

**CITY OF PETERSBURG
CITY COUNCIL MEETING AGENDA
REGULAR SESSION
Wednesday, February 1, 2012, 7:00 P.M.**

- 1. Call To Order**
- 2. Voluntary Pledge**
- 3. Approval of Minutes** *There are no minutes available for approval.*
- 5. Amendment and Approval of Meeting Agenda**
- 6. Public Hearings and Bid Awards**
- 7. Visitors' Views Related to Agenda**
- 8. Visitors' Views Unrelated to Agenda**
 - A. Petersburg Mental Health Representative Kim Kilkenny -**
Status of Emergency State Services
- 9. Board, Commission and Committee Reports**
- 10. Consent Agenda**
 - A. Local Approval for 2012 Liquor License Renewals for Kito's Cave** *(This is renewal for both dispensary and package store sales)*
- 11. Report of Other Officers**
- 12. Mayor's Report**
 - A. Next Meeting Reminder** *Due to February 20th being a holiday (Presidents' Day) the next Regular Council Meeting will be held on Tuesday, February 21 at 7:00 p.m.*
 - B. Vacancies On Advisory Boards:** *The City is seeking letters of interest from individuals who are willing to serve on any of the following boards: Utility Advisory Board – until the October election; Planning Commission – until the October election; and Motor Pool – balance of a 3 year term ending in October, 2014. Letters of Interest may be submitted to the City Clerk or Mayor.*
- 13. Manager's Report** *Manager Giesbrecht has provided a written report covering informational items.*
- 14. Unfinished Business**
 - A. Borough** *This item will continue to appear on future agendas in order to provide opportunity for the Council to discuss and/or take action as deemed necessary regarding the Borough Incorporation process.*
 - B. Authorization to Amend Property Lease Documents to Require Best Management Practices Versus Standard Pollution Insurance Requirement** *The Harbors and Ports Advisory Board have made recommendation that City leases not require pollution insurance but set forth specific "Best Management Practices" that must be adhered to. The City would use two standard lease agreements – one for short-term leases at Scow Bay Turnaround that addresses specific Best Management Practices that must be followed at that location. For long term leases Best Management Practices would be established for each individual lease. A draft agreement for both types of lease is attached for review.*

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- C. Authorization to Amend the Island Ventures, LLC Lease Agreement** *This agenda item is pertinent only if Agenda Item 14b is approved. The original lease has been dormant for numerous months while the City has contemplated how to address environmental pollution concerns for lease parcels. The owner of Island Ventures has expressed interest to resume his lease at Scow Bay Turnaround for the period of March 1, 2012 through February 28, 2016 under the new terms and conditions approved for Scow Bay Leases.*

15. New Business

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A. Establish Town Meeting Date: *A draft second letter to Governor Parnell has been prepared inviting him and several State Officials and Representatives to attend a Town Meeting to discuss the on-going lack of service received from the District Attorney's Office. A Town Meeting date needs to be scheduled.*

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B. Review and Approval of Draft Police Station Report as Prepared by Jensen Yorba Lott, Inc. *Jensen, Yorba, Lott has completed their study of the existing building and feasibility of remodeling versus new construction. Council needs to determine whether to pursue reconstruction of the old Fire Hall or construct a new facility. The Study indicates the expenses between the two options would be very similar.*

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C. Authorization to Continue Chamber of Commerce Membership and Appoint a Council Representative *The City pays annual dues membership to the Chamber of \$1,500. Council is asked to determine if membership should continue and to appoint a Council representative to the Chamber.*

16. Communications

17. Council Discussion Items

A. Recognitions *This agenda item is reserved to acknowledge individuals, groups, departments, agencies or anyone for their contributions toward the betterment of the Petersburg community.*

18. Adjourn



State of Alaska
Department of Public Safety
Alcoholic Beverage Control Board

Sean Parnell, Governor
Joseph A. Masters, Commissioner

January 19, 2012

Renewal Application Notice

City of Petersburg
Attn: City Clerk
VIA EMAIL: clerk@ci.petersburg.ak.us

DBA	Lic Type	Lic #	Owner	Premise Address
Kito's Kave Bar & Liquor	Beverage Dispensary	589	Kito's Kave Inc	200 Chief John Lot
Kito's Kave Bar & Liquor	Package Store	590	Kito's Kave Inc	200 Chief John Lot

We have received a renewal application for the above listed licenses within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the

Alcoholic Beverage Control Board
5848 E Tudor Rd - Anchorage, AK 99507 - Voice (907) 269-0350 - Fax (907) 272-9412

regulation or ordinance have been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. GIFFORD
Director

/s/ Christine C. Lambert
Christine C. Lambert
Licensing & Records Supervisor
269-0359
Christine.lambert@alaska.gov

Manager's Report

February 1, 2012

Stephen Giesbrecht

Informational

1. Petersburg Road Improvement project. The project Engineer, Landscape Architect and Karl met with the Arts Council recently to receive feedback on current designs for incorporating the existing patterns of inlays into the project. The Arts Council approved of reusing the existing sidewalk medallion designs, but with different materials that would be safer for pedestrians. They also gave input into accent colors for crosswalks and sidewalks. The design continues to be developed.
2. Many calls for frozen/broken water meter bases last weekend. Karl and Public Works received many comments from citizens who appreciated the City's quick response to their water issues.
3. The RFP for a rate study of Water, Wastewater and Sanitation has closed. One response from FCS Group was received. While this firm hasn't done any work for the City of Petersburg in the past, they have done substantial rate evaluations in Ketchikan, Sitka and Juneau. Chris Cotta will be forwarding this issue to the City Manager for approval of an award.
4. The City's RV service area is going away soon (to make way for the new library) and we expect some inquiries this spring about where in town to send RVs for dumping, taking on water, and short term parking. I asked Chris to look into alternatives for continuing the RV services after the existing dump/water stations are removed. Some alternatives:
 - a. Install the dump and water stations at the wastewater plant site. We will be installing a new office building there soon and the RV dump/water services could potentially be done in conjunction with the site and utility work needed for the new office. This would require extra funding, and would not solve the problem of short term parking for RVs which is currently provided at the 2nd Street lot.
 - b. Another possibility was offering local businesses an incentive to take this on, possibly including the City installing the services for the business and then handing the completed stations over turnkey. Although this may have potential, the one park owner I was able to reach did not seem interested in offering dump/water services and another park owner (Frog's RV Park) was not able to be reached at this time.
 - c. Scow Bay
 - d. South Harbor Parking Lot
 - e. Ferry Terminal Parking Lot

f. ?????

Whether the City installs the services at a third party site, or on City property, there is likely to be some significant expense associated with the installation effort that will very likely not ever be recouped by charging reasonable fees for usage. This is a major reason why business owners have been historically lukewarm about taking on the responsibility – the low revenue potential, as well as high potential for maintenance headaches (like vandalism and spillage) even if capital costs can be absorbed. A budget of \$20K-30K for installation costs would probably be appropriate if the City decides to continue the services in some form.

5. Power and Light are working on the completion of the Sons of Norway Hall upgrade. A final short outage to do the change-over was completed over the weekend.
6. RFQ out for the installation of a new stand-by diesel generator. Bid opening is scheduled for Feb. 9th.
7. On January 12th the Finance Department's accounting server crashed. On January 16th we went live with the new upgrade on a new server we were planning on implementing in February. The main changes were to the cashiering and utility billing modules. We are still working out the kinks but things are starting to settle down at the front desk as we have caught up from when we were down.
8. Utility Bills going online! Now that the upgrade is completed Jody is working with PCS on getting their online module up and running. There will be a link off the City's website where customers can access their accounts to view, look at past usage and make a payment by credit card. They will also be able to access forms, such as a disconnect order, or signing up for auto pay.
9. The Transient Room Tax committee met on the 19th. They are recommending that \$9,208 will be available for grants to nonprofit organizations. Applications are due by 2/17/12, with any potential awards to be decided by the City Council at the March 5 City Council meeting. The other funds from this room tax in the amount of \$27,965 were paid to the Chamber of Commerce on behalf of the Visitor Center.
10. New employee performance evaluation forms and progressive discipline forms have been developed and forwarded to the unions for review based upon recommendations from our labor attorney. It appears we have an agreement with PMEA and are working on a Letter of Agreement with them prior to implementation. IBEW also weighed in with a couple of issues on the progressive discipline process that have been corrected .
11. Heidi seized just shy of 6 pounds of marijuana Sunday, January 22 that was in transit to Kake. Street value in excess of \$64,000.

12. The concept plan for a new Police and Jail building is beginning to pick up some momentum. The initial design was reviewed by staff for the purpose of the initial submission to our legislators. The current concept is for a new building adjacent to the new fire hall. The architect's initial estimate was a cost of roughly \$5M to remodel the existing space, not counting temporary relocation of the existing facility. The initial estimate to build a new facility is between \$5M and \$7M. It appears that we will need to do some additional work to get the price tag down, and will still need to petition to have some of the remaining fire hall money allocated to the Police and Jail facility. The Jail is almost \$2.5M of the total cost of the project and we are still evaluating what portions of the plans are required by law or can be altered to reduce the overall costs.
13. E-911 Bid is posted, and we are hoping for good bids on the project.
14. The D.A., David Brower was in town last week. As of the writing of this report, he has not had the time to speak with the Chief or myself regarding the work load and/or dismissal of cases. There is some interest in scheduling a town hall style meeting to discuss this issue and invite the DA's office to participate. This suggestion came up with Petersburg Mental Health Services on SHARE (Supporting Health, Awareness and Resiliency Education at their meeting.
15. Pool cover has been ordered.
16. The aquatics center experienced some severe pump problems during the extreme cold weather. These problems have disappeared with the warmer weather. Parks and Rec. are working with Building Maintenance and Power and Light to diagnose the problem and develop a permanent fix. In addition, we are having problems with the boiler and have had to bring in outside help to try and figure out what is happening. Some of the fixes to both of these items will involve closing the facility to check wiring connections.
17. Parks and Rec. had an incident where a group of young men broke a window and a security camera Saturday, January 22. The culprits are known and the Police department is helping with the issue.
18. Fire Department/EMS is now operating out of the new facility. However, they cannot occupy the building 100% because the contractor is still working.
19. Sandy is working on the recertification for EMT-I's and planning an EMT-3 class that will be sponsored by Guardian Flight.
20. Plans and bid documents for the replacement of the roof and correction of the ventilation problems at Mountain View Manor are 25% complete.
21. Alaska Energy Grant Administrators now soliciting bids for the replacement lighting for the Community Gym, Racket Ball Courts, Harbor Office, Scow Bay Fire Hall, Motor Pool Shop and all the office spaces included in the Energy Audit. Bids due by January 25.

22. Preparing to conduct annual survey of City facilities to identify maintenance issues. This survey will also be the first step in determining ongoing costs associated with these facilities to help with future replacement valuation and budgeting.
23. Full occupancy at Elderly Housing pending maintenance in two rooms.
24. Assisted living very busy. One empty apartment, 6 people on wait list. Next resident hopes to move in next week on General Relief, while waiting for Medicaid Waiver which has gone on for months.

Record in the Petersburg Recording District

**Lease Agreement for Businesses Providing
Marine Vessel Support Service at Scow Bay Turn-Around**

THIS AGREEMENT is made on the date last below signed between the City of Petersburg, a municipal corporation organized and existing under the laws of the State of Alaska, whose mailing address is P. O. Box 329, Petersburg, Alaska 99833, hereinafter referred to as the "Lessor" or "City", and Name
an Alaska company whose mailing address is mailing address , hereinafter referred to as the "Lessee(s)."

RECITALS

WHEREAS, the real property subject to this lease lies within the boundaries of the City of Petersburg, Alaska, First Judicial District, Petersburg Recording District; and

WHEREAS, Lessor holds title to such real property; and

WHEREAS, the particular tract subject to this lease has been nominated for lease by an application of Lessee(s)' demonstrating: (1) the proposed use of the nominated parcel is a beneficial use in terms of highest and best use; and (2) it is in the City's interests to lease the nominated parcel; and

WHEREAS, Lessee(s) has submitted an application showing: (1) the purpose of the proposed lease; and (2) whether the intended use complies with the zoning ordinance and the comprehensive plan of the City; and

WHEREAS, this lease contains restrictions and reservations as are necessary to protect the public interest; and

WHEREAS, Lessee(s) desires to lease the parcel described herein for the purpose of:
 explain use .

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

ARTICLE 1 – Demise and Description of Premises

Section 1.1: Demise and Description. Lessor hereby leases to Lessee(s) the premises, ("demised premises,") designated as a portion of Lot 2, of the Turnaround Subdivision, consisting of approximately _____ s.f. located in the Petersburg Recording District more particularly described as Lease Lot # _____ on the attached Exhibit A, entitled Lease Parcel Map within Lot 2, Turnaround Subdivision, Scow Bay, Petersburg, Alaska.

ARTICLE 2 – Term of Lease

Section 2.1: Term. The term of this lease shall be for a period of (5) years, commencing on _____ and ending at midnight on _____.

Section 2.2: Renewal. This lease may not be renewed at the option of Lessee(s), but at the written mutual consent of both lessee and lessor on agreed upon new terms.

ARTICLE 3 – Rent

Section 3.1: Rent. Lessee(s) shall pay to Lessor rent for the demised premises at the annual rate of \$ _____ during the term of this lease. Rent owed for the first year of this lease shall be paid in a single payment upon execution of this agreement. Rental payments shall be due and owing, without the submittal of an invoice by the City, on the anniversary date each year of the execution of this agreement.

