

**AGENDA
FOR THE REGULAR MEETING
OF THE CITY COUNCIL
FOR THE CITY OF THORNE BAY
ALASKA,
COUNCIL CHAMBERS
CITY HALL
TUESDAY
March 1, 2016
6:30p.m.**

**The meeting will be preceded by a workshop beginning at 6:00p.m.
The public is invited and encouraged to attend**

1. CALL TO ORDER:
2. PLEDGE TO FLAG:
3. ROLL CALL:
4. APPROVAL OF AGENDA:
5. MAYOR'S REPORT:
6. CITY ADMINISTRATOR'S REPORT:
7. PUBLIC COMMENTS:
8. COUNCIL COMMENTS:
9. CONSENT AGENDA:

The Consent Agenda includes routine items of business, which may not require separate discussions. When the Mayor calls for public comment on the consent agenda, you may raise your hand and the Mayor will recognize you, asking which item(s) you wish to have removed from the consent agenda for separate discussion and action. Following the removal of any item from the consent agenda, the Council votes on the remaining items in one motion. All items that are removed from the consent agenda will follow the format of Administrative Report, or Public Hearing/Participation and Council Action.

MINUTES:

1. Minutes for the February 16, 2016, Regular City Council meeting, discussion and action item:
10. NEW BUSINESS:
 - A. Appointing one Watershed Representative for Thorne Bay, discussion and action:
 - B. Approval of MOA between the City of Thorne Bay and CCTHITA, for the Thorne Bay Village Public Safety Officer Program, discussion and action item:
 - C. Appointing Teri Feibel as the backup representative for Thorne Bay on the Southeast Solid Waste Regional Authority (SEASWA) program, discussion and action item:
 - D. Resolution 16-03-01-01, adopting the Thorne Bay Waterfront Plan as presented by Dowl, discussion and action item:
 - E. Amendment of SISD Lease of City Property for rental amount reduction, discussion and action item:
 - F. Approval of SISD rental agreement for the use of City Property located on Sandy Beach Road, for the purpose of SISD employee parking, discussion and action item:
11. ORDINANCES FOR PUBLIC HEARING:
 - A. Ordinance 16-03-01-01, amending ordinance 15-06-02-03, establishing the budget for FY16, discussion and action item:

- B. Ordinance 16-03-01-02, amending Title 2-Administration and Personnel, Chapter 2.56-City Property, discussion and action item:
- 12. ORDINANCES FOR INTRODUCTION:
 - A. Ordinance 16-03-15-01, amending Title 17-Zoning, Chapter 17.04-Planning and Zoning, Section 17.04.029-Waterfront development zone, discussion and action item:
- 13. EXPENDITURES EXCEEDING \$2,000.00:
- 14. EXECUTIVE SESSION: The Council May adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the city.
- 15. CONTINUATION OF PUBLIC COMMENT:
- 16. CONTINUATION OF COUNCIL COMMENT:
- 17. ADJOURNMENT:

Posted: February 23, 2016
City Hall (2), A&P, SISD, USFS, The Port, Tackle Shack Thorne Bay School, KRBD

**MINUTES
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TUESDAY
February 16, 2016
6:30p.m.**

The meeting was preceded by a workshop beginning at 6:00p.m.

1. CALL TO ORDER:

Mayor Gould called the meeting to order at 6:30p.m.

2. PLEDGE TO FLAG:

The audience and council stood for the pledge to the flag.

3. ROLL CALL:

Gould, Carlson, Slayton, Burger, Edenfield were present. Hartwell and McDonald attended by phone.

4. APPROVAL OF AGENDA:

Gould moved to approve the agenda. Hartwell seconded the motion. There was no further discussion.

MOTION: Move to approve the agenda

F/S: Gould/Hartwell

YEAS: Burger, Gould, McDonald, Carlson, Slayton, Edenfield and Hartwell

NAYS: None

STATUS: Motion Passed.

5. MAYOR'S REPORT:

No Mayor report was given.

6. CITY ADMINISTRATOR'S REPORT:

City Clerk stated the City Administrator was on vacation.

7. PUBLIC COMMENTS:

Jim Haufe commented on the following:

- City's request for bid for design/construction of new building and hiring licensed contractors to avoid lawsuits
- SISD's plans to expand their bus barn and not being presented to surrounding property owners in the appropriate manner
- Concern that water drainage will go into his yard with the proposed bus barn expansion

Jim McFarland commented on the following:

- Dinner out in Thorne Bay February 18th at 5pm, dinner theme will be Oceans Alaska
- 6pm following the dinner will be Family Fun Night hosted by the Oceans team
- ASC Meeting at 6:30pm, February 18th.
- February 19th High School Basketball Game at 6pm, last home game, concession stands will be open
- September 23rd, 2016, will be the Whale House Rededication Celebration. Expecting over 1000 in attendance, shuttles available with SISD school buses. Canoe landing will be at the Whale House at noon that day, so people should be in Kasaan around 11am.

Melissa Cook commented on the following:

- Just finished EMT 1 classes in Thorne Bay
- Thanked the City for providing the class
- Thanked Cindy Edenfield for all her hard work put in towards the classes
- Happy to be a part of the Thorne Bay EMS Squad

Jesse Drucker commented on the following:

- Thanked the City for the EMT 1 course.

8. COUNCIL COMMENTS:

McDonald commented on the IFA break-in and stated that the suspect had been arrested and the IFA was working on fixing the damage to the fence.

Gould stated he and Wayne Benner would be attending Southeast Conference Mid Session March 14th-17th.

9. CONSENT AGENDA:

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MINUTES:

1. Minutes for the February 5, 2016, Special City Council meeting, discussion and action item:
2. Minutes for the February 2, 2016, Regular City Council meeting, discussion and action item:
3. Minutes for the January 5, 2016, Regular City Council meeting, discussion and action item:
4. Minutes for the December 15, 2015, Regular City Council meeting, discussion and action item:

Gould moved to approve the consent agenda. Edenfield seconded the motion. There was no further discussion.

MOTION: Move to approve the consent agenda

F/S: Gould/Edenfield

YEAS: Edenfield, Carlson, Slayton, Gould, Hartwell, McDonald and Burger

NAYS: None

STATUS: Motion Passed.

10. NEW BUSINESS:

- A. Resolution 16-02-16-01, certifying the Annual Certified Financial Statement of Revenues and Expenditures for the year ending June 30, 2015, discussion and action item:

Gould moved to approve Resolution 16-02-16-01. McDonald seconded the motion. Gould stated the Financial Statement was done in place of auditing. There was no further discussion.

MOTION: Move to approve Resolution 16-02-16-01
F/S: Gould/McDonald
YEAS: Burger, McDonald, Edenfield, Gould, Hartwell, Slayton and Carlson
NAYS: None
STATUS: Motion Passed.

- B. Review of Cultural Resource Investigation of proposed Old Skid Road Subdivision, discussion and action item: This item is what the council requested before signing the subdivision map for Old Skid Road made by the State of Alaska DNR.

Gould stated the City Council had approved the Old Skid Road Subdivision plat on 2 conditions. Gould stated the State had completed the Cultural Resource investigation as requested and felt that it met the City's requirements. Gould stated the second part of the request was to add to the Plat the statement that the City was not responsible for maintenance or building of the roads in the proposed subdivision. Gould stated it was important for prospective buyers to know exactly what they were buying. Carlson stated she felt the survey was adequate. Carlson suggested the City require a study anytime a subdivision is proposed. Carlson stated the waterfront was not addressed in the study because it is not part of the state sale. Waterfront development would be done through a permitting process with the state. There was further discussion.

11. ORDINANCES FOR PUBLIC HEARING:

- A. Ordinance 16-02-16-01, an ordinance of the City Council amending Title 2.28-Elections, discussion and action item:

Gould moved to approve Ordinance 16-02-16-01. McDonald seconded the motion. There was no further discussion.

MOTION: Move to approve Ordinance 16-02-16-01
F/S: Gould/McDonald
YEAS: McDonald, Burger, Carlson, Gould, Hartwell, Slayton and Edenfield
NAYS: None
STATUS: Motion Passed.

12. ORDINANCES FOR INTRODUCTION:

- A. Ordinance 16-03-01-01, amending ordinance 15-06-02-03, establishing the budget for FY16, discussion and action item:

Gould moved to approve Ordinance 16-03-01-01. Edenfield seconded the motion. There was no further discussion. Gould stated the budget was a working document and the City does their best to predict the income and expenditures for the year, but will need modification throughout the year.

MOTION: Move to approve Ordinance 16-03-01-01
F/S: Gould/Edenfield
YEAS: Edenfield, Burger, Hartwell, Carlson, Gould, Slayton, and McDonald
NAYS: None
STATUS: Motion Passed.

B. Ordinance 16-03-01-02, amending Title 2-Administration and Personnel, Chapter 2.56-City Property, discussion and action item:

Gould moved to approve Ordinance 16-03-01-02. Hartwell seconded the motion. Slayton stated he had some concern with doing away with appraisals, and no voter approval for disposal of tidelands. Gould stated not requiring voter approval for tideland disposal was already in the code, the wording was only to clarify. Slayton stated he would meet with Wayne regarding the concerns.

MOTION: Move to approve Ordinance 16-03-01-02
F/S: Gould/Hartwell
YEAS: McDonald, Burger, Edenfield, Carlson, and Gould
NAYS: Slayton and Hartwell
STATUS: Motion Passed.

13. EXPENDITURES EXCEEDING \$2,000.00:

A. Expenditure of \$6,310.00, to Lakeside Equipment for equipment repairs in water/sewer department, discussion and action item:

Gould moved to approve the expenditure of \$6,310.00, to Lakeside Equipment for equipment repairs in water/sewer department. Edenfield seconded the motion. Gould stated this was a necessary expenditure.

MOTION: Move to approve the expenditure of \$6,310.00, to Lakeside Equipment for equipment repairs in water/sewer department
F/S: Gould/Edenfield
YEAS: Burger, McDonald, Edenfield, Gould, Hartwell, Slayton and Carlson
NAYS: None
STATUS: Motion Passed.

B. Expenditure of \$3,045.00 to Moore Medical Education, for ETT-EMT1 Bridge Course, discussion and action item:

Gould moved to approve the expenditure of \$3,045.00 to Moore Medical. Hartwell seconded the motion. Gould stated the EMS budget did not have all the funds needed to cover this expense, but could use occupancy tax money to help cover it. Edenfield stated \$1,245.00 of the expense would be reimbursed from students who attended the class. There was further discussion.

MOTION: Move to approve the expenditure of \$3,045.00 to Moore Medical
F/S: Gould/Hartwell
YEAS: Hartwell, Carlson, Burger, Edenfield, McDonald, Slayton and Gould
NAYS: None
STATUS: Motion Passed.

14. EXECUTIVE SESSION: The Council May adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the city.
No executive session was held.

