilities Maintenance	52,415	1,450	11,896	23%	18,617	(6,720)
Harbor Office	7,299,689	564,098	2,259,725	31%	2,263,800	(4,075)
Ports Security	68,855	415	2,950	4%	2,632	318
Spit & Light Cargo Docks	545,262	37,414	207,546	38%	209,081	(1,534)
Unalaska Marine Center	1,087,287	68,874	436,591	40%	423,134	13,457
Veh & Equip Maintenance	64,512	3,614	12,768	20%	21,012	(8,243)
Transfers Out	6,045,000	0	6,045,000	100%	0	6,045,000
EXPENSES	16,060,849	741,703	9,271,410	58%	3,202,836	6,068,574
NET EARNINGS/(LOSS)	(7,408,987)	78,057	(6,362,780)		(1,125,338)	(5,237,442)
Airport Proprietary Fund						
REVENUES	560,341	38,980	155,847	28%	156,971	(1,123)
Airport Admin/Operations	617,801	51,925	229,801	37%	215,468	14,333
Facilities Maintenance	205,764	6,206	30,666	15%	30,409	257
EXPENSES	823,565	58,131	260,467	32%	245,876	14,590
NET EARNINGS/(LOSS)	(263,224)	(19,150)	(104,620)		(88,906)	(15,714)
Housing Proprietary Fund						
REVENUES	254,168	28,363	84,431	33%	87,087	(2,656)
Facilities Maintenance	222,936	8,558	43,822	20%	48,656	(4,834)
Housing Admin & Operating	379,702	27,460	131,700	35%	125,322	6,378
EXPENSES	602,638	36,018	175,522	29%	173,978	1,544
NET EARNINGS/(LOSS)	(348,470)	(7,655)	(91,091)		(86,892)	(4,199)

City of Unalaska
Utility Revenue Report
Summary

10/31/21

FY22 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY22 Revenue	FY21YTD Revenue	YTD Inc/(Dec)
Jul-21	1,399,291	359,168	211,269	276,036	2,245,764	2,245,764	1,513,394	732,370
Aug-21	1,669,241	389,462	243,763	265,382	2,567,848	4,813,611	3,269,482	1,544,129
Sep-21	1,676,446	241,332	256,838	259,655	2,434,272	7,247,883	5,074,336	2,173,547
Oct-21	1,531,925	87,748	159,747	156,145	1,935,564	9,183,447	6,801,353	2,382,094
Nov-21	0	0	0	0	0	0	8,185,405	0
Dec-21	0	0	0	0	0	0	9,593,115	0
Jan-22	0	0	0	0	0	0	11,138,514	0
Feb-22	0	0	0	0	0	0	13,078,475	0
Mar-22	0	0	0	0	0	0	15,607,971	0
Apr-22	0	0	0	0	0	0	17,800,715	0
May-22	0	0	0	0	0	0	19,246,941	0
Jun-22	0	0	0	0	0	0	20,929,290	0
YTD Totals	6,276,903	1,077,710	871,617	957,217	9,183,447			
FY22 Budget	11,487,017	2,482,312	2,412,344	2,347,730	18,729,403			
% to budget	54.6	43.4	36.1	40.8	49.0			

City of Unalaska
Electric Revenue Report
Electric Fund

10/31/21

FY21 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	122,433	94,115	151,539	983,163	45,222	2,820	1,399,291	1,399,291	820,666	578,625
Aug-21	117,811	94,945	159,679	1,242,862	49,679	4,265	1,669,241	3,068,532	1,857,995	1,210,537
Sep-21	116,974	90,412	144,982	1,266,591	53,231	4,257	1,676,446	4,744,979	2,863,886	1,881,093
Oct-21	119,428	93,251	146,061	1,112,352	56,367	4,466	1,531,925	6,276,903	3,815,764	2,461,139
Nov-21							0	0	4,747,815	0
Dec-21							0	0	5,678,415	0
Jan-22							0	0	6,667,464	0
Feb-22							0	0	7,788,058	0
Mar-22							0	0	9,370,070	0
Apr-22							0	0	10,761,377	0
May-22							0	0	11,788,336	0
Jun-22							0	0	12,807,598	0
YTD Totals	476,646	372,723	602,261	4,604,968	204,499	15,807	6,276,903			
FY22 Budget	1,141,528	1,002,442	1,489,361	7,441,686	361,411	50,589	11,487,017			
% of Budget	41.8	37.2	40.4	61.9	56.6	31.2	54.6			

Kwh Sold

FY 22 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY22 Kwh Sold	Total FY21 Kwh Sold	Increase (Decrease)
July	267,515	244,069	383,322	2,714,555	3,609,461	3,018,921	590,540
August	292,983	254,648	430,646	3,440,715	4,418,992	3,711,497	707,495
September	296,853	246,007	394,738	3,534,785	4,472,383	3,511,899	960,484
October	316,258	266,448	420,065	3,270,185	4,272,956	3,250,734	1,022,222
November					0	3,116,502	0
December					0	2,874,320	0
January *					0	2,882,053	0
February					0	3,772,724	0
March					0	5,036,041	0
April					0	4,346,897	0
May					0	3,100,815	0
June					0	2,923,161	0
Total	1,173,609	1,011,172	1,628,771	12,960,240	16,773,792	41,545,564	3,280,741
Percent Sold	7.0%	6.0%	9.7%	77.3%	100.0%		

Generator Fuel	
FY22 Average Price Fuel	FY21 Average Price Fuel
2.6143	1.5393
2.7156	1.5469
2.5013	1.4965
2.7635	1.4744
	1.7177
	1.8533
	1.8318
	1.9500
	2.2590
	2.2295
	2.3518
	2.5393
2.6487	1.8991

FY22 Cumulative kwh Sold	FY21 Cumulative kwh Sold
3,609,461	3,018,921
8,028,453	6,730,418
12,500,836	10,242,317
16,773,792	13,493,051
16,773,792	16,609,553
16,773,792	19,483,873
16,773,792	22,365,926
16,773,792	26,138,650
16,773,792	31,174,691
16,773,792	35,521,588
16,773,792	38,622,403
16,773,792	41,545,564

39.47%
% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

10/31/21

FY22 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	12,767	340,267	6,135	359,168	359,168	258,832	100,336
Aug-21	12,699	376,767	(4)	389,462	748,631	536,701	211,930
Sep-21	12,646	228,712	(27)	241,332	989,962	863,801	126,161
Oct-21	12,655	75,124	(31)	87,748	1,077,710	1,168,166	(90,456)
Nov-21				0	0	1,262,602	0
Dec-21				0	0	1,352,364	0
Jan-22				0	0	1,492,203	0
Feb-22				0	0	1,786,891	0
Mar-22				0	0	2,229,665	0
Apr-22				0	0	2,589,578	0
May-22				0	0	2,697,429	0
Jun-22				0	0	2,933,144	0
YTD Totals	50,768	1,020,870	6,073	1,077,710			
FY22 Budget	139,081	2,335,813	7,418	2,482,312			
% of Budget	36.5	43.7	81.9	43.4			

Million Gallons Produced

FY22 Month	FY 22 Produced	FY 21 Produced	Increase (Decrease)
July	147.336	112.799	34.537
August	163.373	119.327	44.046
September	104.305	140.934	(36.629)
October	45.402	131.744	(86.342)
November		42.052	0.000
December		47.001	0.000
January		66.272	0.000
February		127.428	0.000
March		175.672	0.000
April		154.863	0.000
May		51.271	0.000
June		104.922	0.000
Total	460.416	1274.285	(44.388)

FY22 Water Cumulative	FY21 Water Cumulative
147.336	112.799
310.709	232.126
415.014	373.060
460.416	504.804
0.000	546.856
0.000	593.857
0.000	660.129
0.000	787.557
0.000	963.229
0.000	1118.092
0.000	1169.363
0.000	1274.285

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

10/31/21

FY22 Budget Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	41,873	151,880	16,786	730	211,269	211,269	206,365	4,904
Aug-21	41,650	168,905	19,355	13,852	243,763	455,031	421,792	33,239
Sep-21	41,476	199,244	15,997	121	256,838	711,870	663,037	48,833
Oct-21	41,504	105,207	9,359	3,677	159,747	871,617	888,063	(16,446)
Nov-21					0	0	1,077,778	0
Dec-21					0	0	1,306,337	0
Jan-22					0	0	1,535,032	0
Feb-22					0	0	1,754,795	0
Mar-22					0	0	1,985,517	0
Apr-22					0	0	2,189,323	0
May-22					0	0	2,351,839	0
Jun-22					0	0	2,537,519	0
YTD Totals	166,503	625,236	61,498	18,380	871,617			
FY22 Budget	455,848	1,797,311	80,457	78,728	2,412,344			
% of Budget	36.5	34.8	76.4	23.3	36.1			

FY22 Month	FY22 Effluent (Gal)	FY21 Effluent (Gal)	Increase (Decrease)
July	12,412,000	10,512,000	1,900,000
August	10,241,000	11,571,000	(1,330,000)
September	11,063,000	12,188,000	(1,125,000)
October	12,963,000	13,078,000	(115,000)
November		13,433,000	0
December		16,204,000	0
January		15,231,000	0
February		16,331,000	0
March		13,890,000	0
April		12,309,000	0
May		12,008,000	0
June		10,900,000	0
Total	46,679,000	157,655,000	(670,000)

FY22 Cumulative	FY21 Cumulative
12,412,000	10,512,000
22,653,000	22,083,000
33,716,000	34,271,000
46,679,000	47,349,000
0	60,782,000
0	76,986,000
0	92,217,000
0	108,548,000
0	122,438,000
0	134,747,000
0	146,755,000
0	157,655,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

10/31/21

FY22 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY22 YTD Revenue	FY21 YTD Revenue	YTD Inc/(Dec)
Jul-21	31,976	188,881	55,178	276,036	276,036	227,531	48,505
Aug-21	31,992	181,682	51,708	265,382	541,417	452,994	88,423
Sep-21	31,961	166,678	61,017	259,655	801,072	683,613	117,459
Oct-21	31,997	92,658	31,490	156,145	957,217	929,360	27,857
Nov-21				0	0	1,097,210	0
Dec-21				0	0	1,255,999	0
Jan-22				0	0	1,443,815	0
Feb-22				0	0	1,748,731	0
Mar-22				0	0	2,022,719	0
Apr-22				0	0	2,260,438	0
May-22				0	0	2,409,337	0
Jun-22				0	0	2,651,029	0
YTD Totals	127,925	629,899	199,393	957,217			
FY22 Budget	325,165	1,548,679	473,886	2,347,730			
% of Budget	39.3	40.7	42.1	40.8			

FY22 Month	FY22 Tons of Waste	FY21 Tons of Waste	Increase (Decrease)
July	643.54	615.03	28.51
August	519.96	649.09	(129.13)
September	739.81	534.39	205.42
October	417.18	763.70	(346.52)
November		431.17	0.00
December		399.72	0.00
January		501.65	0.00
February		788.69	0.00
March		770.95	0.00
April		640.15	0.00
May		390.34	0.00
June		634.64	0.00
Total	2320.49	7119.52	(241.72)

Cummulative	
FY22 Tons of Waste	FY21 Tons of Waste
643.54	615.03
1163.50	1264.12
1903.31	1798.51
2320.49	2562.21
0.00	2993.38
0.00	3393.10
0.00	3894.75
0.00	4683.44
0.00	5454.39
0.00	6094.54
0.00	6484.88
0.00	7119.52

**CITY OF UNALASKA
FY22 PORTS REVENUE**

Month	Year	UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM		Other Rev&Fees	Monthly Revenue	FY22 YTD Revenue	% of Budget	FY21 YTD Revenue	YTD Inc(Dec)	
		Docking/Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/Moorage	Utility Fees							
Jul	2021	105,056	232,499	77,130	15,998	18,991	(1,682)	13,319	412	383	10,341	21,899	16,233	1,343	511,920	511,920	6.0%	412,959	98,960	
Aug	2021	180,089	326,226	77,130	30,170	77,548	4,857	3,461	524	4,989	10,128	6,668	19,204	2,207	743,201	1,255,121	14.6%	973,869	281,252	
Sept	2021	165,544	408,428	77,040	19,335	58,151	4,310	6,481	314	4,275	9,433	68,274	9,609	2,445	833,638	2,088,758	24.3%	1,479,412	609,346	
Oct	2021	204,891	322,353	76,742	28,339	46,021	9,853	7,930	481	1,888	15,872	75,523	27,908	1,963	819,760	2,908,519	33.9%	2,077,498	831,020	
Nov	2021														0	0	0.0%	2,506,202	0	
Dec	2021														0	0	0.0%	3,112,613	0	
Jan	2022														0	0	0.0%	3,470,860	0	
Feb	2022														0	0	0.0%	4,061,281	0	
Mar	2022														0	0	0.0%	4,902,143	0	
Apr	2022														0	0	0.0%	5,552,430	0	
May	2022														0	0	0.0%	6,145,016	0	
Jun	2022														0	0	0.0%	6,649,714	0	
Totals		655,580	1,289,505	308,041	93,842	200,710	17,338	31,190	1,731	11,534	45,774	172,364	72,953	7,957	2,908,519					
Loc total		2,346,968				218,048		32,921		57,308		245,317								
Loc percent		80.7%				7.5%		1.1%		2.0%		8.4%								
FY22 Budget		1,770,006	3,188,469	#####	467,127	430,520	125,000	87,000	6,000	120,000	125,069	647,700	313,000	98,000	8,587,891					
% to Budget		37.0%	40.4%	25.5%	20.1%	46.6%	13.9%	35.9%	28.8%	9.6%	36.6%	26.6%	23.3%	8.1%	33.9%					

PORTS RECEIVABLES

Month	Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2021	511,574	81,785	18,291	68,988	680,638	10.1%	536,097
Aug	2021	650,927	62,209	45,069	99,822	858,027	11.6%	594,543
Sept	2021	892,785	96,157	13,433	43,543	1,045,917	4.2%	645,747
Oct	2021	818,448	218,864	26,419	87,135	1,150,865	7.6%	775,452
Nov	2021					0	0.0%	
Dec	2021					0	0.0%	
Jan	2022					0	0.0%	
Feb	2022					0	0.0%	
Mar	2022					0	0.0%	
Apr	2022					0	0.0%	
May	2022					0	0.0%	
Jun	2022					0	0.0%	
YTD Cash Received								2,551,839

**CITY OF UNALASKA
FY22 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY22 YTD REVENUE	% OF BUDGET	FY21 YTD REVENUE	YTD INC/(DEC)
JUL	2021	38,023	9	26	38,057	38,057	6.9%	38,949	(891)
AUG	2021	38,944	0	26	38,970	77,027	13.9%	77,821	(794)
SEP	2021	38,956	14	2	38,972	115,999	21.0%	116,882	(883)
OCT	2021	38,023	18	6	38,048	154,047	27.8%	156,971	(2,924)
NOV	2021				0	0	0.0%	195,487	0
DEC	2021				0	0	0.0%	237,074	0
JAN	2022				0	0	0.0%	279,840	0
FEB	2022				0	0	0.0%	325,065	0
MAR	2022				0	0	0.0%	365,394	0
APR	2022				0	0	0.0%	404,335	0
MAY	2022				0	0	0.0%	443,267	0
JUN	2022				0	0	0.0%	481,450	0
TOTAL		153,946	41	60	154,047		0.0%		
FY22 BUDGET		544,000	3,500	6,000	553,500				
% TO BUDGET		28.3%	1.2%	1.0%	27.8%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2021	34,470	2,997	2,914	(29,080)	11,302	0.0%	53,655
AUG	2021	34,189	3,184	100	(20,821)	16,652	0.0%	37,065
SEP	2021	30,902	3,090	100	(23,535)	10,557	0.0%	45,491
OCT	2021	28,515	18,919	772	(23,333)	24,873	0.0%	28,362
NOV	2021					0	0.0%	
DEC	2021					0	0.0%	
JAN	2022					0	0.0%	
FEB	2022					0	0.0%	
MAR	2022					0	0.0%	
APR	2022					0	0.0%	
MAY	2022					0	0.0%	
JUN	2022					0	0.0%	
YTD TOTAL								164,573

FY 22 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY22 YTD REVENUE	% OF BUDGET	FY21 YTD REVENUE	YTD INC/(DEC)
JUL	2021	14,804	0	14,804	14,804	6.0%	20,475	(5,671)
AUG	2021	20,814		20,814	35,618	14.3%	40,950	(5,332)
SEP	2021	20,451		20,451	56,069	22.6%	71,253	(15,185)
OCT	2021	28,191		28,191	84,259	33.9%	87,087	(2,828)
NOV	2021			0	0	0.0%	106,872	0
DEC	2021			0	0	0.0%	125,096	0
JAN	2022			0	0	0.0%	144,920	0
FEB	2022			0	0	0.0%	167,056	0
MAR	2022			0	0	0.0%	188,067	0
APR	2022			0	0	0.0%	208,571	0
MAY	2022			0	0	0.0%	229,183	0
JUN	2022			0	0	0.0%	257,616	0
TOTAL		84,259	0	84,259				
FY22 Budget		248,500	0	248,500				
% TO BUDGET		33.9%		33.9%				

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J. R. Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: City Manager Report

Upcoming Deadlines: The following City deadlines are upcoming.

- December 31, 2021: Business License Renewal Deadline
- March 1, 2022: Business Personal Property Tax Return Deadline
- March 2, 2022: Senior Citizen Real Property Tax Exemption Application Deadline
- March 31, 2022: Senior Citizen Sales Tax Refund Application Deadline

COVID-19 Emergency Declaration: Tonight the City Council considers the last round of COVID-19 community wide protective measures, which Council has consistently adopted since March 2020. At this point in time, our plan is to still allow the local state of emergency to expire at the end of the year. Therefore, the City will no longer be issuing community wide protective measures. The expiration of the state of emergency does not mean that COVID-19 is no longer with us. It continues to be a significant public health concern, but at this point we believe we have the tools in place to effectively respond. The expiration of the emergency also means a few other changes: the City will no longer have greeters at the airport to collect contact tracing information; and the City will no longer manage the isolation site. The City will not report the number of cases, but the community's case data will be reported on the State of Alaska COVID website. We plan to continue testing the wastewater influent as this is an important indicator for us all locally. We will rely on IFHS Clinic to communicate to the City if the local health care system is at risk of becoming overloaded. If an emergency declaration is necessary in 2022, the declaration can be made by the Mayor or City Manager, subject to ratification of the City Council.

If the emergency declaration expires at year end, the two following emergency City Manager orders related to Mayor and Council will also expire:

- (1) Suspend the provisions of UCO § 2.20.025(D) prohibiting the addition of action items by amending the council meeting agenda; and
- (2) Suspend the provisions of UCO § 2.20.075 regarding council member participation in meetings by teleconference. Copies attached.

Infrastructure Bill: On November 15, 2021, President Biden signed a \$1 trillion infrastructure bill into law. The focus in this bill includes transportation, broadband and utilities. Staff are evaluating which projects would benefit from this funding opportunity.

Federal Lobby Trip: In true tri-lateral fashion, representatives from OC and the Tribe traveled to Washington DC and joined the City at several meetings. Our lobbyists did a great job preparing us and setting up a full schedule. This includes meetings with the Coast Guard, the Alaska Congressional Delegation, the Governor's Office, staff with the House Subcommittee on Water, Oceans and Wildlife, and the Essential Air Service Division Chief. Meetings are underway as this report is being written and subject to change. Discussions will focus on Areas of Critical Need (Airport and Fisheries), Arctic Port Development (Corps Dredging Project, IRT, Coast Guard, and Military Presence), Economic

Development (Geothermal Projects, Environmental Remediation, and Broadband) and Capital projects identified by Council.

Fiscal Sustainability: City Council had an in depth discussion with APCM and City Staff on October 26 regarding a permanent fund. Key direction provided by Council included a \$40 million starting amount, moderate growth allocation, and a plan to begin distribution at the three year point (starting in July of 2024). Staff met again with APCM on Monday, November 8, 2021 to discuss our next steps. Since that time we have received sample ordinances and resolutions from APCM. Our City Attorney has started to work up documents for City Council's use specifically. City Staff will review these documents with APCM, identify further work needed, and bring them to Council for consideration and action. So, more to come on the Permanent Fund, the Emergency Fund and their related policies.

Fiscal Impacts of Crab Closures and Reductions: Again, Staff worked with Fisheries Consultant Frank Kelty in an effort to estimate tax impact for FY 2022 and beyond, due to the Bristol Bay Red King Crab closure and the Bering Sea Snow Crab 90% reduction in allocation. In an effort to do so we broke the process down into three steps:

- Step I - identify the projected loss in sales tax. Marine fuel sales tax impact estimated at \$610,000 reduction, but other non-marine fuel sales tax impacts are unknown.
- Step II - determine how our original fish landing tax revenue projection was calculated and then update for the latest information. Estimated reduction in FY 2022 local 2% landing tax is \$445,000. However, given a surplus for Alaska Resource Landing Tax and Alaska Business Fisheries Tax, the net reduction is \$105,000.
- Step III - determine how the State taxes are calculated and revise projections for FY 2023 and beyond. Staff continues to work with Mr. Kelty to determine this amount; however, this a more challenging process and will take a bit more time.

Jim Sharpe met with Frank Kelty last Tuesday and received updated information regarding the calendar year 2022 for Pollock and Pacific Cod. Specifically, the Pollock allocation was reduced from 1,375,000 metric tons in 2021 to 1,111,000 metric tons in 2022. It is expected that this reduction will reduce FY 2022 tax revenue by \$300,000 (local landing tax) and FY 2023 tax revenue by \$600,000, split equally between Fisheries Business Tax and Resource Landing Tax. The Pacific Cod allocation increased from 111,380 metric tons in 2021 to 136,466 metric tons in 2022. The increased allocation, along with an increased shore price per pound, should provide an additional \$500,000 tax revenue to the City for FY 2022. In summary, the adjustments to the pollock and cod allocations will have a net positive impact to FY 2022 tax revenues of \$200,000 and a net reduction to FY 2023 tax revenues of \$600,000. Mr. Sharpe and Mr. Kelty will continue to work together over the next month, refining and updating allocation information in order to develop revenue estimates for Council as part of the FY 2023 budget process.

Environmental Assessment Grant: The Planning Department worked with Stantec Associates to prepare an application to the EPA for an environmental assessment grant. If awarded, the \$500,000 grant can be used to sample property suspected of contamination, as well as to assist with redevelopment/development plans for contaminated property. Stantec committed to the grant writing component of the contract for zero cost to the city. SLR's proposal would have cost the city \$40,000 for grant writing. The grant application was submitted on December 1, 2021. This was the grant opportunity that was mentioned during the update from the Federal lobbyist team.

Directives to the City Manager: There are two outstanding directives, both progressing as outlined below.

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Progressing.* The directive reads, "Implement a cost-benefit analysis for the proposed road improvements and utility

expansion for Captains Bay Road.” The Public Works Director has provided the following update on this analysis. HDR Engineering conducted on-site stakeholder interviews and meetings with Public Works staff between October 6 and October 9. The stakeholders interviewed included representatives from Matson, Westward Seafoods, APL, Kloosterboer, Alaska Chadux Network, North Pacific Fuel, Pacific Stevedoring, Offshore Systems, Inc., Trident, and Roger Rowland. Maintenance and operating costs as well as potential benefits were discussed with each stakeholder. Accident locations, rock fall locations, and pedestrian safety issues were reviewed. HDR is in contact with DPS to obtain additional detail on Captains Bay Road traffic incidents. Since returning to Anchorage, HDR began the analysis by developing an initial list of project benefits that could be potentially realized including reduced road maintenance costs, reduced vehicle maintenance costs, improved safety, travel time savings, reduced emissions, residual value of assets, and avoided road closures. HDR Economists are reviewing input from the stakeholder meetings to assess the degree to which the data available will support the quantification of benefits. The cost-benefit model template is under development which incorporates information and data obtained through the initial interview with stakeholders. A review of potential funding sources for non-transportation projects was also reviewed to identify possible funding sources for the utilities component of the roadway improvements. Economists are also assessing the potential for quantification of the utilities benefits. HDR Met with City Staff and HDL to discuss project phasing and costs. HDR reached out to Unalaska Department of Public Safety to further discuss accident history along CBR. HDR met with City Public Works staff to further refine project phasing options and discussed project benefits. A draft Cost-Benefit Analysis Report will be submitted to the City in mid-January.

- *Haystack Communications Site (July 27, 2021). Progressing.* The directive reads, “Start the process to terminate leases on Haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases.” This directive was issued after public comment by OptimERA representatives at the City Council meeting. Available space (that is not already leased or has an easement across it) is limited on Haystack, and OptimERA had previously requested a lease agreement in a place that was leased to another entity. The Planning Department has reached out to some of the telecom companies to discuss future leasing and update information between the City and lease holders. OptimERA has applied for a new lease atop Haystack that will lease the site on which they already have an antenna located. The lease was reviewed by the City attorney and has been forwarded to OptimERA for their consideration.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Qawalangin Tribe's Request for Exemption from City Sales Tax

SUMMARY: The Qawalangin Tribe of Unalaska (Q-Tribe) has requested that City Code be amended to exempt federally-recognized tribal governments from Unalaska's sales tax.

PREVIOUS COUNCIL ACTION: City Council has not taken any previous action specific to a sales tax exemption for federally-recognized tribal governments.

BACKGROUND: Tribal entities are not inherently exempt from municipal sales tax, either as a buyer or a seller. Tribal governments do not qualify for any of the present exemptions allowed in Unalaska's Code of Ordinances. The Q-Tribe continues to claim an outdated exemption as a nonprofit organization; an exemption for which they no longer qualify.

A survey was done of sales tax codes in 19 taxing jurisdictions in Alaska. Nine of the jurisdictions allow an exemption from sales tax for federally recognized tribal governments and ten jurisdictions do not. Of the nine that provided the tribal exemption, the exemption was general in nature (exempting both purchases and sales); was a "government" type exemption; and was not specific to any particular tribal entity, but rather to all federally recognized tribal governments.

DISCUSSION: City Attorney Charles Cacciola provided a comprehensive memorandum on the subject, which follows this memo in the Council Packet and will not be repeated here. Mr. Cacciola's memo covers:

- A. Federally Recognized Tribes & Taxation (p. 1)
- B. Current City Sales Tax Exemptions (p. 2)
- C. Exempting Tribes from City Sales Tax (p. 3)
 - 1. Exempting all tribal activities (p. 3)
 - i. § 6.40.030(Q) Nonprofit Organizations (p. 3)
 - ii. § 6.40.030(L) Government Agencies (p. 4)
 - 2. Exemption for tribe's governmental/non-commercial activities only (p. 4)
 - 3. Q-Tribe specific exemption (p. 5)

Council needs to make a decision about the Q-Tribe's request. The main question is whether Council will choose to exempt federally recognized tribal governments from city sales tax. Depending on the answer to the main question, other decisions may need to be made. The following outline provides guidance on the necessary decisions:

MAIN QUESTION:

**SHOULD FEDERALLY RECOGNIZED TRIBAL GOVERNMENTS
BE EXEMPT FROM CITY SALES TAX?**

- 1) **If Council decides not to provide an exemption**, then no action is necessary. Council can signify this decision by taking no action and providing no direction to staff. The City Clerk will then notify the Q-Tribe to cease claiming exemption from sales tax as a nonprofit organization, and will also notify local vendors to discontinue allowing sales tax exemptions to the Q-Tribe and other federally recognized tribal governments. The Q-Tribe will also be notified that they are subject to the City's sales tax code for any commercial activities, now and in the future.
- 2) **If Council decides to provide an exemption**, Council must provide direction to staff about the type of exemption, general or limited:
 - a) A general exemption would exempt both "governmental" activities (i.e. purchases related to tribal government activities and programs) and "commercial" activities (i.e. purchases and sales related to commercial "for profit" ventures).
 - b) A limited exemption would be for tribal governmental/non-profit activities only, specifically purchases in support of tribal government activities and programs. Any commercial activities would be subject to sales tax. Note that distinguishing between governmental and commercial activities may be complex if tribal entities begin commercial operations in Unalaska, such as selling broadband access, leasing property, or other commercial ventures.
 - c) Depending upon Council's direction under the preceding question, staff can prepare an ordinance that would:
 - i) Amend the nonprofit exemption 6.40.030(Q) to include federally recognized tribes;
 - ii) Amend the government exemption 6.40.030(L) to include federally recognized tribes;
or
 - iii) Create a specific exemption, with a new subsection of code. This is necessary if a limited exemption is allowed. If this option is selected, a decision needs to be made whether to:
 - (1) Exempt the Q-Tribe specifically (not recommended); or
 - (2) Exempt all federally recognized tribes.

ALTERNATIVES: Available alternatives are discussed at length in the City Attorney's Memorandum, and in the preceding section of this memo. The alternative can be summarized as:

- 1) Do nothing – Tribal entities will receive no exemption from sales tax;
- 2) Exempt everything – Both purchases and sales by federally recognized tribes will not be subject to sales tax (both "governmental" and "commercial" activities); or

- 3) Middle of the Road Approach – Provide a “limited” exemption for tribal governmental and non-profit activities only, specifically purchases made in support of tribal government activities and programs. Any commercial activities would be subject to sales tax.