Section 3.2: No Rent Adjustment. The annual rental rate payable pursuant to this lease shall not be subject to adjustment by the City Council. ~~on every fifth anniversary of the lease.~~ The annual rent shall remain at the current assessed value of the demised premises and any improvements owned by the City (assessed value amount), adjusted by the rental rate percentage of ten percent (10%).

ARTICLE 4 – Use of Scow Bay Turn-Around Premises

Section 4.1: Tenant Must Use Best Management Practices. It is the City of Petersburg's goal to ensure that use of this facility is done in an environmentally responsible manner. **IN THE EVENT THE LESSOR DETERMINES THAT THE BMPs (Best Management Practices) ARE NOT BEING FOLLOWED, THE PROJECT IN QUESTION WILL BE SHUT DOWN UNTIL IT IS DETERMINED THAT THE PROJECT IS IN COMPLIANCE WITH THE BMPs.**

Best Management Practices that will be a factor in this lease are described in subsections 1 through 5 immediately below:

1. General Practice BMP's

- a) You are responsible for the work area around your boat or leased work areas, and for the actions of anyone assisting you be it family, crew, or contractors. Please keep your work area clean, safe and orderly.
- b) Vessels entering yard must be placed on a tarp. Vessel owner is responsible for providing a tarp large enough for their vessel.
- c) You must tarp under the vessel to catch all debris and dust from such activities as sanding, grinding, scraping, painting, wood planing, or any other activity which may contaminate the soil.
- d) All items from project must be kept on the tarp. Piling debris off of tarp will not be allowed. Oily or greasy items (for example, but not limited to, engines) must be on pallets, and totally covered by a tarp to keep the rain off.
- e) Tarps must be swept and the debris deposited into the dumpster. Alternatively, you may dispose of the whole tarp after careful folding to contain all dust and debris. To avoid windblown debris and dust you may need to sweep more often. It is recommended that you sweep and dispose of debris at the end of each day.
- f) All used sandpaper, cans, brushes, etc. must be cleaned up and deposited in the dumpster. We recommend you do this at the end of each day.
- g) All spray painting, sandblasting, and sanding shall be controlled with structures or drapes to the maximum extent to minimize the spreading of windblown materials. The local air quality authority may have additional requirements beyond these minimal requirements
- h) At times, windy conditions will force some activities to be delayed until containment can be effective.
- i) Airborne pollution is not permitted from any maintenance activity.

2. Sandblasting

- a) Projects being sandblasted will be controlled with structures or tarps to the maximum extent practical.
- b) Sandblasting site must be cleaned daily.
- c) Sandblasting material must be swept or vacuumed. No water will be allowed to clean up sandblasting debris.
- d) All sandblasting material, new and used must be kept contained off of the ground and covered from rain to prevent being introduced to the environment.

- e) All sandblasting debris must be disposed of according to State and Federal Regulations.

3. Paint Management

- a) The use of paints and solvents shall be carried out in such a manner so as to prevent these products from entering the soil or water if accidentally spilled.
- b) Drip pans, drop cloths, tarpaulins or other protective devices shall be required for all paint mixing and solvent use operations.
- c) Paint cans shall be kept in drip pans with drop cloths or tarps underneath the drip pan.
- d) Paint and solvent spills shall be treated as oil spills and shall be prevented from reaching the ground, in order to avoid the spills reaching the storm drains and subsequently discharge into the water.
- e) Anti-fouling paints containing tributyltin (TBT) are prohibited from use on any vessel. Exception per Alaska Statue is as follows: slow-leaching TBT-based marine antifouling paint may be imported into and sold in the state. A slow-leaching TBT-based marine antifouling paint may be applied in the state only to aluminum vessel hulls and lower outboard drive units.
- f) Empty cans must be allowed to dry, and then thrown into dumpster.
- g) Projects being spray painted will be controlled with structures or tarps to the maximum extent practical.

4. Toxic Materials Storage

- a) Solid chemicals, chemical solutions, paints, oils, solvents, acids, caustic solutions and waste materials, including used batteries and their contents shall be stored in a manner which will prevent inadvertent entry of these materials into the water or onto the ground. Storage shall be in a manner which will prevent spillage by overfilling, tipping, or rupture.
- b) Keep all hazardous materials in the original container. Make sure the container labels remains in place. Keep the containers in areas where they will not get knocked over. Keep the containers in areas that have good ventilation.
- c) Keep all containers out of the reach of children.
- d) Incompatible or reactive materials shall be segregated and securely stored in separate areas that prevent mixing of chemicals.

- e) Waste liquids and excess chemical products shall be stored under cover such as tarps or roofed structures. When ready for disposal these hazardous materials shall be taken to the Household Hazardous Waste facility. These materials shall not be disposed of in the dumpsters or sewer or water.

5. Bilge Water and Waste Oil

- a) Bilge pumps must be turned off prior to being hauled out of the water.
- b) In the event of an accidental discharge of oil into waters or onto land, the Harbor Department staff should be notified immediately.
- c) Cleanup efforts shall commence immediately and be completed as soon as possible, taking precedence over normal work, and shall include proper disposal of any spilled material and used cleanup materials.
- d) Drip pans or other protective device shall be required for all petroleum product transfer operations to catch incidental spillage and drips from hoses, drums, or portable containers.
- e) Leaking connections, valves, pipes, hoses and equipment shall be repaired or replaced immediately. Hydraulic hoses and connections to deck gear seem especially vulnerable to accidental discharges.

Section 4.2: Use of Premises. The demised premises are to be used only for: marine vessel support services, including by not limited to, ___ list the specific services for this lessee _____. All services provided at or from the leased premises must be in accord with the ~~State of Alaska's~~ "Best Management Practices for Harbor, Marina and Boat Operations," as outlined in subsection 4.1 of this lease..

Section 4.3: Compliance with Law. Lessee(s) shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations affecting the demised premises, the improvements thereon or any activity or condition on such premises.

Section 4.4: Uses Prohibited. This lease grants to Lessee(s) only the surface use of the demised premises. Lessee(s) shall not use, or permit the demised premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which may be considered ultra-hazardous on account of fire or otherwise. Any use not authorized by this lease shall constitute a trespass against the Lessor. No fuel storage shall be allowed on the demised premises other than in approved fuel tanks. Power washing of any vessel or vehicle is prohibited,

unless appropriate containment and treatment facilities are compliant with Alaska Department of Environmental Conservation regulations.

Section 4.5: Waste and Nuisance Prohibited. Lessee(s) shall not commit, or suffer to be committed any waste on the demised premises, or any nuisance. Lessee(s) shall not use or occupy the premises for any unlawful purpose.

Section 4.6: Environmental and Water Quality Protection.

The City shall have the lease area tested, at the City's expense and to the City's specifications, to determine if any ground contamination exists, or to what degree contamination may already exist, prior to lessee using the land. These initial test results will be the basis used for determining any future change in environmental and water quality.

(a) If the City has cause to believe that environmental or water quality damage has occurred or is threatened, above the levels determined in the base test results, the City may give 24 hours notice of such damage or threatened damage after which time, unless the City and Lessee(s) mutually agree otherwise, the City shall have the right to require the Lessee(s), or its employees, representatives and agents to cease operations immediately and require Lessee(s) to take immediate action, pursuant to its oil spill contingency plan, if applicable, to correct or eliminate said damage or threat thereof. Failure of Lessee(s) to comply with such requests will be treated as a material breach of this agreement, entitling the City to terminate this agreement as provided. The City's rights under this provision shall not be construed as creating an obligation on the City's part to provide for any inspection as to environmental practices, it being agreed that compliance is the sole responsibility of Lessee(s).

(b) Liability for any environmental or water quality damage that is caused by Lessee(s) or its employees, agents and representatives shall be borne by and at the sole expense of Lessee(s). If Lessee(s) fails or refuses to correct or repair said damage pursuant to the City's oil spill contingency plan, or other state or federal cleanup regulation that may apply, within a reasonable time, then after reasonable notice to Lessee(s), the City shall have the right to contract with any party to correct said condition and collect payment from Lessee(s) for all actual costs of said correction or repair.

(c) In addition to the City's right to indemnification as stated herein, Lessee(s) shall indemnify and hold the City harmless for any and all civil or criminal liabilities or penalties, including costs of defense, resulting from Lessee's acts or omissions which cause, threaten or are alleged to cause or threaten, environmental or water quality damage, or sanctions to be incurred because of environmental or water quality damages.

Section 4.7: Utilities. Lessee(s) shall fully and promptly pay all costs associated with public services used by Lessee(s), for example, power and any other utilities of any kind furnished to the demised premises throughout the term hereof, and all other similar costs and expenses of any kind whatsoever, arising from the use, operation and maintenance of the premises and all activities conducted thereon.

ARTICLE 5 – Improvements

Section 5.1: Required Improvements. No improvements are required as a condition of this lease. However, any improvements made by the Lessee(s) shall comply with all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations.

Section 5.2: Proper Placement of Improvements. Lessee(s) shall bear all responsibility for the proper placement of improvements on the demised premises, so as to avoid any encroachment on other lands of the Lessor or on lands owned or leased by another.

Section 5.3: Maintenance of Improvements. Lessee(s) shall, throughout the term of this lease, at their/his own cost, and without any expense to Lessor, keep and maintain the premises, including all improvements of any kind which may be or become a part thereof, in good, neat, clean and sanitary order, condition and repair. Lessor shall not be obligated to make any repairs or replacements of any kind, nature or description, whatsoever, to the demised premises or to any improvements thereon.

Section 5.4: Avoidance of Pollution. Lessee(s) shall not pollute the waters or real property that is the subject of this lease. Any pollution by Lessee (s) shall be considered a material breach of this lease.

Section 5.5: Damage to and Destruction of Improvements. The damage, destruction, or partial destruction of any improvement on the demised premises shall not release Lessee(s) from any obligation hereunder, except as hereinafter expressly provided. In the event the improvements on the demised premises are destroyed to such an extent as to be rendered untenable by fire, storm, earthquake, or other casualty, Lessee(s) may elect to terminate this lease by providing Lessor with written notice within thirty (30) of the destruction of the improvements. Should Lessee(s) elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice.

Section 5.6: Removal or Reversion of Improvements Upon Termination. At the election of the Lessor, upon termination of this lease, improvements and/or personal property located on the demised premises and owned by Lessee(s) may revert to and absolute title shall vest in, Lessor, or within sixty (60) calendar days after termination of this lease, may be removed by Lessee(s), provided, that the City Council may extend the time for removing improvements in cases where hardship is proven. The retiring Lessee(s) may, with the consent of the City Council, sell their improvements to any succeeding Lessee(s). All periods of time granted Lessee(s) to remove improvements and/or personal property are subject to Lessee's payment to the Lessor of pro rata lease rentals for said periods. If any improvements and/or personal property are not removed within the time allowed, such improvements and/or personal property shall either remain the property and responsibility of Lessee(s) or shall revert to, and absolute title shall vest in, Lessor, at the election of Lessor. Should Lessor elect to treat said improvements and/or personal property as continuing within the ownership and control of Lessee(s), said improvements may be removed at the expense of Lessee(s) and under the direction of

Lessor after reasonable notice from Lessor to Lessee(s). Should Lessor elect that said improvements and/or personal property revert to Lessor, Lessor shall provide reasonable notice to Lessee(s) of said election.

Section 5.7: Repair of Premises. If Lessee(s) removes any improvements and/or personal property from the demised premises upon termination of this lease, Lessee(s) shall, at their/his own expense, repair any injury to the premises resulting from such removal.

ARTICLE 6 – Encumbrances

Section 6.1: Lessee(s) to Keep Premises Free of Liens. Lessee(s) shall keep the demised premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics, material men's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Lessee(s) may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee(s) on or about the premises, or any obligations of any kind incurred by Lessee(s). Lessee(s) agrees, at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based. By this provision the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

Section 6.2: Contesting Liens. If Lessee(s) desires to contest any such lien, Lessee(s) shall notify Lessor of intention to do so within fifteen (15) days after the filing of such lien. In such case, and provided that Lessee(s) shall on demand protect Lessor by a good and sufficient surety bond against any such liens and any cost, liability or damage arising out of such contest, Lessee(s) shall not be in default hereunder until thirty (30) days after the final determination of the validity thereof, within which time Lessee(s) shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee(s) hereunder.

Section 6.3: Encumbrance of Lessee's Leasehold Interest. Lessee(s) may not encumber Lessee(s) leasehold interest in the demised premises, without the written consent of the Lessor. Any encumbrance, or a foreclosure or other conveyance arising from an encumbrance, shall not relieve Lessee(s) from its liability hereunder.

Section 6.4: Right to Notice to Mortgagee or Lien holder. If Lessee(s) shall encumber its leasehold interest in the demised premises, and in the event of cancellation or forfeiture of this lease for cause, the holder of a properly recorded mortgage of the improvements on the land and every sub lessee thereof shall be given a duplicate copy of any notice of default in the same manner as notices given to Lessee(s), provided however that such mortgagee or sub-lessee has given the City Clerk written notice of such mortgage or sublease. Such mortgagee or sub lessee may, at its option, at any time before the rights of Lessee(s) shall be terminated as provided herein, pay any of the

rents due hereunder, or pay any taxes and assessments, or do any other act or thing that may be necessary and proper to be done in the observance of the covenants and conditions hereof, or to prevent the termination hereof. All payments so made, and all things so done and performed shall be as effective to prevent a termination of the rights of Lessee(s) hereunder as the same would have been if done and performed by Lessee(s).