15. CONTINUATION OF PUBLIC COMMENT:
There were no public comments.

16. CONTINUATION OF COUNCIL COMMENT:
Gould thanked the Council for attending the February 5th special city council meeting. Edenfield thanked the community for getting involved with Fire and EMS. Edenfield stated the City had 10 new EMT's and 15 new Fire members.

17. ADJOURNMENT:
Gould adjourned the meeting at 7:16pm.

James Gould, Mayor

ATTEST:

Teri Feibel, CMC

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is entered by and between, the Central Council Tlingit and Haida Indian Tribes of Alaska, Andrew P. Hope Building, 320 West Willoughby Avenue Suite 300 Juneau, Alaska 99801-9983 ("CCTHITA"), and the City of Thorne Bay, Alaska ("City").

RECITALS

Whereas,

1. CCTHITA is a federally-recognized Indian Tribe, and participates in the State of Alaska's Village Public Safety Officer ("VPSO") Program pursuant to a grant from the State of Alaska, Department of Public Safety, authorized by AS 18.85.670 ("the VPSO Grant Agreement"); and

2. City is an Alaska municipality that has requested CCTHITA to provide VPSO services in its community;

Therefore, in consideration of the mutual covenants and agreements contained in this Memorandum of Agreement, it is agreed that:

AGREEMENT

VILLAGE PUBLIC SAFETY OFFICER.

3. CCTHITA will employ a Village Public Safety Officer (VPSO) to provide VPSO services in the City in accordance with the terms and conditions of the VPSO Grant Agreement.

4. The City will encourage and fully support the VPSO's activities and will encourage and fully support the VPSO's enforcement of the laws of the State of Alaska.

5. The VPSO's will serve as the first level public safety responder in the City, and will provide services appropriate to that role, including law enforcement, fire protection and prevention, water safety, search and rescue, community policing, public safety education, disaster coordination, and probation and parole monitoring, as directed by CCTHITA in accordance with the Grant Agreement.

6. The VPSO's shall not supervise or direct the activities of Tribal Police Officers, Village Police Officers, Municipal Police Officers or any other non-VPSO public safety officers.

SUPERVISION AND WORK SCHEDULE.

7. The VPSO is an employee of CCTHITA and is subject to the Personnel Policies and Administrative Rules and Procedures of CCTHITA.

8. The VPSO will notify the city administrator or city's Public Safety committee President when planning to leave the community.

9. The VPSO Coordinator shall determine the VPSO's work schedule in consultation with City and taking into consideration the City's needs and conditions.

10. The VPSO's work day shall not exceed seven and one half (7.5) hours, nor shall the VPSO's work week exceed 37.5 hours, with two (2) consecutive days off. CCTHITA will only compensate VPSOs for any overtime worked in response to situations involving threats to life or property or under other emergency circumstances.

11. The VPSO's may be placed by the VPSO Coordinator into Temporary Duty Assignments at other locations within the CCTHITA Region, as needed. The City can request that the VPSO not be placed into Temporary Duty Assignments, but the decision of the VPSO Coordinator will be final.

FIREARMS POLICY.

12. In accordance with the VPSO Grant Agreement, the VPSO's will not, except in the case of an emergency, carry a firearm.

OFFICE SPACE.

13. The City agrees to provide safe, sanitary, and secure office space, equipment, and supplies suitable and necessary to enable the VPSO to perform his or her duties, and to provide all necessary utility services for the VPSO's office, including but not limited to heat, electricity, telephone, dedicated fax line and janitorial services. The city also agrees to provide a cell phone to the VPSO to be able to respond to calls after hours or while on patrol. The cell phone is essential.

RESIDENTIAL LIVING QUARTERS.

14. The City agrees to provide a stipend towards the VPSOs living expenses.

15. The stipend will be negotiated between the city, the VPSO and the VPSO Coordinator.

VPSO VEHICLE.

16. The City agrees to provide a suitable public safety vehicle for the VPSO at its expense.

17. The VPSO shall be the only person authorized to operate the public safety vehicle. The vehicle will be kept by the VPSO at the VPSO's place of residence to enable prompt emergency responses.

18. The City responsible, at all times, for maintaining, repairing, insuring and keeping in good working order and providing fuel, oil and other products for the vehicle.

NO WAIVER OF SOVEREIGN IMMUNITY.

19. Nothing in this agreement or the VPSO Grant Agreement is intended, or shall be construed, whether expressly or by implication, as a waiver of CCTHITA's sovereign immunity.

TERMINATION OF AGREEMENT.

20. CCTHITA or the City may terminate this agreement at any time, with or without cause, upon thirty (30) days written notice to the other. If this Agreement is terminated, each party shall only be required to pay for their own expenses that were incurred prior to the effective date of termination.

ENTIRE AGREEMENT AND AMENDMENTS.

22. This agreement is the entire agreement between CCTHITA and the City. Oral changes are not valid. This agreement can only be changed by a written amendment signed by both parties.

DISPUTE RESOLUTION

23. The parties involved agree to meet, discuss, and seek amicable resolution of any dispute between over the content, interpretation or performance of this Agreement.

24. In the event a dispute cannot be resolved through discussions between the parties, the dispute will be placed before a resolution board composed of three individuals who are members of CCTHITA's Member Tribes. One individual shall be chosen by CCTHITA, one shall be chosen by the City and one shall be selected by the other two. The parties agree to follow the decision of the resolution board.

CITY OF _____

_____ Date: _____

By:
It's Authorized Officer

CENTRAL COUNCIL TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

_____ Date: _____

By:
Its Authorized Officer

CITY OF THORNE BAY
RESOLUTION 16-03-01-01

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, SUPPORTING THE
THORNE BAY WATERFRONT PLAN, January 2016, AS PREPARED BY DOWL

WHEREAS, the City Council is the governing body for the City of Thorne Bay, Alaska; and

WHEREAS, the City of Thorne Bay in 2008 began discussions of preparing a Master Plan for the Thorne Bay Waterfront; and

WHEREAS, the City of Thorne Bay received Legislative Grant funding in 2013 to conduct a study of the Thorne Bay Waterfront; and

WHEREAS, the City of Thorne Bay hired DOWL to conduct a study and prepare a conceptual land use plan for the Waterfront from the Sort Yard to the Sewage Treatment Facility ; and

WHEREAS, DOWL gathered input through interviews, public meetings and visual observation over the course of 18 months; and

WHEREAS, DOWL prepared the Thorne Bay Waterfront Plan that provides conceptual land use ideas for existing and future uses of the Thorne Bay Waterfront; and

WHEREAS, the City of Thorne Bay in conjunction with DOWL revised the Waterfront Development Zoning Ordinance to reflect the Thorne Bay Waterfront Plan; and

WHEREAS, the City of Thorne Bay requested the preparation of a conceptual plan and guidelines for the current and future uses of the Waterfront.

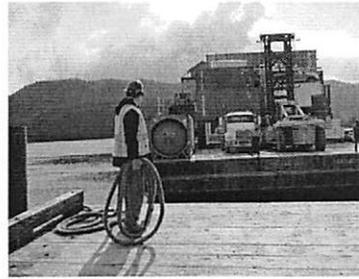
NOW THEREFORE BE IT RESOLVED that the City Council for the City of Thorne Bay hereby supports the Thorne Bay Waterfront Plan, January 2016, as prepared by DOWL.

PASSED AND APPROVED: March 1, 2016

James Gould, Mayor

ATTEST:

Teri Feibel, City Clerk



Thorne Bay

Waterfront Plan

January 2016



Prepared for: The City Of
Thorne Bay
Alaska

Thorne Bay Waterfront Plan



Table of Contents

Section 1, Executive Summary	Page
The Sort Yard _____	1
The Trans-Shipment Area	1
Commercial Properties Adjacent to the Trans-Shipment Area _____	2
City Center and Harbor Area	2
54-Acre DNR Tract	2
Section 2, Overview	Page
Background _____	3
Why the Study?	3
Goals _____	3
Study Team	4
Section 3, Public Participation	Page
Stakeholder Meetings _____	4
Community Meetings	4
On-Line Survey _____	4
April Workshop Finding	4
Section 4, Project Process	Page
Phase 1, Inventory and Analysis _____	5
Phase 2, Development of Alternatives and Waterfront Zones	5
Phase 3, Draft Waterfront Plan _____	5
<i>Opportunities and Constraints Diagram</i>	6
Section 5, Findings and Options	Page
Pedestrian and Vehicular Access _____	7
Parking	7
Harbor _____	7
The Trans-Shipment Yard	7
Relationship to the Waterfront _____	7
Flight Operations	7
Funding for Community Operation and Construction _____	8
Image	8
City-Owned Commercial Land _____	8
54-Acre DNR Parcel	8
Derelict Properties _____	9
Harbor Area Improvements	9
Improve Pedestrian Pathways _____	10



Thorne Bay Waterfront Plan

Table of Contents

Section 6, Recommendations	Page
1. Pedestrian Improvements _____	10
2. Trans-Shipments Area _____	10
<i>Preferred Alternative Diagram</i> _____	11
3. Community-Owned Commercial Property _____	12
4. Develop a Community Float Plane Facility _____	12
5. Develop a new Community Park on the Waterfront _____	12
6. Focus New Development within the Community Core _____	13
7. Develop a Small Commercial Zone Near the Harbor _____	13
<i>Diagram A, Commercial Development on Fill</i> _____	14
<i>Diagram B, Commercial Development on Floats</i> _____	15
8. Maintain Plans for Improved City Hall and Library _____	16
9. Prepare for Future Harbor Expansion _____	16
<i>Harbor Diagram</i> _____	16
10. Improve and Organize Parking Near the Harbor _____	16
<i>Parking Diagram</i> _____	17
Other Important Considerations	
Market the Waterfront _____	17
Business Creation and Retention _____	17
Section 7, Final Overview	Page
Next Steps _____	18



Thorne Bay Waterfront Plan



Executive Summary

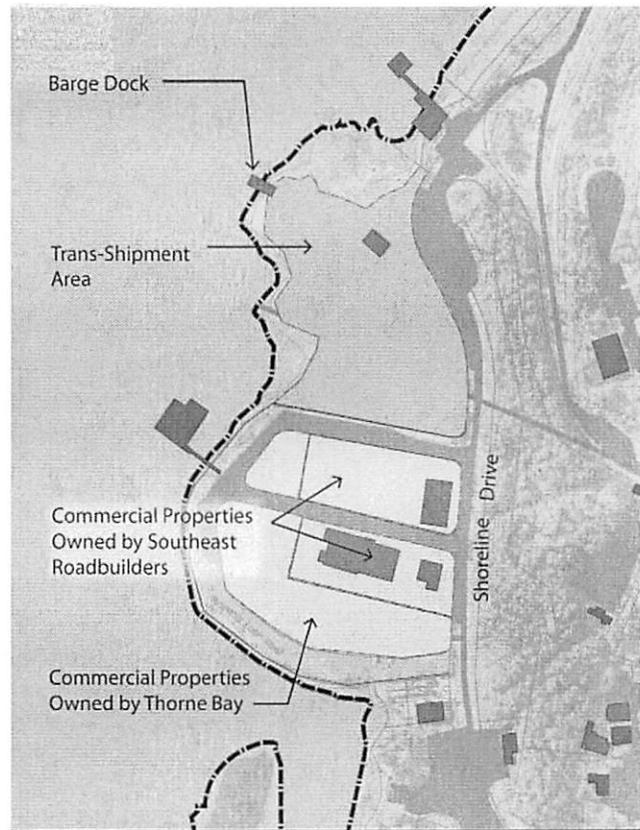
For a community the size of Thorne Bay, the developable waterfront is extensive. It encompasses the sort yard in the north, the trans-shipment area further south, a commercial/industrial zone immediately adjacent to the sort yard, the harbor area (community center), Deer Creek, Deer Creek Subdivision, and a 54-acre Department of Natural Resources (DNR) tract to the south of that. Not all of these areas are included for consideration in this plan. The Deer Creek area and the Deer Creek subdivision are in private hands and well-established. They have not been considered for change as part of the Waterfront Plan. The other areas of the waterfront offer a range of opportunities.