FINANCIAL IMPLICATIONS: Sales tax revenue may be impacted based on a final Council decision. However, this amount, at least at present, is not deemed to be significant in relation to the City’s total revenue. Requests were made to the Q-Tribe to provide an estimate of their annual local purchases so that financial impact could be estimated, but no information was provided. The Eastern Aleutians Tribe also makes purchases in Unalaska, but the tax revenue impact is likely not significant. If the Q-Tribe or another tribal entity begin commercial operations in Unalaska, the financial impact may be more significant.

LEGAL: City Attorney Charles Cacciola authored the attached memoranda and is available by telephone for questions.

STAFF RECOMMENDATION: This is a Council decision and no formal action is requested tonight, unless Council is in agreement and ready to provide direction to staff.

PROPOSED MOTION: Staff requests direction from Council as set out in the Discussion and Alternatives sections above. The City Clerk suggests a directive from Council if the decision is made to provide a sales tax exemption, with indication as to the type of exemption (general or limited); and if general, whether to amend the existing nonprofit exemption or the governmental exemption. If a limited exemption is selected, a specific exemption will need to be written for federally recognized tribes.

CITY MANAGER COMMENTS: This seemingly simple request can quickly become complicated due to various ramifications. The purpose of tonight’s discussion is to review those ramifications. The middle of the road option is listed as an alternative as it complements the fact that City Council has historically granted funds to the Q-Tribe as part of the community support grant program for non-profit organizations, even though the Q-Tribe is not an IRS-recognized non-profit. This middle of the road approach allows for the creation of boundaries for commercial/profitable operations in the future, which would need to be clearly identified.

ATTACHMENTS:

1. [October 9, 2021 memorandum from City Attorney Charles Cacciola](#)
2. [December 22, 2020 letter from the Qawalangin Tribe to Mayor Tutiakoff](#)
3. [April 22, 1992 letter from City Clerk to Qawalangin Tribe](#)

CHANDLER, FALCONER, MUNSON & CACCIOLA, LLP

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Telephone: (907) 272-8401
Facsimile: (907) 274-3698
bcf@bcfaklaw.com

MEMORANDUM

To: Mayor Tutiakoff
City Council

From: Charles A. Cacciola

Date: October 21, 2021

Re: Tribal Sales Tax Exemption

The Qawalangin Tribe of Unalaska previously enjoyed exemption from city sales tax as a nonprofit. Several years ago, the city's nonprofit exemption was clarified as applying only to nonprofit charitable organizations as defined in 26 U.S.C. 501(c).¹ Q Tribe has asked the city to amend the code, specifically the exemption for governmental agencies, to include tribes.

Tribes are not inherently exempt from municipal sales tax as either a buyer or seller, but the city code can be amended to grant exemption to tribes. Should council wish to do so, the foremost issues are (1) whether to exempt all tribal activities or if an exemption should be limited to the governmental (non-commercial) tribal activities, and (2) whether to exempt both sales to and by the tribe or if a tribe should be exempt as a purchaser only.

A. Federally Recognized Tribes & Taxation

Q Tribe is a federally recognized tribe.² Federal law entitles tribes to certain privileges, generally flowing from the doctrine tribal sovereignty. Tribal tax exemption jurisprudence relies heavily on the doctrine of tribal sovereignty "which historically gave state law 'no role to play' *within a tribe's territorial boundaries.*"³ With the exception of Metlakatla, tribes in Alaska do

¹ UCO § 6.40.030(Q).

² Federal Register Volume 85, Issue 20 (January 30, 2020).

³ *Prairie Band Potawatomi Nation, 546 US at 112.*

not have territorial boundaries. As a result, the legal limitations on sales taxation of tribes are much more limited in Alaska than in areas where tribes have reservations or other territory.

In addition, to determine when federal law requires tribal exemption from sales tax requires distinguishing tribe as seller from tribe as buyer because analysis of tax immunity is based upon who bears the legal incidence of the tax.⁴

As a seller, a tribe cannot be compelled to collect sales tax on sales occurring in its territorial boundaries to members of the Tribe.⁵ Even in the tribe's boundaries, the tribe must collect applicable sales taxes on sales to non-members.⁶

The law is less developed for sales to tribes. Sales to a tribe occurring *in* the tribe's boundaries are generally exempt.⁷ On the other hand, the U.S. Supreme Court has held that states (and therefore municipalities) are not generally prohibited from enforcing revenue laws against any tribal enterprise located outside of the tribe's territorial boundaries.⁸

B. Current City Sales Tax Exemptions

Unalaska Code of Ordinances § 6.40.030 enumerates 27 sales tax exemptions. The code does *not* contain a broad exemption from sales tax for which Q Tribe is eligible.

Under § 6.40.030(Q), a “sale made to a nonprofit charitable organization as defined in Section 501(c) of the Internal Revenue Code is exempt.” Q Tribe has not obtained this IRS income tax status. (Some tribes create 501(c) entities to perform nonprofit work enabling that work to take advantage of favorable tax treatment.)

Under § 6.40.030(L), a sale “directly to the United States government, or to the State of Alaska and its political subdivisions is exempt.” While Q Tribe may be a government, the exemption is expressly for the federal and state governments. Q Tribe is neither. That said, certain projects undertaken by Q Tribe could be exempt under this subsection as a result of federal funding for the project.

⁴ *Oklahoma Tax Comm'n v. Citizen Band of Potawatomi Tribe of Okla.*, 498 US 505 (1991).

⁵ *Moe v. Confederated Salish and Kootenai Tribes of Flathead Reservation*, 425 US 463 (1976).

⁶ *Id.*

⁷ *See Oklahoma Tax Comm'n v. Chickasaw Nation*, 515 US 450 (1995).

⁸ *Mescalero Apache Tribe v. Jones*, 411 US 145 (1973) (tribally owned ski resort located outside of reservation subject to state gross receipts tax).

C. Exempting Tribes from City Sales Tax

The first step in a potential ordinance granting sales tax-exempt status to tribes is deciding whether to exempt *all* tribal activities or to limit the exemption to certain activities (*i.e.*, governmental versus commercial activities). If the council decides that a general exemption is preferable, it should next decide if the best method is amending the existing nonprofit exemption, the government exemption, or creating a new tribe-specific exemption. If the city decides to exempt only certain tribal activities, a new exemption subsection is a practical necessity.

1. *Exempting all tribal activities*

The primary advantage for the city of this general exemption approach is its efficiency relative to exemption for some, but not all, tribe activities. Q Tribe would also benefit from administrative simplicity of a general exemption, but the greater advantage for Q Tribe under is a broader exemption from tax if all of its activities, and both sales and purchases, are exempt.

A general tribal sales tax exemption allows tribes to engage in commercial enterprises alongside tax-paying enterprises, providing tribes a competitive advantage over tax-paying enterprises and reducing tax revenue from commercial activity. For example, a tribe could operate a hotel and avoid paying sales tax on the otherwise taxable purchases made in support of the hotel operation, to the disadvantage of a competing hotel. If sales *by* a tribe are also exempt, the tribe's competitive advantage is greater still.

Our understanding is that little tribally owned commercial enterprise currently exists in Unalaska. Thus, a general tribal exemption would not immediately cause a significant decrease in tax revenue (relative to an activity-specific exemption) nor competitively disadvantage existing commercial enterprises. But it would create incentives to move in that direction.

If the city prefers to exempt all tribal activities from city sales tax, the simplest approach is to amend either the existing nonprofit exemption — § 6.40.030(Q) — or the government exemption — § 6.40.030(L) — to include federally recognized tribes. Alternatively, a new subsection specific to tribes can be adopted if the council is not satisfied with the result of extending the nonprofit or government exemption to tribes.

i. § 6.40.030(Q) Nonprofit Organizations.

Q Tribe enjoyed exemption as a nonprofit until that exemption was limited to IRS-recognized charitable organizations. Re-extending the nonprofit exemption to tribes would align with previous practice and is the simplest code change to grant Q Tribe tax exemption.

Exemption under the nonprofit subsection is not self-executing. The nonprofit must apply for an exemption certificate as set forth in UCO 6.40.040(F). Requiring application and an exemption certificate for tribes may also be a practical necessity for administering the exemption: Unalaska merchants and the city clerk may be familiar with Q Tribe, but less familiar with the other 573 federally recognized tribes.

Finally, the existing nonprofit exemption applies to sales to *and by* the nonprofit, a significant difference from the proceeding under the government agency exemption.

ii. § 6.04.030(L) Government Agencies.

Q Tribe requests exemption under the exemption for government agencies. This exemption does not require application or an exemption certificate. Should the city decide to exempt tribes under 6.04.030(L), it should probably require tribes to apply for and present an exemption certificate because that there are 574 federally recognized tribes.⁹

Another significant difference between the code's nonprofit exemption and government exemption is that the state and federal governments can "pass through" their exemption to their construction contractors for the contractor's purchases that are incorporated into the construction project. Nonprofits do not enjoy this benefit.

Finally, adding tribes to the existing exemption for governments provides an intangible benefit to Tribes: It further acknowledges to the governmental nature of tribes.

2. Exemption for tribe's governmental/non-commercial activities only

Exempting from sales tax only those purchases made in furtherance of a tribe's governmental activities and functions may be a better fit for the policy purpose of a tribal exemption. The disadvantage of an activity-specific exemption is the complexity of distinguishing between a tribe's governmental activities and commercial enterprise activities.

Using the example from above, a tribally operated hotel seems a relatively clear example of a commercial enterprise. But the distinction is not always clear and some would argue that operation of a hotel is a government activity to the extent proceeds are used to support governmental activities. Or, for example, if Q Tribe were to construct an office building for its administrative offices but also includes revenue-generating space leased to third parties, would sales to Q Tribe related to the operation of that building be taxed pro rata based on the portion of

⁹ Such application procedure would generally follow the existing procedure for nonprofits and would require minimal code amendment.

the building used for tribal administration and that portion leased out? What if space in that building was used by Q Tribe for administrative support of its commercial enterprises? Distinguishing between governmental and commercial activities is complex.

Our understanding is that Q Tribe's current activities are generally non-commercial, government activities.¹⁰ Thus, distinguishing between governmental and commercial activities may not have much practical consequence at present or in the near future, at least as relates to Q Tribe. It could, however, mean that tribally owned remote sellers are not exempt from collecting city sales tax if the exemption were to extend to sales *by* a tribe.

3. *Q-Tribe specific exemption.*

Regardless of which, if any, approach council prefers, it may be considering granting exemption to Q-Tribe only rather than to all federal recognized tribes. Some manifestations of an exemption specific to Q-Tribe may be legally defensible, but it is generally bad policy to codify a tax exemption for a single entity.

In practice, requiring tribes to apply for an exemption certificate could achieve nearly the same result because it is unlikely that any other tribe – perhaps Eastern Aleutians Tribe – would apply and use the certificate. Alternatively, a tribal exemption could be limited to tribes providing programming and other services in the City of Unalaska. Such an approach, however, would apply only to exempt the *purchases* of the tribe – not its sales – because the remote sellers code and compact prohibit the city from discriminating between local and other sellers.

CONCLUSION

Federal law does not impose significant mandates regarding the application of city sales tax to tribal activities occurring in Unalaska. The city has significant freedom to determine what, if any, tribal tax exemption best serves the community. To best balance the city's interests and the tribe's interest, the city may wish to consult further with Q Tribe to better understand its goals.

¹⁰ We understand that Q Tribe is exploring 8(a) contracting. "8(a)" refers to the SBA 8(a) Business Development Program. The program provides preferences, including sole source, to small businesses owned by disadvantaged people or entities. Importantly for Alaska, Native-owned business qualify for the program. Several Native corporations have lucrative 8(a) contracting businesses. The overwhelming majority of the contracted activity occurs in the lower 48. Little, if any, 8(a) contracting would occur with a taxable situs in Unalaska. Moreover, the contract would be a sale to the US government and therefore exempt under § 6.40.030(L). In short, Q Tribe's potential 8(a) contracting isn't a meaningful concern for city sales tax.



December 22, 2020

Vincent M. Tutiakoff, Sr., Mayor
City Hall, 43 Raven Way
Unalaska, AK 99685

Re: Restoration of Tribal Governmental Tax Status

Dear Mayor Tutiakoff:

The Qawalangin Tribal Council asks that you take the lead with the City to amend or clarify the City Sales and Use Tax Code, Chapter 6.40, to exempt federally-recognized tribal governments from the tax, just as other governments are exempt. As you know, the Qawalangin Tribe of Unalaska (QTU) is a federally recognized native government possessing inherent sovereignty. The U.S. federal government lists such qualifying tribal government periodically and the QTU is included at 84 Fed. Reg. 1200, 1205 (Feb. 1, 2019), and in previous federal lists. As that Notice explains, "The listed Indian entities are acknowledged to have the immunities and privileges available to federally recognized Indian Tribes by virtue of their government-to-government relationship with the United States as well as the responsibilities, powers, limitations, and obligations of such Tribes." Those immunities include the provisions of the Tribal Tax Status Act, 26 U.S.C. 7871 (tax deductions and exemptions).

Our Tribe's governmental status was previously recognized by the city in an exemption letter dated April 22, 1992 (copy attached). However, that recognition was inadvertently withdrawn. The Exemptions definition in the Sales and Use Tax Code was amended in 6.40.030 to state "L. GOVERNMENTAL AGENCIES. A sale directly to the United States government, or to the State of Alaska and its political subdivisions is exempt." That code is currently interpreted to deny QTU's governmental status. Accordingly, we ask that the Council amend 6.40.030(L) to exempt: "A sale directly to the United States government, a federally-recognized tribal government, or to the State of Alaska, or their political subdivisions is exempt."

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Shaishnikoff', is written over a light blue horizontal line.

Blaine Shaishnikoff
Tribal Council President



CITY OF UNALASKA

P.O. BOX 89
UNALASKA, ALASKA 99685
(907) 581-1251
FAX (907) 581-1417



April 22, 1992

QAWALANGIN TRIBE OF UNALASKA
P.O. BOX 334
UNALASKA, ALASKA 99685

At the Council meeting held April 14, 1992, Unalaska City Code was amended to exempt purchases made by non-profit and religious organizations from sales tax.

Enclosed is your organization's tax exempt card. This is a permanent card and does not need to be renewed annually. If there is a need for additional cards, please contact Maria Hawks at 581-1251.

If you have any questions, please give me a call at 581-1251.

Sincerely,

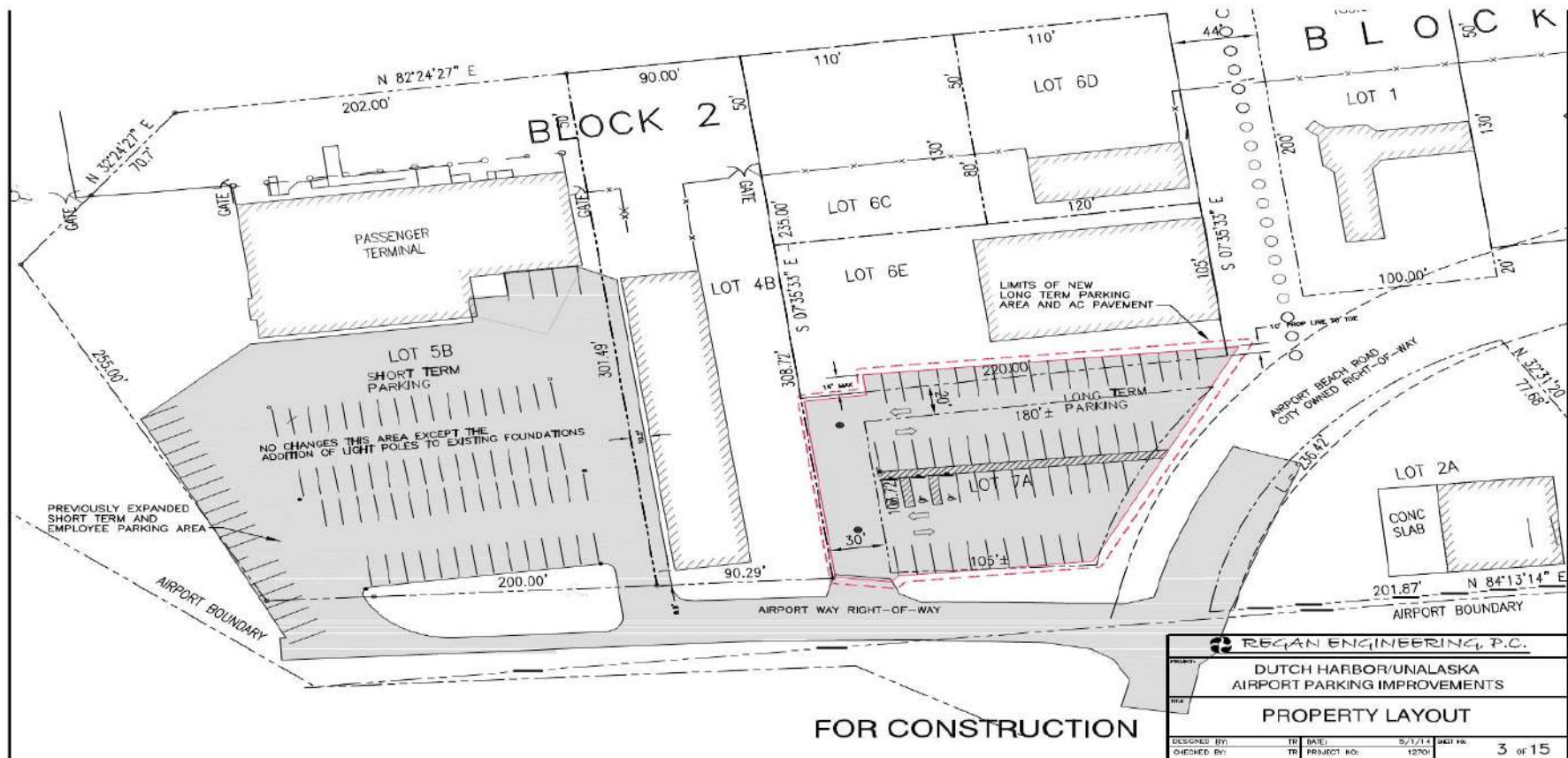
DEBRA K. DUSHKIN
City Clerk

CITY OF UNALASKA
Unalaska, Alaska
XXXXXXXXXXXXXXXXXXXX
Sale Tax Exemption License
1040
Tax Exemption Number
This license issued pursuant to city ordinance
6.40.030 and 6.40.040 authorizes
QAWALANGIN TRIBE OF UNALASKA
Name of Business
to be exempt for the following reasons
UNALASKA CITY CODE 6.40.030 (N)
Issued by: *Debra K. Dushkin*
City Clerk

Unalaska
Sale Tax Exemption License
1040

*This license pursuant to City Ordinance
6.40.030 and 6.40.040 authorizes
Qawalangin City Code 6.40.030 (N)
Issued by Debra Dushkin*

Long-Term Airport Parking – Discussion Future Operations



Long-Term Airport Parking – Discussion Future Operations

Topics to be discussed:

- Why are we here?
- What role does the Long-Term parking play for the community and for industry?
- What does a change in operation mean to the proprietary fund?
- Should Long-term parking contribute to the proprietary fund?
- What process or processes are required to make a change?

What next?

- Does Council support a change in operations?
- If so, should this be publicly or privately operated?

CITY OF UNALASKA
UNALASKA, ALASKA
ORDINANCE 2021-16

CREATING BUDGET AMENDMENT #2 TO THE FISCAL YEAR 2022 BUDGET, ESTABLISHING AN E911 SPECIAL REVENUE FUND WITH \$55,000 OF SURCHARGE REVENUE AND APPROPRIATING \$55,000 FOR AN ENHANCED 911 EMERGENCY REPORTING SYSTEM; ACCEPTING \$139,000 FROM ALASKA ENERGY AUTHORITY AND APPROPRIATING \$139,000 IN THE WIND POWER DEVELOPMENT PROJECT; AND RECOGNIZING \$2,000,000 OF PRIVATE CONTRIBUTIONS FROM OCCP, LLC AND APPROPRIATING \$2,000,000 IN THE MAKUSHIN GEOTHERMAL PROJECT

BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

- Section 1.** Classification: This is a non-code ordinance.
Section 2. Effective Date: This Ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY22 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
 B. The following are the changes by account line item:

Amendment #2 to Ordinance #2021-07

	Current	Requested	Revised
I. OPERATING BUDGETS			
A. E911 Special Revenue Fund			
Sources:			
E911 Customer Surcharge	\$ -	\$ 55,000	\$ 55,000
Uses:			
E911 Emergency Reporting System	\$ -	\$ 55,000	\$ 55,000
II. CAPITAL BUDGETS			
A. Electric Capital Project Budgets			
<i>Wind Power Development Project</i>			
Sources:			
AEA Grant	\$ -	\$ 139,000	\$ 139,000
Uses:			
Wind Power Development	\$ 495,000	\$ 139,000	\$ 634,000
<i>Makushin Geothermal Project</i>			
Sources:			
OCCP Contribution	\$ -	\$ 2,000,000	\$ 2,000,000
Uses:			
Makushin Geothermal Project	\$ 2,860,000	\$ 2,000,000	\$ 4,860,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on _____, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

City of Unalaska
Summary of Budget Amendment and Schedule of Proposed Accounts
Budget Amendment 2 to the FY22 Budget

- 1) E911 Special Revenue Fund - Operating
 - Add \$55,000 to E911 Enhancement Surcharge to reflect anticipated revenue from telecommunications surcharges
 - Add a total of \$55,000 to expenditures for the establishment of an enhanced 911 emergency reporting system

- 2) Electric Capital Projects
 - Wind Power Development*
 - Add \$139,000 to AEA Grant Revenue
 - Add a total of \$139,000 to personnel, travel, and engineering expenses

 - Makushin Geothermal*
 - Add \$2,000,000 to contributions from private sources to reflect OCCP obligation per agreement
 - Add \$2,000,000 to the Makushin Geothermal project expenditures

	Org	Object	Project	Current	Requested	Revised
1) <u>E911 Special Revenue Fund - Operating</u>						
Sources:						
E911 Enhancement Surcharge	14011040	41425		\$ -	\$ 55,000	\$ 55,000
Uses:						
Training Services	14021052	53260		\$ -	\$ 6,000	\$ 6,000
Other Professional	14021052	53300		\$ -	\$ 1,000	\$ 1,000
Repair/Maintenance Services	14021052	54300		\$ -	\$ 1,500	\$ 1,500
Travel and Related Costs	14021052	55903		\$ -	\$ 3,500	\$ 3,500
General Supplies	14021052	56100		\$ -	\$ 6,000	\$ 6,000
Computer Hardware/Software	14021052	56150		\$ -	\$ 18,500	\$ 18,500
Machinery and Equipment	14021053	57400		\$ -	\$ 18,500	\$ 18,500
2) <u>Electric Capital Projects</u>						
<i>Wind Power Development</i>						
Sources:						
AEA Grant Revenue	501A2141	42199	EL18C	\$ -	\$ 139,000	\$ 139,000
Uses:						
Salaries & Wages	501A2153	51100	EL18C	\$ -	\$ 5,000	\$ 5,000
Health Insurance	501A2153	52100	EL18C	\$ -	\$ 217	\$ 217
FICA & Medicare	501A2153	52200	EL18C	\$ -	\$ 383	\$ 383
PERS Employer Contribution	501A2153	52300	EL18C	\$ -	\$ 1,100	\$ 1,100
Unemployment Insurance	501A2153	52400	EL18C	\$ -	\$ 50	\$ 50
Workers Comp	501A2153	52500	EL18C	\$ -	\$ 200	\$ 200
Travel	501A2153	55903	EL18C	\$ -	\$ 13,900	\$ 13,900
Engineering & Architecture	501A2153	53240	EL18C	\$ -	\$ 118,150	\$ 118,150
3) <u>Makushin Geothermal</u>						
Sources:						
Contributions & Donations - Private Srcs	50115047	47400	EL22B	\$ -	\$ 2,000,000	\$ 2,000,000
Uses:						
Engineering & Architectural	50125053	53240	EL22B	\$ 1,534,700	\$ -	\$ 1,534,700
Other Professional Svcs	50125053	53300	EL22B	\$ 15,000	\$ 600,000	\$ 615,000
Construction Services	50125053	54500	EL22B	\$ -	\$ 1,000,000	\$ 1,000,000
Telephone/Fax/TV	50125053	55310	EL22B	\$ 300	\$ -	\$ 300
General Supplies	50125053	56100	EL22B	\$ 1,310,000	\$ 400,000	\$ 1,710,000

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-16: Creating Budget Amendment #2 to the Fiscal Year 2022 Budget, establishing an E911 Special Revenue Fund with \$55,000 of surcharge revenue and appropriating \$55,000 for an Enhanced 911 Emergency Reporting System; Accepting \$139,000 from Alaska Energy Authority and appropriating \$139,000 in the Wind Power Development Project; and recognizing \$2,000,000 of private contributions from OCCP LLC and appropriating \$2,000,000 in the Makushin Geothermal Project

SUMMARY: The Ordinance has three components, summarized below.

E911 Enhancement. This budget amendment establishes a budget for the newly created E911 Enhancement program. While the City expects to receive \$75,000 to \$85,000 annually, the proposed amendment covers a partial year, reducing the amount requested to \$55,000.

Alaska Energy Authority Grant. This budget amendment places \$139,000 of Alaska Energy Authority Grant Funds into the Wind Power Development Project (EL18C) budget. The grant does not require matching funds. Grant funds will be used to determine how to move onto Phase IV, Turbine Design, and includes identifying the best method to integrate wind power with the Makushin Geothermal project as well as the associated cost.

Makushin Geothermal Project. This budget amendment request will record receivable revenues from OCCP as outlined in a Memorandum of Agreement among OCCP, LLC and the City of Unalaska regarding City Electrical System Integrity Upgrades and Cost Share from the Necessity of Accepting Power from the 30MW Makushin Geothermal Project dated July 15, 2021, Stipulation II D (1), and the Power Purchase Agreement between the City of Unalaska and OCCP dated August 31, 2020, Terms and Condition 11 (c).

PREVIOUS COUNCIL ACTION: Previous Council actions related to these three ordinance components are outlined below.

E911 Enhancement. On April 27, 2021, City Council approved Ordinance 2021-06, amending Title 11 of the Unalaska Code of Ordinances to establish an enhanced 911 system and establish enhanced 911 customer surcharges (\$2 per line per month).

Alaska Energy Authority Grant. In 2003, Unalaska City Council approved the Wind Integration Assessment Project through Ordinance 2003-11.

In FY2018, Council funded the Wind Power Development and Integration Assessment Project through Capital Budget Ordinance 2017-07.

In 2017, Council entered into an Agreement with V3 Energy, LLC to perform the Wind Power Development & Integration Assessment Phase II – IV Project in the amount of \$48,481 via Resolution 2017-63, moving forward with Phase II work.

Budget Amendment Ordinance 2018-12, approved and adopted October 23, 2018, added \$220,000 to the Engineering Services line item of the Project's budget to begin the Phase III work.

Budget Amendment Ordinance 2019-17, approved and adopted on January 14, 2020, provided an additional \$75,000 for Phase III.

Makushin Geothermal Project. On August 25, 2020, City Council approved resolution 2020-55 authorizing the City Manager to enter into a power purchase agreement with Ounalashka/Chena Power, LLC.

On March 23, 2021, City Council approved resolution 2021-14 amending the power purchase agreement with Ounalashka/Chena Power, LLC, extending the deadline outlined in the power purchase agreement, to obtain financing.

On July 27, 2021, City Council approved resolution 2021-55 approving amendment 2 to the power purchase agreement with Ounalashka/Chena Power, LLC, extending the Commercial Operations Date by one year.

BACKGROUND: Below is background on each of the three ordinance components.

E911 Enhancement. Unalaska has a diverse and multi-lingual community. The presence of a multiple languages often poses unique challenges during normal day to day conversation and interaction. When you add in the stress of an emergency situation and the crucial need to immediately share or convey specific information, the results can include a long dialogue that results in the rapid passage of time. The benefit of an Enhanced 911 is that the system can take seconds off of the dispatch time, which can be the difference between life and death. 911 service was introduced in the 1960's and Enhanced 911 was introduced in the 1970's. A review of the current shortfalls of the Communications System as it is and the potential integration of existing technology was conducted. The Department of Public Safety has undertaken the process of upgrading its Radio, Repeater Site and CAD Systems. Phase III of this project incorporates the move to VESTA. VESTA is a CAD System that supports the Enhanced 911 features desperately needed to provide a high level of services for the best quality of life for the members of the community.

Alaska Energy Authority Grant. The Wind Energy Assessment project is comprised of 4 phases:

- Phase I: Past Assessments is complete
- Phase II: Pre-Design and Site Selection is complete
- Phase III: Data Collection and Analysis is 80% complete
- Phase IV: Design of Wind Turbines has not begun and is for future Council action

From 2003 to 2005, a Phase 1 analysis of the feasibility for wind energy in Unalaska was conducted by Northern Power Systems, however, Phase II of that project was never realized. Local interest in renewable energy and the availability of new technology led the City of Unalaska Department of Public Utilities to issue a Request for Qualifications for Phase II – IV of the Wind Power Development and Integration Assessment Project. V3 Energy, LLC was awarded the work.

MET towers were set up at four locations around Unalaska and our engineer, Doug Vaught of V3 Energy, is analyzing the data to provide the Phase III Final Report for wind power assessment. The grant funds awarded and accepted by the City through this Budget Amendment will cover the cost of the feasibility analysis as it relates to integrating wind energy into the City's electrical grid and associated costs.