ARTICLE 7 - Reservation of Rights

Section 7.1: Mineral Reservations. Lessor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself its successors, assigns and other lessees, forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon the lands subject to this lease, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself its successors, assigns and other lessees, forever, the right by itself, or its or their agents or other representatives, to enter upon the lands subject to this lease, or any part thereof, at any and all times, for the purpose of making beneficial use of these reserved rights and to remain and to occupy as much of said lands as may be necessary or convenient for such purpose, hereby expressly reserving to itself, its lessees, successors and assigns, as aforesaid, generally all rights reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Section 7.2: Surface Reservations. All deposits of stone, earth or gravel valuable for extraction or utilization are reserved by Lessor and shall not be removed from the land. Lessee(s) shall not sell or remove for use elsewhere any of the surface resources of the demised premises, for example, stone, sand, gravel or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used if its use is first approved by the City Council.

Section 7.3: Lessor's Right of Entry. Lessee(s) shall permit Lessor, its agents, employees and other representatives, to enter into and upon the demised premises at all reasonable times for the purpose of inspecting the demised premises and improvements thereon.

ARTICLE 8 – Eminent Domain

Section 8.1: Effect of Condemnation. If the whole or any part of the demised premises is taken by any authorized body vested with the power of eminent domain, the following provisions control:

Section 8.1.1: Taking of the Entire Premises. If the entire premises are taken by condemnation, the terms of this lease and all rights of Lessee(s) will terminate at the time of the taking; i.e., at the time title finally vests in the governmental agency exercising the power of eminent domain. Lessor is entitled to all condemnation proceeds, except that

Lessee(s) shall be paid the portion of the proceeds attributable to the fair market value of the improvements placed on the condemned premises and owned by Lessee(s).

Section 8.1.2: Taking of Substantial Part of Premises. If the taking is of a substantial part of the premises, the following shall apply:

- (a) If the taking by condemnation reduces the ground area of the demised premises by at least 30% or materially affects the use being made by Lessee(s) of the parcel, Lessee(s) may elect to terminate the lease by written notice to Lessor not later than ninety (90) days after the date of taking.
- (b) If Lessee(s) elects to terminate, the provisions in Section 8.1.1 shall govern the condemned portion of the demised premises and the terms of the lease govern disposal of the remainder of any improvements made by Lessee(s).
- (c) If Lessees elect not to terminate, this lease continues and Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the improvements placed on the condemned portion of the premises and owned by Lessee(s). Rent for the balance of the lease will be adjusted by Lessor to reflect the taking.

Section 8.1.3: Taking of Insubstantial Part of Premises. If the taking by condemnation reduces the ground area of the demised premises by less than 30% and Lessor determines that the taking is of such an insubstantial portion that Lessee's use of the demised premises is not materially affected, an election to terminate by Lessee(s) is not allowed and the provisions of Section 8.1.2(c) will govern.

Section 8.2: Authority. By this Article, the parties do not in any way recognize or acknowledge the authority or right of any governmental entity to exercise a power of eminent domain over the demised premises or any interest created by this lease.

ARTICLE 9 – Assignment and Subletting

Section 9.1: Assignment. Lessee(s) may assign this lease, provided that the proposed assignment shall be first approved by formal action of the City Council. The assignee shall be subject to all the provisions of the lease and Lessee(s)-assignor(s) shall not be relieved of its obligations hereunder. However, the council may, in its discretion, approve an assignment made solely as security for a loan, whereby the lender/assignee shall not be liable for the obligations of the Lessee(s) unless the lender/assignee is or becomes in possession of the leased property. Lessee(s) shall not transfer, convey or otherwise dispose of this lease or the rights hereunder without the prior written consent of Lessor. Lessor may accept rent from the assignee or other transferee, but no such collection of rent shall be deemed a waiver of any term or condition of this lease, nor an acceptance of the assignee or other transferee as Lessee(s).

Section 9.2: Subletting. Lessee(s) may sublease the demised premises or any part thereof leased to it under this agreement, provided that Lessee(s) first obtain the approval by formal action of the City Council to such sublease. All subleases shall be in writing and shall include all the terms and conditions of this original lease. Lessee(s) shall continue to be liable hereunder in accordance with the terms and conditions of this lease. Lessor may collect rent from the sub lessee, but such collection shall not be deemed a waiver of any term or condition of this agreement nor an acceptance of the sub lessee as Lessee(s). A copy of the sublease shall be filed with City Clerk.

ARTICLE 10 – Warranties

Section 10.1: Title and Quiet Possession. Lessor covenants that Lessor is seized of the demised premises in fee simple and that Lessee(s) shall have quiet and peaceable possession of the demised premises during the term hereof. Prior to entering into this lease, if Lessee(s) so requests, Lessor shall provide, at Lessee’s expense, title evidence sufficient to satisfy Lessee(s) that Lessor has title to the land and can guarantee Lessee’s peaceable possession.

Section 10.2: Authority of Agents. Each party to this agreement warrants that the individual signing this lease has written authority to enter into this agreement from the parties sought to be bound.

ARTICLE 11 – Taxes

Section 11.1: Taxes. Lessee(s) shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, charges, fees, of every kind which may be levied, assessed or charged, or which may become a lien or charge on or against the land hereby demised, or any part thereof, the leasehold of Lessee(s) herein, the premises described herein, or any improvements now or hereafter thereon or on or against Lessor by reason of its ownership of the fee underlying this lease, during the entire term hereof.

Section 11.2: Contesting Taxes. If Lessee(s) shall in good faith desire to contest the validity or amount of any tax, assessment or other governmental charge herein agreed to be paid by Lessee(s), shall be permitted to do so and to defer payment of such tax or charge, the validity or amount of which Lessee(s) is so contesting, until final determination of the contest, after giving to Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency and on protection of Lessor on demand by a good and sufficient surety bond against any such tax, levy, assessment or other governmental charge, and from any costs, liabilities or damage arising out of any such contest.

ARTICLE 12 – Insurance

Section 12.1: Insurance. Lessee(s) shall, for any claims that may occur or be made during the term of this lease, at its own expense, keep in force by advance payment of premiums, the following-described insurance for protection against the claims of employees or other persons, insuring both Lessee(s) and Lessor against any liability that may accrue against them or either of them arising from or in any way connected with the acts or omissions of Lessee(s), its agents, sub lessees or other representatives under this Lease:

- (a) Should any individual be an employer in connection with this lease or the use of the demised premises, insurance in at least the required statutory amounts covering claims under workers' compensation disability benefits and other similar employee benefit act;
- (b) Comprehensive business liability insurance satisfactory to the Lessor with a ~~combined single~~ general aggregate claim limit of not less than \$2,000,000.00; and
- (c) ~~Pollution insurance in the amount of \$100,000.00 satisfactory to the Lessor.~~
Motor vehicle liability insurance (for individuals engaged in boom truck and forklift activities).

Section 12.2: Insurance Certificate. The insurance shall be placed with an insurance carrier or carriers satisfactory to Lessor and shall not be subject to cancellation or any material change except after thirty (30) days written actual notice to Lessor. Lessor shall be specifically named as an additional insured on policies required by Section 12.1, Paragraph (b), above. A certificate of insurance reflecting full compliance with these requirements shall, at all times during this lease, be kept on deposit at the general offices of Lessor. If Lessee(s) fails to comply with these insurance requirements, Lessor may terminate this agreement on ten (10) days written notice to Lessee(s), or may, but shall not have any duty to, obtain and pay for such insurance and keep the same in force and effect, and Lessee(s) shall pay Lessor on demand for the premium costs thereof.

Section 12.3: Maintenance of Coverage. All general liability and other casualty policies shall be written as primary policies; they shall not be contributing with, or in excess of, any insurance coverage that Lessor may otherwise carry. In order to maintain the same level of coverage that will exist at the commencement of this lease, the amounts and types of coverage called for herein shall be subject to review at the end of each year period from the commencement date of this lease, and, if appropriate, the insurance requirement shall be increased or extended at the request of Lessor to provide the amounts and types of coverage that are at least equal to the amounts and types of coverage then carried by prudent owners of similar property. The insurance required by this Agreement shall cover all claims arising from or in any way connected with the acts or omissions of Lessee(s) under this Agreement, whether or not such claim is asserted during the term of this Agreement or the applicable insurance policy and even though judicial proceedings may not be commenced until after the expiration of this Agreement or the applicable insurance policy. On policies as to which City is an additional insured, all coverages must apply to claims between insureds on the policy. Lessee(s) shall maintain insurance written on an occurrence basis such that any loss does not deplete the

policy limit; Lessee(s) shall maintain insurance policies whereby at least the above-described available amounts of insurance shall be in effect throughout the time during which such insurance is required under this Agreement, even if successful claims are asserted against any such policies during their term(s).

ARTICLE 13 – Default and Remedies

Section 13.1: Default/Breach. Each of the following shall be deemed a default by Lessee(s) and a breach of this lease:

- (a) Lessee(s) shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money on the date the same is due.
- (b) Lessee(s) shall fail to comply with any term, provision or covenant of this lease.
- (c) Lessee(s) shall desert or vacate or shall commence to desert or vacate the demised premises or any substantial portion thereof or shall remove or attempt to remove, without the prior, written consent of Lessor, all or a substantial portion of Lessee's improvements on the demised premises.

Section 13.2: Default Remedies. If Lessee(s) defaults in performance or observance of any of the lease terms, covenants or stipulations, or the terms of any ordinances of the City Code or other legal requirements, and the default continues for thirty (30) calendar days after service of written notice by Lessor, without remedy of the default, Lessor shall take such action as is necessary to protect its rights and best interests, including the exercise of any and all rights after default permitted by this lease. No improvements may be removed by Lessee(s) or any other person during any time Lessee(s) is in default under this lease.

Section 13.3: Rights upon Default after Notice. After notice has been given and the default remains uncorrected for a period of thirty (30) days, Lessor, in addition to any rights and remedies that Lessor may otherwise be given by statute, common law or otherwise, may:

- (a) Reenter the demised premises and take possession of and remove all property from the same, without liability for any damage therefore, remove all persons and property therefrom, either by summary proceedings, suitable action at law, or other legal means, provided that any entry or reentry, possession, repossession or dispossession by Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release, or discharge Lessee(s), either in whole or in part for the monetary liability under this lease;
- (b) Declare the lease canceled and the term ended;

- (c) Re-let the demised premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this lease, for any sum which may be reasonable;
- (d) Collect any and all rents due or to become due from sub_lessees or other occupants of the demised premises;
- (e) Recover from Lessee(s) the following items of damage:
 - (1) Actual attorney's fees and other expenses reasonably incurred by reason of the breach or default by Lessee(s),
 - (2) The cost of performing any covenant on the Lessees' part to be performed,
 - (3) Interest at the maximum allowable rate on all amounts owing to Lessor from the date due until payment thereof in full, and
 - (4) An amount equal to all rents due for the remainder of the term without reduction for anything other than the amount in fact received on releasing of the demised premises;
 - (5) Obtain specific performance of this lease.

Section 13.4: Remedies Cumulative. The remedies of Lessor hereunder shall be deemed cumulative and not exclusive of each other.

ARTICLE 14 – Termination and Holding Over

Section 14.1: Redelivery of Premises. Lessee(s) shall, at the expiration or sooner termination of this lease, peaceably and quietly quit and surrender to Lessor the demised premises in as good a state and condition as the premises were at the commencement of the term.

Section 14.2: Cancellation by Agreement Due to Unlawful Purpose or Upon Notice. Leases in good standing may be canceled in whole or in part, at any time, upon mutual written agreement by Lessee(s) and the City Council, or by the City Council acting alone if the subject premises are used for any unlawful purpose or upon 90 days written notice from the City to the Lessee(s) that the leased area is needed for a public purpose.

Section 14.3: Reentry by Lessor. In the event the lease is terminated, or in the event that the demised premises, or any part thereof, are abandoned by Lessee(s) during the term of this lease, Lessor or its agents, servants or representatives, may, immediately or at any time thereafter, re-enter and resume possession of said lands or such part thereof, and remove all persons and property therefrom, either by summary proceedings, a suitable action or proceeding at law or other legal means, without being liable for any damages therefore. No reentry by Lessor shall be deemed an acceptance of a surrender of lease.

Section 14.4: Disposal Upon Termination. In the event that this lease is terminated, the City Council may offer the demised premises for lease or other appropriate disposal pursuant to the provisions of the City Code.

Section 14.5: Forfeiture of Rental Upon Termination. In the event that this lease shall be terminated because of any breach of Lessee(s), the annual rental payment last made by Lessee(s) shall be retained by Lessor.

Section 14.6: Holding Over. Upon failure of Lessee(s) to surrender possession of the demised premises at the termination of this lease, Lessee's possession of the demised premises shall continue on a month-to-month tenancy at the yearly rental rate charged in the last year of the last term of the agreement, on a monthly pro rata basis. Lessee(s) shall acquire no additional rights to, or interest in, the demised premises by holding-over after termination of this lease, and shall be subject to legal action by Lessor to require the surrender of the demised premises. All terms of this Agreement shall apply during the hold-over period. The receipt by Lessor of any rent or any other sum of money after the termination in any manner of the term demised, or after the giving by Lessor of any notice hereunder to effect such termination, shall not reinstate, continue or extend the resultant term herein demised, or in any manner impair the efficacy of, any such notice or termination as may have been given hereunder by Lessor to Lessee(s) prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

ARTICLE 15 – General Provisions

Section 15.1: Disclaimer. Lessor's consent to Lessee's use of the demised premises shall not be construed as approving or endorsing the use of the demised premises for the purposes proposed by Lessee(s) and the City disclaims any such express or implied approval or warranty.