The Sort Yard

The sort yard encompasses approximately 7 acres and is situated adjacent to a larger tract of Forest Service land. The Thorne Bay tract is large enough to support some industrial uses and is appropriate for this use. The City of Thorne Bay should continue to lease this land, when the opportunity avails itself for uses that support community jobs and provide additional income. This land is separated enough from the community that it is not readily visible and industrial uses are unlikely to impact other uses.

The Trans-Shipments Area

The trans-shipment area is privately owned and serves as the freight port for the entire Prince of Wales Island. Like ports in any location, this area of the waterfront is an economic engine for the community. It supports local jobs and brings visitors from all over the island to pick up shipments of goods. Some residents have suggested that the trans-shipment area should be relocated to the sort yard so the area could



Trans-Shipments Area and Commercial Area

develop for commercial uses that are more compatible with the rest of the community. The presence of a trans-shipment area in the heart of the community is not unusual in Southeast Alaska. Similar facilities can be found in Ketchikan, Wrangell, and Petersburg.

The sort yard is not large enough to support trans-shipment operations and it currently has no infrastructure that would support such a move. There are additional implications with maneuvering the barges that make the Sort Yard less advantageous than its current location. The cost of relocation would be very large and the shipping company, facing such a move, would very likely investigate other locations as alternatives.

Thorne Bay Waterfront Plan

The City of Thorne Bay should embrace the presence of the trans-shipment area and the economic benefits it provides. Concerns about the appearance of the area are valid and should be addressed with the property owners.

Commercial Properties adjacent to the Trans-Shipment Area

The commercial areas adjacent to the trans-shipment area were once entirely owned by the City of Thorne Bay. The area has been subdivided and utility improvements have been provided to the area with hopes of selling all of the properties. A portion of this subdivided land has been sold to Southeast Road Builders and is currently used for staging and storage of construction equipment.

Some members of the community suggest that this semi-industrial/commercial use is not appropriate for an area where the community hoped to encourage more retail development, compatible with the adjacent residential portion of town.

This plan recommends the City of Thorne Bay maintain ownership of the remaining parcels and lease the land for future uses. This allows the City of Thorne Bay to maintain control and flexibility for how these lands are used in the future. Additionally, because there is no property tax in Thorne Bay, leasing the land offers a revenue source that would not be available if the property was sold outright. There is not enough commercial demand at this time to warrant retail development of these properties, but other uses that are semi-industrial in nature could provide revenue until such time as commercial development might become feasible.

City Center and Harbor Area

The City Center and harbor area offer the greatest opportunities for shaping the future

character of Thorne Bay. This area is close to the residential portion of town and proposed improvements would be within close walking distance of the harbor. Key projects include:

- Physical and operational improvements to support better parking in the harbor area
- Development of a community waterfront park
- Development of a small commercial area on tideland fill, or alternatively a combination of fill and floating commercial development (float-home type of development)
- Development of connecting trails and walkways
- Harbor expansion
- Improvements to support air transportation into Thorne Bay

54-Acre DNR Tract

The large tract located south of the sewage treatment plant could be acquired by the City of Thorne Bay and offers an opportunity for development of a waterfront park (might include RV parking) and residential development.

Thorne Bay Waterfront Plan



Overview

Background

The city of Thorne Bay is located on the east side of Prince of Wales Island (POW), on Thorne Bay, about 38 miles northwest of Ketchikan. Thorne Bay occupies 30.4 square miles and most of the surrounding land is within the Tongass National Forest, managed by the United States Forest Service (USFS). The City of Thorne Bay is the second largest land owner within city boundaries.

Access to Thorne Bay is typically by float plane or boat. Thorne Bay is connected by road to other POW communities, including Hollis which is served by the Inter-Island Ferry Authority. Marine barge service is available on a weekly basis and small passenger cruise ships make at least weekly stops in Thorne Bay during the summer months.

Thorne Bay originally began as a logging camp for the Ketchikan Pulp Company (KPC) in 1960. During the 1960s and 1970s it was the largest logging camp in North America and in 1982 Thorne Bay incorporated as a second-class city. In 2001 KPC finished their final timber sale obligations and ceased operations. Logging and timber operations are no longer the heart and soul of Thorne Bay and the community economy has transitioned to other income sources. Tourism and lodges are big draws for the city and the community has developed the reputation as a great place to retire.

Why the Study?

The city's strongest asset is arguably its waterfront holdings. The city owns approximately 15 acres of waterfront property, including 6 acres in the Downtown Business District Subdivision, 7 acres at the sort yard,

the harbor, and a variety of other properties with the potential for economic development.

Plans have been developed for some of these properties, with a significant commitment of city funds toward infrastructure improvements. To date, the city has seen little return on its investment. This plan addresses these properties and the waterfront comprehensively with an eye toward a longer term management and development strategy. Preparation of this plan provides improved opportunity to tap other funding sources for implementation of recommended capital projects.

Thorne Bay competes with all of the other communities on Prince of Wales Island to attract local development and visitors. Development opportunities in the current economic climate of Prince of Wales Island are limited. This master plan is intended to provide the City of Thorne Bay with the flexibility to adapt to economic opportunities that cannot now be predicted. The plan also provides guidance for transitioning from Thorne Bay's lumber camp aesthetic toward a place that better appeals to the visitor industry.

Goals

This waterfront plan will:

- Guide development over the next ten to fifteen years, identifying feasible capital projects that provide good value to Thorne Bay
- Establish guiding principles for use of community-held property
- Provide recommendations for an improved image that supports Thorne Bay's growing tourism based economy.

- Where reasonable, identify operational changes that would strengthen the connection of the community to its waterfront

Study Team

DOWL, a multi-disciplinary planning and engineering firm, worked with the City of Thorne Bay to develop this Waterfront Master Plan. The plan is community driven and the role of DOWL was to capture the community's vision for the future. This was accomplished through stakeholder interviews and public meetings. City Administrator, Wayne Benner, provided background on the community's history and future needs, as well as extensive knowledge of local development codes, challenges, and opportunities.



A combination of public meetings and stakeholder interviews provided public input to the project.

Public Participation

Meaningful public participation is critical to the success of a community plan. Funding for implementation is often dependent on public support. Two public meetings and a series of stakeholder interviews were held as part of the Thorne Bay Waterfront Master Plan process. An electronic survey was also conducted to reach a wide array of residents.

Stakeholder Meetings

The Study Team met with various stakeholders, including local business owners, the school district, the harbor master, and the City Council to identify critical community needs and desires for future development.

Community Meetings

Two community meetings were held as part of the Waterfront Master Plan process. The meetings were organized in a work shop style format where attendees participated and contributed to the discussion. Notices of the public meetings were advertised through announcements at City Hall and by hanging flyers at key locations throughout Thorne Bay.

On-Line Survey

An electronic survey through Survey Monkey was conducted to collect information from a wider audience. Advertisement of the survey with instructions on where to go to complete the survey was sent out in all Thorne Bay residents' utility bill.

April Workshop Findings

Based upon previous site investigations, stakeholder interviews, initial work shop findings, and survey results, two draft waterfront development alternatives were prepared and presented to the City Council and to the public on April 22, 2015.

A separate presentation was made to the engineering and entrepreneurial class at Thorne Bay School on April 23, 2015. An in-class exercise was conducted with students during school hours. The same evening a second public workshop was held at City Hall. During this visit, a number of stakeholder interviews were conducted. These included discussions with the Mayor of Thorne Bay and multiple business owners. It became apparent during the second public workshop that support was strongest for the "concentrated

Thorne Bay Waterfront Plan

development” alternative. This alternative focused development in or near the harbor area.

Project Process

Development of the waterfront plan was broken into three phases that included:

- **Phase 1, Inventory and Analysis**
- **Phase 2, Development of Alternatives and Waterfront Zones**
- **Phase 3, Development of Draft Waterfront Master Plan**

Phase 1, Inventory and Analysis

During this phase, community information and data was collected to document existing conditions for the waterfront area. The study team researched existing plans, land use code, and inspected the waterfront areas in person. The first public meeting provided an opportunity to collect community input and to verify the data gathered. This phase was summarized with a Community Investigation and Workshop Summary Memorandum. The document detailed the general background of the project, summarized initial community input, set goals for the Thorne Bay Waterfront Master Plan, and laid out next steps. The combination of data gathering and feedback from the community led to development of the opportunities and constraints diagram.

Phase 2, Development of Alternatives and Waterfront Zones

Based on information gathered in Phase 1, two alternative waterfront plans were developed. One established a new community center in the north commercial area and the other focused any new development near the harbor. This was referred to as the “concentrated

development alternative”. The length of the waterfront was divided into seven waterfront zones and specific recommendations were provided for future development in each zone. This phase concluded with the second public meeting, focused on waterfront plan alternatives.