Makushin Geothermal Project. The City of Unalaska and OCCP negotiated for approximately two months to generate a cost reimbursement schedule for OCCP's \$7 million obligation towards electrical infrastructure reliability upgrades and improvements described in the PPA, resulting in the Memorandum of Agreement referenced above.

DISCUSSION: Again, the Ordinance has three components, all outlined below.

E911 Enhancement. Use of E911 Enhancement monies is restricted to E911 equipment, training and staff time. The proposed budget amendment outlines specific costs that are in alignment with the requirements. In future years, the budget for this program will be established through the annual budgeting process.

Alaska Energy Authority Grant. As outlined in the Ordinance and grant documents (see attached), staff is requesting \$139,000 of AEA grant funds be placed into the Wind Power Development Project's Budget.

Makushin Geothermal Project. OCCP's payment schedule for FY22 per the Memorandum of Agreement (copy attached) is detailed below:

On or before September 1, 2021	\$150,000
On or before April 1, 2022	\$350,000
On or before May 1, 2022	\$500,000
On or before June 1, 2022	\$500,000
On or before June 30, 2022	\$500,000

This budget amendment would allow these revenues to be recorded directly into revenue account 50115047-47400-EL22B.

ALTERNATIVES: Council can approve the budget amendment as presented, alter it, or decide not to approve it. Lack of approval could delay expenditures related to each of the three impacted departments.

FINANCIAL IMPLICATIONS: This budget amendment will accept and allocate funds.

E911 Enhancement. Establishes an E911 Special Revenue Fund with \$55,000 of surcharge revenue and appropriates \$55,000 for an enhanced 911 emergency reporting system.

Alaska Energy Authority Grant. Accepts \$139,000 of grant funds and appropriates funds to the Wind project. Funds will be used to initiate a feasibility assessment to determine the best method to integrate wind power with the planned geothermal power project. Design and construction funding will also be explored during this feasibility phase. The City is not required to provide a funding match for this project.

Makushin Geothermal Project. Recognizes \$2,000,000 of private contributions from OCCP and appropriates \$2,000,000 in the Makushin Geothermal Project.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval

PROPOSED MOTION: I move to adopt Ordinance 2021-16 and schedule it for second reading and public hearing on December 14, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS:

- Copy of Memorandum of Agreement among OCCP, LLC and the COU
- Alaska Energy Authority Grant Agreement

MEMORANDUM OF AGREEMENT

AMONG OCCP, LLC AND THE CITY OF UNALASKA

REGARDING

**CITY ELECTRICAL SYSTEM INTEGRITY UPGRADES AND COST SHARE
FROM THE NECESSITY OF ACCEPTING POWER FROM THE 30MW
MAKUSHIN GEOTHERMAL PROJECT.**

WHEREAS OCCP, LLC (OCCP) is developing the Makushin Geothermal Project (MGP) that will deliver 30MW of geothermal produced electrical energy to the City of Unalaska (City) for intake / distribution into /from its electrical distribution grid.

WHEREAS the City desires to utilize the MGP additional electricity to (1) increase its ability to support other large customers that currently rely on their generator plants, (2) to operate and to stabilize the cost of electric power to all its customers and, (3) to facilitate economic growth in the community.

WHEREAS the City and OCCP recognize the existing City distribution network will require upgrades related to capacity, reliability, integrity, and expansion, in order to accept and distribute the MGP energy (“Upgrades”).

WHEREAS the City and OCCP have agreed to a cost share of the Upgrades in its Power Purchase Agreement (PPA).

WHEREAS the schedule for MGP contained in the PPA requires the City to commence work on the Upgrades in FY 2022 in order for the City to accept electrical energy from MGP by the Commercial Operation deadline established in the PPA. .

WHEREAS the City has appropriated in excess of three million dollars in the City’s FY 2022 budget for anticipated costs of the Upgrade that will be incurred in FY 2022

NOW, THEREFORE, the City and OCCP agree that the City distribution upgrades be implemented in accordance with the following stipulations.

STIPULATIONS

I. Applicability

- A. The PPA states the following: “Purchaser shall commission an engineering study to determine reliability upgrades required for the City Distribution System to accept Energy from the Facility. The first two million dollars, (\$2,000,000.00) in cost, for

the engineering study and resulting reliability upgrades to the City Distribution System identified in the Interconnection/Integration Plan will be borne solely by the Seller. The next ten million dollars (\$10,000,000) in cost for reliability upgrades identified in the Interconnection/Integration Plan, will be shared equally by Purchaser and Seller.....”

- B. Based on the above, OCCP has a maximum obligation to pay up to \$7,000,000.00 towards Upgrades_ as determined in the engineering study or identified in the Interconnection/Integration Plan.
- C. The PPA establishes the City in control of the identification, management, and execution of the required upgrades following Prudent Electrical Practice
- D. The City has an electrical utility master plan for planning and development and has utilized Electric Power Systems, Inc (EPS) to produce the plan. Accordingly, due to EPS’s familiarity with the Citics distribution system and competency in the design of electrical systems, OCCP and City agree to utilize EPS for the engineering study to determine the Reliability Upgrades.
- E. EPS has prepared and presented “City of Unalaska, Alaska Geothermal Plant Electrical Intertic Study Interim Report Draft for Review 20-0363 April 15, 2021”. OCCP and City agree this eight (8) page report is the basis for establishing projects and priorities for the Upgrades. This report is attached to a part of this MOA.

II. Cost Share

- A. The referenced EPS report identifies rough order magnitude estimates for separate projects. The highest priority projects include eight (8) separate projects totaling \$13.7M. The new projects (second priority) total four (4) separate projects totaling \$2.6M. In total there are twelve (12) separate projects totaling \$16.25M.
- B. The parties acknowledge the report is preliminary and utilized high level (low accuracy) estimates. As the design progresses some projects may be modified, and some new projects may be required and estimates may change.
- C. OCCP and City acknowledge the likelihood the total cost of the upgrades will exceed \$12M and that OCCP obligation under the PPA will hit the maximum of \$7M.

D. OCCP and City agree to the cost reimbursement schedule for OCCP's \$7M obligation with OCCP to make payments to the City as follows:

1. OCCP's obligation to pay for the first two million dollars for Upgrades:

On or before September 1, 2021	\$150,000
On or before April 1, 2022	\$350,000
On or before May 1, 2022	\$500,000
On or before June 1, 2022	\$500,000
On or before June 30, 2022	\$500,000

2. The balance of OCCP's \$7M obligation shall be paid on or before the first day of each succeeding month beginning September 1, 2022 in an amount calculated as follows:

Actual city expenditures on the Upgrades previously incurred less OCCP payments previously made to City by OCCP for Upgrades less City's share of Upgrade costs as set by the PPA less any amount paid by OCCP to the supplier of the 1,500 feet of submarine cable required for the Upgrades (currently estimated at \$178,000).

E. The City agrees to invoice OCCP for its payments as scheduled above, with proper justifications and status reports. The invoices for the first \$2M in actual expenses incurred by the City for the upgrades shall be equal to 100% of the City's actual expenses incurred for the Upgrades during the period covered by the invoice. The invoices for the next \$10M in actual expenses incurred by the City for the Upgrades shall be equal to 50% of the City's actual expenses incurred for the Upgrades during the period covered by the invoice. Should OCCP's share of actual expenses incurred by City for the Upgrades be less than the identified payment schedule OCCP's required monthly payment shall be reduced to equal OCCP's share of actual expenses incurred by City for the Upgrades. "City's actual expenses" means all payments made by City regardless of whether City obtains grants for Upgrades. OCCP may satisfy its obligations to pay for the Upgrades using grant funds obtained by OCCP. OCCP and City agree to reconcile payments, taking into account actual costs at the completion of the Upgrades, and issue credit if required. The City is to provide a financial report justifying the amounts spent with proper accounting of those costs.

III. Cooperation

- A. OCCP and City agree to work cooperatively and respectfully with each other to arrive at practical and balanced solutions.
- B. The City will openly share with OCCP its schedule, plans, progress, and concerns in regards to the distribution upgrade projects.
- C. OCCP will openly share with City its schedule, plans, progress, and concerns in regards to the development of the MGP.
- D. OCCP and City will look for ways to increase economic synergy between the MGP project and the City distribution upgrades projects.

IV. Authority

- A. The Upgrades will be a 2–3-year process. Therefore, work must start in 2021 in order to analyze, select, engineer, procure, and construct the necessary work. As such, the Parties agree to enter into this Memorandum of Agreement (MOA) in July of 2021 in order to allow the work to proceed orderly and in a timeline that supports the overall commercial operation date of the Makushin Geothermal Project. The MOA is hereby incorporated and a part of this Exhibit B to the PPA as a separate attachment.
- B. In the event of conflict between the terms of this MOA and the terms of the PPA the terms of the PPA shall control.

FORMATION

In witness whereof, OCCP and City have duly executed, delivered and formed this Agreement through their authorized representatives, the effective date of which is July July 15, 2021 (“Effective Date”).

OCCP, LLC:

By: OUNALASHKA CORPORATION, an
Alaska business corporation
Its Managing Member

Dated: 7/15/21, 2021

By Christopher P. Salts, Sr.
Christopher P. Salts, Sr.

Its Chief Executive Officer

Dated: 7/15/21, 2021


By Margaret A. Lekanoff
Margaret A. Lekanoff
Its Secretary

CITY:

CITY OF UNALASKA, a first-class
municipal corporation

Dated: July 15, 2021

By [Signature]
Erin Reinders
Its City Manager

Alaska Energy Authority Grant Agreement	
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Grant Agreement Number 7013007		CFDA Number N/A	Amount of Funds: \$ 139,000	AEA use only	
				Managed <input type="checkbox"/>	Pass-thru <input checked="" type="checkbox"/>
Project Code(s) 407116	Proposal Number: RE13007		Period of Performance: From: 07/01/2021 To: 06/30/2022		
Project Title: City of Unalaska Wind Power Feasibility					
Grantee			Grantor		
Name City of Unalaska			Alaska Energy Authority		
Street/PO Box P.O. Box 610			Street/PO Box 813 W. Northern Lights Blvd		
City/State/Zip Unalaska, AK 99685			City/State/Zip Anchorage, AK 99503		
Contact Person Bob Cummings			Contact Person Josi Hartley, Project Manager		
Phone: 907-581-1260	Fax: 907-581-2187	E-mail: bcummings@ci.unalaska.ak.us	Phone: 907-771-3919	Fax: 907-771-3044	E-mail: jhartley@akenergyauthority.org

AGREEMENT

The Alaska Energy Authority (hereinafter 'Authority') and City of Unalaska (hereinafter 'Grantee'), agree as set forth herein.

Section I. The Authority shall grant funds to pay for expenses incurred by the Grantee under the terms and conditions of this Agreement, in an amount not to exceed \$ 139,000, unless the grant amount is amended as provided herein.

Section II. The Grantee shall apply the grant funds to the Project and perform all of the work and other obligations required by this Agreement.

Section III. Performance under this agreement begins 07/01/2021 and shall be completed no later than 06/30/2022.

Section IV. The agreement consists of this page and the following:

Appendices

- Appendix A: General Provisions
- Appendix B: Standard Provisions
- Appendix C: Grantee Proposal/Scope of Work
- Appendix D: Project Management & Reporting Requirements
- Appendix E: Project Budget & Reimbursement Provisions

Attachments/Forms

- Attachment 1: Financial Report/Request for Reimbursement Form
- Attachment 2: Progress Report Form
- Attachment 3: Notice of Project Closeout
- Attachment 4: Grantee Certification
- Attachment 5: Advance Request Form

AMENDMENTS: Any amendments to this Agreement must be signed by authorized representatives of Grantee and the Authority and should be listed here.

Grantee		Authority Project Manager		AEA Director	
Signature	Date	Signature	Date	Signature	Date
Erin Reinders, City Manager		Josi Hartley, Project Manager		Kirk Warren, AEA Director	
Executive Director or Designee		Signature	Date	Curtis Thayer, AEA Executive Director	

Table of Contents Grant No. 7013007

<i>AGREEMENT</i>		<i>1</i>
APPENDIX A GENERAL PROVISIONS		4
1. DEFINITIONS		4
2. INDEMNIFICATION		4
3. INFORMATION TECHNOLOGY RISKS AND WARRANTIES		4
4. WORKERS' COMPENSATION INSURANCE		5
5. INSURANCE.....		5
6. EQUAL EMPLOYMENT OPPORTUNITY (EEO)		5
7. PUBLIC PURPOSES		5
8. OFFICIALS NOT TO BENEFIT		5
9. GOVERNING LAW		5
10. COMPLIANCE WITH APPLICABLE LAW AND FUNDING SOURCE REQUIREMENTS		6
11. SEVERABILITY		6
12. NON-WAIVER.....		6
13. INTEGRATION		6
14. GRANTEE NOT AGENT OF AUTHORITY		6
15. DISPUTES.....		6
16. TERMINATION.....		6
17. TERMINATION DUE TO LACK OF FUNDING		7
18. NO ASSIGNMENT OR DELEGATION		7
19. NO THIRD PARTY BENEFICIARIES.....		8
20. NO ADDITIONAL WORK OR MATERIAL		8
21. CHANGES.....		8
22. RIGHT TO WITHHOLD FUNDS.....		8
23. REMISSION OF UNEXPENDED FUNDS		8
24. TAX COMPLIANCE RESPONSIBILITIES OF GRANTEE.....		8
25. LOBBYING ACTIVITIES		8
26. FINANCIAL MANAGEMENT AND ACCOUNTING		8
27. PROCUREMENT STANDARDS.....		8
28. REPORTING REQUIREMENTS		9
29. OWNERSHIP OF DOCUMENTS AND PRODUCTS.....		9
30. INSPECTIONS AND RETENTION OF RECORDS		9
31. AUDITS.....		9
32. LEGAL AUTHORITY		9
33. GRANT CLOSE OUT.....		9
APPENDIX B STANDARD PROVISIONS		11
1. GRANT FUNDING SOURCES.....		11
2. GOVERNING LAWS		11
3. DOCUMENTATION AND RECORD KEEPING.....		11
4. ELIGIBLE COSTS		11
5. INSURANCE REQUIREMENTS		11
6. PROCUREMENT AND SUSPENSION AND DEBARMENT		12
7. DECLARATION OF PUBLIC BENEFIT		13
8. CONTRACTS FOR ENGINEERING SERVICES.....		13
9. SITE CONTROL.....		13
10. PERMITS		13
11. EXCLUSION OF EXISTING ENVIRONMENTAL HAZARDS.....		13
12. ENVIRONMENTAL STANDARDS		13
13. TARIFFS & RATES FOR USE OF GRANT-FUNDED ASSETS.....		14

14.	GRANT-FUNDED ASSETS NOT INCLUDED WITH PCE	14
APPENDIX C GRANTEE PROPOSAL/SCOPE OF WORK.....		15
	MAJOR DELIVERABLES	15
APPENDIX D PROJECT MANAGEMENT & REPORTING REQUIREMENTS		18
1.	PROJECT MANAGEMENT	18
2.	CONTACT PERSONS	18
3.	QUARTERLY PROGRESS AND FINANCIAL REPORTS.....	18
APPENDIX E PROJECT BUDGET & REIMBURSEMENT PROVISIONS.....		20
1.	ALLOWABLE COSTS.....	20
a.	<i>Direct Labor & Benefits</i>	20
b.	<i>Travel, Meals, or Per Diem</i>	20
c.	<i>Equipment</i>	20
d.	<i>Supplies</i>	20
e.	<i>Contractual services</i>	20
f.	<i>Construction Services</i>	21
g.	<i>Other Direct Costs</i>	21
2.	SPECIFIC EXPENDITURES NOT ALLOWED	21
3.	MATCH.....	21
4.	COST SHARE MATCH REQUIREMENTS	22
5.	VALUING IN-KIND SUPPORT AS MATCH.....	22
6.	GRANT DISBURSEMENTS	23
7.	WITHHOLDING OF GRANT FUNDS	23
8.	ADVANCE DISBURSEMENTS.....	23
9.	UNEXPENDED GRANT FUNDS AND INTEREST EARNED	24
10.	BUDGET ADJUSTMENTS AND CHANGES	24
ATTACHMENT 1 FINANCIAL REPORT/REQUEST FOR REIMBURSEMENT FORM.....		25
ATTACHMENT 2 PROGRESS REPORT FORM		26
ATTACHMENT 3 NOTICE OF PROJECT AND GRANT CLOSEOUT.....		27
ATTACHMENT 4 GRANTEE CERTIFICATION		28
ATTACHMENT 5 ADVANCE REQUEST FORM		30

APPENDIX A GENERAL PROVISIONS

1. *Definitions*

In this Grant Agreement, attachments and amendments:

- a) "Authority" means the Alaska Energy Authority, a public corporation of the State of Alaska.
- b) "Authority Project Manager" means the employee of the Authority responsible for assisting the Grantee with technical aspects of the Project and is one of the Grantor's contacts for the Grantee during all phases of the Project.
- c) "Authorized Representatives" means those individuals or entities authorized by an entity to act on its behalf, with delegated authority sufficient to accomplish the purposes for which action is needed.
- d) "Executive Director" means the Executive Director of the Authority or the Executive Director's authorized representative.
- e) "Grantee Project Manager" means the person designated to fulfill the obligations arising under Appendix B, Section 9 "Grantee Project Manager".
- f) "Matching Contributions" means the cash, loan proceeds, in-kind labor, equipment, land, other goods, materials, or services a Grantee provides to satisfy any match requirements of a grant or to complete the Project.
- g) "Project" means City of Unalaska Wind Power Feasibility as defined in Appendix C (Scope of Grant) for which funds have been made available.
- h) "State" means the State of Alaska.

2. **Indemnification**

As a condition of this Grant, the Grantee shall indemnify, hold harmless, and defend the Authority and the State of Alaska from and against any claim of, or liability for, error, omission or negligent act of the Grantee arising out of, or in any way connected with, this Grant Agreement or the project for which the Grant is made. The Grantee shall not be required to indemnify the Authority or State of Alaska for a claim of, or liability for, the independent negligence of the Authority or State of Alaska agency. If there is a claim of, or liability for, the joint negligent error or omission of the Grantee and the independent negligence of the Authority or State of Alaska, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Grantee" and "Authority" and "State of Alaska," as used within this section, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Authority's or State of Alaska's selection, administration, monitoring, or controlling of the Grantee and in approving or accepting the Grantee's work.

3. **Information Technology Risks and Warranties**

Neither the Authority nor the State of Alaska makes any warranty, express or implied or assumes any legal liability or responsibility for the Grantee's use of the software, equipment or other related services provided by this grant or included in the project for which the grant is made. The Grantee understands that although the Authority may procure software services or equipment on behalf of the grantee, the use of this software, equipment or other related services is at the Grantee's own risk. The Grantee bears the entire risk of using these services, such as any damages or liabilities

resulting from a cyber-attack or computer virus on its own computers, communication systems and networks.

The Grantee acknowledges that computer, communications systems and networks are not fault-free and occasional periods of downtime occur. The Authority and the State of Alaska do not guarantee these services will be uninterrupted, timely, secure or error-free.

4. *Workers' Compensation Insurance*

The Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30.

5. *Insurance*

The Grantee is responsible for obtaining and maintaining any necessary insurance and endorsements as defined in Appendix B Standard Provisions

6. *Equal Employment Opportunity (EEO)*

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state in all solicitations or advertisements for employees to work on Authority funded projects, that it is an Equal Opportunity Employer (EEO) and that all qualified applications will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

7. *Public Purposes*

The Grantee agrees that the Project to which this Grant Agreement relates shall be dedicated to public purposes and any project constructed or equipment or facilities acquired, shall be owned and operated for the benefit of the general public. The Grantee shall spend monies appropriated under this grant only for the purposes specified in the Grant Agreement. The benefits of the Project shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

8. *Officials Not to Benefit*

No member of or delegate to Congress or the Legislature, or officials or employees of the Authority or Federal government may share any part of this agreement or any benefit to arise from it.

9. *Governing Law*

This Grant Agreement is governed by the laws of the State of Alaska. Any civil action arising from this Agreement shall be brought in the Superior Court for the Third Judicial District of the State of Alaska at Anchorage.

10. Compliance with Applicable Law and Funding Source Requirements

The Grantee shall comply with all applicable local, state and federal statutes, regulations, ordinances and codes, whether or not specifically mentioned herein. Refer to Appendix B Standard Provisions for more specific requirements.

11. Severability

If any section, paragraph, clause or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall be unaffected and enforced to the fullest extent possible, and the invalid or unenforceable provision shall be deemed replaced with a valid and enforceable provision that is as similar as possible to such invalid or unenforceable provision.

12. Non-waiver

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

13. Integration

This instrument and all appendices, amendments, attachments, hereto embody the entire Agreement of the parties concerning the grant funds granted hereunder. There are no promises, terms, conditions, or obligations regarding said funds other than those contained in the documents described above; and such documents shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto. To the extent there is any conflict between the provisions of Appendix A and B and the Grantee's application or proposal, the provisions of Appendix A and B prevail.

14. Grantee Not Agent of Authority

The Grantee and any agents and employees of the Grantee act in an independent capacity and are not officers or employees or agents of the Authority in the performance of this Grant Agreement.

15. Disputes

Any dispute arising under this Grant Agreement which is not disposed of by mutual agreement must be dealt with in accordance with 3 AAC 108.915.

16. Termination

- a) The Grantee shall have no rights to compensation or damages for termination except as provided in this Section.
- b) In addition to all other rights available under law, the Authority may terminate this Agreement or stop work on the Project for the convenience of the Authority or for cause upon ten (10) days written notice.
- c) "Cause" for termination shall exist when the Grantee has failed to perform under this Agreement, has been stagnant on progression of the project for 2 years, has provided incorrect or misleading information or has failed to provide information which would have influenced the Authority's actions. In order for termination to be for cause, the Grantee's failure to perform or the Grantee's provision of incorrect, misleading, or omitted information must be material.

- d) If this Agreement is terminated for cause, the Grantee shall be entitled to no compensation. The Grantee shall reimburse the Authority for all grant funds expended under this Agreement by the Grantee or on the Grantee's behalf including interest accrued from the date of disbursement. The Grantee shall also reimburse the Authority for any costs incurred to collect funds subject to reimbursement, and for any damages incurred by the Authority as a result of the Grantee's failure to perform or provision of incorrect or misleading information. The Authority may require the Grantee to return to the Authority some or all of the Project assets and the fair market value of the returned Project assets will be applied to reduce the amount of reimbursement the Grantee owes the Authority under this subsection d.
- e) If this Agreement is terminated at the sole request of the Authority for the sole reason of its convenience, the Grantee is not required to reimburse the Authority for funds expended prior to the date of termination. If the Grantee has incurred costs under this agreement, the Grantee shall only be reimbursed by the Authority for eligible costs the Grantee incurred prior to the date of termination of the Agreement. However, prior to making any claim or demand for such reimbursement, the Grantee shall use its best effort to reduce the amount of such reimbursement through any means legally available to it. The Authority's reimbursement to the Grantee shall be limited to the encumbered, unexpended amount of funds available under this Agreement.
- f) If the basis for the termination of the Agreement or stop work under Section 16(b) is capable of being cured, the Authority shall provide the Grantee thirty (30) days from the date the termination or stop work becomes effective for the Grantee to cure the basis for the termination or stop work. If the Grantee cannot reasonably cure the basis for the termination or stop work within this thirty (30) day period, but the Grantee promptly undertakes and diligently pursues such cure, the cure period shall be extended to sixty (60) days. The Authority may further extend the cure period if the Grantee demonstrates that it is prohibited from curing the basis for termination or stop work by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceedings. If the Grantee cures the basis for the stop work, the stop work will be lifted. Until the Agreement is reinstated or stop work lifted, the Authority may not disburse any amount under this Agreement to the Grantee except as otherwise specifically provided in this section.

17. Termination Due to Lack of Funding

In the event funding from the Authority, federal or other sources is withdrawn, reduced, or limited in any way after the effective date of this agreement and prior to normal completion, the Authority may terminate the agreement, reduce funding, or re-negotiate subject to those new funding conditions.

18. No Assignment or Delegation

The Grantee may not assign or delegate this Grant Agreement, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Executive Director or Designee.

19. No Third Party Beneficiaries

Except as otherwise specified in this agreement, no person is a third party beneficiary of this Agreement and this Agreement creates no third party rights. Specifically, any person who is not a party to this Agreement shall be precluded from bringing any action asserting the liability of a party or asserting any right against a party to this Agreement, through the terms of this Agreement. No person, other than a party to this Agreement, may bring any action based upon this Agreement for personal injuries, property damages, or otherwise.

20. No Additional Work or Material

No claims will be allowed for additional work, materials, or equipment, not specifically authorized in this Grant Agreement, which are performed or furnished by the Grantee.

21. Changes

Any changes which have been agreed to by both parties will be attached and made a part of this Grant Agreement by use of a written Amendment. Any such Amendment must be dated and signed by Authorized Representatives of the Authority and the Grantee.

22. Right to Withhold Funds

The Authority may withhold payments under this Grant Agreement for non-compliance with any of the provisions of this Grant Agreement.

23. Remission of Unexpended Funds

The Grantee shall return all unexpended grant monies to the Authority within 90 days of the Project completion.

24. Tax Compliance Responsibilities of Grantee

The Grantee is responsible for determining applicable federal, state, and local tax requirements, for complying with all applicable tax requirements, and for paying all applicable taxes. The Authority may issue an IRS Form 1099 for Grant payments made. The Grantee shall pay all federal, state and local taxes incurred by the Grantee and shall require the payment of all applicable taxes by any contractor or any other persons in the performance of this Grant Agreement.

25. Lobbying Activities

In accepting these funds, the Grantee agrees and assures that none of the funds will be used for the purpose of lobbying activities before the United States Congress or Alaska Legislature. No portion of these funds may be used for lobbying or propaganda purposes as prohibited in AS 37.05.321, 18 U.S.C. 1913, 31 U.S.C. 1352, or other laws as applicable.

26. Financial Management and Accounting

The Grantee shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles. In addition, the accounting system must keep separate all grant funds awarded under this grant agreement.

27. Procurement Standards

Grantees will follow competitive purchasing procedures that: 1) provide reasonable competitive vendor selection for small dollar procurements; 2) provide for competitive bids or requests for proposals for contracts and procurements greater than \$100,000; 3) provide a justification

process for non-competitive procurements or contracts; 4) document the source selection methods used for all contracts, equipment, or material transactions greater than \$10,000. Grantees who have questions about their procurement procedures or a specific procurement should contact the Authority's Grant Manager.

28. Reporting Requirements

The Grantee shall submit progress reports to the Authority according to the schedule established in Appendix D of this Grant Agreement.

29. Ownership of Documents and Products

Except as otherwise specifically agreed, all designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with grant funds in the performance of this agreement are public domain and may be used by the Authority and/or public without notice or compensation to the Grantee. The Grantee agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract. For purposes of clarity, nothing in this section precludes Grantee from using any document or product with respect to the Project or other Grantee uses.

30. Inspections and Retention of Records

The Grantee shall keep a file for financial, progress and other records relating to the performance of the grant agreement. The file must be retained for a period of four years from the fully executed close out of the grant agreement or until final resolution of any audit findings claim or litigation related to the grant. The Authority may inspect, in the manner and at reasonable times it considers appropriate, records and activities under this Grant Agreement.

31. Audits

This Grant Agreement is subject to 2 AAC 45.010 single audit regulations for State Grants. The Grantee must comply with all provisions of 2 AAC 45.010 and any additional audit requirements outlined in Appendix D.

Commercial (for-profit) entities shall obtain an audit by an independent auditing firm similar to a program audit prepared under 2 CFR 200. The auditee and auditor shall have basically the same responsibilities for the federal or state program as they would have for an audit of a major program in a single audit. The expenditure threshold is \$750,000 in the commercial entity's fiscal year.

32. Legal Authority

The Grantee certifies that it possesses legal authority to accept grant funds from the State of Alaska and to execute the Project described in this Grant Agreement by signing the Grant Agreement document. The Grantee's relation to the Authority and the State of Alaska shall be at all times as an independent Grantee.

33. Grant Close out

Upon completion of all work and expenditure of all grant funds related to the Project the Authority will provide written notice to the Grantee that the Grant will be closed. The Grantee shall sign the Notice of Project Closeout within 30 days after it is delivered by the Authority. The Grant will be considered closed upon receipt of the signed Notice of Project Closeout.

The Grant will be administratively closed if the Grantee fails to return the Notice of Project Closeout within 30 days after it is delivered by the Authority. If the Grantee has a valid reason for the Grant to remain open, they must contact the Authority in writing within 30 days.

No additional reimbursements will be made to the Grantee after the grant is closed out.

Appendix B Standard Provisions

1. **Grant Funding Sources**

This Grant is subject to appropriation and availability of funds as listed below:

State of Alaska \$ 139,000 TSSLA2021 Ch. 1, Sec. 7, Pg. 90, Ln. 15-17

Grantee acknowledges that if additional grant funds are made available they are subject to the terms and conditions of this Agreement and any amendment.

2. **Governing Laws**

The Grantee shall perform all aspects of this Project in compliance with all applicable state, federal and local laws.