Section 15.2: Notices. Any notice or demand, which under the terms of this lease or under any statute or City Code provision must be given or made by the parties hereto, shall be in writing and shall be given or made by certified mail, return receipt requested, addressed to the other party at the address of record, designated as follows:

(a) The Lessor:

City of Petersburg
Attention: City Manager
P. O. Box 329
Petersburg, Alaska 99833

(b) The Lessee(s):

Lessee' Information
Lessee Mailing Address

Petersburg, Alaska 99833

Either party may designate in writing another address to which such notice or demand shall hereafter be given. Any notice given under this provision shall be deemed delivered when deposited in a United States general or branch post office enclosed in a certified-mail prepaid wrapper or envelope, addressed as provided in this section.

Section 15.3: Inspection of Premises. Lessee(s) acknowledges that it has been given unlimited opportunity to inspect the demised premises and accept said premises as is, in their present condition.

Section 15.4: Non-Waiver. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Lessor, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt of rent by Lessor with knowledge of any breach of the lease by Lessee(s) or any default on the part of Lessee(s) in observance or performance of any of the conditions or covenants of this lease shall not be deemed to be a waiver of any provision of this lease.

Section 15.5: Responsibility/Indemnification Lessee(s) agrees to assume full control and responsibility for all activities connected with this lease. The Lessee(s) agrees to defend, pay on behalf of, indemnify and hold harmless the City of Petersburg, its elected and appointed officials, employees, volunteers, and others working on behalf of the City of Petersburg against any and all claims, demands, lawsuits, liabilities or losses, including costs and attorney fees connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Petersburg, its elected and appointed officials, employees, volunteers or others working on behalf of the City of Petersburg, by reason of person injury, including bodily injury or death, property damage, including loss of use thereof, and environmental damage or liabilities, which arises out of or is in any way connected or associated with the use of this facility or property of the City of Petersburg by the User, its employees, agents, or contractors.

Section 15.6: Integration. This lease sets forth all the covenants, terms, conditions and understandings between the parties hereto, and there shall be no covenants, terms, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 15.7: Modification. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties in interest or their successors in interest.

Section 15.8: Recording of Lease. Lessee(s) shall record this lease at their own expense as soon as possible after its execution by both parties. Directly after recording this lease, Lessee(s) shall provide Lessor with a copy of the lease stamped by the Recorder's Office showing the date and time of recording.

Section 15.9: Attorney's Fees. If Lessor must institute any action to recover any payment due under this lease, or on account of any breach of this lease, or to recover possession of the leased premises, Lessor shall be entitled to recover its actual attorney's fees and all costs and expenses reasonably incurred by it in connection with such action and on any appeal therefrom.

Section 15.10: Severability of Terms. The invalidity or unenforceability of any provisions of this agreement shall not affect or impair any other provisions.

Section 15.11: Binding Effect. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and bind the parties and their respective successors, except as otherwise herein expressly provided.

Section 15.12: Effect of Headings. The captions, section headings and numbers, and article headings and numbers in this lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the sections or articles of this agreement, nor in any way affect the agreement.

Section 15.13: Time of the Essence. Time is of the essence in all provisions of this lease.

IN WITNESS WHEREOF the City of Petersburg, Alaska as Lessor, acting through its City Manager, being duly-authorized, and Island Ventures, LLC. as Lessee(s), having authority to execute this lease, have hereunto set their respective hands, agreeing to keep, observe and perform all the terms, conditions and provisions herein contained or attached.

PASSED AND APPROVED by the Petersburg City Council on the ____ day of _____, 20__.

DATED this ____ day of _____, 20__

LESSOR:
CITY OF PETERSBURG

By: _____
Stephen Giesbrecht, City Manager

ATTEST:

By: _____
Kathy O'Rear, City Clerk

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ___ day of _____, 20___ , before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Stephen Giesbrecht and Kathy O’Rear to me known to be the City Manager and City Clerk of the City of Petersburg respectively, who executed the above and foregoing instrument, and acknowledged to me said instrument to be the free and voluntary act and deed of said city for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

Notary Public for the State of Alaska
My commission expires: _____

DATED THIS ___ day of _____, 20__.

LESSEE(S):
Printed Lessee’s Name

By: _____
Signature and Title of Lessee

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ___ day of _____, 20___ , before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____ Lessor’s name _____ to me known to be the _Title of Lessor_____, who executed the above and foregoing instrument, and acknowledged to me this instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

Notary Public for the State of Alaska
My commission expires: _____

ARTICLE 2 - Term of Lease

Section 2.1: Term. The first term of this lease shall be for a period of five (5) years, commencing on _____ and ending at midnight on _____.

Section 2.2: Renewal. This lease may be renewed at the option of Lessee(s) for ten (10) additional five (5) year terms, for a combined allowable duration of fifty-five (55) years, through _____ provided that Lessee(s) give written notice to Lessor of Lessee's intention to exercise these options at least ninety (90) days and not more than one hundred and fifty (150) days prior to the expiration of the original lease term or any renewable term. All covenants and conditions of this lease shall remain in effect during any renewal term, except that the rental amount owing shall be subject to adjustment in accordance with Section 3.2 below, and shall be subject to review and approval by the City whose approval shall not be unreasonably withheld.

ARTICLE 3 – Rent

Section 3.1: Rent. Lessee shall pay to Lessor rent for the demised premises at the annual rate of ten percent (10%) of the assessed full and true value of the demised premises including improvements thereon owned by the City. Rent owed for the first year of this lease shall be paid in a single payment upon execution of this agreement. Rental payment shall be due and owing, without the submittal of an invoice by the City, each year on the anniversary date of the execution of this agreement. The annual rental payment shall be subject to adjustment, as set forth in Section 3.2.

Section 3.2: Rent Adjustment. The annual rental rate payable pursuant to this lease shall be subject to adjustment by the City Council on every fifth anniversary of the commencement date of the initial term of this lease. The annual rent shall be determined by the new current assessed value of the demised premises and any improvements owned by the City, adjusted by the rental rate percentage of ten percent (10%). The annual rent payment for the first term of this lease, _____ through _____, is _____.

ARTICLE 4 -Use of Premises

Section 4.1: Tenant Must Use Best Management Practices. It is the City of Petersburg's goal to ensure that use of this facility is done in an environmentally responsible manner. **IN THE EVENT THE LESSOR DETERMINES THAT THE BMPs (Best Management Practices) ARE NOT BEING FOLLOWED, THE PROJECT IN QUESTION WILL BE SHUT DOWN UNTIL IT IS DETERMINED THAT THE PROJECT IS IN COMPLIANCE WITH THE BMPs.**

Best Management Practices that will be a factor in this lease are described in subsections 1 through _____ immediately below:

(City to Determine and insert which BMPs will apply)

Section 4.2: Use of Premises. The demised premises are to be used only for: _____ insert primary use of property _____

All services provided at or from the leased premises must be in accord with the "Best Management Practices as outlined in subsection 4.1 of this lease.

Section 4.3: Compliance with Law. Lessee(s) shall comply with and abide by all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations affecting the demised premises, the improvements thereon or any activity or condition on such premises.

Section 4.4: Uses Prohibited. This lease grants to Lessee(s) only the surface use of the demised premises. Lessee(s) shall not use, or permit the demised premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the demised premises are hereby leased; and no use shall be made or permitted to be made of the demised premises, or acts done, which may be considered ultra-hazardous on account of fire or otherwise. Any use not authorized by this lease shall constitute a trespass against the Lessor. No fuel storage shall be allowed on the demised premises other than in approved fuel tanks.

Section 4.5: Waste and Nuisance Prohibited. Lessee(s) shall not commit, or suffer to be committed any waste on the demised premises, or any nuisance. Lessee(s) shall not use or occupy the premises for any unlawful purpose.

Section 4.6: Environmental and Water Quality Protection.

(a) If the City has cause to believe that environmental or water quality damage has occurred or is threatened, the City may give 24 hours notice of such damage or threatened damage after which time, unless the City and Lessee(s) mutually agree otherwise, the City shall have the right to require the Lessee(s), or its employees, representatives and agents to cease operations immediately and require Lessee(s) to take immediate action, pursuant to its oil spill contingency plan, if applicable, to correct or eliminate said damage or threat thereof. Failure of Lessee(s) to comply with such requests will be treated as a material breach of this agreement, entitling the City to terminate this agreement as provided. The City's rights under this provision shall not be construed as creating an obligation on the City's part to provide for any inspection as to environmental practices, it being agreed that compliance is the sole responsibility of Lessee(s).

(b) Liability for any environmental or water quality damage that is caused by Lessee(s) or its employees, agents and representatives shall be borne by and at the sole expense of Lessee(s). If Lessee(s) fails or refuses to correct or repair said damage pursuant to the Lessee's oil spill contingency plan, or otherwise, within a reasonable time, then after reasonable notice to Lessee(s), the City shall have the right to contract with any party to correct said condition and collect payment from Lessee(s) for all actual costs of said correction or repair.

(c) In addition to the City's right to indemnification as stated herein, Lessee(s) shall indemnify and hold the City harmless for any and all civil or criminal liabilities or penalties, including costs of defense, resulting from Lessee's acts or omissions which cause, threaten or are alleged to cause or threaten, environmental or water quality damage, or sanctions to be incurred because of environmental or water quality damages.

Section 4.7: Utilities. Lessee(s) shall fully and promptly pay all costs associated with public services used by Lessee(s), for example, power and any other utilities of any kind furnished to the demised premises throughout the term hereof, and all other similar costs and expenses of any kind whatsoever, arising from the use, operation and maintenance of the premises and all activities conducted thereon.

ARTICLE 5 – Improvements

Section 5.1: Required Improvements. All improvements made by the Lessee(s) shall comply with all federal, state, municipal and other governmental statutes, laws, ordinances, rules and regulations.

Section 5.2: Proper Placement of Improvements. Lessee(s) shall bear all responsibility for the proper placement of improvements on the demised premises, so as to avoid any encroachment on other lands of the Lessor or on lands owned or leased by another.

Section 5.3: Maintenance of Improvements. Lessee(s) shall, throughout the term of this lease, at their own cost, and without any expense to Lessor, keep and maintain the premises, including all improvements of any kind which may be or become a part thereof, in good, neat, clean and sanitary order, condition and repair. Lessor shall not be obligated to make any repairs or replacements of any kind, nature or description, whatsoever, to the demised premises or to any improvements thereon.

Section 5.4: Avoidance of Pollution. Lessee(s) shall not pollute the waters or real property that is the subject of this lease. Any pollution by Lessee(s) shall be considered a material breach of this lease.

Section 5.5: Damage to and Destruction of Improvements. The damage, destruction, or partial destruction of any improvement on the demised premises shall not release Lessees from any obligation hereunder, except as hereinafter expressly provided. In the event the improvements on the demised premises are destroyed to such an extent as to be rendered untenable by fire, storm, earthquake, or other casualty, Lessee(s) may elect to terminate this lease by providing Lessor with written notice within thirty (30) of the destruction of the improvements. Should Lessee(s) elect to so terminate this lease, such termination shall be effective thirty (30) days after such notice.

Section 5.6: Reversion of Improvements Upon Termination. At the election of the Lessor, upon termination of this lease improvements and/or personal property located on the demised premises and owned by Lessee(s) shall revert to and absolute title shall vest in, Lessor. The retiring Lessee(s) may, with the consent of the City Council, sell their improvements to any succeeding Lessee(s). Should Lessor elect to treat said improvements and/or personal property as continuing within the ownership and control of Lessee(s), said improvements may be removed at the expense of Lessee(s) and under the direction of Lessor after reasonable notice from Lessor to Lessee(s). Should Lessor elect that said improvements and/or personal property revert to Lessor, Lessor shall provide reasonable notice to Lessee(s) of said election.

Section 5.7: Repair of Premises. If Lessee(s) removes any improvements and/or personal property from the demised premises upon termination of this lease, Lessee(s) shall, at their own expense, repair any injury to the premises resulting from such removal.

ARTICLE 6 – Encumbrances

Section 6.1: Lessee(s) to Keep Premises Free of Liens. Lessee(s) shall keep the demised premises and every part thereof and all improvements at any time located thereon free and clear of any and all mechanics, materialmen's and other liens arising out of or in connection with work or labor done, services performed, or repairs or additions which Lessee(s) may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee(s) on or about the premises, or any obligations of any kind incurred by Lessee(s). Lessee(s) agrees, at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based. By this provision the parties do not in any way recognize or acknowledge the authority or right of any person to impose any such lien.

Section 6.2: Contesting Liens. If Lessee(s) desires to contest any such lien, Lessee(s) shall notify Lessor of intention to do so within fifteen (15) days after the filing of such lien. In such case, and provided that Lessee(s) shall on demand protect Lessor by a good and sufficient surety bond against any such liens and any cost, liability or damage arising out of such contest, Lessee(s) shall not be in default hereunder until thirty (30) days after the final determination of the validity thereof, within which time Lessee(s) shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee(s) hereunder.

Section 6.3: Encumbrance of Lessee's Leasehold Interest. Lessee(s) may not encumber Lessee(s) leasehold interest in the demised premises, without the written consent of the Lessor. Any encumbrance, or a foreclosure or other conveyance arising from an encumbrance, shall not relieve Lessee(s) from its liability hereunder.