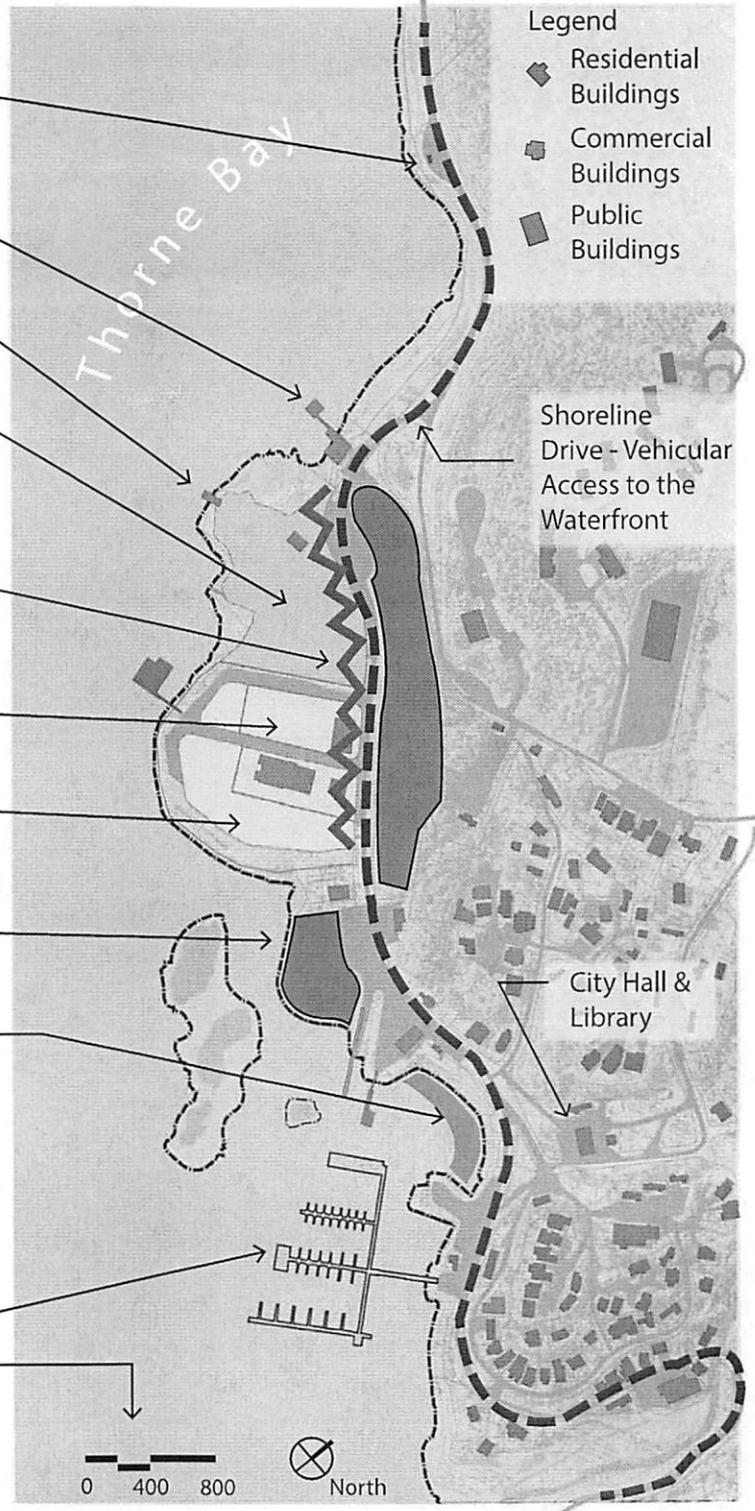
Phase 3, Draft Waterfront Master Plan

During this phase, all of the findings, community feedback, and recommendations were brought together into a Draft Thorne Bay Waterfront Master Plan. The project team returned to Thorne Bay and presented the draft at the August 4 City Council meeting, where the council and community had a final opportunity to comment on the findings and recommendations of the plan.

The City Administrator maintained responsibility for incorporation of final comments. With incorporation of comments, the plan was completed in January of 2016.

Opportunities and Constraints Diagram

- 1 The Sort Yard
Approximately 7 acres of land, City-owned and suitable for industrial uses, located at the head of the bay.
- 2 The Claw
Point of interest and community destination
- 3 Float Plane Arrival Point
- 4 Barge Dock
Activity hub
- 5 Trans-shipment Area
Lots of shipping containers. A lot of activity on days when barges arrive
- 6 Conflict Area
This area conflicts visually and functionally with the adjacent street.
- 7 Southeast Road Builders Inc. Property
- 8 Community-Owned Commercial Area.
Potential for future development
- 9 Community-Owned Waterfront
Potential Community Park
- 10 Possible Fill or Floating Commercial Development
Fill into the bay in this location would allow small-scale marine commercial development with associated parking. An alternative could be development of floating commercial facilities
- 11 Small Boat Harbor
- 12 54-Acre DNR Tract
Large tract of developable land may be available to the Thorne Bay Community



Thorne Bay Waterfront Plan



Findings and Options

Pedestrian and Vehicular Access

Vehicular access throughout the community, and particularly in the waterfront area, appears to meet community needs. Pedestrians tend to walk in the roadways, which in most areas is acceptable. Near the industrial area, however, there can be a lot of large commercial vehicle activity. Pedestrian safety and comfort are impacted in these areas. The community would benefit from improved pedestrian facilities from the harbor north. This could include pathways that extend into the proposed community park. A walkway could also take advantage of a 50-foot platted roadway adjacent to the waterfront on the perimeter of the commercial property. A continuous pathway from the harbor to the "claw" will improve safety and comfort for both residents and visitors who may be walking in the community.

Parking

Parking near the harbor is sometimes congested due to the amount of 72-hour parking available. Residents from the south side of the bay often leave vehicles in the immediate vicinity of the harbor when they go home to the other side. Local guiding outfits provide their clients with vehicles, which may also be parked close to the harbor when guests are out on excursions. Parking could be improved for harbor users through a combination of both physical and operational improvements described in the recommendations section of this document.

The community would benefit from establishing long-term parking at a location separate from the harbor waterfront, to better accommodate short-term parking closer to the harbor. A possible location would be the

area behind City Hall. A combination of permit parking and preferred parking for golf carts or ATVs could also be considered at some locations close in to the harbor ramp. The purpose for the proposed changes is to ensure that parking is available for shorter term use near the harbor.

Harbor

As of this year, the harbor has become fully leased and in coming years a waiting list will likely be required to accommodate those desiring a slip. The harbor is currently adequate to support the needs of the community and boating visitors. Based on a better understanding of the harbor and the types of boats most commonly used, the existing harbor could be modified to accommodate more boats without a great deal of expense.

The Trans-Shipment Yard

The trans-shipment yard provides local jobs and brings other islanders into Thorne Bay to pick up goods. This is a very important asset to the community and the City of Thorne Bay could look for ways to build a stronger relationship with trans-shipment operations.

Relationship to the Waterfront

Thorne Bay could gain a better link to the waterfront through improved community access. There is strong community support for a waterfront park and there is a suitable location.

Flight Operations

Flight services are vital to Thorne Bay. This service supports the local tourism business and brings mail. Additionally, it is the means by which most local residents come and go.

Thorne Bay could do more to simplify flight operations by ensuring that freight

Thorne Bay Waterfront Plan

and passengers can be easily transported between the water level and the upper level of the community. One way to accomplish this would be for the City, in conjunction with service providers to develop a facility that could accommodate all of the carriers at one location.

Funding for Community Operation and Construction

Thorne Bay's primary source of funding for projects is through sales tax, which can be supplemented with federal and state funds. Taxes provide Thorne Bay an average income of approximately \$300,000 dollars. Thorne Bay does not charge property tax and significant tax relief is provided for senior citizens and new development. In essence, Thorne Bay is property rich, but cash poor.

Image

Thorne Bay started as a logging camp and traditionally has served the logging industry. A commercial fishing industry was never developed, so when the timber industry declined the maritime emphasis shifted to tourism and visitor services.

Due to steep topography, the north side of Thorne Bay has limited developable waterfront land for commercial and industrial use. While the sort yard is relatively flat, uses are limited due to lot size, and the use of the area for a heliport.

Some residents raised the issue that current waterfront uses are unattractive to visitors and may impact tourism. With deep roots in the logging industry, however, Thorne Bay appears tolerant of industrial uses and noise, and of a logging camp esthetic. Thorne Bay is an authentic southeast Alaskan community and it is acceptable to highlight local industrial activity, rather than hide it. As outsiders with an eye toward making communities more

attractive, we found Thorne Bay to present an image of an honest, hard-working Alaskan town.

There are opportunities to improve the general appearance and function of the Thorne Bay waterfront without the costly need to relocate uses that are currently there.

City-Owned Commercial Land

The sale of commercially-zoned land to Southeast Road Builders, Inc., has impacted the community in at least a couple of ways. The community perception is that this semi-industrial activity discouraged the relocation of the local grocery store to this location. The semi-industrial use of equipment storage is incompatible with the adjacent community. Secondly, sale of this property eliminated any future control the city might have on how this property develops. (Note that the transshipment activities in this area may be as much a discouragement as Southeast Road Builders, Inc., and may in fact be the reason that industrial businesses have not located in the area).

The current lease of city-owned commercial property to Southeast Road Builders, Inc., is appropriate. The city is getting some return on the property, which is better than having the property sit idle, even if the use is not entirely compatible with adjacent land uses.

Alternatively, Some residents feel that the City of Thorne Bay should stay out of the real estate development business as past forays into real estate development have not been particularly successful.

54-Acre DNR Parcel

The City of Thorne Bay should acquire and develop (perhaps jointly with a real estate developer) the 54-acre parcel currently owned

Thorne Bay Waterfront Plan

by the State of Alaska Department of Natural Resources (DNR), south of the sewage treatment plant. This property could provide a location for an RV campground, a community park and residential development.

Derelict Properties

Local tax structure provides little reward or incentive for property owners to keep their properties in good shape. No land codes are in place that would enforce improvements. The City's only means to handle derelict properties is to declare a property dangerous and then have the structure removed. This is a relatively extreme measure that takes significant time and has demanding standards. This process does not allow derelict properties to be addressed until after they become eyesores and safety hazards. This has a land-use impact because derelict properties impact the value of properties that are adjacent.

Harbor-Area Improvements

There is some discussion of change (retaining walls, etc.) in the vicinity of the harbor to better facilitate parking and other uses. There is also discussion of filling some portion of the waterfront near the harbor area for commercial use. This area is really the heart of the community, and these improvements should be done with an eye toward long-term sustainability and appearance (improvements should be attractive and highly durable).

Expanded commercial activity in the harbor area would be highly beneficial to the City. One of the few sources of revenue is sales tax and expanded commercial development would support an increase in revenue. To that end, this plan supports maintaining the flexibility that would allow development to occur in this area under different development scenarios. A range of possible development alternatives include:

- Extend a fill pad into the harbor that is extensive enough to accommodate all parking and construction of any buildings
- Extend a smaller fill pad into the harbor to accommodate parking, but place any new facility construction on pilings.
- Extend the smaller fill pad into the harbor for parking, but construct any commercial facilities as floating buildings connected to docks. These facilities might include dwellings in an upper story.

Key Concepts

Harbor Area

Address issues and opportunities associated with parking, harbor expansion, and fill pad for commercial development in the harbor area. This is compatible with the over-arching theme of concentrating development.