3. **Documentation and Record Keeping**

The Grantee shall maintain the following in their files:

- Grant application;
- Grant agreement and any amendments;
- All written correspondence or copies of emails relating to the Grant;
- Reports, including any consultant work products;
- A separate accounting of grant income and expenditures;
- Supporting documentation for the expenditures charged to the grant (including supporting documentation for all required matching contributions).

The Authority and any authorized federal representative may inspect, in the manner and at any reasonable time either considers appropriate, the Grantee's facilities, records, and activities funded by this Grant Agreement.

4. **Eligible Costs**

The Authority, as Grantor, shall have sole discretion to determine which project costs are eligible to be paid from Grant monies under this agreement. Only direct costs of the Project are eligible for payment or reimbursement from grant funds. Indirect costs are not allowed under this grant unless approved by the Authority in Appendix E.

The eligible costs will be determined in accordance with 3 AAC 107.600 – 695 and the Request for Applications dated July 20, 2020; which is incorporated by reference into this grant agreement.

5. **Insurance Requirements**

The following insurance requirements are in effect for this Project. Grant funds may be used to procure Project related insurance and the Authority will work with the Grantee to ensure that these requirements are met. Insurance will be obtained with an insurance carrier or carriers covering injury to persons and property suffered by the State of Alaska, Alaska Energy Authority or by a third party as a result of operations under this grant. The insurance shall provide protection against injuries to all employees of the Project engaged in work under this grant. All insurance

policies shall be issued by insurers that (i) are authorized to transact the business of insurance in the State of Alaska under AS 21 and (ii) have a Bests Rating of at least A-VII and be required to notify the Authority, in writing, at least 30 days before cancellation of any coverage or reduction in any limits of liability.

Where specific limits and coverage are shown, it is understood that they shall be the minimum acceptable and shall not limit the Grantee's indemnity responsibility. However, costs for any coverage in excess of specific limits of this agreement are the responsibility of the Grantee and may not be charged to this grant agreement.

The following policies of insurance shall be maintained with the specified minimum coverage and limits in force at all times during the performance work under this Project:

- a. Workers' Compensation: as required by AS 23.30.045, for all employees engaged in work under this Project. The coverage shall include:
Waiver of subrogation against the State and the Alaska Energy Authority and Employer's Liability Protection at \$500,000 each accident/each employee and \$500,000 policy limit;
- b. Commercial General Liability: on an occurrence policy form covering all operations under this Project with combined single limits not less than:
\$1,000,000 Each Occurrence;
\$1,000,000 Personal Injury;
\$1,000,000 General Aggregate; and
\$1,000,000 Products-completed Operations Aggregate.

The State of Alaska and Alaska Energy Authority shall be named as an Additional insured.

- c. Automobile Liability: covering all vehicles used in Project work, with combined single limits no less than \$1,000,000 each occurrence.

All of the above insurance coverage shall be considered to be primary and non-contributory to any other insurance carried by the State of Alaska and Alaska Energy Authority, whether self-insurance or otherwise.

The Authority's acceptance of deficient evidence of insurance does not constitute a waiver of Grant requirements.

6. Procurement and Suspension and Debarment

When the Grantee enters into a transaction with an entity for the purchase of goods or services that are expected to equal or exceed \$25,000, or meet other special criteria as specified in 2 CFR section 180.220, the grantee is required to verify that the entity and its principals as defined in 2 CFR section 180.995, are not suspended or debarred or otherwise excluded from participating in the transaction. The Grantee must verify the eligibility of the entity and its principals by one of the following: (1) checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA) (Note: EPLS is no longer a separate system; however, the OMB guidance and agency implementing regulations still refer to it as EPLS) and available at <https://www.sam.gov/portal/public/SAM/>), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity stating it is not suspended or debarred from participating in the transaction (2 CFR section 180.300).

7. Declaration of Public Benefit

The parties acknowledge and agree that the Project shall be constructed, owned and operated for the benefit of the general public and will not deny any person use and/or benefit of Project facilities due to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

8. Contracts for Engineering Services

In the event the Grantee contracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska and provide proof of licensing and required professional liability insurance.

Unless otherwise agreed by the Authority, the insurance required by this section shall, at a minimum, included professional liability insurance covering all errors, omissions or negligent acts in the performance of professional services under this agreement, with limits required per the following schedule:

<u>Contract Amount</u>	<u>Minimum Required Limits</u>
Under \$ 100,000	\$ 300,000 per Occurrence/Annual Aggregate
\$ 100,000-\$ 499,999	\$ 500,000 per Occurrence/Annual Aggregate
\$ 500,000-\$ 999,999	\$ 1,000,000 per Occurrence/Annual Aggregate
\$ 1,000,000 or over	Refer to Risk Management

9. Site Control

If the grant Project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property. The Grantee is responsible for securing the real property interests necessary for the construction and operation of the Project, through ownership, leasehold, easement, or otherwise, and for providing evidence satisfactory to the Authority that it has secured these real property interests before site construction begins.

10. Permits

It is the responsibility of the Grantee to identify and ensure that all permits required for the construction and operation of this Project by the Federal, State, or Local governments have been obtained unless otherwise stated in Appendix C. These permits may include, but are not limited to, Corps of Engineers, Environmental Protection Agency, Alaska Department of Environmental Conservation, State Historic Preservation Office, State Fire Marshal, Alaska Department of Natural Resources, Alaska Department of Fish and Game and Boroughs.

11. Exclusion of Existing Environmental Hazards

Grant funds for investigation, removal, decommissioning, or remediation of existing environmental contamination or hazards, are not allowed unless specifically specified and approved in Appendix C.

12. Environmental Standards

The Grantee will comply with applicable environmental standards, including without limitation applicable laws for the prevention of pollution, management of hazardous waste, and evaluation of environmental impacts.

13. Tariffs & Rates for Use of Grant-Funded Assets

Rates for power provided as a result of generation or transmission facilities built with grant funds may be subject to review and approval by the Regulatory Commission of Alaska (RCA), or if the rates are not subject to RCA review and approval, they may be subject to review and approval by the Authority to ensure reasonable and appropriate public benefit from the ownership and operation of the Project.

As a condition of the grant, Independent Power Producers will agree to sell energy resources for electricity and heat at a cost-based rate for the economic life of the project. The Authority will hire an independent economist to provide guidance in developing a cost-based rate for electric sales with an appropriate rate of return on equity.

The allowable cost-based rate represents the highest rate that the Independent Power Producer will be allowed to charge. Because the cost-based rates are a grant condition, avoided costs rates or Public Utility Regulations Policies Act (PURPA) rates will not apply for projects which obtain grant funding.

Application for a Certification of Public Convenience and Necessity (CPCN) is also a grant condition. RCA action related to the issuance of the CPCN must be completed prior to the issuance of any construction grant funding.

14. Grant-funded Assets Not Included with PCE

The Grantee agrees that it will not include the value of facilities, equipment, services, or other benefits received under this grant as expenses under the Power Cost Equalization Program or as expenses on which wholesale or retail rates or any other energy tariffs are based.

Appendix C Grantee Proposal/Scope of work

Building on the self-funded wind resource study initiated in 2017 (COU has expended \$420,000 to date, with an additional \$75,000 allocated) that is in final stages of completion, COU will undertake a detailed feasibility and conceptual design effort to determine the potential benefit and optimal capacity of wind power to complement the planned 30 MW geothermal project to meet the electrical and thermal (via conversion of fuel oil heat to air-source heat pumps) power needs of the community. COU anticipates that seafood processors and other commercial entities that presently selfpower will connect to the COU grid. Based on conclusions of the draft wind resource assessment report, wind turbines would be installed in lower Pyramid Valley near the community water plant.

COU will compare three alternatives in the feasibility study:

1. Geothermal power with an energy storage system (ESS) (diesel generators in standby or possibly low load to provide spinning reserve; diesels-off is preferred)
2. Geothermal with wind power and an ESS
3. No geothermal power; wind-diesel and an ESS.

During the feasibility and conceptual design phase of the project, COU will plan to visit Kodiak Electric Association (KEA) in Kodiak to tour their power generation facilities as KEA’s hydro-wind-ESS system is an analogue to a possible geothermal-wind-ESS system in Unalaska.

Major Deliverables

The following table presents the major deliverables that the project’s product, service or result must meet in order for the project objectives to be satisfied.

Task #	Milestones	Tasks	Start Date	End Date	Deliverables
Feasibility and Conceptual Design					
1	Project scoping and contractor solicitation and selection	Delineate scope of work by contractor specialty, identify and hire contractors	10/1/21	10/15/21	Establish contracts with project contractors; kickoff meeting (internal deliverable)
2	Detailed resource assessment	Completion of wind resource study initiated in Oct. 2017	10/1/17	12/31/20	Wind resource report (funded by COU, in progress, draft WRA completed (final WRA/COU wind project Ph. III report to AEA)
3	Identification of land and regulatory issues	Research land use restrictions of non-COU land; site area of primary interest is COU land in Pyramid Valley	10/18/21	12/31/21	Review of turbine site options, COU or private in Pyramid Valley (internal deliverable)
4	Permitting and environmental analysis	Review FAA and environmental	11/1/21	12/31/21	FAA approval for 60 m met tower and environmental report completed for WRA

Task #	Milestones	Tasks	Start Date	End Date	Deliverables
		analyses; model turbine layout visual impact			project (COU wind project Ph. II report to AEA); submit 7460-1 for prospective wind turbine locations/heights; revisit environmental study of Pyramid Valley
5	Detailed analysis of current cost of energy and future market	Compare current power system with existing market to planned geothermal power system with enhanced load market; latter with and without addition of wind power and ESS	11/1/21	1/31/22	Modification of cost modeling prepared for geothermal power project with inclusion of wind power (internal deliverable) and ESS
6	Assessment of alternatives	Geothermal power development in progress with a signed PPA. Primary FS project task is demonstrating optimal wind power capacity to complement geothermal with the planned electric load increase (new electric customers and conversion of thermal loads from fuel oil to electric power for air-source heat pumps).	11/1/21	2/15/22	Homer software modeling reports and additional analysis (internal deliverable)
7	Conceptual design and costs estimate	Energy balance and cost optimization modeling of turbine capacity and site location options (Homer software)	1/3/22	4/1/22	Discussions of preferred alternatives internally and with project consultants (internal deliverable)
8	Detailed economic and financial analysis	Refinement of Homer model with further analysis of PCE cost impacts	1/3/22	4/1/22	Cost modeling, assuming with and without construction of geothermal powerplant (internal deliverable)
9	Conceptual business and operations plan	Same analysis as Task 8 plus options for wind turbine operations and maintenance	2/28/22	4/29/22	Recommendations report (internal deliverable)
10	Final report and recommendations	Conceptual design report to summarize and present project information, analyses, and conclusions	3/15/22	6/3/22	Conceptual Design Report with COU decision to proceed to design phase (to AEA)

SCHEDULE:

Milestone	Task	Start	End	Deliverable
1	Planning			
	Project Scoping	10/1/21	12/31/21	Project Charter, Grant
	Permitting and Environmental Analysis	11/1/21	12/31/21	FAA Approval
2	Conceptual Design Report			
	Options Analysis	11/1/21	2/15/22	Homer Modeling and Analysis
	CDR and Cost Estimate	1/3/22	4/1/22	Discussion of results with consultants
	Economic and Financial Analysis	1/3/22	4/1/22	Cost Modeling with and without geothermal plant.
	Conceptual Business and Operations Plan	2/28/22	4/29/22	Recommendations Report
	Final Report and Recommendations	3/15/22	6/3/22	CDR delivered to COU.
3	Project close-out	6/3/22	8/3/22	Final Report and Closeout

Appendix D Project Management & Reporting Requirements

1. Project Management

The Grantee will notify the Authority immediately of any significant organizational changes during the term of the grant, including changes in key personnel or tax status, any unforeseen problem or project delay that may cause a change to the work plan or budget or that may otherwise affect the Grantee’s ability to perform its commitments under this Grant Agreement. Any unreported or unapproved changes to the work plan or budget evident in reports may result in an amendment being required, costs disallowed, suspension or termination of the grant as described in Appendix A.

2. Contact Persons

For the Grantee	For The Authority
<p>Grant Manager</p> <p>Bob Cummings P.O. Box 610 Unalaska, AK 99685 bcummings@ci.unalaska.ak.us 907-581-1260</p>	<p>Grant Manager</p> <p>Karin St. Clair, Grants Coordinator 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 kstclair@akenergyauthority.org 907-771-3081</p>
<p>Project Manager</p> <p>Bob Cummings 1035 E Broadway Avenue Unalaska, AK 99685 bcummings@ci.unalaska.ak.us 907-581-1260</p>	<p>Project Manager</p> <p>Josi Hartley 813 W. Northern Lights Blvd. Anchorage, Alaska 99503 jhartley@akenergyauthority.org 907-771-3919</p>

3. Quarterly Progress and Financial Reports

The Grantee will provide quarterly progress and financial reports by email (or other method allowed by the Authority, if email is not available) to the Authority Project Manager. Reports are due January 31st; April 30th; July 31st, and; October 31st of each year this Agreement is in place. If the due date is a weekend or holiday, reports are due the following business day.

This report must update the Authority on the Project’s progress, regulatory and compliance issues, possible delays, and grant expenditures during the quarter. These Quarterly Progress Reports must summarize, in one or two pages, the progress made on grant tasks during the quarter and identify any difficulties in completing tasks or meeting goals or deadlines. The Grantee must also include with the report copies of any work products due to the Authority during this period.

Reports are considered late five (5) days after the due date. No further payments will be made without submission and approval of required reports. Work completed after the twenty-day period when required reports have not been submitted is at the Grantee’s risk, and costs incurred may be disallowed. Repeated failure to submit reports in a timely manner could result in suspension or termination of the grant.

All reports and deliverables required in this agreement must have been submitted and approved by the Authority prior to the final payment being released.

Appendix E Project Budget & Reimbursement Provisions

1. Allowable Costs

Allowable costs under this grant include all reasonable and ordinary costs for direct labor & benefits, travel, equipment, supplies, contractual services, construction services, and other direct costs identified and approved in the Project budget that are necessary for and incurred as a direct result of the Project and consistent with the requirements noted in Appendix B 3 Eligible Costs.

A cost is reasonable and ordinary if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Allowable costs are only those costs that are directly related to activities authorized by the Grant Agreement and necessary for the Project. The categories of costs and additional limits or restrictions are listed below:

a. Direct Labor & Benefits

Include salaries, wages, and employee benefits of the Grantee's employees for that portion of those costs attributable to the time actually devoted by each employee to, and necessary for the Project. Direct labor costs do not include bonuses, stock options, other payments above base compensation and employee benefits, severance payments or other termination allowances paid to the Grantee's employees.

b. Travel, Meals, or Per Diem

Include reasonable travel expenses necessary for the Project. These include necessary transportation and meal expenses or per diem of Grantee employees for which expenses the employees are reimbursed under the Grantee's standard written operating practice for travel and per diem or the current State of Alaska Administrative Manual for employee travel.

c. Equipment

Include costs of acquiring, transporting, leasing, installing, operating, and maintaining equipment necessary for the Project, including sales and use taxes.

Subject to prior approval by the Authority Project Manager, costs or expenses necessary to repair or replace equipment damage or losses incurred in performance of work under the grant may be allowed. However, damage or losses that result from the Grantee's employees, officer's, or contractor's gross negligence, willful misconduct, or criminal conduct will not be allowed.

d. Supplies

Include costs of material, office expenses, communications, computers, and supplies purchased or leased by the Grantee necessary for the Project.

e. Contractual services

Include the Grantee's cost of contract services necessary for the Project. Services may include costs of contract feasibility studies, project management services, engineering and design, environmental studies, field studies, and surveys for the project as well as costs incurred to comply with ecological, environmental, and health and safety laws.

f. Construction Services

For construction projects this includes the Grantee's cost for construction contracts, labor, equipment, materials, insurance, bonding, and transportation necessary for the Project. Work performed by the Grantee's employees during construction may be budgeted under direct labor and benefits. Contracted project management or engineering may be budgeted under contractual services and major equipment purchases made by the Grantee may be budgeted under equipment.

g. Other Direct Costs

In addition to the above the following expenses necessary for the Project may be allowed.

- Net insurance premiums paid for insurance required for the grant Project;
- Costs of permits and licenses for the grant Project;
- Non-litigation legal costs for the Project directly relating to the activities; in this paragraph, "non-litigation legal costs" includes expenses for the Grantee's legal staff and outside legal counsel performing non-litigation legal services;
- Office lease/rental payments;
- Other direct costs for the Project directly relating to the activities and identified in the grant documents; and/or
- Land or other real property or reasonable and ordinary costs related to interests in land including easements, right-of-ways, or other defined interests.

2. Specific Expenditures not allowed

Ineligible expenditures include costs for overhead, lobbying, entertainment, alcohol, litigation, payments for civil or criminal restitution, judgments, interest on judgments, penalties, fines, costs not necessary for and directly related to the grant Project, or any costs incurred before the beginning date of the grant as indicated on the signature page.

Overhead costs described in this section include:

- salaries, wages, applicable employee benefits, and business-related expenses of the Grantee's employees performing functions not directly related to the grant Project;
- office and other expenses not directly related to the grant Project; and
- costs and expenses of administration, accounting, human resources, training, property and income taxes, entertainment, self-insurance, and warehousing.

3. Match

The Grantee is required to provide \$0 in match for this Project. Cash match will be applied based on a percentage basis unless otherwise specified in the budget in Appendix C. In-kind match will be applied based on the budget in Appendix C.

4. Cost Share Match Requirements

Cost sharing or matching is that portion of the Project costs not borne by the Authority. The Authority will accept all contributions, including cash and in-kind, as part of the Grantees' cost sharing or matching when such contributions meet the following criteria:

- Are provided for in the Project budget;
- Are verifiable from the Grantee's records;
- Are not included as contributions for another state or federally assisted project or program; (The same funds cannot be counted as match for more than one program.)
- Are necessary and reasonable for proper and efficient accomplishment of the Project or program objectives;
- Are allowable costs;
- Are not paid by the State or federal government under another award, except for those authorized by the State or federal statute to be used for cost sharing or matching;
- Must be incurred within the grant eligible time period. The Authority may allow cost sharing or matching contributions that occurred prior to the grant eligible time period for projects that involve construction.

5. Valuing In-Kind Support as Match

If the Grantee chooses to use in-kind support as part of or its entire match, the values of those contributions must be approved by the Authority at the time the budget is approved. The values will be determined as follows:

- The value of real property will be the current fair market value as determined by an independent third party or a valuation that is mutually agreed to by the Authority and the Grantee and approved in the grant budget.
- The value assessed to Grantee equipment or supplies will not exceed the fair market value of the equipment or supplies at the time the grant is approved or amended.
- Equipment usage will be valued based on approved usage rates that are determined in accordance with the usual accounting policies of the recipient or the rates for equipment that would be charged if procured through a competitive process. Rates paid will not exceed the fair market value of the equipment if purchased.
- Rates for donated personal services will be based on rates paid for similar work and skill level in the recipient's organization. If the required skills are not found in the recipient organization, rates will be based on rates paid for similar work in the labor market. Fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- Transportation and lodging provided by the Grantee for non-local labor will not exceed the commercial rates that may be available within the community or region.

6. Grant Disbursements

The Grantee must request disbursement of grant funds in the form and format required by the Authority with appropriate back-up documentation and certifications. (See Attachment 1).

Reimbursements are made for actual costs incurred and must be for approved milestones. The back-up documentation must demonstrate the total costs incurred are allowable, and reflect the amount being billed. Documentation must include:

- A ledger summarizing cost being billed;
- A summary of direct labor costs supported by timesheets or other valid time record to document proof of payment;
- Travel and per-diem reimbursement documentation;
- Contractor or vendor pay requests;
- Itemized invoices and receipts; and
- Detailed ledger of costs being charged to this grant.

Additionally, the Grantee may be required to provide proof of payment of the incurred costs at the request of the Authority.

Payment of grant funds will be subject to the Grantee complying with its matching contribution requirements of the Grant.

Payment of grant funds will be made by the Authority to the Grantee within 30 days from receipt of a properly completed, supported, and certified Reimbursement Request (See Attachment 1).

7. Withholding of Grant Funds

If, upon review of the monthly billings, the Authority discovers errors or omissions in the billings it will notify the Grantee within thirty (30) days of receipt of the billing. Payment for the portion of billings for which there is an error or omission may be withheld pending clarification by Grantee.

Grant funds may be withheld for the following reasons:

- The Grantee fails to provide adequate back-up documentation.
- The Authority determines that a specific expense is not allowed under the grant.
- The Grantee's matching contribution requirements are not met.

Up to 10% of the Authority's contribution of grant funds may be retained by the Authority until the Project is completed and all required final documentation and reports are received and accepted by the Authority.

8. Advance Disbursements

In most instances, payments to a Grantee will be made on a cost reimbursable basis. If the Authority determines that cost reimbursement will significantly inhibit the Grantee's ability to perform the Project and determines that an advance is in the public interest, the Authority may recommend an advance to the Grantee of an amount not to exceed a projected thirty (30) day cash need, or twenty percent (20%) of the grant amount, whichever amount is less.

Before the Authority will issue an advance, the Grantee must provide in writing, and the Authority must approve a "Request for Advance Payment" form which includes:

- justification of the need for the advance;
- documentation of anticipated line item costs associated with the advance.

All advances will be recovered with the Grantee's next Financial/Progress Report form. Should earned payments during the terms of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the unrecovered amount to the Authority when requested to do so by the Authority, or at termination of the Grant Agreement.

9. *Unexpended Grant Funds and Interest Earned*

Any grant funds not expended under this agreement and any interest accruing on the grant funds belong to the Authority and shall be returned to the Authority.

10. *Budget Adjustments and Changes*

When a Grantee faces increased unbudgeted costs, the Grantee should contact the Authority Project Manager. Budget adjustments **cannot** increase the grant award amount. Cost overruns that may require reduced scope of work will require Authority approval and an amendment to the grant. If a budget adjustment or other changes indicate to the Authority Project Manager that the project cannot be completed as currently planned and budgeted for, the Authority Project Manager will not approve the release of additional grant funds until the Grantee provides sufficient information on how the Grantee intends to complete the revised project.

Budget Adjustments

The Grantee shall identify budget changes on its Financial Reports submitted to the Authority.

At least quarterly, the Authority will compare actual costs to budgeted distributions based on the Financial Report/Request for Reimbursement form. Costs charged to grant funds must reflect adjustments made as a result of the activity actually performed. The budget estimates or other distribution percentages must be revised at least quarterly, if necessary, to reflect changed circumstances.

Attachment 1 Financial Report/Request for Reimbursement Form

THIS REQUEST IS FOR FINAL PAYMENT

Grantee: City of Unalaska Feasibility

Project: City of Unalaska Wind Power

Period: _____ to _____

Grant Number: 7013007

BUDGET SUMMARY	GRANT BUDGET	B	C	D = B + C	E = A - D
		PRIOR EXPENDITURES	EXPENDITURES THIS PERIOD	TOTAL EXPENDITURES	GRANT BALANCE
BY TASK OR MILESTONE					
Direct Labor and Benefits	\$ 6,950				\$ 6,950
Travel	\$ 13,900				
Equipment					\$ 13,900
Contractual Services	\$ 118,150				
Construction Services					\$ 118,150
Other					
TOTAL	\$ 139,000				\$ 139,000
BY FUND SOURCES					
Grant Funds	\$ 139,000				\$ 139,000
(Less) advance payments					
TOTAL	\$ 139,000				\$ 139,000

Please submit this form and the supporting documentation to aeapayables@aidea.org

CERTIFICATION

Form requires two original signatures. The person certifying must be different from the person preparing the report. One signature should be the authorized representative of the Grantee organization or highest ranking officer; the other should be the person who prepared the report.

I certify to the best of my knowledge and belief that the information reported on both the Financial Report above and the attached Progress Report are correct. In addition, funds were spent and work performed in accordance with the grant agreement terms and conditions.

Certified By: _____

Prepared By: _____

Printed Name: _____

Printed Name: _____

Title: _____ Date: _____

Title: _____ Date: _____

Attachment 2 Progress Report Form

Project Name: City of Unalaska Wind Power Feasibility

Grantee: City of Unalaska

Grant # 7013007

Period of Report: _____ to _____

Project Activities Completed:

Existing or Potential Problems:

Activities Targeted for Next Reporting Period:

Prepared By: _____ Date: _____

Printed Name: _____

Attachment 3 Notice of Project and Grant Closeout

**NOTICE OF PROJECT AND GRANT CLOSEOUT
ALASKA ENERGY AUTHORITY**

Project Name: City of Unalaska Wind Power Feasibility

Grantee: City of Unalaska

Grant Number: 7013007

The Alaska Energy Authority certifies and acknowledges that the Project referenced above has been completed, and that all tasks have been satisfactorily carried out in accordance with the terms and conditions of Agreement Number: 7013007.

Project Manager
Alaska Energy Authority

Date

City of Unalaska certifies that the Project named above is complete in accordance with the terms and conditions of Alaska Energy Authority Agreement Number: 7013007.

City of Unalaska also certifies that, we have been reimbursed for all eligible expenses pertaining to 7013007, and that as of the date of signature, no further reimbursements will be requested for any activity related to the Project identified above.

Total project cost \$_____

The total project cost should include all expenses related to this grant funded project (grants, loans, match, etc.). It should include design and construction costs, but should not include feasibility and reconnaissance work.

Notes/comments: Please attach on a separate page_____

Authorized Signature

Title

Printed Name

Date

Attachment 4 Grantee Certification

**CERTIFICATION OF GRANTEE AND LOWER-TIER PARTICIPANTS
REGARDING DEBARMENT, SUSPENSION, AND OTHER INELIGIBILITY AND
VOLUNTARY EXCLUSION**

Grantee

City of Unalaska
P.O. Box 610
Unalaska, AK 99685

I, _____ hereby certify on behalf
(Name and title of official)
of City of Unalaska that:

- (1) The prospective Grantee and lower tier participant certifies, by submission of this letter, that neither it nor its "principals" [as defined at 49 C.F.R. § 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. In the event, your company or any principals become ineligible from participating in federally funded transactions, you are required to notify us immediately.
- (2) When the prospective Grantee and lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Executed this _____ day of _____, 20____

By: _____

(Signature of authorized official)

(Title of authorized official)

DEBARMENT, SUSPENSION, INELIGIBILITY & VOLUNTARY EXCLUSION - 49 CFR Part 29; Executive Order 12549
[Applicable to all Federal-aid contracts which exceed \$25,000]

Instructions for Certification:

1. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective Grantee and lower tier participants knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, THE AUTHORITY may pursue available remedies, including suspension and/or debarment.
2. The prospective Grantee and lower tier participants shall provide immediate written notice to THE AUTHORITY if at any time the prospective Grantee and lower tier participants learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
3. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "persons," "lower tier covered transaction," "principal," "proposal," and voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549 [49 CFR Part 29]. You may contact THE AUTHORITY for assistance in obtaining a copy of those regulations.
4. The prospective Grantee and lower tier participants agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized in writing by THE AUTHORITY.
5. The prospective Grantee and lower tier participants further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non-procurement List issued by U.S. General Service Administration.
7. Nothing contained in the foregoing shall be construed to require establishment of system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
8. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to all remedies available to the Federal Government, THE AUTHORITY may pursue available remedies including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction

- (1) The prospective Grantee and lower tier participants certifies, by submission of this bid or proposal, that neither it nor its "principals" [as defined at 49 CFR §29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) When the prospective Grantee and lower tier participants is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this proposal.

The Grantee, City of Unalaska certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Grantee understands and agrees that the provisions of, 49 CFR §29 apply to this certification and disclosure, if any.

Signature of Grantee's Authorized Official: _____

Name and Title of Grantee's Authorized Official: _____

Date: _____

Attachment 5 Advance Request Form



GRANTS SECTION

REQUEST FOR ADVANCE PAYMENT

Instructions:

- (1) Fill in the Grantee, Grant Number, Project Title, Amount Requested, and Date.
- (2) Read the language in Appendix E of the Grant Agreement (Advance Disbursements provision).
- (3) Check the boxes to confirm that the advance is justified and that you have read and understood the conditions under which the advance will be approved and recovered by the Authority.
- (4) Provide a brief narrative explaining the proposed use of the advanced funds.
- (5) Attach documentation of costs associated with the requested advance (i.e., price quotes or cost estimates, invoices, a spreadsheet outlining projected payroll, etc.)

Grantee: City of Unalaska	Grant Number: 7013007
Project Title: City of Unalaska Wind Power Feasibility	Date:
Amount Requested:	

- The Grantee confirms that the advance is necessary due to a lack of cash on hand to administer the grant on a cost-reimbursable basis.
- The Grantee understands the conditions under which the Authority will recover the advance.

Explain how the advance will be used. Attach additional pages if necessary.

Grantee Certification: *I certify that the above information is true and correct, and that expenditures will be made for the purpose of, and in accordance with, applicable grant agreement terms and conditions.*

Signature

Date

Name and Title

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-17

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES § 13.24.090 REGULATING FIREWORKS

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF UNALASKA, as follows:

Section 1: Classification. This Ordinance is a Code Ordinance.

Section 2: Amendment of Section 13.24.090. Section 13.24.090 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~overstruck~~.]

§ 13.24.090 FIREWORKS.