Section 6.4: Right to Notice to Mortgagee or Lien holder. If Lessee(s) shall encumber its leasehold interest in the demised premises, and in the event of cancellation or forfeiture of this lease for cause, the holder of a properly recorded mortgage of the improvements on the land and every sublessee thereof shall be given a duplicate copy of any notice of default in the same manner as notices given to Lessee(s), provided however that such mortgagee or sublessee has given the City Clerk written notice of such mortgage or sublease. Such mortgagee or sublessee may, at its option, at any time before the rights of Lessee(s) shall be terminated as provided herein, pay any of the rents due hereunder, or pay any taxes and assessments, or do any other act or thing that may be necessary and proper to be done in the observance of the covenants and conditions hereof, or to prevent the termination hereof. All payments so made, and all things so done and performed shall be as effective to prevent a termination of the rights of Lessee(s) hereunder as the same would have been if done and performed by Lessee(s).

ARTICLE 7 - Reservation of Rights

Section 7.1: Mineral Reservations. Lessor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself its successors, assigns and other lessees, forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon the lands subject to this lease, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils. Lessor also hereby expressly saves and reserves out of the grant hereby made, unto itself its successors, assigns and other lessees, forever, the right by itself, or its or their agents or other representatives, to enter upon the lands subject to this lease, or any part thereof, at any and all times, for the purpose of making beneficial use of these reserved rights and to remain and to occupy as much of said lands as may be necessary or convenient for such purpose, hereby expressly reserving to itself, its lessees, successors and assigns, as aforesaid, generally all rights reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

Section 7.2: Surface Reservations. All deposits of stone, earth or gravel valuable for extraction or utilization are reserved by Lessor and shall not be removed from the land. Lessee(s) shall not sell or remove for use elsewhere any of the surface resources of the demised premises, for example, stone, sand, gravel or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used if its use is first approved by the City Council.

Section 7.3: Lessor's Right of Entry. Lessee(s) shall permit Lessor, its agents, employees and other representatives, to enter into and upon the demised premises and Lessee's upland parcel at all reasonable times for the purpose of inspecting the demised premises and improvements thereon.

ARTICLE 8 - Eminent Domain

Section 8.1: Effect of Condemnation. If the whole or any part of the demised premises is taken by any authorized body vested with the power of eminent domain, the following provisions control:

Section 8.1.1: Taking of the Entire Premises. If the entire premises are taken by condemnation, the terms of this lease and all rights of Lessee(s) will terminate at the time of the taking; i.e., at the time title finally vests in the governmental agency exercising the power of eminent domain. Lessor is entitled to all condemnation proceeds, except that Lessee(s) shall be paid the portion of the proceeds attributable to the fair market value of the improvements placed on the condemned premises and owned by Lessee(s).

Section 8.1.2: Taking of Substantial Part of Premises. If the taking is of a substantial part of the premises, the following shall apply:

- (a) If the taking by condemnation reduces the ground area of the demised premises by at least 30% or materially affects the use being made by Lessee(s) of the parcel, Lessee(s) may elect to terminate the lease by written notice to Lessor not later than ninety (90) days after the date of taking.
- (b) If Lessee(s) elects to terminate, the provisions in Section 8.1.1 shall govern the condemned portion of the demised premises and the terms of the lease govern disposal of the remainder of any improvements made by Lessee(s).
- (c) If Lessees elect not to terminate, this lease continues and Lessor is entitled to the full condemnation proceeds except the portion attributable to the fair market value of the improvements placed on the condemned portion of the premises and owned by Lessee(s). Rent for the balance of the lease will be adjusted by Lessor to reflect the taking.

Section 8.1.3: Taking of Insubstantial Part of Premises. If the taking by condemnation reduces the ground area of the demised premises by less than 30% and Lessor determines that the taking is of such an insubstantial portion that Lessee's use of the demised premises is not materially affected, an election to terminate by Lessee(s) is not allowed and the provisions of Section 8.1.2(c) will govern.

Section 8.2: Authority. By this Article, the parties do not in any way recognize or acknowledge the authority or right of any governmental entity to exercise a power of eminent domain over the demised premises or any interest created by this lease.

ARTICLE 9 - Assignment and Subletting

Section 9.1: Assignment. The council may, in its discretion, approve an assignment made solely as security for a loan, whereby the lender/assignee shall not be liable for the obligations of the Lessee(s) unless the lender/assignee is or becomes in possession of the leased property. Lessee(s) shall not transfer, convey or otherwise dispose of this lease or the rights hereunder without the prior written consent of Lessor. Lessor may accept rent from the assignee or other transferee, but no such collection of rent shall be deemed a waiver of any term or condition of this lease, nor an acceptance of the assignee or other transferee as Lessee(s).

Section 9.2: Subletting. Lessee(s) may sublease the demised premises or any part thereof leased to it under this agreement, provided that Lessee(s) first obtain the approval by formal action of the City Council to such sublease. All subleases shall be in writing and shall include all the terms and conditions of this original lease. Lessee(s) shall continue to be liable hereunder in accordance with the terms and conditions of this lease. Lessor may collect rent from the sublessee, but such collection shall not be deemed a waiver of any term or condition of this agreement nor an acceptance of the sublessee as Lessee(s). A copy of the sublease shall be filed with City Clerk.

ARTICLE 10- Warranties

Section 10.1: Title and Quiet Possession. Lessor covenants that Lessor is seized of the demised premises in fee simple and that Lessee(s) shall have quiet and peaceable possession

of the demised premises during the term hereof. Prior to entering into this lease, if Lessee(s) so requests, Lessor shall provide, at Lessee's expense, title evidence sufficient to satisfy Lessee(s) that Lessor has title to the land and can guarantee Lessee's peaceable possession.

Section 10.2: Authority of Agents. Each party to this agreement warrants that the individual signing this lease has written authority to enter into this agreement from the parties sought to be bound.

ARTICLE 11 – Taxes

Section 11.1: Taxes. Lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, charges, fees, of every kind which may be levied, assessed or charged, or which may become a lien or charge on or against the land hereby demised, or any part thereof, the leasehold of Lessee(s) herein, the premises described herein, or any improvements now or hereafter thereon or on or against Lessor by reason of its ownership of the fee underlying this lease, during the entire term hereof.

Section 11.2: Contesting Taxes. If Lessee(s) shall in good faith desire to contest the validity or amount of any tax, assessment or other governmental charge herein agreed to be paid by Lessee(s), shall be permitted to do so and to defer payment of such tax or charge, the validity or amount of which Lessee(s) is so contesting, until final determination of the contest, after giving to Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency and on protection of Lessor on demand by a good and sufficient surety bond against any such tax, levy, assessment or other governmental charge, and from any costs, liabilities or damage arising out of any such contest.

ARTICLE 12 – Insurance

Section 12.1: Insurance. Lessee(s) shall, for any claims that may occur or be made during the initial and any extended term of this lease, at its own expense, keep in force by advance payment of premiums, the following-described insurance for protection against the claims of employees or other persons, insuring both Lessee(s) and Lessor against any liability that may accrue against them or either of them arising from or in any way connected with the acts or omissions of Lessee(s), its agents, sublessees or other representatives under this Lease:

- (a) Should any individual be an employer in connection with this lease or the use of the demised premises, insurance in at least the required statutory amounts covering claims under workers' compensation disability benefits and other similar employee benefit act; and
- (b) Comprehensive business liability insurance satisfactory to the Lessor with a ~~combined~~ ~~single~~ general aggregate claim limit of not less than \$2,000,000.00, \$1,000,000 each occurrence.

- (c) ~~Pollution insurance satisfactory to the Lessor. (Note: at the time of approval of this lease, the city council did not establish a pollution requirement).~~ Motor vehicle liability insurance, as applicable

Section 12.2: Insurance Certificate. The insurance shall be placed with an insurance carrier or carriers satisfactory to Lessor and shall not be subject to cancellation or any material change except after thirty (30) days written actual notice to Lessor. Lessor shall be specifically named as an additional insured on policies required by Section 12.1, Paragraph (b), above. A certificate of insurance reflecting full compliance with these requirements shall, at all times during this lease, be kept on deposit at the general offices of Lessor. If Lessee(s) fails to comply with these insurance requirements, Lessor may terminate this agreement on ten (10) days written notice to Lessee(s), or may, but shall not have any duty to, obtain and pay for such insurance and keep the same in force and effect, and Lessee(s) shall pay Lessor on demand for the premium costs thereof.

Section 12.3: Maintenance of Coverage. All general liability and other casualty policies shall be written as primary policies; they shall not be contributing with, or in excess of, any insurance coverage that Lessor may otherwise carry. In order to maintain the same level of coverage that will exist at the commencement of this lease, the amounts and types of coverage called for herein shall be subject to review at the end of each five-year period from the commencement date of this lease, and, if appropriate, the insurance requirement shall be increased or extended at the request of Lessor to provide the amounts and types of coverage that are at least equal to the amounts and types of coverage then carried by prudent owners of similar property. The insurance required by this Agreement shall cover all claims arising from or in any way connected with the acts or omissions of Lessee(s) under this Agreement, whether or not such claim is asserted during the term of this Agreement or the applicable insurance policy and even though judicial proceedings may not be commenced until after the expiration of this Agreement or the applicable insurance policy. On policies as to which City is an additional insured, all coverages must apply to claims between insureds on the policy. Lessee(s) shall maintain insurance written on an occurrence basis such that any loss does not deplete the policy limit; Lessee(s) shall maintain insurance policies whereby at least the above-described available amounts of insurance shall be in effect throughout the time during which such insurance is required under this Agreement, even if successful claims are asserted against any such policies during their term(s).

ARTICLE 13 - Default and Remedies

Section 13.1: Default/Breach. Each of the following shall be deemed a default by Lessee(s) and a breach of this lease:

- (a) Lessee(s) shall fail to pay any installment of rent or perform any other obligation hereunder involving the payment of money on the date the same is due.
- (b) Lessee(s) shall fail to comply with any term, provision or covenant of this lease.
- (c) Lessee(s) shall desert or vacate or shall commence to desert or vacate the demised premises or any substantial portion thereof or shall remove or attempt to remove, without the prior, written consent of Lessor, all or a substantial portion of Lessee's improvements on the demised premises.

Section 13.2: Default Remedies. If Lessee(s) defaults in performance or observance of any of the lease terms, covenants or stipulations, or the terms of any ordinances of the City Code or other legal requirements, and the default continues for thirty (30) calendar days after service of written notice by Lessor, without remedy of the default, Lessor shall take such action as is necessary to protect its rights and best interests, including the exercise of any and all rights after default permitted by this lease. No improvements may be removed by Lessee(s) or any other person during any time Lessee(s) is in default under this lease.

Section 13.3: Rights upon Default after Notice. After notice has been given and the default remains uncorrected for a period of thirty (30) days, Lessor, in addition to any rights and remedies that Lessor may otherwise be given by statute, common law or otherwise, may:

- (a) Reenter the demised premises and take possession of and remove all property from the same, without liability for any damage therefore, remove all persons and property therefrom, either by summary proceedings, suitable action at law, or other legal means, provided that any entry or reentry, possession, repossession or dispossession by Lessor, whether taken by summary proceedings or otherwise, shall not be deemed to absolve, relieve, release, or discharge Lessee(s), either in whole or in part for the monetary liability under this lease;
- (b) Declare the lease canceled and the term ended;
- (c) Re-let the demised premises in whole or in part for any period equal to or greater or less than the remainder of the original term of this lease, for any sum which may be reasonable;
- (d) Collect any and all rents due or to become due from sublessees or other occupants of the demised premises;
- (e) Recover from Lessee(s) the following items of damage:
 - (1) Actual attorney's fees and other expenses reasonably incurred by reason of the breach or default by Lessee(s),
 - (2) The cost of performing any covenant on the Lessees' part to be performed,
 - (3) Interest at the maximum allowable rate on all amounts owing to Lessor from the date due until payment thereof in full, and
 - (4) An amount equal to all rents due for the remainder of the term without reduction for anything other than the amount in fact received on releasing of the demised premises;
 - (5) Obtain specific performance of this lease.

Section 13.4: Remedies Cumulative. The remedies of Lessor hereunder shall be deemed cumulative and not exclusive of each other.

ARTICLE 14 - Termination and Holding Over

Section 14.1: Redelivery of Premises. Lessee(s) shall, at the expiration or sooner termination of this lease, peaceably and quietly quit and surrender to Lessor the demised premises in as good a state and condition as the premises were at the commencement of the term.

Section 14.2: Cancellation by Agreement Due to Unlawful Purpose or Upon Notice. Leases in good standing may be canceled in whole or in part, at any time, upon mutual written agreement by Lessee(s) and the City Council, or by the City Council acting alone if the subject premises are used for any unlawful purpose or upon one year's written notice to Lessee(s), as described in 2.1 above.

Section 14.3: Reentry by Lessor. In the event the lease is terminated, or in the event that the demised premises, or any part thereof, are abandoned by Lessee(s) during the term of this lease, Lessor or its agents, servants or representatives, may, immediately or at any time thereafter, reenter and resume possession of said lands or such part thereof, and remove all persons and property therefrom, either by summary proceedings, a suitable action or proceeding at law or other legal means, without being liable for any damages therefore. No reentry by Lessor shall be deemed an acceptance of a surrender of lease.