Create a new Community Park on the Waterfront

Establish a new community park in the vicinity of the boat ramp that takes advantage of the waterfront location. The proposed park could include features such as a covered pavilion, a playground, a small beach, and a bridge to the adjacent island. The new park will still accommodate parking associated with the boat ramp.

Maintain Ownership of Existing Commercial Properties

The commercial properties currently owned by the City of Thorne Bay should remain in city ownership. Explore opportunities to enter into development partnerships that promote community goals and provide local employment.

Trans-Shipment Area

The trans-shipment area is a key asset to the community. Maintain a good working relationship with the owner and look for opportunities to ensure a continued presence.

Improve Pedestrian Pathways

Provide improved pedestrian links between the harbor and the “claw” in the north. This could include links to the new park and possibly around the outside of the commercial property within the dedicated right-of-way. This pedestrian link would improve safety for both residents and visitors and could provide an opportunity to tell the story of Thorne Bay.

Recommendations

A comprehensive look at plan recommendations can be seen on the adjacent preferred alternative plan. Key considerations of the plan are described below.

1 Pedestrian Improvements

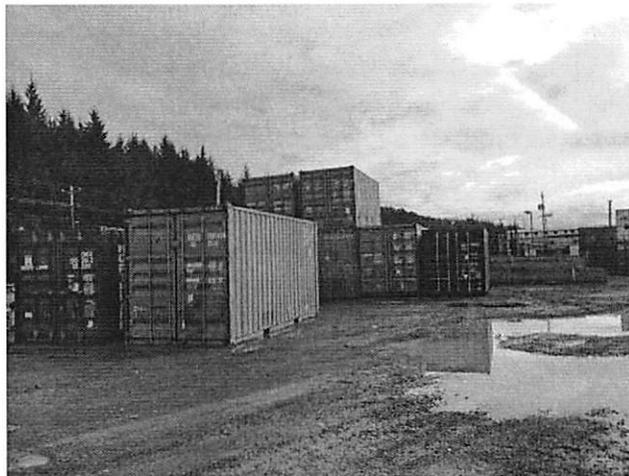
An improved pedestrian path system from the harbor to the “claw” would improve safety and comfort for those walking in the community. The Claw is a focal point in Thorne Bay and for those who arrive by boat it is about a 20-minute walk from the harbor. The walk would be especially helpful where it passes by the trans-shipment area, which is identified as a pedestrian conflict zone on the Opportunities and Constraints Diagram.

Pedestrian trails designed to meet ADA accessibility standards typically require excavation, gravel backfill, and two or four inch asphalt paving. In Thorne Bay, construction of pathways might be phased to include bed preparation and placement of compacted gravel. When the opportunity arises as a result

of other nearby construction, the trail could be finished with asphalt paving. Location of proposed trails can be seen on the Draft Plan. For estimating purposes, trails construction in Thorne Bay would cost at least \$120 per linear-foot to construct, if contracted through a bidding process. It may be possible to construct a trail through a community volunteer effort or means outside of a typical public bid process, which would lower the cost substantially.

2 Trans-Shipment Area

The trans-shipment yard is an important component of the community. It provides local jobs and brings other islanders into Thorne Bay to pick up goods. A number of local residents have commented on the unsightly character of the area and have even suggested it be relocated. This is unlikely due to cost and this plan recommends looking for ways to reinforce the relationship between the facility and the community.

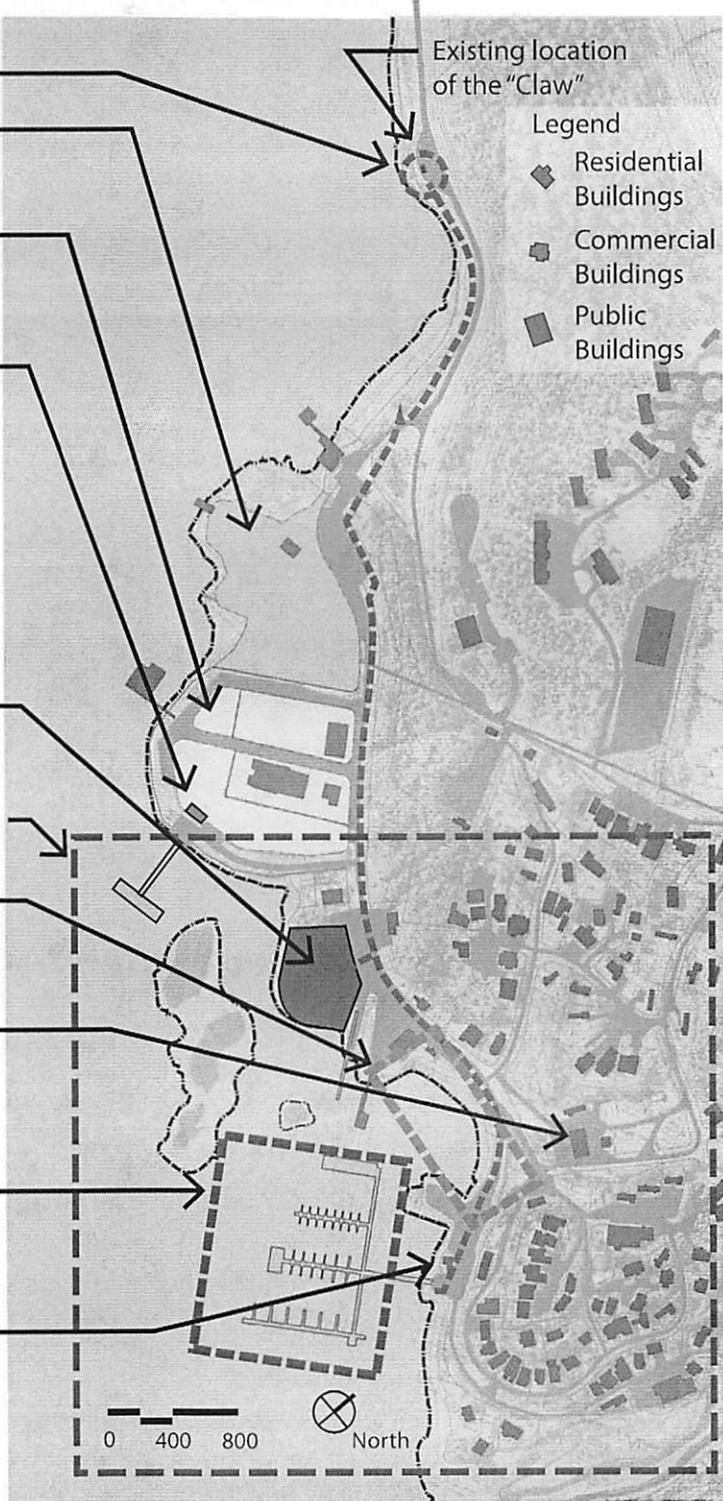


The Trans-Shipment Area is an important economic driver in the community, but screening or other means of improving the yard's appearance might better integrate the yard with the rest of the community.



Preferred Alternative, Constrained Development

- 1 Construct new pathway from the harbor area to the "Claw"
- 2 The trans-shipment area stays in its current location and continues to function as it does today
- 3 Community-owned commercial property is maintained in public ownership and leased to best serve community goals.
- 4 Develop a float plane facility that would serve all carriers with good accessibility and the means of moving freight from the dock to the uplands
- 5 Develop new community park with amenities such as a covered pavilion, picnic tables, landscaping, and interpretive displays about the community. Consider fill between the island and the mainland and construction of an artificial beach
- 6 Focus new development in Thorne Bay to the community core area
- 7 Develop a small commercial zone near the harbor. See commercial zone alternative diagrams for possible ways to accomplish this
- 8 Maintain plans for construction of the new library and improved city hall. This will reinforce the town core and keep these facilities within easy walking distance
- 9 Prepare for future harbor expansion. See harbor diagram for recommended improvements
- 10 Improve and contain parking near the harbor area. Consider a 4-wheeler parking area and long-term parking near the City Hall



3 Community-Owned Commercial Property

For many communities, there is a strong disincentive for the City to own property because it removes property from property tax rolls and reduces revenue. This is not the case for Thorne Bay. Thorne Bay has no property tax and leasing of City-owned property is one of the few reliable ways for the City to obtain revenue in support of City needs. Thorne Bay should maintain ownership of publicly held property and seek leases that are beneficial to the community. This is especially true for waterfront property.

4 Develop a Community Float Plane Facility

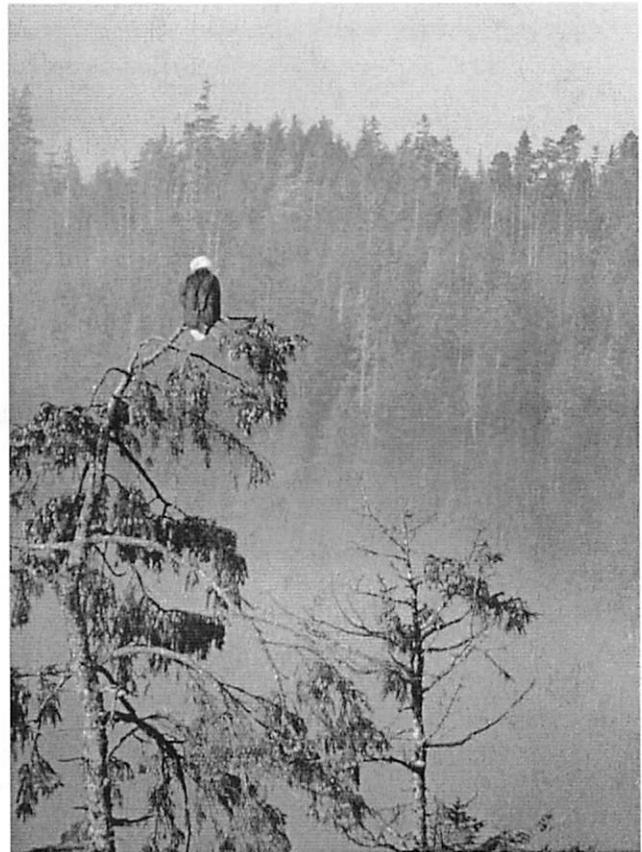
Working in concert with float plane transport companies, develop facilities/lease space that would better support float plane passengers and freight into and out of Thorne Bay. Such a facility might be located on the proposed commercial zone, or it might be situated where shown on the plan. This would be the city-owned commercial property adjacent to the trans-shipment area. A blow-up of the proposed area can be seen on the two commercial zone alternative diagrams. A community-owned float plane facility would provide passenger waiting, offices, parking and ensure an ability to move freight and luggage from the upper area down to the waters edge.

5 Develop a New Community Park on the Waterfront

Establish a new community park in the vicinity of the boat ramp that takes advantage of the waterfront location. The proposed park could include features such as a covered pavilion,

a playground, a small beach, and a bridge to the adjacent island. The new park could still accommodate parking associated with the boat ramp. The park would benefit both the community and any visiting boaters, as the park would be within a short walking distance of the harbor.