No person, ~~firm, corporation~~ shall offer for sale, expose for sale, sell at retail, keep with intent to sell at retail or use or explode any fireworks except as herein provided:

- (A) A fireworks display carried out pursuant to a fireworks display permit issued by the Alaska State Fire Marshal's Office;
- (B) Wire sparklers and snakes;
- (C) Use of class 1.4G fireworks (Class C common fireworks) ~~fireworks~~ by a person who is ~~over the age of 18 years of age or older only~~, with the consent of the owner of the property upon which the fireworks are ~~is~~ being activated, shall be permitted on the following dates ~~after City Manager and DPS fire hazard review~~:
 - (1) December 31 between sunset and 0100 hours (1:00 a.m.) on January 1;
 - (2) January 1 between sunset and 2200 hours (10:00 p.m.);
 - (3) July 3 between 2330 hours (11:30 p.m.) and 0100 hours (1:00 a.m.) on July 4; and
 - (4) July 4 between 0800 hours (8:00 a.m.) and 0100 hours (1:00 a.m.) on July 5.
- (D) The City may grant a variance from the listed dates in Section (C) of this ordinance due to inclement weather or other circumstances which may impact the safety and advisability of activating fireworks. Such variance shall be reasonably noticed to the public, including posting on the City web site and notifying local news media.
- (E) A person may apply for permission from the City Manager or designee to activate class 1.4G fireworks (Class C Common fireworks) on dates and times not included in Section (C) of this ordinance, as follows:
 - (1) Application shall be submitted to the City Manager or designee on a form provided by the City no later than seven (7) calendar days prior to the event.

- (2) Applications must include the specific date and time the fireworks are to be activated; proof of consent of the property owner from which the fireworks will be activated; and identification and proof of age for the person activating the fireworks.
- (3) Applications will be reviewed by both the Fire Chief and Police Chief, who shall both indicate in writing whether approval is recommended. If approval is not recommended, they shall indicate in writing, including the reasons for recommended denial.
- (4) The City Manager or designee shall make the final decision whether to approve the application.
- (5) The original application will be filed as a permanent record maintained by Fire and Emergency Medical Services.
- (6) A digital (scanned) copy of the application indicating approval or denial will be emailed to the applicant no later than two (2) calendar days prior to the event.

Section 3: Effective Date. This ordinance shall take effect upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on _____, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J.E. King, Director of Public Safety
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-17: Amending Unalaska Code of Ordinances §13.24.090
Regulating Fireworks

SUMMARY: The current City of Unalaska Ordinance governing the sale, possession and use and/or detonation of fireworks does not have a provision which would allow the City or its citizens to utilize fireworks except on three identified dates in the form of exceptions or variances. This absence of an exception or variance rule places the City and its citizenry at a disadvantage in cases of weather, special events and/or special occasions which may occur on dates other than those identified. Ordinance 2021-17 has been developed in an effort to provide the City with the capability to include variances and approve special permitted occasions during which fireworks could be utilized on specified dates and times other than those currently afforded. Staff recommends approval.

PREVIOUS COUNCIL ACTION: City Council approved Ordinance 2016-16 on July 12, 2016, which amended section 13.24.090 of Code to allow for the use of fireworks on December 31, January 1 and July 4 under certain conditions. In addition, the ordinance allows for fireworks to be used when permitted by the Alaska State Fire Marshal's Office.

BACKGROUND: The City of Unalaska passed its existing ordinance to address the use of fireworks in an effort to provide for the safe deployment of fireworks by responsible person(s) for community safety. The City identified three specific dates on which members of the community could deploy common fireworks. These dates were identified as New Year's Eve, New Year's Day and the 4th of July.

There have been instances where weather has not allowed for fireworks to be deployed on these limited days. And, recently, City Council has supported ASFA in their efforts to put on a New Year's Eve fireworks show. Hopefully the weather works out for the planned day, but that is not guaranteed. Unalaska has a very diverse community along with the existence of a multi-cultural community. Typically, the presence of a multi-cultural community often poses unique challenges related to honoring cultural celebrations and festivities. The use of fireworks often play a part in various cultures' celebrations unique to the manner in which the culture celebrates a birth, celebration of life, marriage and etc. Many of these culturally unique celebrations do not fall on any of the current limited approved dates for the use of fireworks.

DISCUSSION: The ordinance have been developed with input from both the Fire and Police. The passage of the amendment to the current fireworks ordinance would grant the City a means to approve the use of fireworks after a review process. This continues the City's focus on providing for the safe deployment of fireworks by responsible person(s) for community safety, but accounts for weather and other celebrations.

A specific challenge in regards to the approved dates for the use of fireworks, is the lack of approved time period. This often results in the deployment of fireworks during hours normally reserved for sleeping by a large number of the members of the community. The amendment to the ordinance would also limit the deployment of fireworks to reasonable hours taking into consideration the time of year and level of expected sunlight for that period of year.

ALTERNATIVES: If Council finds it is not in the best interest of the community to approve this ordinance as written, Council has the following alternatives to consider:

1. The Council may disapprove the ordinance change.
2. The Council may amend the time period for the already approved dates, and/or
3. The Council may remove the variance or approval portion

FINANCIAL IMPLICATIONS: Salaries and/or supplies associated with the normal day to day operations of the departments that would play a role in the acceptance, review and approval or denial of a request.

LEGAL: The City Attorney reviewed the proposed changes and provided insight as to wording.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2021-17.

PROPOSED MOTION: I move to schedule Ordinance 2021-17 for public hearing and second reading on December 14, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-18

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UCO §3.44.060 "RECOGNIZED CITY HOLIDAYS" TO ADD JUNETEENTH NATIONAL INDEPENDENCE DAY AS AN ANNUAL FLOATING CITY HOLIDAY BEGINNING CALENDAR YEAR 2022 AND TO MAKE MINOR DESCRIPTIVE EDITS

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF UNALASKA, as follows:

Section 1: Classification. This Ordinance is a Code Ordinance.

Section 2: Amendment of Section 3.44.060 Recognized City Holidays. Section 3.44.060 of the Unalaska Code of Ordinances is hereby amended to read as follows (new language is underlined; and language to be deleted is ~~overstruck~~):

§ 3.44.060 RECOGNIZED CITY HOLIDAYS.

(A) The following days shall be recognized as holidays with pay for all employees in regular full-time and regular part-time positions who are in pay status the day before and the day following such days:

New Year's Day - January 1

Martin Luther King's Birthday - Third Monday in January

President's Day - Third Monday in February

Memorial Day - Last Monday in May

Independence Day - July 4

Labor Day - First Monday in September

Veteran's Day - November 11

Thanksgiving Day - Fourth Thursday in November

Christmas Day - December 25

(B) Each regular full-time and regular part-time employee is entitled to up to ~~three~~ four floating holidays. An employee will be entitled to a floating holiday if the employee is in a regular full-time or regular part-time position in pay status the day before and the day following Lincoln's Birthday (2/12), Seward's Day (last Monday in March), Juneteenth National Independence Day (6/19), or Alaska Day (10/18). Floating holidays may be used only on or after the holiday itself, and upon approval of the Department Director. Floating holidays do not accrue past December 31 of the year in which they occur. Hours not used by this date will be cashed out to the employee in the pay period ending December 31. This cash out will be based on the employee's rate of pay on December 31 and will not be counted as one of the employee's Personal Leave cash outs. Employees must be employed with the City on December 31 to receive the cash out for unused floating holiday hours. Unused hours are eligible for cash out at the time of employment separation if the holiday

itself has passed.

Section 3: Effective Date. This ordinance is effective upon passage.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J. R. Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: November 9, 2021
Re: Ordinance 2021-18: Amending UCO § 3.44.060 RECOGNIZED CITY HOLIDAYS to add Juneteenth National Independence Day as an annual floating City holiday beginning Calendar Year 2022 and to make minor descriptive edits

SUMMARY: On June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law. Following that, on June 22, 2021, City Council approved Resolution 2021-49 to recognize this as annual holiday for the City of Unalaska, and award employees a floating holiday for calendar year 2021. This ordinance formally amends UCO § 3.44.060 to add Juneteenth National Independence Day as an annual floating City holiday. A few minor descriptive edits were included for consistency. Staff recommends approval.

PREVIOUS COUNCIL ACTION: On June 22, 2021, City Council approved Resolution 2021-49 unanimously to recognize this new holiday and provide a floating holiday for city employees to honor Juneteenth in 2021.

BACKGROUND: On June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law, recognizing the historical significance of the Juneteenth National Independence Day to the United States and that (1) history should be regarded as a means for understanding the past and solving the challenges of the future; and (2) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States.

There is a common misconception among Americans that Abraham Lincoln freed all the slaves when he signed the Emancipation Proclamation. Although the Emancipation Proclamation went into effect on January 1, 1863, it was two and a half years later, on June 19, 1865, when Union soldiers arrived in Galveston, Texas. It was then when they announced the end of the Civil War, and read aloud a general order freeing the quarter-million slaves residing in the state. It is likely that none of them had any idea that they had actually been freed more than two years before. It was truly a day of mass emancipation. This day has become known as Juneteenth.

DISCUSSION: The City of Unalaska recognizes nearly all Federal holidays with the exception of Columbus Day. Three additional holidays: Lincoln's Birthday, Seward's Day, and Alaska Day are recognized as floating holidays for City employees.

On June 22, 2021, City Council approved Resolution 2021-49 to recognize this as an annual holiday for the City of Unalaska, and grant employees a floating holiday for calendar year 2021. Ordinance 2021-18 is the next step in formalizing this recognition.

Adoption of this ordinance will amend UCO § 3.44.060 to recognize Juneteenth as an annual floating City holiday beginning calendar year 2022. Following approval of this ordinance, staff would also seek to amend CBAs to include this holiday beginning calendar year 2022.

ALTERNATIVES: Council may choose not to adopt Ordinance 2021-18.

FINANCIAL IMPLICATIONS: If this ordinance is adopted, this new holiday will need to be considered in personnel budgets.

LEGAL: Not needed at this time.

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2021-18.

PROPOSED MOTION: I move to schedule Ordinance 2021-18 for public hearing and second reading on December 14, 2021.

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

ATTACHMENTS:

- Resolution 2021-49

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-49

A RESOLUTION OF THE UNALASKA CITY COUNCIL RECOGNIZING JUNETEENTH NATIONAL INDEPENDENCE DAY AS A CITY HOLIDAY AND GRANTING REGULAR FULL TIME AND PART TIME CITY EMPLOYEES AN ADDITIONAL PAID FLOATING HOLIDAY IN 2021

WHEREAS, Juneteenth commemorates June 19, 1865, when enslaved people in Galveston, Texas first learned about the Emancipation Proclamation formally freeing all enslaved individuals two and a half years earlier; and

WHEREAS, Juneteenth is a day to celebrate freedom and renew our efforts for a better future; and

WHEREAS, on June 17, 2021, President Biden signed the Juneteenth National Independence Day Act into law, recognizing the historical significance of the Juneteenth National Independence Day to the United States and that (1) history should be regarded as a means for understanding the past and solving the challenges of the future; and (2) the celebration of the end of slavery is an important and enriching part of the history and heritage of the United States; and

WHEREAS, the City Council is recommending that Juneteenth National Independence Day be a recognized as an annual holiday by the City of Unalaska.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council recognizes Juneteenth National Independence Day as a holiday and grants regular full-time and part-time employees an additional paid floating holiday in calendar year 2021, effective upon adoption of this resolution.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on June 22, 2021.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Marjie Veeder, CMC
City Clerk



CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-74

A RESOLUTION OF THE UNALASKA CITY COUNCIL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2022 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE FMA 2: ALEUTIAN ISLANDS AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 2022 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2020 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Unalaska City Council proposes to use an alternative allocation method for allocation of FY22 funding available within the FMA 2: Aleutian Islands Area in agreement with all other municipalities in this area participating in the FY 2022 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2020 of fisheries business activity in the municipalities within the FMA 2: Aleutian Islands Area:

1. All municipalities share equally 60% of the allocation; and
2. All municipalities but the Aleutians East Borough share remaining 40% on a per capita basis.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-74: Adopting an alternative allocation method for the FY 2022 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the FMA 2: Aleutians Islands Area

SUMMARY: The purpose of this tax program is to provide for a sharing of State fish tax collected outside municipal boundaries with municipalities affected by fishing industry activities. This resolution is submitted to Council with the assumption that the Alternate Method of distribution will be adopted as it has been for more than 27 years. Adak, Atka, Akutan, and the Aleutians East Borough, all of which are included in the fisheries management area, have agreed to the Alternate Method and are addressing or have addressed the same resolution.

PREVIOUS COUNCIL ACTION: Council has adopted the alternative allocation formula as outlined in Resolution 2021-74 for more than 27 years.

BACKGROUND: This program was created to recognize that there are municipalities affected by fishing activity outside their municipal boundaries, but that were not receiving a share of the State fish tax collected from these activities.

The Shared Fisheries Tax became law (AS 29.60.450) in 1962 with qualified municipalities sharing approximately 10% of the monies. The law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts and later other fisheries for the purpose of funding fisheries-related activities in pre-territorial Alaska. Since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice, once in 1979 to 20% and in 1981 to the present 50% share.

DISCUSSION: The Shared Fisheries Tax Program provides two methods for applying for this funding. The first method is the Standard Method, which is very complicated and requires a great deal of coordinated effort among the affected communities. The second is the Alternate Method through which all municipalities within a fisheries management area agree to a formula for distribution of funds. This method is less complex and agreeable to all affected communities in the management area.

Atka, Adak, Akutan, and the Aleutians East Borough, all of which participate in this program with Unalaska (Fisheries Management Area 2 Aleutian Islands), have been contacted for confirmation that they agree on the use of the Alternate Method and that they agree with the formula.

ALTERNATIVES: Council could choose not to adopt the Alternate Method, in which case the Standard Method would be implemented along with the attendant requirements to document and report the cost of fisheries business impacts in the community (see pages 5-13 in the application packet).

FINANCIAL IMPLICATIONS: This table shows the breakdown between the communities in our Fisheries Management Area for the FY22 allocation. Unalaska can expect to receive a total of \$619,728.22:

FMA 2: Aleutian Islands					FY 22 Landing Tax Allocation
	Total allocation:	60% Divided	40% per capita	LONG	\$982,531.89
	\$460,079.96	\$276,047.97	\$184,031.98		
Community	Population	60% divided share	40% per capita share	Calculated Allocation	Calculated Allocation
City of Adak	290	\$55,209.59	\$9,056.38	\$64,265.98	\$137,244.35
Aleutians East Borough	1,930	\$55,209.59		\$55,209.59	\$117,903.82
City of Akutan	995	\$55,209.59	\$31,072.77	\$86,282.36	\$184,261.83
City of Atka	47	\$55,209.59	\$1,467.76	\$56,677.36	\$121,038.33
City of Unalaska	4,561	\$55,209.59	\$142,435.07	\$197,644.67	\$422,083.56
Totals	7,823	\$276,047.97	\$184,031.98	\$460,079.96	\$982,531.89
Community Count	5				

* All municipalities share equally 60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.
AEB pop = Borough (2925) - Akutan

Here is a comparison to the amounts received in the prior two fiscal years:

	FY20	FY21	FY22
Business Tax	\$ 93,724.29	\$ 106,532.94	\$ 197,644.67
Landing Tax	\$ 34,295.39	\$ 291,888.17	\$ 422,083.56
Total	\$ 128,019.68	\$ 398,421.11	\$ 619,728.23

LEGAL: No legal opinion is necessary for this item.

STAFF RECOMMENDATION: Adoption of Resolution 2021-74.

PROPOSED MOTION: I move to adopt Resolution 2021-74.

CITY MANAGER'S COMMENTS: I recommend Council adopt this resolution.

ATTACHMENTS: Program materials from the State of Alaska



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Fairbanks Office

455 Third Avenue, Suite 140
Fairbanks, Alaska 99701-3110
Main: 907.451.2716
Fax: 907.451.2742

November 15, 2021

City of Unalaska
PO Box 610
Unalaska AK, 99685

Dear Municipal Official:

The Department of Commerce, Community, and Economic Development is pleased to announce availability of the **FY 2022 Shared Fisheries Business Tax Program**. The purpose of the program is to allocate a share of state fish tax collected outside municipal boundaries with municipalities affected by fishing industry activities. Municipalities around the state will share approximately \$1.9 million based on 2020 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are included in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area FMA 2: Aleutian Islands has filed using the Alternative Method found on the last four pages of this application. A breakdown is included that details the communities in your FMA, in addition to the anticipated payment based on the agreed upon allocation method for your FMA. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed alternative method sample resolution in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than **January 15, 2022**. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

**DEADLINE FOR SUBMISSION OF COMPLETED APPLICATION IS
FEBRUARY 15, 2022**

Applications can be scanned and emailed to caa@alaska.gov with the subject line **"Municipality Name, FY22, SFBT"** If you have any questions about the program or require assistance in completing the application, please contact me at kimberly.phillips@alaska.gov or call (907) 451-2718.

Sincerely,

A handwritten signature in blue ink that reads "Kimberly Phillips".

Kimberly Phillips
Grants Administrator III

Enclosure

DCCED
Shared Fisheries Business Tax Program
FY 22 Long-Form Application
For
FMA 2: ALEUTIANS ISLANDS AREA



APPLICATION MUST BE SUBMITTED TO DCCED
NO LATER THAN FEBRUARY 15, 2022

State of Alaska
Mike Dunleavy, Governor

Department of Commerce, Community, and
Economic Development
Julie Anderson, Commissioner

Division of Community and Regional Affairs
Sandra Moller, Director

FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2020.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2020 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2020, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2020.

2nd Stage: The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some municipalities, because of their extensive area, are included in more than one fisheries management area. In these cases, the municipality must submit a separate program application for each area.

FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

There are two possible application methods: Standard and Alternative

Standard Method: In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2020. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

One half of the funding available within an FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

Alternative Method: Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

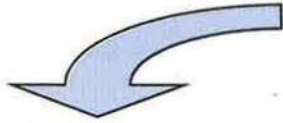
This application packet contains the instructions and forms applying under:

- STANDARD METHOD
- ALTERNATIVE METHOD

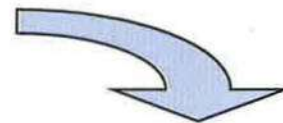
The chart on the following page summarizes the process for these two methods.

FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

PROCESS FOR METHODS



November 15
Commerce mails program applications to municipalities



STANDARD METHOD

No later than February 15

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.



No later than April 15

Department of Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.



Within 30 days

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.



Within 20 days

Commerce will respond to appeals within 20 days after receiving them.



After all appeals are resolved

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

ALTERNATE METHOD

No later than January 15

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to the Department of Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.



No later than February 1

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, they will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.



No later than February 15

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

FY 22 Shared Fisheries Business Tax Program Application Instructions

STANDARD METHOD

- In the standard method application process each municipality determines and documents the cost to the municipality of fisheries industry significant effects suffered by the community in 2020.
- Details for each of these effects are submitted by municipalities using the Declaration of Significant Effects application forms provided on the following pages.
- The municipality must also submit an approved resolution by the governing body certifying that the information submitted in the application is correct and complete. A sample resolution is included in this packet.
- The department will review the applications and determine if the significant effects submitted are valid.
- Once the effects have been established for each of the municipalities in a Fisheries Management Area, the department will calculate the funding allocation for each municipality using the following formula:

One half of the funding available within an FMA is divided up among participating municipalities on the basis of the relative **dollar amount of impact** in each municipality. The **other half** of the funding available to that area is divided equally among all eligible municipalities.

Guidelines for Completing the Declaration of Significant Effects Forms

Some important definitions: The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel, moorage and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
 - population;
 - employment;
 - finances;
 - air and water quality;
 - fish and wildlife habitats; and,
 - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2020.

A municipality does not need to have actual expenditures in 2020 in order to include them as significant effects in the application. If a fishing business activity impacts a municipality in a manner that will result in a cost to the municipality, then the municipality can claim that impact as a significant effect. For example, a municipality's pier might have been damaged by an improperly docked fish processing vessel. The municipality might not have the funds to repair the pier during 2020, but the municipality has obtained final engineering estimates for the cost of repairs. In this case, the municipality could declare the repair cost estimates as significant effects on their application. However, **these costs may not be claimed again** if the municipality subsequently expended the monies to repair the pier at a later date (this would result in a double counting of significant effects).

If a significant effect claimed in the application reflects expenditures that were determined by the municipality to be necessary, but for which the municipality was unable to make an expenditure during the program base year, the application must include a finding by the municipal governing body which documents and clearly describes the procedures and methods by which the need and the estimated cost of such expenditures were determined.

Only that part of overall community impacts which are directly attributable to fishing business activity should be included as significant effects in the application. For example, a municipality water supply system may be impacted by the fresh water needs of the local fishing fleet and fish processing facilities. However, a municipality in this situation should not claim the entire cost of operating or maintaining the water system as a "significant effect" for the purposes of this program. In this case, the municipality must determine and document its estimate of the share of the use, and "wear and tear," of the water system that can reasonably be attributed to fisheries business activity. A place is provided on the *Declaration of Significant Effects* forms for municipalities to explain how they arrived at such estimates.

Examples of eligible significant effects. The kinds of negative effects which a municipality might possibly claim to have suffered are many. It is the responsibility of each municipality to describe, document and justify its particular claims of negative impacts during 2020 resulting from fisheries

business activities. For the purposes of this program, all significant effects must be presented in terms of expenditures of municipal funds, either actual or determined necessary. For example, a sudden population increase of 1,000 people is not in itself a negative effect. It is the demonstrable impacts on the municipality budget of dealing with these extra people that may be considered as significant effects for this program. The following examples represent the kinds of community impacts which are clearly eligible for inclusion in a municipality's *Declaration of Significant Effects* forms.

- a municipality's expenses during 2020 in repairing a dock damaged by a fishing vessel;
- a municipality's costs of hiring extra police, teachers or medical staff to cover periods during 2020 when fish processing workers or fishing crew and their families expanded the municipality's population;
- a municipality's 2020 loan which was used to improve the municipality's water system to meet increased demands for fresh water by local fish processors. Only that part of the debt service which can be directly attributable to supporting the fishing industry may be counted as a significant effect.
- special expenditures made by a municipality during 2020 to assist or help re-train workers who lost their jobs in the fishing industry because of a downturn in fishing activity;
- a municipality's expenditures for operating and maintaining harbor facilities during 2020;
- operating and maintaining a municipality's water and sewer system or landfill during 2020 that is directly attributable to the fishing industry.

Examples of events which are not eligible to be significant effects

The following are examples of municipal expenditures or events which are **not eligible** for inclusion in a municipality's *Declaration of Significant Effects* forms:

- Municipal expenditures that occurred before or after 2020 which are the result of fishing business activities;
- Revenues which a municipality did not receive during 2020 because of a downturn in local fishing business activity.

If you're not sure whether an event is a valid "significant effect" or not, contact DCCED.

Instructions for Completing the Standard Method Application

The completed standard method application submitted by each municipality will contain three elements:

- a set of *Declaration of Significant Effects* forms (one separate form for each significant effect claimed by the municipality). **Three copies of this form are included in the application- please make as many additional copies of this form as you need.**
- a *Cover Page* that provides the total number and cost of the significant effects claimed by the municipality.
- an *approved resolution* by the governing body adopting the application as true and correct. A sample resolution is included in the application.

Instructions for the Cover Page/Summary

The *Cover Page* must be completed and submitted as part of the application. This form summarizes the information found in the application. The number of significant effects claimed should be equal to the number of *Declarations of Significant Effects* forms submitted with the application and the total dollar amount should equal the sum of all the dollar amounts stated in Part 2 on the *Declarations of Significant Effects* forms.

Instruction for the *Resolution* form

Municipalities may use this form, or a similar form, to comply with the requirement that the submitted application be certified by the municipality's governing body.

**Submit completed application
no later than February 15, 2022, to:**

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY22, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

**If you have any questions regarding this program, contact
Kimberly Phillips at 451-2718**

FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM

STANDARD METHOD APPLICATION

for

FMA 2: ALEUTIANS ISLANDS AREA

Name of Municipality:

Mailing Address:

Contact Person:

Title:

Phone Number:

Email Address:

Total # of Significant Effects Claimed:

Total \$ of Significant Effects Claimed: \$

Return with, Declaration of Significant Effects forms, and resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY22, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

**FY 22 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM**

(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2020 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

**FY 22 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM**
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2020 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

**FY 22 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM**

(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2020 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: actual determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
 yes no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 22 Shared Fisheries Business Tax Program
Standard Method Resolution

(City or Borough)

RESOLUTION NO.

A RESOLUTION CERTIFYING THE FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM APPLICATION TO BE TRUE AND CORRECT

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 22 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2020 from fisheries business activities; and

WHEREAS, the Department of Commerce, Community, and Economic Development has prepared specific application forms for the purpose of presenting the municipality's claims as to the significant effects suffered by the municipality during calendar year 2020; and

WHEREAS, 3 AAC 134.100 requires the governing body of the municipality to include with the municipality's FY 22 program application an approved resolution certifying the information contained in the application to be true and correct;

NOW THEREFORE BE IT RESOLVED THAT:

The _____ by this resolution certifies the information contained in
(Governing Body)
the _____
(City or Borough)

FY22 Shared Fisheries Business Tax Program Application to be true and correct to the best of our knowledge.

PASSED AND APPROVED by a duly constituted quorum of the _____ this _____
(Governing Body)
day of _____, 20 _____.

SIGNED _____
Mayor

ATTEST _____
Clerk

FY 22 Shared Fisheries Business Tax Program Application Instructions

ALTERNATIVE METHOD

- In the alternative method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the Department of Commerce be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

Instructions for Alternative Method Application

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

General Guidelines for Developing an Alternative Allocation Method

All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure or may use a combination of measures.

**Submit your completed application
no later than
February 15, 2022 to:**

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY22, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

**If you require assistance in completing this application, contact
Kimberly Phillips at 451-2718.**

FY 22 SHARED FISHERIES BUSINESS TAX PROGRAM

ALTERNATE METHOD APPLICATION

For

FMA 2: ALEUTIANS ISLANDS AREA

Name of Municipality: City of Unalaska

Mailing Address: P.O. Box 610

Unalaska AK

99685

Contact Person: Marjie Veeder

Title: City Clerk

Email Address: mveeder@ci.unalaska.ak.us

Phone Number: (907) 581-1251 ext. 2104

Return with resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY22, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

FY 22 Shared Fisheries Business Tax Program
Alternative Method Resolution

(City or Borough)

RESOLUTION NO. _____

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY22 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 2: ALEUTIANS ISLANDS AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 22 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2020 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The _____
(Governing Body) proposes to use an alternative allocation method for allocation of FY22 funding available within the FMA 2: ALEUTIANS ISLANDS AREA in agreement with all other municipalities in this area participating in the FY22 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The _____
(Governing Body) by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2020 of fisheries business activity in FMA 2: ALEUTIANS ISLANDS AREA:

- **60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.**

PASSED and APPROVED by a duly constituted quorum of the _____ this _____ day
(Governing Body)
of _____ 20____.

SIGNED _____
Mayor

ATTEST _____
Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-75

A RESOLUTION OF THE UNALASKA CITY COUNCIL ESTABLISHING COMMUNITY WIDE
COVID-19 PROTECTIVE MEASURES

WHEREAS, the COVID-19 pandemic has generated a public health emergency that has threatened to overwhelm the City of Unalaska health system and the economy of our community, endangering the lives and wellbeing of our citizens if gone unmanaged; and

WHEREAS, on March 15, 2020, Mayor Vincent M. Tutiakoff, Sr. declared a local emergency in the City of Unalaska, authorizing the City Manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 throughout the City of Unalaska; and

WHEREAS, on March 18, 2020, the Unalaska City Council passed Resolution 2020-16, declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska remains in effect; and

WHEREAS, on November 10, 2020, the Unalaska City Council passed Resolution 2020-71, extending the local emergency declaration through June 30, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, on February 14, 2021, Governor Dunleavy issued four Health Advisories with guidance and recommendations on general safety and best practices, international and interstate travel (modified April 26, 2021), intrastate travel (modified April 26, 2021), and critical infrastructure (modified May 27, 2021); and

WHEREAS, the Commissioner of the State of Alaska, Department of Health and Social Services, Adam Crum, pursuant to and in accordance with the authority granted by the Alaska State Legislature in House Bill 76, Chapter No. 2, SLA 2021, declared a Public Health Emergency effective at 12:02 a.m. on May 1, 2021, which shall remain in effect until rescinded or until the federal public health emergency issued under Section 319 of the Public Health Services Act expires, whichever is sooner; and

WHEREAS, on June 22, 2021, the Unalaska City Council passed Resolution 2021-47, extending the local emergency declaration through December 31, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, local health officials have advised that protective measures are beneficial given Unalaska's remoteness and lack of road access to the mainland; and

WHEREAS, the State of Alaska has specifically recommended communities with limited health care infrastructure or high-risk populations may consider more restrictive protective measures than the State; and

WHEREAS, as of December 8 2021, there were 152,537 cumulative known COVID-19 cases statewide; and

WHEREAS, there are 0 known active COVID-19 cases in Unalaska as of December 8, 2021; and

WHEREAS, the City's Emergency Response Plan was modified on September 1, 2021, after careful consideration and consultation with medical professionals and other subject matter experts; and

WHEREAS, on October 6, 2021, Unalaska's Local Risk Level went to Low in accordance with the updated Emergency Response Plan and remains at Low as of December 8, 2021; and

WHEREAS, as of December 8, 2021, the Aleutians West Census Area is at 62% of residents 5 and older fully vaccinated and 73% of residents 5 and older have at least one dose of the vaccine; and

WHEREAS, COVID-19 continues to pose a threat to the health, safety, and welfare of the residents of the City; and

WHEREAS, the CDC continues to recommend masking in indoor public places to slow the spread of COVID-19; and

WHEREAS, this resolution shall have the same effect as a rule issued by the City Manager pursuant to Unalaska Code of Ordinances § 2.96.040.