Section 14.4: Disposal Upon Termination. In the event that this lease is terminated, the City Council may offer the demised premises for lease or other appropriate disposal pursuant to the provisions of the City Code.

Section 14.5: Forfeiture of Rental Upon Termination. In the event that this lease shall be terminated because of any breach of Lessee(s), the annual rental payment last made by Lessee(s) shall be retained by Lessor.

Section 14.6: Holding Over. Upon failure of Lessee(s) to surrender possession of the demised premises at the termination of this lease, Lessee's possession of the demised premises shall continue on a month-to-month tenancy at the yearly rental rate charged in the last year of the last term of the agreement, on a monthly pro rata basis. Lessee(s) shall acquire no additional rights to, or interest in, the demised premises by holding-over after termination of this lease, and shall be subject to legal action by Lessor to require the surrender of the demised premises. All terms of this Agreement shall apply during the hold-over period. The receipt by Lessor of any rent or any other sum of money after the termination in any manner of the term demised, or after the giving by Lessor of any notice hereunder to effect such termination, shall not reinstate, continue or extend the resultant term herein demised, or in any manner impair the efficacy of, any such notice or termination as may have been given hereunder by Lessor to Lessee(s) prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Lessor.

ARTICLE 15 - General Provisions

Section 15.1: Disclaimer. Lessor's consent to Lessee's use of the demised premises shall not be construed as approving or endorsing the use of the demised premises for the purposes proposed by Lessee(s) and the City disclaims any such express or implied approval or warranty.

Section 15.2: Notices. Any notice or demand, which under the terms of this lease or under any statute or City Code provision must be given or made by the parties hereto, shall be in writing and shall be given or made certified mail, return receipt requested, addressed to the other party at the address of record, designated as follows:

(a) The Lessor:

City of Petersburg
Attention: City Manager
P. O. Box 329
Petersburg, Alaska 99833

(b) The Lessee(s):

Lessee Name.
Mailing Address
Petersburg, AK 99833

Either party may designate in writing another address to which such notice or demand shall hereafter be given. Any notice given under this provision shall be deemed delivered when deposited in a United States general or branch post office enclosed in a certified-mail prepaid wrapper or envelope, addressed as provided in this section.

Section 15.3: Inspection of Premises. Lessee(s) acknowledges that it has been given unlimited opportunity to inspect the demised premises and accept said premises as is, in their present condition.

Section 15.4: Non-Waiver. No failure on the part of Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by Lessor, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt of rent by Lessor with knowledge of any breach of the lease by Lessee(s) or any default on the part of Lessee(s) in observance or performance of any of the conditions or covenants of this lease shall not be deemed to be a waiver of any provision of this lease.

Section 15.5: Responsibility/Indemnification. Lessee(s) agrees to assume full control and responsibility for all activities connected with this lease. The Lessee(s) agrees to defend, pay on behalf of, indemnify and hold harmless the City of Petersburg, its elected and appointed officials, employees, volunteers, and others working on behalf of the City of Petersburg against any and all claims, demands, lawsuits, liabilities or losses, including costs and attorney fees connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City of Petersburg, its elected and appointed officials, employees, volunteers or others working on behalf of the City of Petersburg, by reason of person injury, including bodily injury or death, property damage, including loss of use thereof, and environmental damage or liabilities, which arises out of or is in any way connected or associated with the use of this facility or property of the City of Petersburg by the User, its employees, agents, or contractors.

~~Lessee(s) shall defend and save harmless Lessor from and against any and all losses, damages, liabilities, expenses, claims and demands of whatsoever character, direct or indirect, arising out of or in any way connected with this lease.~~

Section 15.6: Integration. This lease sets forth all the covenants, terms, conditions and understandings between the parties hereto, and there shall be no covenants, terms, conditions or understandings, either oral or written, between them other than as herein set forth.

Section 15.7: Modification. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties in interest or their successors in interest.

Section 15.8: Recording of Lease. Lessee(s) shall record this lease at their own expense as soon as possible after its execution by both parties. Directly after recording this lease, Lessee(s) shall provide Lessor with a copy of the lease stamped by the Recorder's Office showing the date and time of recording.

Section 15.9: Attorney's Fees. If Lessor must institute any action to recover any payment due under this lease, or on account of any breach of this lease, or to recover possession of the leased premises, Lessor shall be entitled to recover its actual attorney's fees and all costs and expenses reasonably incurred by it in connection with such action and on any appeal therefrom.

Section 15.10: Severability of Terms. The invalidity or unenforceability of any provisions of this agreement shall not affect or impair any other provisions.

Section 15.11: Binding Effect. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and bind the parties and their respective successors, except as otherwise herein expressly provided.

Section 15.12: Effect of Headings. The captions, section headings and numbers, and article headings and numbers in this lease are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the sections or articles of this agreement, nor in any way affect the agreement.

Section 15.13: Time of the Essence. Time is of the essence in all provisions of this lease.

IN WITNESS WHEREOF the City of Petersburg, Alaska as Lessor, acting through its City Manager, being duly-authorized, and _____ Lessee's Name _____ as Lessee(s), having authority to execute this lease, have hereunto set their respective hands, agreeing to keep, observe and perform all the terms, conditions and provisions herein contained or attached.

PASSED AND APPROVED by the Petersburg City Council on the _____ of _____.

Dated this ____ day of _____, 2011

LESSOR: CITY OF PETERSBURG
By: _____

Stephen Giesbrecht, City Manager

ATTEST:

Kathy O'Rear, City Clerk

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ___ day of _____, 20___, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Stephen Giesbrecht and Kathy O'Rear to me known to be the City Manager and City Clerk of the City of Petersburg respectively, who executed the above and foregoing instrument, and acknowledged to me said instrument to be the free and voluntary act and deed of said city for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

Notary Public in and for the State of Alaska
My commission expires _____.

Dated this ___ day of _____, 2011

LESSEE(S): Name
By: _____
Signature & Title

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ___ day of _____, 20___, before the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared ___ name _____ to me known to be the ___ title _____ of ___ company _____, who executed the above and foregoing instrument, and acknowledged to me this instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

WITNESS My Hand and Official Seal the day and year in this certificate first above written.

Notary Public in and for the State of Alaska
My commission expires _____.

Draft

Honorable Sean Parnell
Alaska State Capitol Building
P.O. Box 110001
Juneau, AK 99811-0001

February 1, 2012

Re: Safety and Security

Honorable Governor Sean Parnell;

On January 3, 2012, The City of Petersburg sent a letter to you asking for your support in rectifying an ongoing issue with the District Attorney's office and the current lack of support received by our community. In this letter we outlined some extremely disturbing statistics related to the dismissal of a high number of charges, extraordinary plea bargains and in all honesty, a seemingly lack of concern on the part of the District Attorney's office. Since this letter was sent, we have yet to have any success in engaging District Attorney Brower in developing mutually acceptable solutions to these issues. In fact, DA Brower made a trip to Petersburg for the purpose of conducting trials, and arrived without apparent knowledge of the cases he was to prosecute, and with evidently no intention of seriously meeting with local authorities to work out a solution. The City and community of Petersburg find this unacceptable.

For your review, we have outlined the events that occurred during Mr. Brower's visit during the week of January 22, 2012.

- Saturday evening 01/21 at about 5:30 p.m. D.A. Brower called the Department to inform them that he would be in town Sunday evening representing the D.A. Office. He wanted to meet with officers concerning upcoming trials.
- Sunday evening D.A. Brower met with several officers and Chief Agner to discuss assorted cases. He made statements that he was uncertain about what cases were going, and wanted to answer any questions officers had concerning any of their investigations.
- When leaving for the evening D.A. Brower indicated that he wanted to meet with Chief Agner sometime, possibly Monday afternoon, concerning the high rate of dismissals.
- D.A. Brower did not come in to speak with Chief Agner on Monday, or Tuesday.
- At about 12:45 p.m. on Wednesday D.A. Brower called the Department to say he wanted to speak with Chief Agner, but had Court at 1:00 p.m. and was leaving at 3:40 p.m. on the plane.
- At about 12:55 p.m. Chief Agner called D.A. Brower's cell number. He did not answer, and the phone was set up to NOT accept voice mail.

- At about 2:20 p.m. D.A. Brower called to check on the dismissed cases. He stated that he was leaving on the plane and to send him the list (a second time) via email.

At this time, we are inviting your office to attend a Town Hall meeting that will be scheduled on February ??, 2012 to discuss this issue within our community. We have invited our Legislators, your office, Acting Attorney General Svobodny, District Attorney Brower, and members of our local media. We expect to have a large number of our citizens as well as the Petersburg City Council, to discuss the ongoing issues and possible solutions. We encourage your office to have a representative present at the meeting to hear directly from some of your constituents on their feelings about the lack of service received by this community.

We look forward to your response.

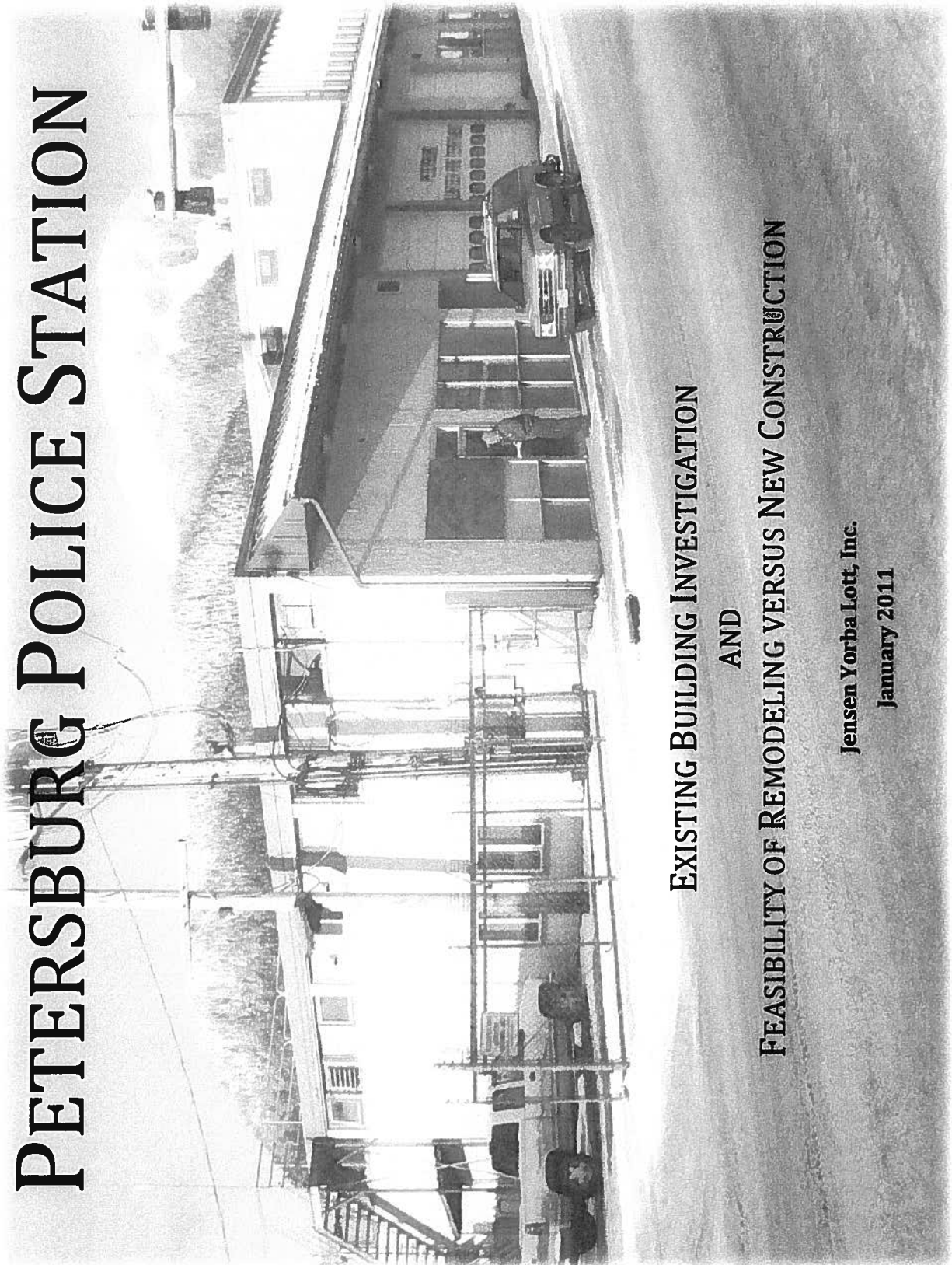
Sincerely,

Al Dwyer
Mayor
City of Petersburg

Distribution:

Honorable Senator Bert Stedman
Honorable Senator Dennis Egan
Honorable Representative Beth Kerttula
Honorable Representative Peggy Wilson
Acting Attorney General Richard Svobodny
District Attorney David Brower
Honorable Senator Hollis French
City of Petersburg City Council
Ron Loesch, Publisher, Petersburg Pilot
Matt Lichtenstein, News Director, KFSK radio

PETERSBURG POLICE STATION



EXISTING BUILDING INVESTIGATION AND FEASIBILITY OF REMODELING VERSUS NEW CONSTRUCTION

Jensen Yorba Lott, Inc.
January 2011

PURPOSE

The purpose of the investigation is to determine the structural condition of the portion of the Petersburg Municipal Building currently occupied by the Police and Fire Departments and the City Clerk and Manager to determine if it is feasible to remodel the space for the Police Department once the Fire Department relocates into the new building. The investigation was conducted January 16 and 17, 2012 by Wayne Jensen, architect with Jensen Yorba Lott, Inc., and Chris Gianotti, structural engineer with PND

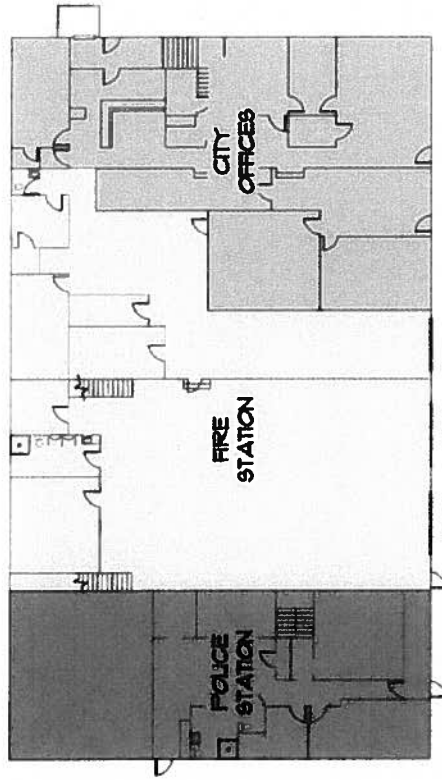
Engineers, Inc. The investigation included an inspection of the existing building and review of drawings of the original building and renovations. In addition the Functional Space Program and Project Cost Model prepared in 2002 (revised in 2006) was reviewed to determine the space needed for the Police Department. The report will evaluate the feasibility of remodeling versus construction of a new facility.