The High School shop class has indicated an interest in constructing a pavilion and the class has a good track record of completing similar projects.



The island adjacent to the proposed park is a favorite roost for Eagles.

6 Focus New Development Within the Community Core

The Thorne Bay Waterfront Plan calls for focusing development within the community core as shown on the plan diagram. Keeping the most sought-after components of the community within the core ensures that both visitors and residents can easily access them on foot. Within this area, the plan calls for encouraging commercial development, improvements to City Hall and a new library, development of a community park, improved parking, expanded harbor development, and a new facility that would support air taxi and freight services.

7 Develop a Small Commercial Zone Near the Harbor

As noted earlier there is a desire to reserve an area near the harbor, as shown on the plan, for development of a commercial zone. The demand for commercial services in the City of Thorne Bay is limited simply by the size of the population base, but with tourism increases during the summer months commercial services that cater to visitors could be a viable enhancement for the community. This area was previously permitted for fill to develop a gravel pad that could be leased for development. That permit expired before the City could complete any of the work.

This plan identifies the location as desirable for commercial development, but calls for flexibility in how that might be accomplished. The previous idea of filling out into the bay might still be the most economical way of accomplishing the goal, but this might also be accomplished by using a combination of fill for parking with construction of buildings on pilings. It might also be accomplished by constructing new dock facilities on the water and using float-home style construction that could provide retail

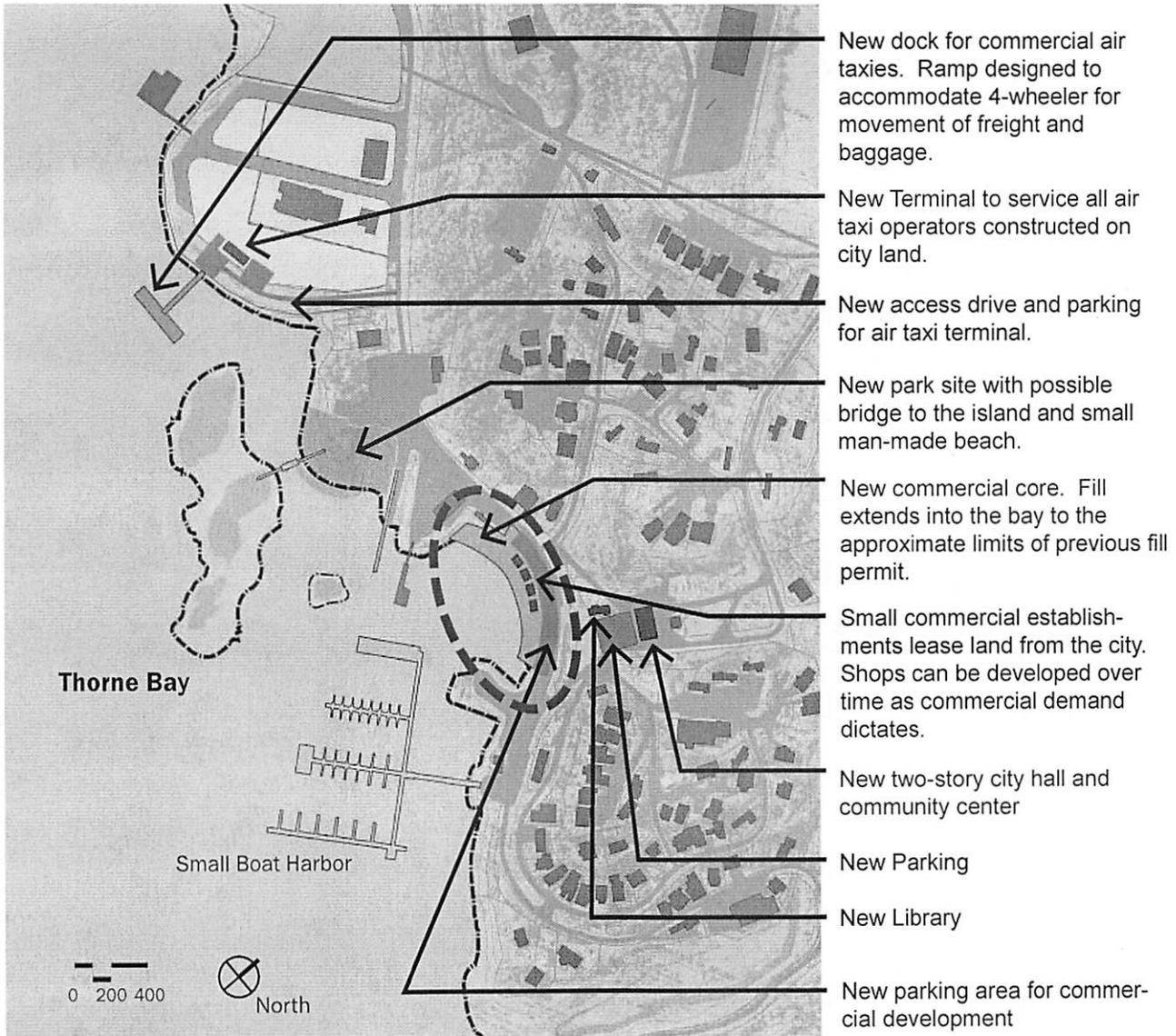
at the water level and housing or guest accommodations above. Flexibility is important in Thorne Bay because the community has to be opportunistic in encouraging growth and new development.



Example of commercial development at the harbor in Seward Alaska. Parking is situated on fill and the commercial buildings have been constructed on piles.

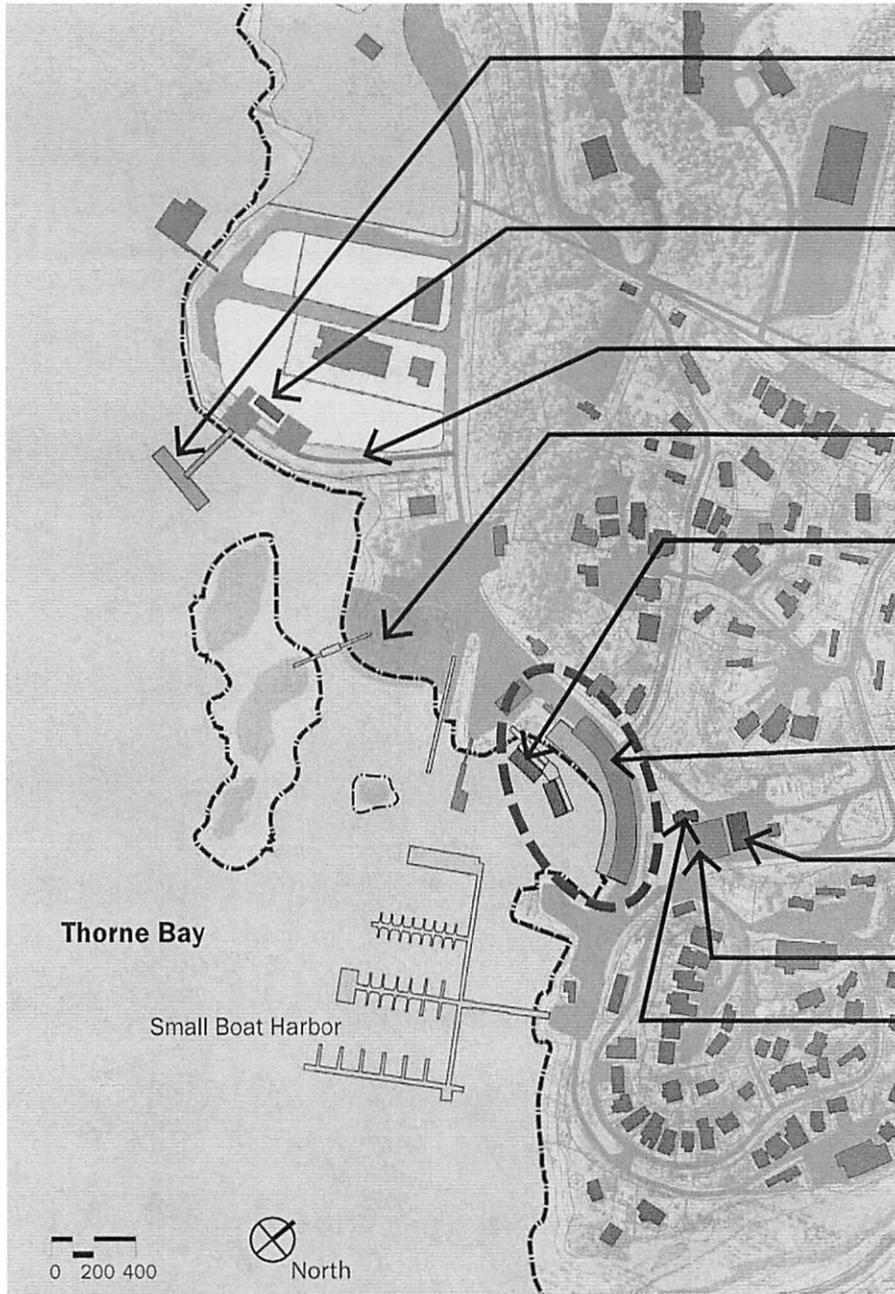


Float homes in Washington State provide an idea of what floating commercial development might look like within the commercial zone of Thorne Bay.



Thorne Bay Waterfront Plan Core Development Concepts

Concept A Commercial Development on Fill



New dock for commercial air taxis. Ramp designed to accommodate 4-wheeler for movement of freight and baggage.

New Terminal to service all air taxi operators constructed on city land.

New access drive and parking for air taxi terminal.

New park site with possible bridge to the island and small man-made beach.

New commercial core. Commercial establishments lease land from the city. Shops are on floats and connected to shore with a ramp. Structures could support residential use above.

Fill area is limited to what is required to establish added parking.