NOW THEREFORE BE IT RESOLVED:

1. **State Health Advisories.** Everyone in the City of Unalaska (the City) is encouraged to follow current Health Advisories issued by the State of Alaska related to COVID-19.
 - a. For individuals, as outlined in State Health Advisory Nos. 1-3, this includes practicing social distancing and good hygiene, staying at home if sick, isolating if tested positive for COVID-19, testing before and after travel, quarantining after travel if unvaccinated, and not traveling if currently COVID-19 positive.
 - b. People traveling for critical business purposes should follow their employer's plan according to State Health Advisory No. 4.
 - c. Businesses identified as "essential services" or "critical infrastructure" that are recommended to develop plans to mitigate the spread of COVID-19 within their workforce and to their customers under the State of Alaska under Health Advisory No. 4 or its appendices are encouraged to submit COVID-19 plans directly to the City if operating in Unalaska. Such businesses may submit their plans, protocols, or relevant notifications to the City of Unalaska by email to COVID19PLANS@ci.unalaska.ak.us.
2. **Face Coverings.** To help reduce the community spread of COVID-19 and to protect customers, visitors, workers and volunteers of businesses and organizations, individuals are encouraged to wear face coverings when interacting with others. A face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A face covering may be factory-made or sewn by hand. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by their posted organizational protective protocols.

3. **Reserved.**
4. **Marine Tourism.** Marine tourism includes travel to Unalaska for non-essential purposes by state ferry, a cruise ship of any kind, or private vessel. Marine tourism passengers and providers are required to adhere to resolutions, ordinances, orders of the City Manager, or any other local mandates related to public safety during the COVID-19 pandemic. Local requirements are in addition to any laws, regulations, agreements or plans that apply to travelers, vessels, or businesses through the State of Alaska, the Center for Disease Control and Prevention (CDC), or the US Department of Homeland Security.
5. **Reserved.**
6. **Effective Date; Expiration.** This resolution shall be effective at noon on Wednesday, December 15, 2021, and expires at 11:59pm on Friday, December 31, 2021. The City Council may extend it as necessary, or the City Manager may extend it or amend it pursuant to an extension of the emergency management powers under Unalaska Code of Ordinances § 2.96, and Resolutions 2020-71 and 2021-47 beyond December 31, 2021. This resolution repeals and replaces any other inconsistent resolution or ordinance.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: JR Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-75: Establishing community wide COVID-19 protective measures

SUMMARY: This resolution was developed based on Unalaska's COVID-19 Emergency Response Plan. We are currently at the Low Risk Level. This resolution continues to focus on recommended actions and is set to expire on December 31, 2021, coinciding with the expiration of Resolution 2021-47 that extended the declaration of a local emergency through December 31, 2021.

PREVIOUS COUNCIL ACTION: Since originally declaring a local state of emergency in March of 2020, now extended to December 31, 2021, City Council has responded to the local situation in the form of Resolutions setting out community wide protective measures.

BACKGROUND: Pursuant to HB 76 and the Department of Health and Human Services COVID-19 Declaration of Public Health Emergency dated April 30, 2021, the State continues to assist with testing, vaccinations, contact tracing, and taking other limited, necessary actions. The State has issued four health advisories, listed below, addressing general safety, travel and critical infrastructure, with appendices focusing on the seafood industry.

Health Advisory 1 – Recommendations to Keep Alaskans Safe – Addresses the safety measures Alaskans can take to mitigate the spread of COVID-19.

Health Advisory 2 – International and Interstate Travel – Other than prohibiting persons who are currently positive with COVID-19, the State no longer has entry or travel testing requirements. The existing airport testing infrastructure will remain in place to protect Alaskans and visitors alike, but testing is voluntary.

Health Advisory 3 – Intrastate Travel – Like Health Advisory 2, the State's guidance regarding intrastate travel was modified April 26. It continues to permit local travel restrictions, and outlines expectations of communities for allowing travel of Critical Infrastructure personnel, as well as for community members and those traveling for critical personal needs.

Health Advisory 4 – Critical Infrastructure – The advisory provides guidance for Critical Infrastructure businesses operating in Alaska to protect both communities and industries. There is an appendix specifically applicable to Seafood Processing Workers.

On September 1, 2021, Unified Command finalized the update to Unalaska's COVID-19 Emergency Response Plan. Changes were necessary due to the wide availability of vaccines for COVID-19 and new information learned about the virus. There are now four levels outlining thresholds of risk associated with overwhelming medical facilities: Low, Moderate, Substantial and High Risk. Once the risk level is elevated, it will remain for two weeks, at which point the level

will be reassessed. The Response Plan also identifies recommended protective measures associated with each risk level. The general purpose of the plan is to provide guidance to individuals for their personal decision making; to organizations as they make operational decisions; and to the City Council as it considers Community Wide Protective Measures.

Based on the number of current active cases as of December 8, 2021, the community is at Low Risk under the Response Plan. Low Risk is defined as having few COVID-19 cases present in the community. Generally, this is defined as less than 10 cases, which are community acquired, travel acquired, and/or household acquired, with consideration for the inclusion of industry-related cases that are a part of the community or who have traveled commercially and test positive upon arrival. Since November 22, 2021, case counts in Unalaska have been zero, and is supported by wastewater stream COVID-19 testing which have been nondetectable.

DISCUSSION: In accordance with the COVID-19 Emergency Response Plan developed early on in this pandemic, and recently updated, this is the time where Council might consider measures to limit community spread.

As drafted, this resolution is set expire December 31, 2021, coinciding with the expiration of Resolution 2021-47, that extended the declaration of a local emergency through December 31, 2021.

The key sections of the Resolution are outlined below.

- **State Health Advisories** – *This section has not changed from the previous resolution.* Everyone in the City is encouraged to follow the State’s Health Advisories. These are not mandated locally.
- **Face Coverings** – *This section has not changed from the previous resolution.* Customers, visitors, workers and volunteers of businesses and organizations are encouraged to wear face coverings when interacting with others. A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by their organizational protective protocols.
- **Marine Tourism** – *This section has not changed from the previous resolution.* This section provides guidance for those traveling for non-essential purposes on the state ferry, cruise ships or private vessels and clarifies that local safety protocols in this resolution apply.

If the risk level changes prior to the December 14 Council meeting, additional measures may be appropriate to consider. If the risk level is increased to Substantial, the Response Plan recommends requiring face coverings. Additionally, if the risk level were to increase to High, the Response Plan recommends requiring limits to indoor public gatherings and building capacities.

Again, this resolution will expire when the local state of emergency expires on December 31, 2021. The City continues to monitor local, state and national trends, particularly with the concerning new Omicron variant. Allowing the local emergency declaration to stay in place through December 31 will allow maximum flexibility if the local risk level changes unexpectedly. However, since October 6, the City’s local risk level has been at Low and the protective measures have been recommendations only. If risk levels remain low and the health care system locally is able to accommodate all patients, allowing the local emergency to expire is consistent with Unalaska’s approach since the beginning of the COVID-19 pandemic, which has been to reassess conditions frequently and strive to tailor requirements or recommendations accordingly. If an

emergency declaration is necessary in 2022, the declaration can be made by the Mayor or City Manager, subject to ratification at a special session of the City Council. Some practical implications of allowing the emergency to expire is that the City will no longer have greeters at the airport to collect contact tracing information and the City will no longer have the isolation site. The City will not report the number of cases as it has been doing and people would still have access to statistical data through the State of Alaska.

ALTERNATIVES: Council may choose to approve, amend or disapprove this resolution. The decisions on what is contained in the resolutions addressing community wide protective measures, including the expiration date, are ultimately policy decisions made by Council.

If City Council wished to require face coverings Council could replace the existing sections 2 and 5 of the resolution with the wording provided below.

2. **Face Covering Requirement.** *To help reduce the community spread of COVID-19 and to protect customers, visitors, workers and volunteers of businesses and organizations, individuals shall wear face coverings in certain situations, with limited exemptions, as outlined below. A face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A face covering may be factory-made or sewn by hand.*

- a. *Individuals are required to wear face coverings in the following situations:*
 - i. *Employees or volunteers interacting in-person with any member of the public, customer or visitor;*
 - ii. *Customers or visitors of any business or organization open to the public;*
 - iii. *While obtaining services in a healthcare facility;*
 - iv. *Working in or walking through indoor common areas, such as hallways, stairways, and elevators;*
 - v. *In any room or enclosed area of a business or organization where other people (except for members of the person's own household or residence) are present and when unable to physically distance; or*
 - vi. *When driving or riding in a taxi or shuttle service.*
- b. *The following individuals are exempt from wearing a face covering:*
 - i. *Persons younger than two years old;*
 - ii. *Persons with a medical condition, mental health condition, or disability that prevents wearing a face covering. This includes persons with a medical condition for whom wearing a face covering could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a face covering without assistance;*
 - iii. *Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication;*
 - iv. *Persons who are obtaining a service involving the nose or face for which temporary removal of the face covering is necessary to perform the service, such as medical services; or*
 - v. *Persons who are seated at a restaurant or other establishment that offers food or beverage service, while they are eating or drinking.*
- c. *Business owners or operators shall post signage requiring face coverings at building entrances or vehicle doors or windows. A business owner or operator may refuse*

admission or service to any individual who fails to wear a face covering as required by this resolution.

5. **Penalties.** *Violation of this resolution is punishable as a misdemeanor under Unalaska Code of Ordinances § 2.96.090 and is a Public Nuisance, subject to the remedies in Unalaska Code of Ordinances, Title 11, Chapter 8, including prosecution as a minor offense.*

FINANCIAL IMPLICATIONS: Unknown at this time.

LEGAL: This resolution's subject matter, like all the other public health measures that Council has considered during this pandemic, was drafted in close collaboration with Sam Severin, one of our City Attorneys.

STAFF RECOMMENDATION: Staff recommends approval of this resolution.

PROPOSED MOTION: I move to adopt Resolution 2021-75.

CITY MANAGER COMMENTS: The City Manager recommends approval of the form of this resolution, as it has been developed based on past Council discussions, consultation with local health officials, our attorney, and with the guidance outlined in our COVID-19 Emergency Response Plan. Council may wish to alter some of the details based on further discussion.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-78

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH F & W CONSTRUCTION COMPANY, INC. TO CONSTRUCT THE PUBLIC LIBRARY IMPROVEMENTS PROJECT FOR \$6,514,196

WHEREAS, the Library Expansion Project was proposed and adopted as a component of the Capital & Major Maintenance Plan; and

WHEREAS, Council has appropriated funds into a Capital Budget to create the Project; and

WHEREAS, the City contracted with ECI Hyer, Inc. to perform the Design of the Library Expansion Project; and

WHEREAS, the Library Expansion Project was advertised for more than thirty days and five (5) bids were received; and

WHEREAS, F & W Construction Company, an experienced construction firm, was found to be the lowest responsive bidder; and

WHEREAS, funding is available in the Project's budget to support the award.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council awards the Construction of the Public Library Improvements Project to F & W Construction Company, Inc. for \$6,514,196.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director of Public Works
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-78: Authorizing the City Manager to enter into an agreement with F & W Construction Company, Inc., to construct of the Library Improvements Project for \$6,514,196

SUMMARY: Resolution 2021-78 will award the construction of the re-bid Public Library Improvements Project to F & W Construction Company, Inc. (F&W) for \$6,514,196. Funding will come from the Project's budget, MUNIS Project PR601, which totals \$8,019,878.

PREVIOUS COUNCIL ACTION: Council provided \$12,500 from the General Fund for a Preliminary Study for this Project via the FY16 CMMP and Budget Ordinance 2015-10. For FY18, \$30,000 from the General Fund was provided for Pre-Development via the CMMP and Capital Budget Ordinance 2017-07. Although the City budgeted for Pre-Development, it was ultimately funded by a grant from the Rasmuson Foundation and Foraker Group. During the Pre-Development process, ECI architects presented design options to City Council on November 28, 2017 and February 27, 2018, and Council directed the project towards the larger expansion option, leading to the current design. Through Ordinance 2018-04, the FY19 CMMP and Capital Budget Ordinance, \$357,500 from the General Fund was placed into the Project's Budget to fund Design Services. Resolution 2018-56, approved September 25, 2018, awarded the Project's design work to ECI Hyer, Inc. The FY20 CMMP and Capital Budget Ordinance 2019-07 transferred \$5M from the General Fund, and Ordinance 2019-17 provided another \$3,273,481 from the 1% Sales Tax Fund to cover construction costs. Further Council action is set out in the Background section of this memo.

BACKGROUND: The current project design was developed through an independent Pre-Development process, in addition to numerous public meetings and open houses, two community surveys, and design workshops with community partners, including non-profits and UCSD students. The Public Library Improvements Project was initially bid in 2020 using the Best Value approach, and the construction contract awarded to F&W Construction for \$6,903,481 via Resolution 2020-05, adopted January 14, 2020. Due to the impacts of the COVID-19 Pandemic, the City canceled the contract under the Termination for Convenience clause via Resolution 2020-18, adopted April 2, 2020. In September of 2021, the designer, ECI Hyer, Inc., updated the bid documents to provide a shovel ready design using the Lowest Bid approach. Staff publicly posted the project for bid on October 5, 2021. On November 18, 2021, five bids to perform the work were received ranging from \$6,514,196 to \$7,738,325 (full bid tabulation attached). F&W came in as the low bidder, at an amount less than their bid in 2020. Considering that all 5 bids were relatively close is a very good sign indicating we received fair pricing for this project.

DISCUSSION: The Unalaska Public Library is a valuable asset but its current design is outdated and not ideal for meeting the community's needs. Based on community meetings, library use analysis, and public surveys, we have identified the areas on which this project focuses. Unalaska

needs an event space that is appropriate for classes, meetings, children's programs, and other events. Children need an environment that sparks their imagination and encourages them to love reading. Teens need a welcoming environment for socializing and doing homework. This project provides the Unalaska community with these resources and more.

As we have learned during the pandemic, it is crucial to care for our emotional and mental wellbeing, and physical gathering spaces are essential for long-term community vitality. Completion of this project will produce more than simply an upgraded building. It will give the community a safe and uplifting place to pursue lifelong education, study after school, access essential resources, attend story time and programs, and connect with other community members. The Library provides a perfect venue for enriching our lives, and this intangible should not be undervalued nor its benefits overstated.

The project's scope of work includes replacement or upgrades to critical systems within the 27 year old building such as the sprinkler system, the HVAC system, and lighting. Safety and compliance upgrades will cost nearly a million dollars without the architectural changes included in the Project, which will meet the community's needs. The World Wide Web came into general use in 1990, and the Library was designed in 1994. No one could have known that linked computers would become ubiquitous, so the Library was designed and constructed without space or infrastructure for their use. This Project will prepare the facility for fiber optic networking that is currently being installed city-wide. The work includes selective demolition of the existing facility to accommodate the addition; a 3,570 sq. ft. addition including a children's library, teen space, study rooms, large gathering room, entry vestibule, lobby and interior entry with wind screen; new floor and wall finishes in most spaces; new fixtures, accessories and finishes in the public restrooms; painting the entire building exterior; replacement and refurbishment of select mechanical systems; replacement of the building fire alarm system; and lighting upgrades.

The Unalaska Public Library is more than a space for books, it is a cultural hub for residents and visitors, and offers many services beyond providing books and videos to take home and enjoy.

If this expansion goes forward, city staff will pursue outside funding resources. The Rasmuson Foundation has expressed interest in the project, and it may also be eligible for funding via the Coronavirus Capital Projects Fund for Tribal Governments and the USDA Community Facilities Programs. While funding from these sources is not guaranteed, staff will make every effort to pursue these opportunities to reduce the cost to the city.

ALTERNATIVES: The choices before City Council include:

1. Accept the bid from F&W and proceed with the Project;
2. Reject all bids, modify scope, redesign, and then re-bid the project;
3. Reject all bids and postpone the Library Improvements Project indefinitely; or
4. Reject all bids, cancel the project entirely, and return funds to the General Fund.

FINANCIAL IMPLICATIONS: Funding is available within the Project's current budget, with the old bid included, to award this work. Upon Council approval of this resolution, line item dollar amounts will be adjusted to reflect the current low bid amount. The remaining budget for this project, by line item, is presented below:

PUBLIC LIBRARY IMPROVEMENTS		
G/L ACCOUNT #	ACCOUNT DESCRIPTION	CURRENT BUDGET
31022053-53240 PR601	Engineering and Architectural	221,138.78
31022053-53300 PR601	Other Professional	79,065.94
31022053-54500 PR601	Construction Services	6,903,481.00
31022053-55310 PR601	Telephone / Fax / TV	992.56
31022053-55901 PR601	Advertising	199.84
31022053-55912 PR601	Contingency	570,000.00
31022053-55999 PR601	Other	245,000.00
		8,019,878.12

City staff will pursue outside funding resources. The Rasmuson Foundation has expressed interest in the project, and it may also be eligible for funding via the Coronavirus Capital Projects Fund for Tribal Governments and the USDA Community Facilities Programs. While funding from these sources is not guaranteed, staff will make every effort to pursue these opportunities to reduce the cost to the city.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends awarding the work to F&W Construction for \$6,514,196.

PROPOSED MOTION: I move to adopt Resolution 2021-78.

CITY MANAGER COMMENTS: This is an approved and funded capital project, and is years in the making, with considerable public input and Council direction. Construction was set to begin just as the COVID-19 pandemic reached Alaska and the contract was canceled. Staff rebid the project and the current bid before you this evening is not only within budget, but less than what City Council approved in 2020. Frankly, this was a surprise to us all. As outlined in this memo, if Council approves this resolution, Staff will continue to look for grant funding opportunities to reduce the cost of the project. For these reasons, I support staff's recommendation. However, given the challenging and uncertain economic times, Council may wish to support one of the alternative actions. As always, staff will implement Council's decision.

ATTACHMENTS:

1. Bid Tabulation
2. Standard Form of Agreement

CITY OF UNALASKA, ALASKA
Department of Public Works
Library Improvements Project
11/18/2021
2:00 p.m.
Council Chambers

Contractor / Business Name	Addenda Acknowledgement				Bid Bond	Licenses		Initial Bid	Fax Modification	Total Bid
	No. 1	No. 2	No. 3	No. 4		State Contractor	State Business			
F & W Construction	X	X	X	X	X	X	X	\$10,000,000	-\$3,485,804	\$6,514,196
Blazy Construction, Inc.	X	X	X	X	X	X	X	\$15,000,000	-\$7,517,541	\$7,482,459
UIC Construction LLC	X	X	X	X	X	X	X	\$8,100,000	-\$361,675	\$7,738,325
AMES 1	X	X	X		X	X	X	\$10,000,000	-\$2,860,000	\$7,140,000
Wolverine Supply	X	X	X	X	X	X	X	\$6,879,000	\$0	\$6,897,000

Witness

Witness

Witness

**STANDARD FORM OF AGREEMENT
BETWEEN THE OWNER AND CONTRACTOR**

THIS AGREEMENT is dated as of the _____ day of _____ in the year 202__, by and between the City of Unalaska (hereinafter called OWNER) and F & W Construction Company, Inc. (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1 WORK

CONTRACTOR shall complete all work as specified or indicated in the Contract Documents. The work is generally described as follows:

The work will include, but not be limited to, furnishing all labor, tools, equipment, and materials and performing all operations in connection with the LIBRARY EXPANSION PROJECT. The Work includes selective demolition of the existing facility to accommodate the addition; a 3,570 sq. ft. addition including children's library, teen space, study rooms, large gathering room, entry vestibule, lobby and interior entry with glass panel wind screen; new floor and wall finishes in most spaces; new fixtures, accessories and finishes in the public restrooms; painting the entire building exterior; replacement and refurbishment of select mechanical systems; replacement of the building fire alarm system; lighting upgrades; civil improvements; and other items as listed in Specification Section 01 1000 Summary and Alternates and as further defined in the Contract Documents.

1. Unalaska, Alaska 99685
2. Owner: City of Unalaska, Department of Public Works

The Contract Documents which comprise the entire agreement between OWNER and CONTRACTOR concerning the WORK consists of the following:

- Construction Drawings, Unalaska Public Library, Library Expansion Project, 100% Construction Documents, Bid Documents Reprint October 1, 2021
- Technical Specifications, Unalaska Public Library Improvements, Construction Document Specifications, Update and Reprint October 1, 2021
- Standard Form of Agreement
- State of Alaska Title 36 Wage Rate Requirements
- Instructions to Bidders
- Bid Forms
- Performance Bond
- Payment Bond
- General Conditions
- Supplementary Conditions
- Permits
- Addenda numbers **1** to **4**, inclusive

- Change Orders which may be delivered or issued after Effective Date of the Agreement and not attached hereto.

Article 2 CONTRACT TIME

- 2.1 The CONTRACTOR is allowed 310-days following the Notice-to-Proceed for this work until Final Completion.
- 2.2 Liquidated Damages. The OWNER and CONTRACTOR recognize that time is of the essence of this Agreement and that the OWNER will suffer financial loss if the work is not completed within the times specified above, plus any extensions thereof allowed in accordance with Article 11 of the General Conditions. These losses include inconvenience to the City, administration and inspection costs, loss of efficiency and general inconvenience to the public. They also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by the OWNER if the work is not completed on time. Accordingly, instead of requiring any such proof, the OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay the OWNER One Thousand Dollars (\$1,000.00) for each day that expires after the time specified above for Final Completion and readiness for final payment.

Article 3 CONTRACT PRICE

- 3.1 The OWNER shall pay CONTRACTOR for completion of the work in accordance with the Contract Documents an amount equal to sum of the established unit prices for each separately identified item of unit price work multiplied by the measured quantity of actual items installed plus the sum of the lump sum prices for each separately identified and selected bid item (herein referred to as the "Contract Sum"). The Contract sum is based upon the Bid Items which are set forth in the Contract Documents and which are hereby accepted by the OWNER.

Article 4 PAYMENT PROCEDURES

CONTRACTOR shall submit Applications for Payment in accordance with Article 13 of the General Conditions. Applications for Payment will be processed by the OWNER as provided in the General Conditions.

- 4.1 Progress Payments. The OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment on or about a day of the month mutually agreeable to the OWNER and CONTRACTOR as agreed to at the preconstruction conference. All progress payments will be on the basis of the progress of the work measured by the actual installed quantity of items, plus allowances for stockpiled materials.
- 4.1.1 Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as the OWNER shall determine, or the OWNER may withhold, in accordance with Article 13 (paragraph 13.8) of the General Conditions and the Supplemental Conditions.

- a. Ninety percent of work completed.
- b. Once 50 percent of the work is complete as determined by the OWNER, and if the character and progress of the work have been satisfactory to the OWNER, the OWNER, may determine that, as long as the character and progress of the work remain satisfactory to them, there will be no additional retainage on account of work completed; in which case, the remaining progress payments prior to Substantial Completion will be in an amount equal to 100 percent of the work completed.

4.1.2 Upon Substantial Completion, in an amount sufficient to increase total payments to CONTRACTOR to 95 percent of the Contract Price, less such amounts as the OWNER shall determine, or the OWNER may withhold, in accordance with Article 13 of the General Conditions.

4.2 Final Payment. Upon final completion and acceptance of the work in accordance with the General Conditions; Affidavit of Payment of Debts and Claims; Affidavit of Release of Liens; and Receipt of Consent of Surety Company to Final Payment, the OWNER shall pay the remainder of the Contract Price as provided in said Article 13.

4.2.1 Deductions. The City may deduct from the amount of any payment made to Contractor any sums owed to City by Contractor including, but not limited to, past due sales tax, port and harbor fees, property tax, or rent. Before making any such deduction the City shall have provided Contractor written notice of the amount claimed by City to be due and owing from Contractor.

Article 5 INTEREST ON RETAINAGE

All retainage shall bear interest at the rate required by AS 36.90.250, if applicable.

Article 6 CONTRACTOR'S REPRESENTATIONS

In order to induce the OWNER to enter into this agreement, CONTRACTOR makes the following representations:

6.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, work, site, locality, and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance, or furnishing of the work.

6.2 CONTRACTOR has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, reports, and studies which pertain to the subsurface or physical conditions at or contiguous to the site or which otherwise may affect the cost, progress, performance, or furnishing of the work as CONTRACTOR considers necessary for the performance or furnishing of the work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of paragraph 4.2 of the General Conditions; and no additional examinations, investigations, explorations, tests, reports, studies, or similar information or data are or will be required by CONTRACTOR for such purposes.

- 6.3 CONTRACTOR has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports, studies, or similar information or data in respect of said Underground Facilities are or will be required by CONTRACTOR in order to perform and furnish the work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of paragraph 4.4 of the General Conditions.
- 6.4 CONTRACTOR has correlated the results of all such observations, examinations, investigations, explorations, tests, reports, and studies with the terms and conditions of the Contract Documents.
- 6.5 CONTRACTOR has given the OWNER written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by the OWNER is acceptable to CONTRACTOR.

Article 7 MISCELLANEOUS

- 7.1 Terms used in this Agreement which are defined in Article 1 of the General Conditions will have the meanings indicated in the General Conditions.
- 7.2 The CONTRACTOR shall submit the Performance Bond, Labor and Material Payment Bonds, and Certification of Insurance and City of Unalaska business licenses and all Subcontractor City of Unalaska business licenses as required by the Contract Documents, prior to commencement of the Work. The Performance and Material Payment Bonds shall be in the amount of 100% of the contract bid price. Contractor shall comply with all applicable Federal and State labor regulations, including State of Alaska Title 36, Public Contracts, otherwise known as the Little Davis-Bacon Act, and all labor regulations and minimum rates of pay contained therein.
- 7.3 No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 7.4 OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect of all covenants, agreements, and obligations contained in the Contract Documents.
- 7.5 Until Contractor receives notice from the City that project records need not be preserved, Contractor shall preserve, all non-identical copies of all documents, records, or other information (including documents, records, or other information in electronic form) in its

or its subcontractors' or agents' possession or control, or that come into its or its subcontractors' or agents' possession or control that relate to the Work.

IN WITNESS WHEREOF, The OWNER and CONTRACTOR have signed all counterparts of this Agreement. All portions of the Contract Documents have been signed or identified by the OWNER and –CONTRACTOR.

CONTRACTOR

CITY OF UNALASKA, ALASKA

By: _____
Robert W. Capps, President

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me on the ____ day of _____, 202__, by Robert W. Capps, President of F & W Construction Company, Inc., an Alaska Corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires _____

By: _____
Erin Reinders, City Manager

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me on the ____ day of _____, 202__, 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 _____

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-76

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A 75-YEAR TIDELAND LEASE AGREEMENT WITH LFS INC. FOR UNALASKA TIDELANDS SURVEY 103 TRACTS B AND C

WHEREAS, the City of Unalaska is the owner of Unalaska Tideland Survey (UTS) 103 Tracts B and C, both of which are a portion of former Alaska Tideland Survey (ATS) 1452; and

WHEREAS, Bill Shaishnikoff is the owner of the uplands adjacent to Tracts B and C of UTS 103, and is in the process of selling these uplands to LFS INC (LFS); and

WHEREAS, Bering Shai Marine, LLC is selling its assets to LFS and desires to terminate its present lease with the City for UTS 103 Tract C ("Bering Shai Lease"); and

WHEREAS, LFS has applied to lease Tract B and Tract C of UTS 103; and

WHEREAS, UCO § 7.12.020 grants the owner of upland property adjacent to tide and submerged land a preference for lease of such submerged lands; and

WHEREAS, Bill Shaishnikoff, as owner of the uplands adjacent to Tracts B and C is in the process of selling such tidelands to LFS and has given his written support of the LFS application to lease Tract C and Tract B; and

WHEREAS UCO § 7.12.020 requires City Council approval of any lease of City property having a term greater than 5 years and that no lease shall be for a term of more than thirty years unless the City Council determines from the purpose of the lease or the nature of improvements which may be placed thereon that a longer term would benefit the City; and

WHEREAS, a 75-year lease of Tracts B and C of Unalaska Tidelands Survey 103 is of benefit to the City as it promotes long-term, substantial, durable and desirable investment in the City of Unalaska's tidelands and allows for an existing business to expand its practices in our community.