HISTORY

The Municipal Building was designed in 1958. The building is located on west side of Nordic Drive near the intersection with Haugen Drive. The building is 137' by 79' with a 65' by 79' second floor on the north end of the building. The gross area of the ground floor is 10,823 square feet and the gross area of the second floor is 5,135 square feet. Structurally the building is divided into 4 bays across the 79' width of the building. The northern bay is 25' wide with a gross area of 1,975 square feet, the second bay is 40' wide with a gross area of 3,160 square feet, the third bay is 43' wide with a gross area of 4,397 square feet and the fourth or southern bay is 29' wide with a gross area of 2,291 square feet. The ground floor of the 4 bays generally aligns with the elevation of the street. The northern bay is at elevation 28.00 according to the original drawings. The second bay is 1'-6" lower and the third and fourth bays are each 1'-0" lower than the adjacent bay, resulting in a 3'-6" difference in floor level from the north to the south ends of the building.

Originally the northern bay on the ground floor was occupied by City offices, the next bay to the south was occupied by the Fire Department and the 2 remaining bays were used for equipment storage. The second floor housed the Council Chambers and the Library. Currently the city offices occupy the northern bay and a portion of the next bay to the south. The Fire Department occupies the remainder of the second bay, the third bay and a second floor mezzanine that was constructed within the west end of the third bay. The Police Department occupies the southern bay and a second floor that was constructed with wood framing within this bay. A central boiler room located at the west end of the second bay supplies the entire building. The second floor still contains the council chambers and the library. However, a new library is being planned and is scheduled for completion in 2013. This move will vacate approximately 2,500 square feet of space.

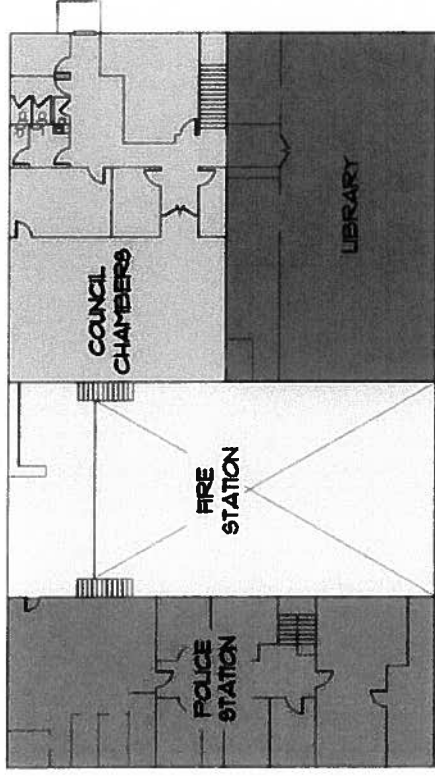
CONSTRUCTION



EXISTING MUNICIPAL BUILDING PLAN - FIRST FLOOR

The geology of the site consists of varying depths of muskeg up to 10 feet deep over blue clay. The foundation of the Municipal Building consists of driven wood piles supporting concrete grade beams and pile caps. The ground floor is a concrete slab on grade placed over gravel fill on top of the underlying muskeg.

The northern and western portions of the building have the least thickness of muskeg and the concrete slabs appear to be relatively level. The slabs in the remainder of the building have settled significantly, as much as 6 or 7 inches, as the muskeg has compacted over time. This settlement has created serious problems in the 3 southern bays of the building. In the second bay from the north the slab settled approximately 6" in the east half of the bay. The slab was cut and expanding foam was injected under



EXISTING MUNICIPAL BUILDING PLAN - SECOND FLOOR

it to raise it to the original elevations. This solution proved to be temporary as the slab has continued to settle.

The slab in the third bay from the north currently housing Fire Department apparatus had settled at least 6 inches by 2001. Approximately three fourth of the slab was removed and a structural concrete slab supported by driven steel pipe piles was installed, which appears to be working successfully.

The slab in the southern bay, occupied by the Police Station has settled approximately 7 inches near the center of the bay. This has caused the interior walls and the second floor to settle causing problems with mechanical and electrical systems as well as the use of the space. In the office of the Chief of Police the floor slopes over 6 inches causing desk chairs to roll down the slope.

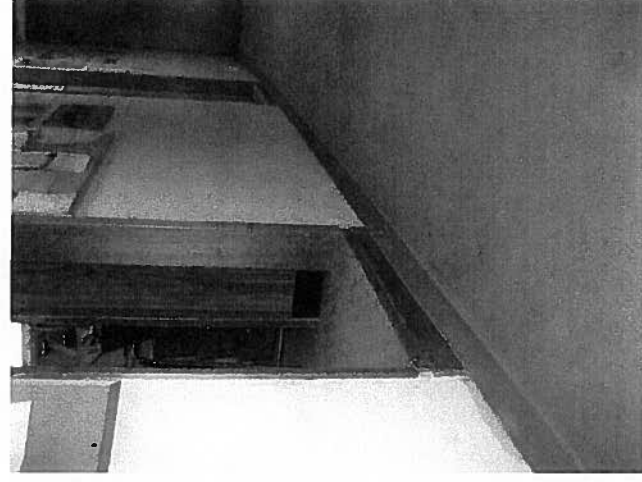


The superstructure consists of perimeter concrete bearing walls and columns for the first floor for the south, west and most of the east side. The north side and a portion of the east side are framed with steel columns and beams and aluminum curtain wall. The second floor above the two northern bays consists of steel beams and joists with a plywood deck. The exterior walls of the second floor are framed with steel columns and beams and wood stud bearing/shear walls and steel columns and beams and wood stud bearing/shear walls.

The concrete exterior walls are in good condition and appear to be plumb and level indicating that the foundations supporting them are sound. However, there is little or no insulation on the walls so they contribute to significant heat loss. The aluminum curtain wall and the other windows and doors are in poor to fair condition and are also contributors to significant heat loss. The roofing on the entire building was recently replaced with a well insulated membrane system which should have at least a 20 year life expectancy.

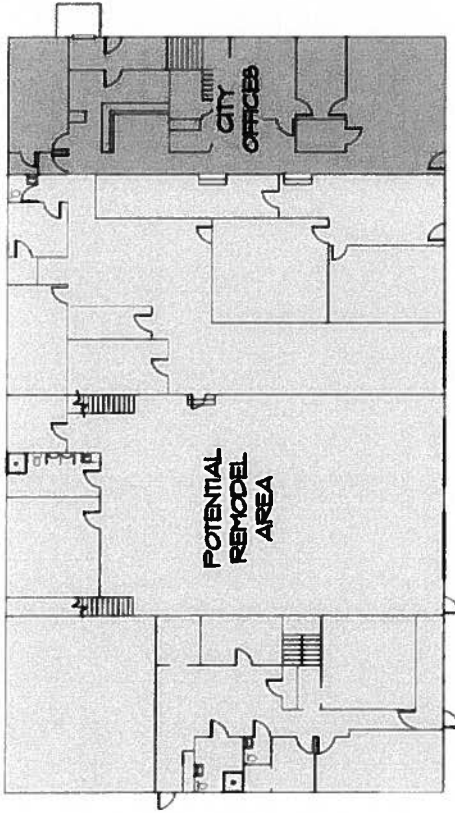
Sometime after the building was constructed a wood framed mezzanine was added at the west end of the Fire Department. Also when the southern bay was converted to the Police Station a wood frame second floor was constructed. The space between the concrete slab and the underside of the roof structure in the southern two bays did not allow for a normal ceiling height on either floor. The ceilings in most of the Police Station are approximately 7'-6" high.

In summary the exterior envelope and the building structure appears to be sound, however, reinforcement to meet current building codes for lateral forces should be anticipated in any remodel. A Police Station is listed as an essential facility which means that it should



continue to operate after a disaster. Additionally the current code states that a building that contains multiple occupancies the structure is to be assigned to the highest occupancy category which means that the entire building should be brought up to current structural codes not just the area being considered for a remodeled Police Station.

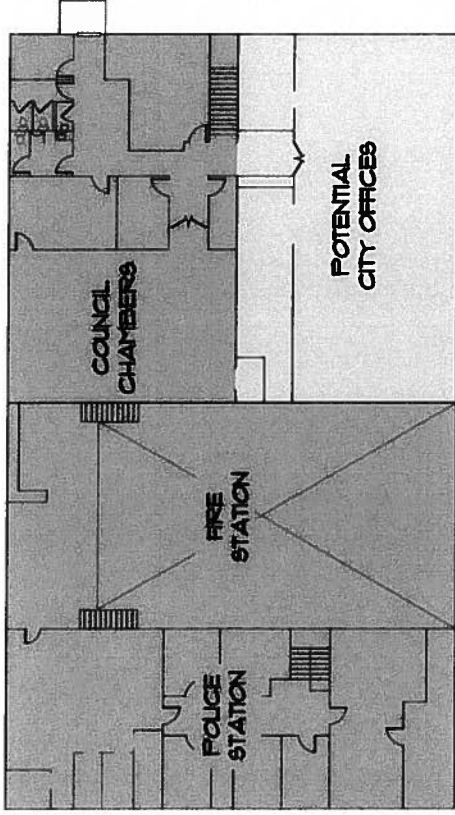
EVALUATION



POTENTIAL MUNICIPAL BUILDING PLAN - FIRST FLOOR

The areas that are available for consideration for a remodeled Police Station are the 3 southern bays consisting of a 112' by 79' space with a gross area of 8,848 square feet which includes the existing boiler room that serves the entire building and the current location of the office of the city manager and city clerk.

The area currently occupied by the Police Department has serious construction related issues and can only be remodeled by demolishing the interior construction including the concrete floor slab. The settling of the floor slab has caused irreparable damage to the interior walls and second floor as well as the mechanical and electrical systems serving the area. In addition a remodel of this area will be limited to a single story since there is insufficient room between the ground floor slab and the underside of the roof structure for a two level space and have adequate interstitial space



EXISTING MUNICIPAL BUILDING PLAN - SECOND FLOOR

for distribution of heating, ventilation and electrical system required to serve two levels.

The area currently occupied by the Fire Department has a stable floor slab, but the west end of the bay which contains the department offices, support spaces and the second level mezzanine would need to be removed in a remodel.

The bay currently occupied by an ambulance and the previously mentioned city offices has a concrete floor slab that is failing. A remodel of this area would require demolition of all the interior construction and replacement of the slab. The existing boiler system located in this area would need to be replaced as it dates from the original construction and has far exceeded its useful life.

Other considerations related to remodeling the Municipal Building for the Police Department include the 3 different floor levels within the space available, the restrictions imposed by the existing bearing walls and columns, the structural upgrade of the entire existing building and the relocation of the Police department during remodeling.

The different floor levels and the locations of the existing structure will affect how the space can be arranged and it could mean that the efficiency of the plan would be compromised. Trying to accommodate different floor levels within the space means a series of ramps which take more space and affect the arrangement

SPACE PROGRAM

The Functional Space Program that was developed in 2002 and revised in 2006 for including the Police Department with the Fire Department and other agencies was reviewed and updated for a stand-alone Police Station. The updated program indicates that an

of rooms. For instance if the floor levels are maintained with 2 feet difference between areas each ramp will need to be 24' long.

Likewise bearing and shear walls and columns cannot be moved and penetrations through the walls are limited. Upgrading the entire existing building to the level of current codes for an essential building will be both costly and disruptive.