New two-story city hall and community center

New Parking

New Library

Thorne Bay Waterfront Plan Core Development Concepts
Concept B, Commercial Development on Floats

8 Maintain Plans for Improved City Hall and Library

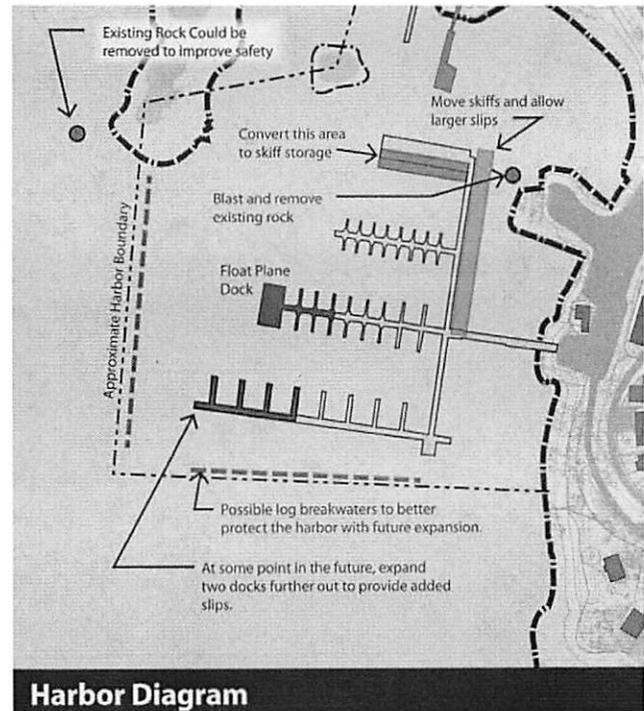
Plans have been prepared to construct a new library along with improvements to City Hall. These plans include realignment of roads in the vicinity and significant excavation, which could be used for the fill area. The combination of these improvements with the fill area and harbor improvements will help to reshape this area in general and create a new town center.

9 Prepare for Future Harbor Expansion

For the first time since construction, the Thorne Bay harbor was fully leased out in 2015. Although the harbor is now full, it currently meets local needs. It is worthwhile at this time to consider options for harbor expansion. There are some things that could be accomplished without great expense that would add capacity. In the longer term, expansion could be accomplished by extending two of the docks as shown on the attached diagram.

Relocation of skiff moorage would allow more secure storage of skiffs (reduced concerns about filling with water) and free up the protected area near shore in support of slightly larger boats. Removal of the rock near the grid would allow larger boats to maneuver on to the grid and to reach the new slips near shore.

In the longer term, the addition of log breakwaters would increase the security of the marina and encourage people to slow down in the harbor.

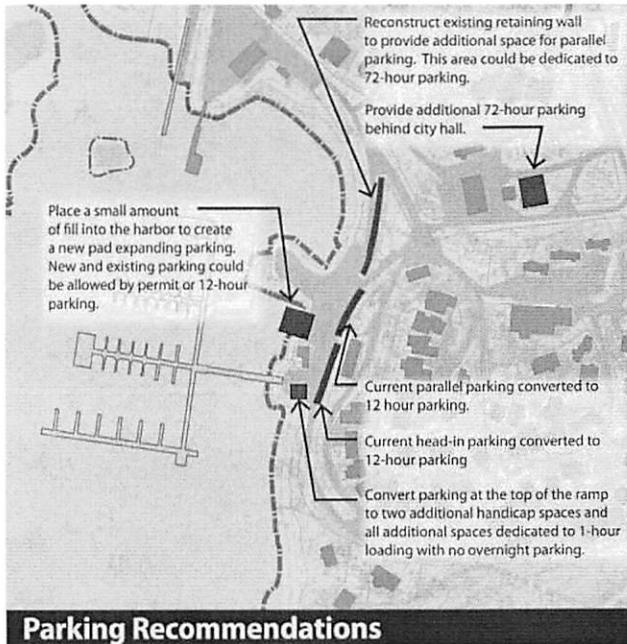


Harbor Diagram

10 Improve and Organize Parking Near the Harbor

Parking recommendations include a combination of physical improvements and operational changes to provide more short-term parking in the immediate vicinity of the harbor. Improvements/changes include:

- Provide only handicap parking and short-term (1-hour) parking for loading at the top of the ramp. Disallow overnight parking except in the handicap stalls.
- Change the time allowed for the head-in parking immediately across from the harbor office from 72 hours to 12 hours.
- Construct a new parking pad with a small fill into the harbor adjacent to the harbor master's office. This area could be permit parking for marina residents or additional 12-hour parking.



- Reconstruct the retaining wall below the playground at City Hall to provide added room in support of parallel parking. This area could support longer term 72-hour parking or permit parking.
- Establish an area behind City Hall that could support 72-hour parking.

Other Important Considerations

Market the Waterfront

There is currently little done to market the harbor to potential visitors that might not otherwise know about Thorne Bay. Develop a brochure and marketing materials that could be included in other publications.

Create a web site or a page on your web site, to market the waterfront. The City's current site is being updated and this effort could be included as part of the current update. This could be used to increase visitorship to the site. Also consider advertising waterfront availability in Alaska business publications, through social media, etc.

Business Creation and Retention

Work to ensure business creation and retention. There is the potential for both value-added timber and value-added fish products to be produced in Thorne Bay. Set up one-on-one counseling sessions with existing and potential business owners. Organizations such as the Small Business Administration provide this service for free or at nominal rates. Consider developing a Downtown Business Association or Downtown Management Authority charged with enforcing parking, maintaining the streetscape (i.e. collect litter, report abandoned vehicles and boats, etc.), and marketing the commercial district.

Final Overview

This Thorne Bay Waterfront Master Plan is a dynamic document that reflects the available opportunities and resources at a specific period of time. Recommendations should be evaluated and revised as necessary to ensure future opportunities are not overseen.

Next Steps

There are a number of recommendations associated with this waterfront plan. Some have significant costs associated with them and some have no cost. Some of the recommendations have implications on other Thorne Bay documents, such as zoning code. Some key next steps should include:

- Investigate existing code to ensure it is aligned with the recommendations of this plan. In particular, review existing waterfront zoning districts to ensure they will encourage the desired type and quality of development desired.
 - Of those recommendations that come with capital cost, complete a little more development of concepts to determine the approximate costs for desired projects. Based on these costs, identify priorities and phasing for implementation of the plan.
 - For projects that do not have a capital cost or little cost to implement, ensure community support and develop them fully. Implement these as the opportunity arises.
-



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1010 Sandy Beach Road Thorne Bay, Alaska 99919
(907) 828-8254 Fax: (907) 828-8257 E-mail: sisd@sisd.org

February 18, 2016

City of Thorne Bay
P.O. Box 19110
Thorne Bay, AK 99919

City of Thorne Bay:

Southeast Island School District would like the City to consider reducing the lease for the land that the restaurant is occupying from \$1000.00 per month to \$500.00 per month for the remainder of the current contract. Due to the lack of patronage in the winter months, the District has had to significantly reduce the number of days the restaurant is open each week.

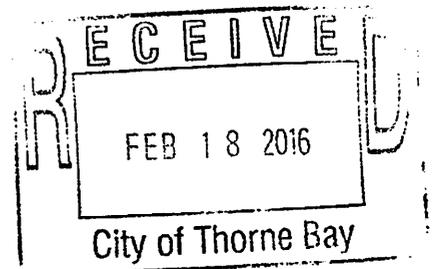
Please feel free to contact me at the school district office (907-828-8254) or via email (lburch@sisd.org) if you have any questions concerning this request.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Burch".

Laura Burch
Superintendent

LB/nh



LEASE AGREEMENT

THIS AGREEMENT of Lease is made effective this 20th day of October, 2015 by and between the City of Thorne Bay, an Alaska municipal corporation, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the City or Lessor), and Southeast Island School District (SISD) of PO Box 19569, Alaska 99919, hereinafter referred to as (Lessee).

1. Leased Premises.

The City of Thorne Bay hereby leases to Lessee the following described municipal land ("Premises"), situated in the City of Thorne Bay, First Judicial District, State of Alaska, described as follows:

City owned municipal land, located easterly of the City owned boat launch facility as shown on the attached map within the corporate boundaries of the City of Thorne Bay.

In additions to the terms and conditions contained in all of the sections of this Lease, the provisions of Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms and conditions of this Lease Agreement unless otherwise amended in this Lease.

2. Term.

The term of this Lease shall be for a one (1) year term commencing November 1, 2015 and terminating October 31, 2016. The lease shall terminate automatically on the expiration of the first year, unless the Lessor and Lessee have executed a new lease for a new term, or agreed to an extension of this lease in writing. Absent an approved Lease Agreement, the Lessee shall vacate the Premises on or before the ending date of this Lease Agreement by removing all structures thereon. If the City and Lessee enter a new lease, or an extension of this Lease, the monthly lease payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

3. Occupancy.

Lessee shall be granted occupancy of the Premises on or about October 23, 2015.

4. Rent.

This is a triple-net Lease with Lessee responsible for rent and taxes as defined herein. Lessee agrees to pay to Lessor rent at the rate of \$1000.00 per month, on or before the first day of each calendar month beginning November 1, 2015, payable to Lessor and mailed to City of Thorne Bay, PO Box 99110, Thorne Bay, Alaska 99919. Payments received after the 10th day of the month will be subject to a 10% late charge.

5. Purchase.

Lessee is the owner of the the modular building and equipment, personal property, and inventory per the sales agreement entered into on _____, 2014.

6. Annual Rent Adjustment.

The parties agree that if the Lessor and Lessee execute a new lease for a new term, or agreed to an extension of this lease in writing the monthly rent shall be subject to adjustment mutually agreed upon by both parties. Under no circumstances shall the rental price be decreased from the amount charged at the outset of this Lease until the rent amount charged at the outset of this Lease has been paid for twelve (12) months.

7. Sales and Property Taxes.

A. Lessee shall pay, in addition to the rentals specified in Paragraph 4 above, any sums required to be paid under the sales tax, personal property tax, special assessments and/or real property laws that may be in force from time to time within the City of Thorne Bay, Alaska. The amounts for sales tax, special assessments and personal property taxes shall be payable at least ten (10) days prior to delinquency. Proof of the payment of Sales Taxes shall be provided to

the Lessor on a monthly basis. Real property taxes for the year [insert year] on [insert year] actual taxable amount shall be prorated monthly over a nine month period with one ninth of the annual estimated real property taxes paid by Lessee to Lessor at the time Lessee makes its monthly rent payments for May through September [insert date]. If the real property taxes for [insert date] are increased above the [insert date] real property taxes assessed by the City of Thorne Bay, once the new tax assessment has been determined Lessee will make arrangements with Lessor to increase the required prorate monthly payment to assure that the total real property tax payment has been paid to Lessor by September 1st of the following year to assure that Lessor has received from Lessee the required annual real property tax payment. Thereafter the property taxes will be prorated over a twelve month period based on projected property taxes due and owing. Nonpayment of sales taxes, assessments and/or real property taxes shall be enforceable in the same manner as nonpayment of rent.

B. Lessee shall be responsible for and pay all personal property taxes applicable to the personal property owned by Lessee and located on the leased Premises.

8. Deposits.

Lessee shall deposit with the City an amount equal to N/A. Upon termination of the Lease the Lessee shall vacate the premise leaving it in the same clean condition as presented at the time the Lease was entered. If the Premises are in need of cleaning, repairs or the Lessee is in default in payments the deposit shall be used to offset such costs. In the event the Premises are clean and in need of no repairs the deposit will be refunded in full.