NOW THEREFORE BE IT RESOLVED THAT THE UNALASKA CITY COUNCIL authorizes a 75-year lease of UTS Tracts B and C, with an annual rent based on ten percent of the appraised value of the tidelands to LFS; and

BE IT FURTHER RESOLVED THAT THE UNALASKA CITY COUNCIL authorizes the City Manager to consent to assignment of the Bering Shai Lease to LFS and, with consent of the lessee, to terminate such lease in order to effect the tidelands lease authorized by this resolution; and

BE IT FURTHER RESOLVED THAT THE UNALASKA CITY COUNCIL authorizes the City Manager to further negotiate and enter into the lease authorized hereby in accordance with the City Manager Regulations for Tideland Leasing, and to take other action reasonable and proper to the issuance of such lease and termination of the Bering Shai Lease.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, Planning Director
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-76: Approving a 75-year Tidelands Lease Agreement with LFS, Inc., for Unalaska Tidelands Survey 103 Tracts B and C

SUMMARY: A tidelands lease between the City of Unalaska and LFS, Inc., (LFS) has been drafted and is being processed in accordance with City Code and regulations. City Council approval is required for the lease because the term is greater than 5 years. Before Council can approve a lease with a term exceeding 30 years, it must also find that the lease or the nature of improvements which may be placed thereon would benefit the City. Staff recommends approval of Resolution 2021-76.

PREVIOUS COUNCIL ACTION: The current City Manager Regulations for Tidelands were endorsed by the City Council on April 24, 2012. Council approved a tidelands lease for Tract C of Unalaska Tidelands Survey 103 in 2013 for Bering Shai, LLC for a term of 75 years, which was subsequently entered into by the City and Bering Shai.

BACKGROUND: UCO Section 7.12.020 requires Council approval of any lease of city property having a term of greater than 5 years, and allows for lease terms of greater than 30 years if the Council determines that a longer lease is of benefit to the City. The City Manager Regulations for Tidelands leasing recommends 30 year leases in order to promote long term investment in Unalaska's tidelands, but also lists several considerations in determining the actual term of the lease.

DISCUSSION: LFS submitted an application to lease UTS 103 Tracts B and C, with combined acreage of approximately 14.26 acres from Tract B (11.55 acres) and Tract C (2.71 acres) on Captains Bay Road. LFS is acquiring the quarry property formerly operated as Bering Shai from Bill Shaishnikoff. LFS seeks to acquire an existing Bering Shai 75-year tidelands lease for Tract C approved in 2013 and to lease Tract B to expand their business operations. Improvements made by Bering Shai added fill, constructed a ramp and created mooring space. The referenced tracts are shown on the attached aerial photo. Future phases of Bering Shai's development plans included a marine terminal facility encompassing Tracts C and B of UTS 103 as well as the uplands. These are appropriate uses of these tidelands, allowing for business expansion in a cost effective manner consistent with zoning district requirements. LFS appears to be carrying the plans forward in asking for a lease of Tract B. Bill Shaishnikoff, owner of the adjacent uplands, has given his written support of the LFS application to lease UTS 103 Tracts B and C.

The attached lease agreement has been drafted in accordance with the Title 7 and Regulations for Tidelands Leasing, License, Exchange or Sale. The area involved with this lease agreement has been surveyed, platted and recorded with the State Recorder's Office. Army Corps of Engineers, and other required permits, are in the process of being obtained and City building permits have already been granted. The required proof of insurance and the lease bond have been provided.

The City Manager Regulations for Tidelands suggest a maximum of a 30-year lease, but also identify the following considerations when determining the actual lease term: the desirability of the proposed use, the proposed investment in improvements, durability of improvements, public benefit and other relevant factors. To this end, LFS is pursuing ownership of the uplands in conjunction with acquiring the existing tidelands lease, requesting additional leasable tidelands in Tract B, and seeks a lease term of 75 years.

The Bering Shai 75-year tidelands lease for this area allowed for a marine terminal facility with a focus on oil and freight industries, including temporary barge load out facility and heavy duty access ramp on Tract C to be followed in future years by additional fill for work space and a 1,175 foot long open cell sheet pile dock on Tract B and C. The anticipated financial investment throughout these phases was estimated to be approximately \$8.6 million in 2013. Such improvements in this location help to diversify Unalaska's economy in a location where new industry will not interfere with the operations established by the fishing industry. These substantial, durable, and desirable improvements are anticipated to far outlast the typical 30 year tideland lease.

With these considerations and considering that the Bering Shai lease for Tract C is for 75 years, staff finds it would be in the best interest of the City, the applicant, and the public to grant a similar lease term of 75 years to LFS. At the end of the term, LFS would need to then reapply for a lease under the most current City Manager Regulations for Tidelands at that time.

The applicant, LFS, has emphasized the importance to it of concluding the acquisition and transfer of Bering Shai assets, leases and operations by the end of the 2021 calendar year. Because LFS has not yet acquired the uplands or the 2013 Bering Shai tidelands lease, this transaction is somewhat more complex than simply issuing a tidelands lease. Staff is working closely with LFS to accomplish this goal, but it means that Council is asked to approve the proposed lease, and assignment of the Bering Shai lease to LFS without final versions of the applicable lease and/or assignment agreements.

Before the proposed tideland lease of both Tract B and Tract C to LFS can be issued, the existing 2013 Bering Shai tidelands lease needs to be terminated or otherwise merged into the new lease agreement. Planning is working with the city attorney to determine whether Bering Shai needs to first, with the City's consent, assign its interest in the 2013 lease to LFS or if it makes more sense for the parties to agree to termination of the 2013 Bering Shai tidelands lease concurrent with the effective date of the proposed lease of Tract B and Tract C LFS.

An appraisal of the tideland is currently being prepared but is not ready at this time. The annual lease rate will be set as 10% of the appraised value of the tidelands per the City Manager Tidelands Policy. The 75-year term on this lease allows for an existing business to expand their current operations within our community, through desirable, substantial and durable improvements, which is of benefit to the City.

Thus, if Council finds that it is in the best interest of the City to grant a 75-year lease for Tracts B and C of UTS 103, it is asked to authorize such lease in the general form of the City of Unalaska Tideland Lease Agreement submitted with Resolution 2021-76, while also granting the City Manager discretion to make further changes to the proposed lease agreement to facilitate the assignment and/or termination of the Bering Shai lease.

ALTERNATIVES: If Council finds that it is in the best interest of the City to reject Resolution 2021-76 as is, it may alternatively grant the lease agreement for less than 75 years (such as for the typical 30-year term), or reject the application for lease altogether.

FINANCIAL IMPLICATIONS: The initial annual rent for the 14.26 acres contained in Tracts B and C shall be 10% of the appraised value. A precise figure will not be known until the appraisal report, with the applicant to bear the cost thereof, is received. As described in the proposed lease agreement, the incremental rate increases will be 3% per annum or based on new appraisal of the leased tidelands. The appraisal will not consider the value of improvements that the lease holder has constructed. The lease and the contemplated improvements and expansion of commercial activity present the potential for increased property tax revenue, but these amounts are too speculative to quantify.

LEGAL: The form of the lease was reviewed by the city attorney. Should Council approve Resolution 2021-76, the city attorney will advise the manager on further revisions to the proposed lease, or other such instruments, as are reasonably necessary to address the existing Bering Shai lease and to accommodate the applicant's goal of concluding the lease agreement prior to the end of the calendar year.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2021-76.

PROPOSED MOTION: I move to adopt Resolution 2021-76.

CITY MANAGER COMMENTS: Recommend moving forward to finalize the tidelands lease agreement, with a 75-year term.

ATTACHMENTS:

1. Aerial photo and map showing UTS 103 Tracts B and C
2. Draft Tidelands Lease Agreement

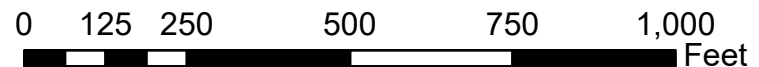


Exhibit A

- Original Lease (Tract C)
- Additional New Lease (Tract B)
- Parcel Boundary



Maps and associated information have been created or purchased by the City of Unalaska and were compiled from the most authentic data available. The City is not responsible for any errors or omissions contained herein. All data and materials Copyright © 2021. All Rights Reserved.



RECORD IN ALEUTIAN ISLANDS RECORDING DISTRICT

CITY OF UNALASKA
TIDELAND LEASE AGREEMENT
UTS No. 103 Tract C
FOR CITY OWNED TIDELANDS

This Tidelands Lease Agreement (“Lease”) is made and entered into this ___ day of _____, 2021, between the City of Unalaska, a first-class Alaska municipal corporation (“Lessor”), whose address is P.O. Box 610, Unalaska, Alaska 99685, and L.F.S., Inc. (“Lessee”), whose address is c/o Legal Dept., 5303 Shilshole Ave. NW, Seattle WA 98107.

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

Leased Premises. The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following parcel of land (collectively “Parcel”), which are situated in the State of Alaska, identified as follows:

Tract B of the Unalaska Tideland Survey 103, comprised of 11.40 acres, more or less, according to Plat No. 2013-13, records of the Aleutian Island Recording District, Third Judicial District, State of Alaska;

Tract C of the Unalaska Tideland Survey 103, comprised of 2.71 acres, more or less, according to Plat No. 2013-13, records of the Aleutian Island Recording District, Third Judicial District, State of Alaska;

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:

- A. Easements, rights of way and reservations of record.
- B. All reservations contained in the Patent No. 375, recorded at Book 42, Page 444, records of the Aleutian Island Recording District, Third Judicial District, State of Alaska.
- C. The rights of the public to access tidelands under the Alaska Constitution.
- D. The rights of the public to access tidelands under the Public Trust Doctrine

1. Term. The term of this Lease shall be for a period of 75 years, commencing on the ____ day of _____, 2022 and ending on the ____ day of _____, 2097, unless sooner terminated as herein provided.

2. Rent. (a) The Lessee shall pay to the Lessor rent (“Rent”) for the Parcel in equal annual payments, in advance, on or before the 10th day of the first month of the period of said rental term.

(b) The Rent for the first year of the term shall be 10% of the appraised value of the tideland, including all previously existing improvements, as determined by an appraiser, with such appraiser selected by Lessor subject to Lessee’s consent. Notwithstanding the requirement that annual Rent payments be made in advance, on or before the 10th day of the first month of the period of said rental term, Rent for the first year shall be due within 30 days of Lessor’s written demand, which shall be made upon Lessor’s receipt of the appraisal report. Such demand shall also include demand for the costs of appraisal, which shall be paid by Lessee within 30 days of demand.

3. Adjustments to Rent. Rent due under this Lease shall be adjusted upward or downward as follows:

The annual rent is typically 10% of the appraised value of the tideland, including all previously existing improvements, as determined by an appraiser or based on the Fair Market Rent as established by an appraiser. Commencing at the end of the fifth (5th) year of the term, and continuing at the end of every five (5) years thereafter the Parcel, including any previously existing improvements included in this Lease Agreement, but excluding improvements made by Lessee, shall be reappraised by Lessor. In some instances, a letter of opinion from an appraiser may be all that is warranted and may be considered every five years with a reappraisal every 10 years. Rent shall at no point be less than the Rent for the first year of the term. The cost of subsequent reappraisals will be split equally between the City and the Lessee.

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 which 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 and those relating to City of Unalaska sales taxation . 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.

7. Improvements. The Lessee may make permanent improvements to the Parcel permitted by applicable law. Improvements shall be made to the leased tideland within 2 years of the signing of the

lease, or lease may be revoked. The Lessee must within 90 days of completion of any such improvements including, but not limited to, structural improvements, clearing, leveling, excavation, and backfill, file with the Lessor adequate and reasonable documentation of such improvements, setting forth all applicable costs and quantities. Failure to provide such documentation may result in a loss of credit to the Lessee for such improvements when the original condition of the Parcel is determined for reappraisal purposes under Paragraph 3 hereof.

8. 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.

9. Notices of Non-responsibility and Completion. Prior to commencing any improvements on the Premises costing more than twenty thousand dollars (\$20,000.00), individually or in the aggregate, Lessee shall obtain from Lessor and duly post and record an appropriate notice of Lessor's non-responsibility for such Improvements, pursuant to the requirements of AS 34.35.065 or its successor. Lessee shall, upon the completion of any improvements to the Property, promptly give and record an appropriate notice of completion respecting all such Improvements, pursuant to the requirements of AS 34.35.071 or its successor.

10. 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.

11. Denial of Warranty Regarding Conditions. The Lessor neither makes any 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 Lease. 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 Property.

12. 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 Lease 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.

13. Payment of Taxes and Assessments. The Lessee shall pay as additional rent all real property taxes and assessments lawfully levied upon the Parcel during the term of the Lease.

14. Utilities and Services. Lessee shall, at its expense, procure and timely pay for all services and utilities and hook-ups therefore which are necessary or appropriate for its operation or use of the Parcel.

15. 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.

16. Condemnation of Leasehold Improvements. If the whole or any part of the Parcel is taken by any authorized body or person vested with the power of eminent domain, by negotiation, court action, or otherwise, the following provisions control:

- (a) If all of the Parcel is taken by condemnation, this Lease and all rights and obligations of the Lessee will immediately terminate, and the rent will be adjusted so that it is due only until the date the Lessee is required to surrender possession of the Parcel. The Lessor is entitled to all the condemnation proceeds, except that the Lessee will be paid the portion of the proceeds attributable to relocation costs or to improvements located on the Parcel.
- (b) If the taking is of a substantial part of the Parcel, the following rules apply:
 - (1) If the taking reduces the ground area of the Parcel by at least 30 percent or materially affects the use being made by the Lessee of the Parcel, the Lessee has the right to elect to terminate or not to terminate this Lease by written notice to the Lessor not later than 180 days after the date of taking.
 - (2) If the Lessee elects to terminate this Lease, the provisions in (a) of this subsection govern the condemned portion of the Parcel and the terms of the Lease govern disposal of the remainder if any
 - (3) If the Lessee elects not to terminate, the Lease continues and the Lessor is entitled to the full condemnation proceeds, except the Lessee will be paid the portion attributable to relocation costs or to improvements located on Parcel. Except as it may be adjusted from time to time under the terms of this Lease, rent for the balance of the term will be equitably adjusted by the Lessor to reflect the taking.
- (c) If the taking by condemnation reduces the ground area of the Parcel by less than 30 percent and the Lessee's use of the Parcel is not materially affected, the provisions of (b)(3) of this subsection will govern.

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. Mineral Reservations. The Lessor hereby expressly saves, excepts, and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils. The Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing, drilling and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals (other than sand, gravel and rock), fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, power lines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes, hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Provided, however, that no rights reserved hereunder shall be exercised by the Lessor or its subsurface lessees, until provision has been made by the Lessor or its subsurface lessees to pay to the Lessee of the land upon which the rights are herein reserved, full payment for all damages and losses sustained by said Lessee by reason of entering upon said land; and provided further that, if the Lessee for any cause whatever refuses or neglects to accept such damage or loss payment, the Lessor or its subsurface lessees, or any applicant for a subsurface lease, contract or option from the Lessor or its subsurface lessee for the purpose of exploring for or extracting valuable minerals (other than sand, gravel and rock), coal, petroleum, natural gas, or geothermal resources shall have the right, after posting an adequate surety bond for the Lessee, as the obligee, issued by a corporation qualified to do business in Alaska and licensed to sell insurance in Alaska, or after posting for the Lessee, as the obligee, an adequate bond executed by one or more individual sureties approved by the Lessee and after due notice and an opportunity to be heard, to exercise rights granted to it for reasonable use of the surface required for the full enjoyment of the reserved subsurface rights which it holds. Each surety bond shall be sufficient in amount and security to secure the affected rights of the Lessee, and the Lessee and the Lessor or its subsurface lessee shall have the standing which may be necessary to seek a determination of the damages and losses which the Lessee

may suffer, and the security appropriate to hold the Lessee harmless in relation thereto.

21. Appropriation or Disturbance of Waters. During the term of this Lease, the Lessee shall have the right to apply for an appropriation of ground or surface water on the Parcel in accordance with the Alaska Water Use Act. All water applied for and appropriated during the term of this Lease shall remain appurtenant to the Parcel during said term, and such water and water rights shall not be severed or transferred from the Parcel or any part thereof during said term without the prior consent of the Lessor. The Lessee's rights under any permit or certificate of appropriation shall revert to the Lessor upon termination of the Lease or forfeiture of the Lease for cause.

22. 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.

23. Land Alterations Due to Natural or Artificial Causes. The Parcel described herein shall constitute the entire Parcel of property to be leased by the Lessor to the Lessee pursuant to this Lease. If, through natural or artificial causes, accretion or reliction of land occurs on property contiguous to the Parcel that is owned by the Lessor, the Lessee shall have no right to occupy or use such contiguous property unless a separate lease is entered with the Lessor with respect to such property. The parties agree and stipulate that the rules of law usually applicable to accretion or reliction of land shall not apply to this Lease, nor to the Parcel leased hereunder, in order that the parties may give effect to the provision agreed upon herein.

24. 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 Lease, 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 Lease, 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.

25. Lease Subject to Public Trust. This Lease is subject to the principles of the Public Trust Doctrine.

26. 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 Lease.

27. Definition of Hazardous Substance. Hazardous substance, as such term is used in this Lease, 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.

28. Spill Prevention. Any fuel or oil stored on the Parcel shall be stored so as to prevent the discharge thereof from entering any ground or surface waters. Lessee shall promptly clean or mop up any fuel or oil spilled on or about the Parcel. If Lessee's use of the Parcel results in hazardous substances being on or about the Parcel, Lessee shall:

- (a) Have materials and equipment available on the Parcel at all times sufficient to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Parcel. A list of said material and equipment shall be provided to Lessor for approval at the request of Lessor which approval shall not be unreasonably withheld. Lessee shall comply with all reasonable requests of Lessor regarding the amount and type of equipment and material to be kept available on the Property to contain and clean up any hazardous substance that may reasonably be expected to be spilled on or about the Property.
- (b) Prior to commencing operations from any improvement on the Parcel for which a DEC-approved Spill Contingency Plan is required, Lessee shall provide evidence of the existence of such an approved plan in a form acceptable to Lessor.
- (c) Lessor's inspection rights identified in paragraph 24 specifically include the right to inspect the materials indicated as present and stored for purposes of responding to spills of hazardous substances on the Parcel.

29. 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.

30. 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.

31. 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.

32. 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 of 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 therefore, 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.

33. Disposition of Improvements and Personality After Termination:

- (a) Improvements, fixtures, machinery and equipment owned by lessee shall be removed by lessee from the Property within sixty (60) days after the expiration or termination of this Lease; provided that such removal will not cause injury or damage to the Property, or if it does, Lessee shall indemnify Lessor for the full amount of such damage; and further provided that any improvements, fixtures, machinery or equipment left on the Property by Lessee shall be in good, safe and tenantable or operable condition; and further provided that Lessee shall not commit, create, leave or allow to exist on the Property any nuisance or public nuisance. The Lessor may extend the time for such removal in case hardship is shown to Lessor’s satisfaction, provided application for extension has been made in writing and received by Lessor within said sixty (60) day period.
- (b) Any buildings, improvements, fixtures, machinery, equipment or other items of real or personal property, which are not removed from the Property within the time allowed in paragraph 33 (a) of this Lease, shall immediately become the property of Lessor and title thereto shall vest in Lessor without further action on the part of Lessee or Lessor. Lessor may use, sell, destroy, or otherwise dispose of any such property in any matter that it sees fit, without further obligation to Lessee.

34. 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 Property 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.

35. 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 Lease with Lessor’s permission, Lessee shall be deemed to be occupying the Property as a month-to-month tenant, subject to all of the terms and conditions of this Lease and the law, to the extent that they may be applicable to a month-to-month tenant.

36. 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 and to adjust for inflation. Proof of the following coverage must be shown prior to execution of this Lease. A current certificate of insurance shall be

submitted to the Lessor each year.

The insurance policies must be written by a company or companies that are on the Alaska Division of Insurance's "admitted list" or "surplus lines insurance list". The broker/agent must be licensed to do business in the State and, if surplus lines insurance is provided, the broker must have a surplus broker license.

- (a) Comprehensive (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 premises 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:

- (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.
- (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.

37. 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:

To Lessor: City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685

To Lessee: LFS Inc.
c/o Legal Dept.
5303 Shilshole Ave. NW
Seattle, WA 98107

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, 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.

38. 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.

39. 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.

40. 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.

41. 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.

[The rest of this page is intentionally blank.]

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be executed in duplicate, and have hereunto set their respective hands, agreeing to keep, observe and perform the terms, conditions and provisions herein contained or attached, which on the Lessor's or the Lessee's respective parts are to be kept, observed and performed.

LFS, LLC

THIS IS TO CERTIFY that on this _____ day of _____, 20__ before me appeared _____ to me known and known to me to be the person named in and who executed the Tidelands Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____
My Commission Expires: _____

City Manager,
City of Unalaska

THIS IS TO CERTIFY that on this ____ day of _____, 20__, before me appeared _____ to me known and known to me to be the person named in and who executed the Tidelands Lease Agreement and acknowledged voluntarily signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

NOTARY PUBLIC in and for _____
My Commission Expires: _____

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-77

A RESOLUTION OF THE UNALASKA CITY COUNCIL IDENTIFYING THE CITY OF UNALASKA'S STATE PRIORITIES

WHEREAS, the Alaska Department of Transportation, U.S. Department of Transportation, and Federal Aviation Administration are responsible for supporting safe and efficient transportation systems and infrastructure; and

WHEREAS, air travel is the only way to reasonably access our island community. Direct, safe, reliable and affordable flights meeting regular and peak season demand is critical; and

WHEREAS, the Tom Madsen Airport in Unalaska, Alaska is owned and managed by the Alaska Department of Transportation; and

WHEREAS, the City of Unalaska calls upon state delegations and agencies to assist in creating an environment that allows for redundancy in aircraft in order to meet the transportation needs of our island community. Specifically, we request that the Alaska Department of Transportation continue with their Airport Master Plan for the Tom Madsen Airport and work to address runway improvements; and

WHEREAS, the Alaska Marine Highway System provides an essential service to Unalaska and is necessary for our community health, safety, economic and social wellbeing; and

WHEREAS, regular ferry service provides a cost-effective way for community members, visitors, and businesses to travel and ship equipment and materials to and from our remote island; and

WHEREAS, the City of Unalaska's ability to fulfill the obligations of a local government is limited by available resources including State funding, specifically funding through the Community Assistance Program and the Shared Fisheries Tax Program, offsetting burdens that might otherwise be felt by the local tax base; and

WHEREAS, Unalaska's internet connection speeds thwart business growth, medical service, education, and overall quality of life; and

WHEREAS, the City of Unalaska continues to support programs and activities to bridge this digital divide; and

WHEREAS, Unalaska has several sites that were subject to the Department of Defense's Formerly Utilized Defense Sites environmental program due to contamination which occurred during WWII activities, as well as WWII related contamination that is discovered during construction projects today; and

WHEREAS, the City of Unalaska supports the creation of a federal funding mechanism that would allow reimbursement to land owners who remediate contaminated sites or the identification of an accessible funding source to allow for a timely response to contamination sites that are holding up construction projects and negatively impacting subsistence living; and

WHEREAS, support from the Alaska Department of Environmental Conservation is critical to managing these contaminated areas and ensuring Federal assistance and support; and

WHEREAS, Unalaska is a strategically located and vibrant Artic Port community. Home to the largest commercial fishing port in the nation, Unalaska’s International Port of Dutch Harbor is a vital transportation and economic hub that will only become more key as northern shipping routes expand. The Port of Dutch Harbor is the only deep draft and year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait; is a designated “Port of Refuge”; and is the western most container terminal in the United States; and

WHEREAS, Captains Bay Road is a heavily used commercial corridor vital to the community’s economic welfare with has safety concerns and economic development potential which require road improvements, water, sewer and electric utilities; and

WHEREAS, Robert Storrs Boat Harbor Improvements, Unalaska Marine Center Cruise Ship Terminal, Light Cargo Dock and Unalaska Marine Center Dredging are all port related infrastructure projects that will help meet the needs of a growing Arctic Port and the number one commercial fishing port in the nation; and

WHEREAS, Makushin Geothermal Interconnection Projects support the City of Unalaska’s commitment to alternative energy and are utility infrastructure upgrades required for the City’s electrical distribution system to accept power from the Makushin Geothermal Plant; and

WHEREAS, a Solid Waste Gasifier is needed because current active landfill cells are reaching capacity. The City of Unalaska has worked with the Department of Energy National Renewable Energy Laboratory to consider the best waste management approach for our remote location. Operating costs for this project will eventually be recovered by extending the landfill lifespan.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska hereby identifies its State legislative priorities as:

STATE LEGISLATIVE PRIORTIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flights at Tom Madsen Airport - Top Critical Need
State Ferry System
Community Assistance Program and Shared Fisheries Tax Program
Reliable and High Speed Internet
Environmental Remediation
Arctic Port Development in Unalaska
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$54 Million - Top Project Funding Priority
Robert Storrs Boat Harbor Improvements – \$9.5 Million
Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million
LCD and UMC Dredging - \$6.65 Million
Makushin Geothermal Interconnection Projects - \$5.7 Million)
Solid Waste Gasifier - \$8.3 Million

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top critical need is the support for the stabilization of commercial flights at Tom Madsen Airport.

BE IT FURTHER RESOLVED that the City of Unalaska hereby identifies its top capital project funding priority as the Captains Bay Road and Utility Improvements Project.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 14, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: J. R. Pearson, Assistant City Manager
Through: Erin Reinders, City Manager
Date: December 14, 2021
Re: Resolution 2021-77 Identifying the City of Unalaska's State Priorities

SUMMARY: City Council identifies legislative priorities on an annual basis, typically in the fall. This memo provides an outline of Council's existing priorities and highlights changes to the updated priorities based on feedback from our lobbyist. Staff recommends approval of resolution 2021-77.

PREVIOUS COUNCIL ACTION: Identifying State and Federal priorities is a recurring Council action to express our support for certain initiatives, seek support for capital projects, and in preparation for Lobbying Trips.

On April 9, 2019, City Council approved Resolution 2019-15 identifying the Captains Bay Road and Utility Improvement Project as the City's number one State funding priority.

City Council discussed both State and Federal priorities at the August 27, 2019 work session. Council then approved Resolution 2019-52 identifying Federal priorities on September 10, 2019. After further discussion, Council approved Resolution 2019-51 identifying State priorities on September 24, 2019.

Council approved Resolution 2019-59 on November 12, 2019 amending the previously established State and Federal Priorities to include the stabilization of commercial flights between Dutch Harbor (DUT) and Anchorage (ANC) at the Tom Madsen Airport.

On January 14, 2020, at the Mayor's request, Council reviewed their priority statements and considered necessary adjustments. Council then approved Resolution 2020-10 identifying Federal priorities and Resolution 2020-09 identifying State priorities on February 11, 2020.

Council approved Resolution 2020-62 on September 22, 2020 adopting State Legislative Priorities.

City Council will discuss and consider State Legislative Priorities separately from the Federal Priorities this year. Council has already heard from our Federal Lobbyist team and approved the Federal Priorities through Resolution 2021-67 on October 12, 2021.

Council discussed legislative priorities with the State Lobbyist at the November 9, 2021 City Council meeting.

BACKGROUND: Taking the time to identify Council's legislative priorities allows for Council members, lobbyists, consultants and City staff to more effectively focus efforts and resources. Current Council legislative priorities are listed below. Council discussed these priorities on November 9, 2021.

DISCUSSION: Below is the State Legislative Priority list based on discussion at the November 9, 2021 City Council meeting and with our lobbyist. There may be opportunities in the new infrastructure bill, passed on November 15, 2021, that may help fund some of these priority projects. Staff are evaluating which projects apply to the bill.

STATE LEGISLATIVE PRIORITIES
<i>Critical Needs Support</i>
Stabilization of Commercial Flights at Tom Madsen Airport (existing State and Fed Priority)*
State Ferry System (existing)
Community Assistance Program and Shared Fisheries Tax Program (existing)
Reliable and High Speed Internet (existing)
Environmental Remediation (existing)
Arctic Port Development in Unalaska (new and newly identified Federal Priority)
<i>Capital Project Funding Support</i>
Captains Bay Road and Utility Improvements Project - \$54 Million (existing State and Fed Priority)
Robert Storrs Boat Harbor Improvements – \$9.5 Million (existing and newly identified Federal Priority)
Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million (new and newly identified Federal Priority)
LCD and UMC Dredging - \$6.65 Million (new and newly identified Federal Priority)
Makushin Geothermal Interconnection Projects - \$5.7 Million (new and newly identified Federal Priority)
Solid Waste Gasifier - \$8.3 Million (new and newly identified Federal Priority)
*Bold indicates that Priority is also identified as a Federal Priority

These legislative priorities are described in more detail below.

Critical Needs Support

1. **Stabilization of Commercial Flights at Tom Madsen Airport.** *This is an existing and unchanged Legislative Priority (both State and Federal) that helps to address Council’s recently identified focus on air transportation.* This item is currently identified as Unalaska’s top critical need.

Air travel is the only way to reasonably access our island community. Direct, safe, reliable, and affordable flights meeting regular and peak season demands of our community is critical. The airport and runway are owned and managed by the Alaska Department of Transportation. Furthermore, the Alaska Department of Transportation, US Department of Transportation, and the Federal Aviation Administration are responsible for supporting safe and efficient transportation systems and infrastructure.

The grounding of the Saab 2000 for the DUT-ANC route, in the aftermath of the crash of Flight 3296, highlighted the risk of having only one airline with one commercial aircraft authorized to fly passengers directly between Anchorage and Unalaska. This was again recognized when Ravn Air declared bankruptcy and stopped all air service in April of 2020 for a lengthy period of time. We call upon state and Federal delegations and agencies to assist in creating an environment that allows for redundancy in aircraft service in order to meet our island community’s transportation needs.