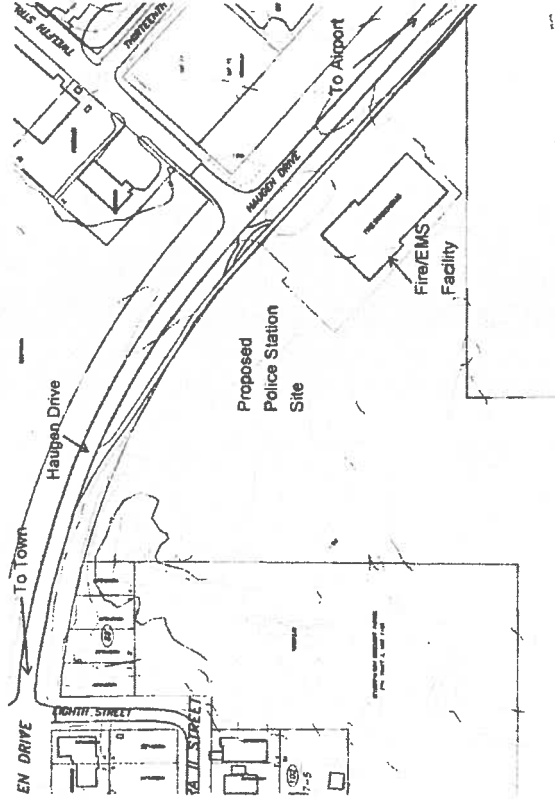
Due to the extent of a remodel the Police Department will not be able to occupy the space and temporary space will need to be created for the department including the jail. This will be difficult to accomplish, disruptive to the operation of the department and will be costly.

area of approximately 10,750 square feet is needed for the Police Department. Since there is only about 8,850 square feet available within the Municipal Building there is insufficient space to accommodate the program.

RECOMMENDATIONS

Due to the numerous problems associated with remodeling the existing building for the Police Department we recommend constructing a new facility instead of remodeling. The City owns land adjacent to the new Fire EMS/Facility on Haugen Drive and there are opportunities for sharing space and gaining efficiency by co-locating on the same property.

The attached Functional Space Program and Project Cost Model provides a list of the anticipated spaces within the proposed building and the associated projection of the total cost of the project. The total building area is estimated at approximately 10,750 square feet and the total cost is projected to be \$6,340,000. Since approximately \$1,100,000 is remaining from the recent construction of the Fire/EMS Facility the net amount needed for the project is \$5,240,000.



FUNCTIONAL SPACE PROGRAM and PROJECT COST MODEL
PETERSBURG POLICE STATION - NEW BUILDING
 City of Petersburg Alaska

NEW BUILDING PROGRAM	No.	Net Area	Total Net Area	Eff. Factor	Total Gross Area	Comment
ADMINISTRATION						
Public Entry	1	70 sf	70 sf			
Public Waiting	1	100 sf	100 sf			
Public Restrooms	2	50 sf	100 sf			
Chief of Police	1	200 sf	200 sf			
Chief Clerk	1	120 sf	120 sf			
Conference Room	1	325 sf	325 sf			
Work/Supply Room	1	120 sf	120 sf			
Total			1,035 sf	1.30	1,346 sf	16 people Office supplies, machines and consumables
DEPARTMENT PERSONNEL						
Captain's Office	1	120 sf	120 sf			
Seargent's Office	1	120 sf	120 sf			
Drug Investigation	1	120 sf	120 sf			
Spare Office	1	120 sf	120 sf			
Interview Room	2	100 sf	200 sf			
Squad Room	1	500 sf	500 sf			Workstations for 3-6 officers
Training Room		50 sf	0 sf			Shared with Fire Department in adjacent building
Locker Rooms		50 sf	0 sf			Potential Addition if funds allow
Showers		50 sf	0 sf			Potential Addition if funds allow
Toilets	2	50 sf	100 sf			
Evidence Room	1	400 sf	400 sf			Exhaust
Quartermaster Supply	1	80 sf	80 sf			Uniforms
Parking Attendant	1	80 sf	80 sf			
Armory	1	60 sf	60 sf			Secure work room for arms maintenance/repair
Arms Room		80 sf	0 sf			Secure storage for arms
Janitor	1	50 sf	50 sf			
Total			1,950 sf	1.40	2,730 sf	
RECORDS/COMMUNICATIONS						
Dispatch/Radio Console	1	500 sf	500 sf			
DMV Staff Counter	1	80 sf	80 sf			
DMV Public Counter	1	80 sf	80 sf			
Dispatcher Toilet	1	50 sf	50 sf			
Dispatcher Breakroom	1	100 sf	100 sf			
Records	1	200 sf	200 sf			
Booking Counter	1	80 sf	80 sf			
Total			1,090 sf	1.30	1,417 sf	

NEW BUILDING PROGRAM (cont.)	No.	Net Area	Total Net Area	Eff. Factor	Total Gross Area	Comment
PRISONERS & JAIL FACILITIES						
Garage Sally Port		700 sf	0 sf			
Garage		480 sf	0 sf			
Booking Sally Port		120 sf	0 sf			
Prisoner Change Room	1	120 sf	120 sf			Not included in cost possible Additive Alternate
Prisoner Property	1	100 sf	100 sf			Not included in cost possible Additive Alternate
Jail Clothing Closet	1	30 sf	30 sf			Potential Addition if funds allow
Laundry/Jail Supplies	1	80 sf	80 sf			Toilet, Shower, Lavatory and Secure Lockers
Janitor	1	50 sf	50 sf			
Holding Cell	1	180 sf	180 sf			
Single Occ. Male Cells	5	70 sf	350 sf			
Male Day Room	1	280 sf	280 sf			
Male Shower/Toilet Room	1	70 sf	70 sf			Adjacent to Day Room
Single Occ. Female Cells	3	70 sf	210 sf			
Female Day Room	1	240 sf	240 sf			
Female Shower/Toilet Room	1	70 sf	70 sf			Adjacent to Day Room
Emergency Juvenile Holding	1	70 sf	70 sf			
Segregation Cell	1	130 sf	130 sf			
Medical/Mental Health Cell	1	130 sf	130 sf			
Non-Contact Visitation	2	100 sf	200 sf			
Outdoor Recreation Area		900 sf	0 sf			Not included in cost possible Additive Alternate
Total			2,310 sf	1.50	3,465 sf	
SUBTOTAL					8,958 SF	
BUILDING SERVICES						
Building Circulation, walls, etc.	10%		896 sf			
Mechanical/Electrical	10%		896 sf			
Total			1,792 sf	1.00	1,792 sf	
New Building Space Program Total					10,749 sf	

NEW BUILDING PROGRAM (cont.)	No.	Net Area	Total Net Area	Eff. Factor	Total Gross Area	Comment
PRISONERS & JAIL FACILITIES						
Garage Sally Port		700 sf	0 sf			
Garage		480 sf	0 sf			
Booking Sally Port		120 sf	0 sf			
Prisoner Change Room	1	120 sf	120 sf			Not included in cost possible Additive Alternate
Prisoner Property	1	100 sf	100 sf			Not included in cost possible Additive Alternate
Jail Clothing Closet	1	30 sf	30 sf			Potential Addition if funds allow
Laundry/Jail Supplies	1	80 sf	80 sf			Toilet, Shower, Lavatory and Secure Lockers
Janitor	1	50 sf	50 sf			
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Medical/Mental Health Cell	1	130 sf	130 sf			
Non-Contact Visitation	2	100 sf	200 sf			
Outdoor Recreation Area		900 sf	0 sf			Not included in cost possible Additive Alternate
Total			2,310 sf	1.50	3,465 sf	
SUBTOTAL					8,790 SF	
BUILDING SERVICES						
Building Circulation, walls, etc.	10%		879 sf			
Mechanical/Electrical	10%		879 sf			
Total			1,758 sf	1.00	1,758 sf	
New Building Space Program Total					10,547 sf	

FUNCTIONAL SPACE PROGRAM and PROJECT COST MODEL
PETERSBURG POLICE STATION - NEW BUILDING
 City of Petersburg, Alaska

SUMMARY - NEW BUILDING OPTION	AREA	QTY	UNIT COST	SUBTOTAL	TOTAL
POLICE DEPARTMENT					
ADMINISTRATION	1,346	sf	\$200 /sf	\$269,100	
DEPARTMENT PERSONNEL	2,562	sf	\$220 /sf	\$563,640	
RECORDS/COMMUNICATIONS	1,417	sf	\$275 /sf	\$389,675	
PRISONERS & JAIL FACILITIES	3,465	sf	\$350 /sf	\$1,212,750	
BUILDING SERVICES	1,758	sf	\$200 /sf	\$351,580	
Building Construction Subtotal	10,547	sf			\$2,786,745
SITE PREPARATION and IMPROVEMENTS					
SITE EXCAVATION and DISPOSAL		30,000	cy	\$10.00 /cy	\$300,000
SITE FILLING		50,000	cy	\$15.00 /cy	\$750,000
CARPORF FOR POLICE VEHICLES		2,000	sf	\$100.00 /sf	\$200,000
LANDSCAPING		1	ls	\$30,000	\$30,000
FENCING		500	lf	\$80 /lf	\$40,000
SITE LIGHTING		10	lts	\$7,500 ea	\$75,000
Total					\$1,395,000
UTILITIES					
WATER SERVICE		1	ls	\$25,000	\$25,000
SEWER SERVICE		1	ls	\$25,000	\$25,000
STORM SEWER SERVICE		1	ls	\$20,000	\$20,000
POWER SERVICE		1	ls	\$40,000	\$40,000
COMMUNICATIONS SERVICES		1	ls	\$20,000	\$20,000
FUEL SYSTEM		1	ls	\$20,000	\$20,000
Total					\$150,000
PARKING AND CIRCULATION					
POLICE DEPARTMENT PARKING	1 space/	26	sp		
Area of Parking spaces at	400 sf of building area	5,274	sf	\$8.00	\$42,190
SITE CIRCULATION	200 sf /space	5,274	sf	\$8.00	\$42,190
1 times parking					
Total					\$84,379
Site Development Subtotal					\$1,629,379

**FUNCTIONAL SPACE PROGRAM and PROJECT COST MODEL
 PETERSBURG POLICE STATION - NEW BUILDING
 City of Petersburg Alaska**

SUMMARY - NEW BUILDING OPTION (continued)	QTY	UNIT COST	SUBTOTAL	TOTAL
Total Estimated Construction Cost (2012 dollars) Escalation 2012-2014	2 yr	3.0% /yr	\$264,967	\$4,416,124
Total Estimated Construction Cost - New Building (2014 dollars)				\$4,681,092
PROJECT COSTS				
Surveying and Geotechnical Investigation, Concept Design		1.0%	\$46,811	
Design and Expenses		10.0%	\$468,109	
Inspection and Testing		5.0%	\$234,055	
Administrative, Permits and Legal Costs		3.0%	\$140,433	
Furnishings		5.0%	\$234,055	
Contingencies		10.0%	\$468,109	
Total				\$1,591,571
Total Estimated Project Cost - New Building (Rounded)				\$6,270,000
Remaining funds from Fire/EMS Facility appropriation to be used for Site Preparation				-\$1,100,000
Funding Request				\$5,170,000

Name of business or organization	City of Petersburg
Legal name if different:	

Petersburg Chamber of Commerce, Inc.
 Box 649, Petersburg, Alaska 99833

MEMBERSHIP APPLICATION

Form of ownership →	Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Non-profit <input type="checkbox"/> Other <input type="checkbox"/>
Name of owner(s)	
Name of Manager	Steve Giesbricht Giesbrecht
Contact person	Steve Giesbricht — Giesbrecht
Business mailing address	P.O. Box 329
Physical address	Main Street, 12 South Nordic
Business phone	772-4425
Business fax	772-3759
e-mail address	
web page address	www.ci.petersburg.ak.us
Number of employees	Full time Part-time Seasonal <input type="checkbox"/>
Primary business	Administration of the community
Committee interests:	<input type="checkbox"/> Economic development <input type="checkbox"/> Tourism <input type="checkbox"/> Membership <input type="checkbox"/> Website <input type="checkbox"/> Retail <input type="checkbox"/> Events
Number of votes: 5	Annual membership investment: \$ 1500.00
Website option:	Website fee: \$ waived
Total	Dues and Website fees -\$

I hereby make application for membership with the Petersburg Chamber of Commerce and do agree to conduct business & community activities in a manner that is keeping with the mission statement. I further agree to uphold & comply with the bylaws & all policies & procedures as may be implemented by the board of directors



**Petersburg, Alaska
Chamber of Commerce
Community Guide**



- [Visitor Information](#)
- [The Town](#)
- [Businesses](#)
- [Community Resources](#)
- [Membership](#)
- [Contact Us](#)

Membership

- [About Us](#)
- [Chamber News](#)
- [Membership List](#)
- [Become a Member](#)
- [Web Listing Policy](#)
- [Members Only](#)

Become a Member of the Chamber

To be eligible for membership in the Petersburg Chamber of Commerce and receive the benefits of membership, applicant must do business in Petersburg and meet three (3) of the following criteria:

1. File a Petersburg sales tax return
2. Have a local physical address
3. Have a local phone number
4. Be a supporter or contributor to Petersburg
5. Have an Alaska business license

The Board reserves the right to consider the value of reciprocating services as a membership consideration

Membership Application

PDF file (75kb)

Word Document (34kb)

Membership Investment:

Classification:	Investment amount	Votes
A Non-business (Individual)	\$50	1
B Business with 1-3 employees*	\$100	1
C Business with 4-7 employees*	\$150	2
D Business with 8-10 employees*	\$250	3
E Business with 11 or more employees*	\$425	4
F Organization — non-business	\$125	1
G Organization — non-profit	\$0	0
H Municipality	\$1,500	5

* Full-time equivalent

2 seasonal workers (employed less than six months/year) equal 1 full-time equivalent

2 part-time workers (less than 36 hour/week) equal 1 full-time equivalent

As used here, the term "employees" includes the owner(s), partners, or managing shareholder(s).