We also support the State of Alaska's efforts as they update and implement their Airport Master Plan for Tom Madsen Airport to address runway improvements. We support the Essential Air Service program, and related programs, as critical tools to ensure the long-term viability of air travel to and from Unalaska.

2. **State Ferry System.** *This is an existing and unchanged State Legislative Priority.* Ferry service to and from our remote island community is identified in the City's Comprehensive plan as a community priority, stressing the importance of advocating for regular and consistent service to meet the needs of residents, businesses and visitors. Alaska Marine Highway System provides a cost-effective way for community members and businesses to travel and ship equipment and materials. The Ferry is how teachers move to this island, this is how our Aleutian Island neighbors access critical stores and services, this is how large families can travel off the island to visit loved ones, this is how the mobile mammogram van comes to our community to provide life altering healthcare. The Alaska Marine Highway System provides an essential service to Unalaska and is necessary for our community health, safety, economic and social wellbeing. The city supports sustained service as well as investment in vessels and related infrastructure.
3. **Community Assistance Program and Shared Fisheries Tax Program.** *This is an existing and unchanged State Legislative Priority.* The City of Unalaska works hard to fulfill its obligations as a local government. Our ability to do so is limited by statute, public interest and available resources. Traditionally those resources have included State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.
4. **Reliable and High Speed Internet Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska's internet speeds impede business growth, access to medical services, remote post-secondary education, and our community's overall quality of life. Residents are unable to fully utilize cloud-based systems to improve efficiencies and effectiveness in personal, educational, medical, and business processes. Improving internet services has long been a priority and the City supports programs and activities that help to bridge this digital divide.
5. **Environmental Remediation Support.** *This is an existing and unchanged Legislative Priority (both State and Federal).* Unalaska has several sites that are subject to the Department of Defense's Formerly Utilized Defense Sites environmental program due to contamination during WWII activities, as well as WWII related contamination that is discovered during construction projects today. Assistance and support at the State and Federal levels is critical to mitigating these contaminated areas.
6. **Arctic Port Development in Unalaska.** *This item is a new Federal Priority and should be considered as a State Priority in support of Council's vision of becoming an arctic port.* Unalaska is strategically located and vibrant Arctic Port community. City of Unalaska is home to the International Port of Dutch Harbor, the largest commercial fishing port in the nation. Unalaska/Dutch Harbor is a vital transportation and economic hub that will only become more key as northern shipping routes expand. The Port of Dutch Harbor is the only deep draft, year-round ice-free port from Unimak Pass west to Adak and north to the Bering Strait. Our port has been designated a "Port of Refuge" and provides protection and repair for disabled or distressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands daily. Unalaska is also the home of the western-most container terminal in the United States and is one of the most productive ports for the transshipment of cargo in Alaska. In addition

to products shipped domestically to and from this regional hub, the product is shipped to ports around the world with weekly shipments headed to Europe and Asia by container ship and freighter.

Capital Project Funding Support

1. **Captains Bay Road and Utility Improvements Project - \$54 Million.** *This is an existing Legislative Priority (both State and Federal), identified on the CMMP and submitted for the State's CAPSIS in 2021. The dollar amount has changed from \$52 Million to match the CMMP. This item is City Council's number one project funding priority.*

Captains Bay Road is the primary transportation route for Westward Seafoods, Alaska Chadux Network (oil spill response), North Pacific Fuel, Trident Seafoods, Alaska Marine Lines, Offshore Systems Inc., Bering Shai Rock and Gravel, and small businesses and residences. This high traffic area is a corridor for pedestrians as well as heavy trucks in the fishing, shipping, and support industries vital to Unalaska's economy. Future growth and business activity is expected to occur along Captains Bay Road.

This project includes roadway realignment, utility extension and installation, drainage improvements, lighting, walkways and pavement. The current \$54M cost addresses all these components. Staff continues to consider how the project might be divided into phases, ideally as standalone projects. Given the large dollar value for the overall project, the State DOT advised us that smaller stand-alone projects would increase our likelihood of funding support in the STIP. We are currently working to complete a formal cost benefit analysis to help quantify and communicate the overall project value the various components bring. This analysis will help us with better project phasing, improve project ranking during the STIP evaluations at the state level, and can be used to support other funding opportunities.

2. **Robert Storrs Boat Harbor Improvements – \$9.5 Million.** *This is an existing State Legislative Priority, identified on the CMMP, was submitted for the State's CAPSIS in 2021, and is a new Federal Priority. The Robert Storrs Boat Harbor was inherited by the City of Unalaska from the State of Alaska and has served the community well for over 30 years. To ensure the safety of those who use the dock and the vessels that moor at the Storrs Boat Harbor, the floats must be replaced and the dock redesigned. Existing Floats A and B will be removed and reconfigured to accommodate a new float system, ADA gangway, and create uplands for parking and a public restroom. This project includes a fire suppression system, electric, and year round water supply for harbor users. This project qualifies to be a part of State of Alaska's Harbor Facility Grant Program for potential funding support. This is a program that the City of Unalaska has long supported. This reconfiguration will add 30 slips.*
3. **Unalaska Marine Center Cruise Ship Terminal - \$18.59 Million.** *This project is identified on the CMMP, was submitted to the State's CAPSIS in 2021, and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port. This project will provide an open sheet pile dock with mooring dolphins to the south of Unalaska Marine Center Position 7. Prior to the COVID-19 pandemic, cruise ship activity was on the rise in Unalaska and was proving beneficial to local commerce. Cruise ships do not have dedicated dock space to reserve with certainty; the Unalaska Marine Center is designated for industrial cargo and fishing operations. Unalaska has been fortunate to be able to accommodate most of the cruise ship activity, but space will grow more challenging as passenger counts and vessel calls increase. A cruise ship terminal would allow for dedicated cruise ship berthing and eliminate*

safety issues created from passengers walking through and around cargo operations. During the off season for cruise ships, this facility could be used for fishing vessel offloads. A cruise ship terminal will provide an additional revenue opportunity and still bolster commerce through committed berthing for the cruise ship industry.

4. **LCD and UMC Dredging - \$6.65 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is port related infrastructure and could assist in addressing Council's vision of an Arctic port.* The completion of this dredging will enhance current and future port operations by creating usable industrial dock face that is designed for vessels in varying lengths, draw and tonnage. This project includes the engineering, permitting, and dredging at the faces of the Light Cargo Dock and the Unalaska Marine Center positions 1-7. It will compliment other capital projects in the Port, namely the dredging of the entrance channel. Larger vessels will be able to enter into Dutch Harbor and the depth of the dock face must facilitate the new traffic. The depths at the Unalaska Marine Center vary from -32 and -45 at MLLW. Dredging at the face of the Unalaska Marine Center would create a constant -45 from Positions 1-7. This will accommodate deeper draft vessels throughout the facility. The existing sheet pile is driven to approximately -58 and dredging to -45 will not undermine the existing sheet pile. This project is primarily to accommodate large class vessels. Many of the vessels currently calling the Port must adjust ballast to cross the entrance channel and dock inside the harbor. Dredging in front of the Light Cargo Dock will also make this dock more accessible for current customers. Vessels using the Light Cargo Dock that draw more than 22' must insert another vessel in between the dock face and their vessel in order to get enough water under the keel.

5. **Makushin Geothermal Interconnection Projects - \$5.7 Million.** *This project is directly related to a long time Council priority supporting alternative energy, identified on the CMMP, is required per the PPA with OCCP and is a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure and could help address Council's recently identified focus on geothermal power and natural resources.* This project is the City of Unalaska's estimated portion of reliability upgrades for the City's electrical distribution system required to accept energy from the Makushin geothermal plant. It requires connecting multiple self-generating industrial customers to the current distribution system, installs more robust intermediate level protections, replaces the aging submarine cable at Iliuliuk Bay, upgrades numerous feeder connections and substations, and improves the current SCADA system and automated controls. This project includes a set aside for legal and consulting fees associated with implementation. A more accurate budget will be determined upon the completion of the interconnection study and after the implications are fully understood. Based on study findings, there may be a Phase II project to accomplish the required upgrades.

6. **Solid Waste Gasifier - \$8.3 Million.** *This project is identified on the CMMP and a new Federal Priority. Consideration may be given to adding this to the State priority list because it is utility related infrastructure, and could help address Council's recently identified focus on natural resources.* Current active landfill cells are projected to reach capacity in five or six years. The City of Unalaska worked with the DOE National Renewable Energy Laboratory (NREL) to consider the best waste minimization technology pathway for our location. Combustion, pyrolysis, hydrothermal liquification, gasification, and anaerobic digestion were all considered, factoring in environmental impacts, complexity, waste reduction potential, initial capital costs, and on-going operating costs. Gasification, anaerobic digestion, or a combination of the two processes was deemed to be the best long-term solution. A solid waste gasifier would work for approximately 86% of Unalaska's total waste stream, and could be used to dispose of

bales already buried in the landfill cells, vastly increasing the current location's projected lifespan. In keeping with our commitment to clean geothermal power and an overarching goal of becoming carbon neutral, the City is seeking a technology provider that can offer a plant design that uses the syngas production from the gasification process to pre-dry the feedstock, reducing the diesel needed to reach a self-sustaining steady-state operation. Assistance and support at the State and Federal level will help minimize possible landfill fee increases required to fund the construction of this capital project. Operating costs will be eventually recovered by extending the landfill lifespan; each year of additional capacity is valued at \$1.1 million dollars.

ALTERNATIVES: City Council can add to or delete from this listing of priorities.

FINANCIAL IMPLICATIONS: No direct financial impact is associated with this action.

LEGAL: None needed.

STAFF RECOMMENDATION: Staff recommends approval of this resolution.

PROPOSED MOTION: I move to adopt Resolution 2021-77.

CITY MANAGER COMMENTS: This priority list was generated after discussion with both our state lobbyist and our federal lobbyist team, along with discussions with Council.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
 From: Marjie Veeder, City Clerk
 Through: Erin Reinders, City Manager
 Date: December 14, 2021
 Re: Liquor License Renewal – Alaska Ship Supply (Package Store)

SUMMARY: Liquor licenses must be renewed with the State of Alaska every two years. Council reviews the renewal applications and determines whether or not the City will protest the renewal. Alaska Ship Supply has applied to renew their package store liquor license. Staff recommends no protest.

PREVIOUS COUNCIL ACTION: Council reviews liquor license renewals as they are submitted to us by the state. Council discussed protesting specific license renewals in the past due to delinquent utility bills but did not file any protests. In 2010 Council protested the renewal of a liquor license due to delinquent sales tax, property tax and utility bills, and because the business had no physical location due to fire.

BACKGROUND: AS 04.11.400 defines the distribution of liquor licenses based on population and location:

- For every 1,500 or fraction thereof in population, one restaurant/eating place license is authorized. Such licenses allow the establishment to serve only beer and wine.
- For every 3,000 or fraction thereof of population, one beverage dispensary license is authorized and one package store license is authorized.
- Beverage dispensary and restaurant/eating place licenses that are designated as tourism, convenience or airport do not count as licenses based on population.

The City of Unalaska has the following breakdown of licenses authorized:

Establishment	License Type	Explanation
Alaska Ship Supply	Package Store	One of two package store licenses allowed by population
Harbor View Liquor Store	Package Store	One of two package store licenses allowed by population
Dutch Harbor Fast Food	Restaurant/Eating Place	One of three restaurant/eating place licenses allowed by population
Amelia's Restaurant	Restaurant/Eating Place – Public Convenience	Restaurant/Eating Place – Public Convenience is not counted in population per AS 04.11.400(g)
Airport Restaurant and Lounge	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)(2)
Grand Aleutian Hotel	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)
Grand Aleutian Hotel Chart Room	Beverage Dispensary – Tourism Duplicate	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)
Harbor View Bar & Grill	Beverage Dispensary – Tourism	Beverage Dispensary – Tourism is not counted in population per AS 04.11.400(d)
Harbor Sushi	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population
Norwegian Rat Saloon	Beverage Dispensary	One of the two beverage dispensary licenses allowed by population

DISCUSSION: Alaska Ship Supply submitted an application for renewal of their Package Store liquor license. This business is current in reporting and payment of sales tax; and current in property tax and utilities. Council also considers the number of public safety calls made to an establishment each year, which are summarized in the following chart:

CALL TYPE	Alaska Ship Supply 2020 - 2021
Ambulance Request	0
Animal	4
Assault	0
Assist Other Agency	1
Assistance Rendered	5
Disorderly Conduct	0
Domestic Disturbance	0
Drunk Disturbance	0
DUI	2
Fire Safety	1
Fire Response	5
Forgery	0
Found Property	1
Harassment	1
Liquor Law Violation	0
Marijuana Enforcement	0
MVA-Damage	4
PC-Alcohol	1
Public Safety	1
Release Conditions	2
Suspicious Person/Activity	6
Taxi Violation	0
Theft	4
Traffic Crime	18
Trespass	2
Unsecured Premise	0
Vehicle Theft	1
Warrant Arrest	2
Weapons	0
Welfare Check	3
Total Calls to Establishment	64
Calls initiated by officer	27
Calls initiated by staff/civilian	37

The Department of Public Safety has no concerns with the renewal of the package store liquor license for Alaska Ship Supply.

ALTERNATIVES: Council may choose to protest the license renewal, but must provide the applicant an opportunity to present a defense to the protest at a future council meeting. This must be accomplished and communicated to the state no later than January 14, 2022.

FINANCIAL IMPLICATIONS: Potential loss of sales tax revenue if a license is not renewed.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends that Council not protest the renewal of this liquor license.

PROPOSED MOTION: No action is necessary unless Council wishes to protest renewal of the liquor license.

CITY MANAGER'S COMMENTS: I support staff's recommendation not to protest the renewal of the liquor license.

ATTACHMENT:

- Letter from State Alcohol & Marijuana Control Office
- Renewal application



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 16, 2021

Unalaska

Via Email: mveeder@ci.unalaska.ak.us

Re: Notice of 2022/2023 Liquor License Renewal Application

License Type:	Package Store	License Number:	2721
Licensee:	Western Pioneer, Inc.		
Doing Business As:	Alaska Ship Supply		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director
amco.localgovernmentonly@alaska.gov

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED
11/16/2021
ABC BOARD

LIQUOR LICENSE
2022 - 2023
TEMPORARY

2721

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2023 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2024 UNLESS DATED BELOW

TYPE OF LICENSE: Package Store

LICENSE FEE: \$1,500.00

1150

CITY / BOROUGH: Unalaska
Unorganized Borough

D/B/A: Alaska Ship Supply
487 Salmon Way

Mail Address:
Western Pioneer, Inc.
PO Box 70438
Seattle, WA 98127-0438

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

[] Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD



DIRECTOR

04-900 (REV 7/21)

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

STATE OF ALASKA - ALCOHOLIC BEVERAGE CONTROL BOARD

LICENSE NUMBER

FORM CONTROL

XXXX

ISSUED
11/16/2021
ABC BOARD

LIQUOR LICENSE
2022 - 2023
TEMPORARY

2721

LICENSE RENEWAL APPLICATION DUE
DECEMBER 31, 2023 (AS 04.11.270(b))

THIS LICENSE EXPIRES MIDNIGHT
FEBRUARY 28, 2024 UNLESS DATED BELOW

TYPE OF LICENSE: Package Store

LICENSE FEE: \$1,500.00

CITY / BOROUGH: Unalaska
Unorganized Borough

D/B/A: Alaska Ship Supply
487 Salmon Way

Mailing Address:
Western Pioneer, Inc.
PO Box 70438
Seattle, WA 98127-0438

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

[] Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

COPY

DIRECTOR

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES

04-900 (REV 7/21)



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

2022-2023 Master Checklist: Renewal License Application

Doing Business As:	Alaska Ship Supply	License Number:	2721
License Type:	Package Store		
Examiner:	<i>Collen Button</i>	Transaction #:	100282833

Document	Received	Completed	Notes
AB-17: Renewal Application	10/13	<i>4/16/21</i>	
App and License Fees	10/13	<i>10/16/21</i>	

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit			
COI / COC / 5 Star / FAA Cert			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
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	Yes	No	N/A
CBPL Entity Printout included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business License Copy included?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Background(s) Completed & Date: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Special Consideration: _____ Board Meeting Date: 1/18/22

LGB Sent Date: 4/16/21 LGB Deadline Date: 1/15/22

LGB 1 Name: Utahaska LGB 2 Name: _____

Waive Protest Lapsed Waive Protest Lapsed



Alcohol and Marijuana Control Office
 550 W 7th Avenue,
 Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Form AB-17b: 2022/2023 Package Store Renewal Application

- This form and any required supplemental forms must be completed, signed by the licensee, and postmarked no later than 12/31/2021 per AS 04.11.270, 3 AAC 304.160, with all required fees paid in full, or a non-refundable \$500.00 late fee applies.
- Any complete application for renewal or any fees for renewal that have not been postmarked by 02/28/2022 will be expired per AS 04.11.540, 3 AAC 304.160(e).
- All fields of this application must be deemed complete by AMCO staff and must be accompanied by the required fees and all documents required, or the application will be returned without being processed, per AS 04.11.270, 3 AAC 304.105
- Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees in any way that an application will be deemed complete, renewed, or that it will be scheduled for the next ABC Board meeting.

Establishment Contact Information

Licensee (Owner):	Western Pioneer, Inc	License #:	2721
License Type:	Package Store		
Doing Business As:	Alaska Ship Supply		
Premises Address:	487 Salmon Way		
Local Governing Body:	City of Unalaska		
Community Council:	None		

If your mailing address has changed, write the NEW address below:

Mailing Address:	P.O. Box 70438				
City:	Seattle	State:	WA	ZIP:	98127

Section 1 – Licensee Contact Information

Contact Licensee: The individual listed below must be listed in Section 2 or 3 as an Official/Owner/Shareholder of your entity and must be listed on CBPL with the same name and title.

This person will be the designated point of contact regarding this license, unless the Optional contact is completed.

Contact Licensee:	Lawrence J. Soriano	Contact Phone:	206-781-4777
Contact Email:	larrys@wpioneer.com		

Optional: If you wish for AMCO staff to communicate with anyone other than the Contact Licensee about your license, list them below:

Name of Contact:	Contact Phone:
Contact Email:	

Name of Contact:	Contact Phone:
Contact Email:	

Section 2 – Written Order Information

Do you intend to sell alcoholic beverages and ship them to another location in response to written solicitation in calendar years 2022 and/or 2023?

YES NO



Form AB-17b: 2022/2023 License Renewal Application

Section 3 – Entity or Community Ownership Information

Sole Proprietors should skip this Section.

Use the link from Corporations, Business and Professional Licensing (CBPL) below to assist you in finding the Entity #.
<https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	33317F
-----------------------	--------

READ BEFORE PROCEEDING: Any new or changes to Shareholders (10% or more), Managers, Corporate Officers, Board of Directors, Partners, Controlling Interest or Ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI-approved card stock, AB-08a's, payment of \$48.25 for each new officer with a date-stamped copy of the CBPL change per AS 04.11.045, 50 & 55, or a Notice of Violation will be issued to your establishment and your application will be returned.

The only exception to this is a Corporation who can meet the requirements set forth in AS 04.11.050(c).

DO NOT LIST OFFICERS OR TITLES THAT ARE NOT REQUIRED FOR YOUR ENTITY TYPE.

- Corporations of any type *including non-profit* must list **ONLY** the following:
 - All shareholders who own 10% or more stock in the corporation
 - Each President, Vice-President, Secretary, and Managing Officer regardless of percentage owned
- Limited Liability Corporations, of any type must list **ONLY** the following:
 - All Members with an ownership interest of 10% or more
 - All Managers (of the LLC, not the DBA) regardless of percentage owned
- Partnerships of any type, *including Limited Partnerships* must list **ONLY** the following:
 - Each Partner with an interest of 10% or more
 - All General Partners regardless of percentage owned

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You **must** list full legal names, all required titles, phone number, percentage of shares owned (if applicable) and a full mailing address for each official of your entity whose information we require. **if more space is needed: attach additional completed copies of this page. Additional information not on this page will be rejected.**

Name of Official:	Western Pioneer, Inc				
Title(s):	See attached	Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

WESTERN PIONEER, INC.

Post Office Box 70438
Seattle, Washington 98127-0438
(206) 789-1930

Officers of the Corporation

OFFICERS	ADDRESS	WORK PHONE
Lawrence J. Soriano, President	2201 W. Commodore Way PO Box 70438 Seattle WA 98127	206/789-1930
James D. Soriano, Secretary/Treasurer	2201 W. Commodore Way PO Box 70438 Seattle WA 98127	206/789-1930

DIRECTORS AND STOCKHOLDERS

The stock of Western Pioneer, Inc. is wholly owned by:
Soriano 1998 Family Trust - 100% of the stock
Lawrence J. Soriano, Trustee, for the benefit of:

Sharon A. Soriano Malia	3511 NE 158 th Place Shoreline WA 98155 206/368-7873	25%
Lawrence J. Soriano	3200 Magnolia Blvd. W. Seattle WA 98199 206/619-3324	25%
Elizabeth L. Soriano	2825 - 27 th Ave. W. Seattle WA 98199 206/283-1198	25%
James D. Soriano	17825 Westside Highway Vashon Island WA 98070 206/769-9637	25%



Form AB-17b: 2022/2023 License Renewal Application

Section 4 – Sole Proprietor Ownership Information

Corporations, LLC's and Partnerships of ALL kinds should skip this section.

READ BEFORE PROCEEDING: Any new or changes to the ownership of the business license must be reported to the ABC Board within 10 days of the change and must be accompanied by a full set of fingerprints on FBI approved cardstock, AB-08a's, payment of \$48.25 for each new owner or officer and a date stamped copy of the CBPL change per AS 04.11.045, or a Notice of Violation will be issued to your establishment and your application will be returned.

Important Note: All entries below must match our records, or your application will be returned per AS 04.11.270, 3 AAC 304.105. You must list full legal names, phone number, and mailing address for each owner or partner whose information we require.

If more space is needed, attach additional copies of this page. Additional owners not listed on this page will be rejected.

This individual isan:	Applicant	Affiliate
Name:	Contact Phone:	
Mailing Address:		
City:	State:	ZIP:
Email:		

This individual isan:	Applicant	Affiliate
Name:	Contact Phone:	
Mailing Address:		
City:	State:	ZIP:
Email:		

Section 5 – License Operation

Check **ONE BOX** for EACH CALENDAR YEAR that best describes how this liquor license was operated:

- | | 2020 | 2021 |
|---|-------------------------------------|-------------------------------------|
| 1. The license was regularly operated continuously throughout each year. (Year-round) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. The license was only operated during a specific season each year. (Seasonal)
<i>If your operation dates have changed, list them below:</i>
_____ to _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. The license was only operated to meet the minimum requirement of 240 total hours each calendar year.
<i>A complete AB-30: Proof of Minimum Operation Checklist, and all documentation must be provided with this form.</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both calendar years. <i>A complete Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated.</i>
If you have not met the minimum number of hours of operation in 2020 and/or 2021, you are not required to pay the fees, however a complete AB-29 is required with Section 2 marked "OTHER" and COVID is listed as the reason. | <input type="checkbox"/> | <input type="checkbox"/> |

Section 6 – Violations and Convictions

Have ANY Notices of Violation been issued for this license OR has ANY person or entity in this application been convicted of a violation of Title 04, 3AAC 304 or a local ordinance adopted under AS 04.21.010 in 2020 or 2021? Yes No

If you checked YES, you MUST attach a list of all Notices of Violation and/or Convictions per AS 04.11.270(a)(2)

If you are unsure if you have received any Notices of Violation, contact the office before submitting this form.



Alaska Alcoholic Beverage Control Board

Form AB-17: 2022/2023 License Renewal Application

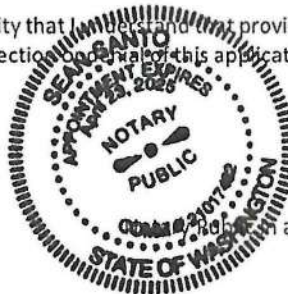
Section 7 – Certifications

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, are true, correct, and complete.

- I agree to provide all information required by the Alcoholic Beverage Control Board or requested by AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned and potentially expired if I do not comply with statutory or regulatory requirements.
I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.
I certify that this entity is in good standing with Corporations, Business and Professional Licensing (CBPL) and that all entity officials and stakeholders are current and accurately listed, and I have provided AMCO with all required changes of Shareholders (10% or more), Managers, Corporate Officers/Board of Directors, Partners, Controlling Interest or Ownership of the business license, and have provided all required documents for any new or changes in officers.
I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of patrons have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, if applicable for this license type as set forth in AS 04.21.025 and 3 AAC 304.465.
I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name from what is currently approved and on file with the Alcoholic Beverage Control Board.

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection of this application or revocation of any license issued.

Signature of licensee: Lawrence J. Soriano
Printed name of licensee: Lawrence J. Soriano



Signature of Notary Public
and for the State of: WASHINGTON
My commission expires: 4/23/25

Subscribed and sworn to before me this 13 day of OCTOBER, 2021.

All renewal and supplemental forms are available online

Any application that is not complete or does not include ALL required completed forms and fees will not be processed and will be returned per AS 04.11.270, 3 AAC 304.105.

FOR OFFICE USE ONLY

Table with 4 columns: License Fee, Application Fee, Misc. Fee, Total Fees Due. Values: License Fee \$1500.00, Application Fee \$300.00, Misc. Fee \$, Total Fees Due \$1800.00

Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	WESTERN PIONEER, INC.

Entity Type: Business Corporation

Entity #: 33317F

Status: Good Standing

AK Formed Date: 7/2/1984

Duration/Expiration: Perpetual

Home State: WASHINGTON

Next Biennial Report Due: 1/2/2022 [File Biennial Report](#)

Entity Mailing Address: PO BOX 70438, SEATTLE, WA 98127

Entity Physical Address: 2201 W COMMODORE WAY, SEATTLE, WA 98199

Registered Agent

Agent Name: ERIK HANSON

Registered Mailing Address: PO BOX 920408, DUTCH HARBOR, AK 99692

Registered Physical Address: 487 SALMON WAY, DUTCH HARBOR, AK 99692

Officials

AK Entity #	Name	Titles	Owned
	ELIZABETH L SORIANO	Director	
	JAMES D SORIANO	Director, Secretary, Treasurer	
	LAWRENCE J SORIANO	Director, President	
	SHARON A SORIANO MALIA	Director	
	SORIANO 1998 FAMILY TRUST	Shareholder	100.00

Show Former

Filed Documents

Date Filed	Type	Filing	Certificate
7/02/1984	Creation Filing		
1/20/1986	Biennial Report		
11/23/1987	Biennial Report		
6/11/1990	Biennial Report		
12/24/1991	Biennial Report	Click to View	
1/03/1994	Biennial Report	Click to View	
1/12/1996	Biennial Report	Click to View	
12/17/1997	Biennial Report	Click to View	
2/22/2000	Biennial Report	Click to View	
12/31/2001	Biennial Report	Click to View	

Date Filed	Type	Filing	Certificate
12/22/2003	Biennial Report	Click to View	
12/21/2005	Biennial Report	Click to View	
2/21/2006	Amendment	Click to View	Click to View
12/17/2007	Biennial Report	Click to View	
12/23/2009	Biennial Report	Click to View	
12/14/2011	Biennial Report	Click to View	
9/27/2013	Agent Change	Click to View	
12/05/2013	Biennial Report	Click to View	
12/15/2015	Biennial Report	Click to View	
12/12/2017	Biennial Report	Click to View	
3/05/2018	Change of Officials	Click to View	
12/16/2019	Biennial Report	Click to View	

[Close Details](#)

[Print Friendly Version](#)

License Detail

LICENSE DETAILS

License #: 119111

[Print Business License](#)

Business Name: ALASKA SHIP SUPPLY

Status: Active

Issue Date:

Expiration Date: 12/31/2021

Mailing Address: PO BOX 70438
SEATTLE, WA 98127-0438

Physical Address: 2201 W COMMODORE WAY
SEATTLE, WA 98199

Owners

WESTERN PIONEER, INC.

Activities

Line of Business	NAICS	Professional License #
42 - Trade	445110 - SUPERMARKETS AND OTHER GROCERY (EXCEPT CONVENIENCE) STORES	
42 - Trade	452990 - ALL OTHER GENERAL MERCHANDISE STORES	

Endorsements

End #	Issue	Renew	Expiration	Action End	Action Note	Address
1	12/29/2008		12/31/2010			1362 BALLYHOO ROAD, DUTCH HARBOR, AK 99692
2	12/29/2008		12/31/2010			2029 AIRPORT BEACH ROAD, #2, DUTCH HARBOR, AK 99692
3	11/15/2018	12/16/2019	12/31/2021			MILE 4 CAPTAINS BAY, UNALASKA, AK 99685
4	11/15/2018	12/16/2019	12/31/2021			487 SALMON WAY- VARIETY STORE, DUTCH HARBOR, AK 99692
5	11/15/2018	12/16/2019	12/31/2021			487 SALMON WAY - LIQUOR STORE, DUTCH HARBOR, AK 99692

License Lapse(s)

If this business license lapsed within the last four years the lapsed periods will appear below. Lapsed periods are the unlicensed period between an expiration date and renewal date.

No Lapses on record for the last 4 years.

[Close License Detail](#)

[Print Friendly Version](#)