9. Use.

Lessee shall use the leased premises for the purposed of maintaining and operating a restaurant owned by the Southeast Island School District with indoor and outdoor seating open to the general public. Uses to also include other structures or facilities added to or adjacent to the

restaurant for the purpose of display or sale of items associated with Southeast Island School District, or the maintaining and operating of the restaurant. The leased premises shall not be used for any other purposes without the prior written consent of Lessor.

10. Permits and Compliance with Law.

Lessee shall obtain all necessary local, state and federal permits necessary for the operation of Lessee's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of and a default of the Lease Agreement resulting in the Lessor's option to terminate the Lease Agreement, in the sole discretion of the Lessor. Upon termination due to a breach or default under this section, the Lessee shall vacate the premise immediately.

11. Acceptance of the Leased Property by Lessee.

Lessee acknowledges that it/he/she has thoroughly examined the leased premises. Lessee accepts the leased premises in their "AS IS" condition. The Lessor shall not be required to perform any work to prepare leased premises for the Lessee. Lessee's taking possession of leased premises shall be conclusive evidence against the Lessee that, at the time possession was taken, leased premises were in good and satisfactory condition. Lessee has not relied upon any representations or statements of the Lessor or its representatives or agents regarding the condition of leased premises or their suitability for Lessee's uses under this Lease.

Lessee specifically acknowledges that Lessee has had access to the water reports related to the City of Thorne Bay water system and Lessee has reviewed those reports to the extent deemed necessary by the Lessee before determining to enter this Lease. Lessee admits and acknowledges that Lessee is fully aware that the City of Thorne Bay water system is not in full compliance with EPA and ADEC water quality standards. Lessee acknowledges that the City of

Thorne Bay has no obligation whatsoever to comply with the EPA or ADEC water quality standards as a condition of this Lease. The decision to enter this Lease and operate the restaurant on the premises and to use and serve City water, or to use or serve some other water source, is solely that of the Lessee, and Lessee takes full responsibility to the fullest extent of the law for the water source it chooses to use in the operation of the restaurant. Lessee acknowledges that it/he/she has no cause of action of any kind or any nature, including any administrative proceedings or complaints, against the City of Thorne Bay based on any allegation or claim related to the water quality of the City of Thorne Bay water system.

12. Insurance.

A. Liability Insurance.

During the term of this Lease, Lessee shall, at Lessee's own expense, maintain and keep in force adequate insurance to protect both the Lessor and Lessee against comprehensive liability, personal injury, including death, property damage, including as to any equipment or improvements, fire, and extended coverage claims. Lessee shall maintain insurance in amounts not less than comprehensive general liability insurance with minimum limits of \$1,000,000, with minimum limits of \$1,000,000 per individual and \$1,000,000 per accident. Lessor shall be named as an additional insured on all policies. Proof of Insurance shall be provided to Lessor within thirty (30) days after the parties have executed this lease and prior to public use of the premises. Lessor shall be notified at least thirty (30) days before the cancellation or termination of any policy.

Failure to place and maintain insurance in compliance with this section constitutes an immediate, material breach of and default of the Lease. Failure of the Lessee to provide the Certificate of Insurance showing the City of Thorne Bay as an additional insured within thirty (30) days of the signing of this Lease by the Lessee shall constitute a material breach and a

default on the lease and the City shall have the right to immediately terminate the lease and pursue any other remedies allowable by law to remove the Lessee from the premises.

B. Property Insurance.

During the term of this Lease, Lessee shall at all times carry upon any property belonging to Lessee and placed, erected or installed in, on or upon the Premises, fire and casualty insurance protecting against loss, damage or destruction caused by wind, fire, lightning, explosion, vandalism, malicious mischief, or such other casualties and such other risks as may be provided by extended coverage. Any such insurance shall name Lessor as an additional insured or contain such other provisions as may be needed to preclude any subrogation claims by the insurers against Lessor. Any such insurance shall be endorsed to require at least thirty (30) days' notice to Lessor prior to cancellation. Lessee shall also be responsible for providing Lessee's own personal property/inventory insurance coverage. **Lessor will not be providing any insurance for the protection of Lessee, Lessee's loss of business, personal injury or property damage claims or content coverage. Lessee is responsible for providing any and all of its own insurance coverage.** Lessee shall store its property in and shall occupy leased premises at its own risk, and releases the Lessor, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury or property damage.

C. Workers' Compensation Insurance.

Lessee shall maintain Worker's Compensation Insurance in compliance with the laws of the State of Alaska, AS 23.30et seq., and federal jurisdiction where the work is being performed.

D. Fire Insurance.

During the term of this Lease, Lessor shall maintain fire and extended coverage insurance on the building structures, solely for Lessor's benefit.

E. Insurance Policy Requirements.

All policies of insurance shall be issued by and maintained in responsible insurance companies selected by Lessee, organized under the laws of one of the states of the United States or The Underwriters at Lloyd's of London, authorized under the laws of the State of Alaska to assume the risks covered thereby, and rated at least "A" by A.M. Best Company, Inc. or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. Lessee will deposit annually with Lessor policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Each policy shall contain a provision that the insurer shall not cancel nor modify it without giving written notice to Lessor and Lessee at least 30 days before the cancellation, non-renewal or modification becomes effective.

13. Improvements to Real Property.

There shall be no improvements, alterations or modifications on the Premises without the prior review and written approval of all plans by Lessor. Any alteration, addition or improvement approved by Lessor shall be performed in a good and workmanlike manner and by competent craftsmen. All alterations, additions and improvements shall comply with all federal, state and local governmental statutes, ordinances, laws, codes and regulations affecting the leased Premises and the use thereof. Lessee is required to obtain building permit authorization from the Lessor for construction of any and all structures placed on the lease area.

14. Leasehold Improvements.

All signs or symbols placed on or about the leased premises shall be subject to Lessor's prior written approval. With prior written consent of Lessor, Lessee may make alterations and improvements on or to the leased premises, at Lessee's sole cost and expense. All fixtures, buildings and/or equipment of whatsoever nature which shall have been installed on the Premises

by the Lessee, whether permanently affixed or otherwise, shall be the property of Lessee, and shall be removed by Lessee at the expiration or termination of this Lease. at Lessee's sole cost and expense, in the sole discretion of the Lessor unless Lessor and Lessee mutually agree to improvements remaining on leased premise. Any of Lessee's improvements remaining on the leased premises longer than thirty (30) days after termination or expiration of the lease shall become the property of the Lessor.

15. Termination of Lease.

If Lessee vacates the leased Premises prior to the end of the Lease term, Lessee shall be responsible for continuation of Lease payments until the Lease expires at the end of the Lease term, or Lessor and Lessee mutually agree to terminate Lessee's Lease obligation.

16. Quiet Enjoyment.

If Lessee performs and fulfills all the covenants and conditions herein contained, Lessee shall quietly enjoy the Premises during the term of this Lease and any extensions thereof.

17. Destruction of Premises.

A. In the event the Premises or any substantial portion thereof shall be damaged by fire, wind, flood, earthquake or other casualty, and it reasonably appears that repair cannot be effected so as to permit re-occupancy within thirty (30) days from the date of casualty, either party at its option, may by written notice mailed within ten (10) days from the date of such casualty elect to terminate this Lease, effective as of the date of such casualty. If neither party shall so elect to terminate this Lease, Lessee's liability for rent shall abate in proportion to that portion of the Premises rendered unfit for Lessee's operation by reason of such casualty until such time as repairs are completed; provided, however, that if repair work progresses in stages and results in rendering portions of the Premises fit for utilization by Lessee from time to time,

the abatement of rent shall be reduced proportionately as repairs to portions of the demised Premises are completed.

B. In the event that less than a substantial portion of the demised Premises are damaged by fire, wind, flood, earthquake or other casualty, this Lease shall not end, but the rent shall be abated in accordance with the provisions contained in subparagraph (a) above, during any period in which repairs are being performed.

C. As used in this paragraph, the term "substantial portion" means damage depriving Lessee of use of fifty percent (50%) or more of the Premises.

D. Notwithstanding subparagraphs (a) and (b) above, this Lease shall not end nor shall any abatement of rent occur if the damage or destruction of the Premises is caused by any act or omission on the part of Lessee, its agents, invitees or licensees.

18. Government Requirement.

The Lessee shall comply with all federal, state and municipal laws, ordinances, regulations, or orders, and all court orders and administrative orders.

19. Assignments and Subleases.

Lessee shall not assign the Lease or any interest in the lease for any purpose, and shall not sublet the Premises or any part thereof, and shall not permit any person to occupy or use the Premises except upon Lessor's written consent. Any unapproved assignment or sublease shall be void. Lessor reserves the right to withhold consent.

20. Liens.

Lessee shall not do or permit anything causing the Premises to be encumbered by any lien and shall, whenever and as often as such lien is claimed against the Premises purporting to be for labor or materials furnished to Lessee or otherwise being based on a claim against Lessee, discharge the same within ten (10) days or Lessee shall post with Lessor a bond in an amount

and with sureties which are satisfactory to Lessor guaranteeing that said lien will be removed. Notice is hereby given that Lessor shall not be liable for any labor or materials furnished to Lessee upon credit and that no mechanic's lien for such labor or material or other lien shall be attached to the interest of Lessor in the Premises.

21. Entry of Lessor.

Lessor shall be privileged at any time to inspect the Premises, and during the six-month period next preceding the expiration of the term thereof, shall be privileged, together with brokers and prospective Lessees, to inspect the Premises. If, at reasonable hours, admission to the Premises for the stated purposes cannot be obtained, or if at any time Lessor shall deem admission necessary for the benefit of Lessee, Lessor may, but is not obligated to, enter the Premises by means of a master key or other peaceable manner.

22. Waiver and Indemnification.

A. Waiver.

The City of Thorne Bay shall not be liable to Lessee and Lessee hereby waives all claims against Lessor, in their capacity as the Lessor under this Lease, for any injury, illness, or death of any person or damage to any property in or about the Premises or real property caused by any act or omission of Lessee, its agents, or employees.

B. Indemnification.

Lessee agrees to protect, defend, indemnify, and hold the City of Thorne Bay and its mayor, council members, agents and employees, harmless from and against any and all claims, damages, actions, administrative proceedings, liability, loss, or expense (including reasonable attorneys' fees), of any kind and any nature, incurred in connection with or arising from any injury, illness, or death to any person or damage to any property or from any other cause whatsoever occurring in on or about the Premises or real property or any part thereof arising at

any time and from any cause whatsoever in the Lessee's use of the Premises. In case any action or proceeding is brought against Lessor by reason of any such claim or liability, Lessee shall defend any and all suits that may be brought, and claims which may be made, against Lessor, at Lessee's sole cost and expense.

The Lessor shall not be responsible or liable for any injury, loss or damage to any person or to any property of Lessee or other person caused by or resulting from the elements, frosting, breakage, leakage, steam, snow, ice, running water, or the overflow of sewage, in any part of leased premises or surrounding area used by or in support of restaurant operations. The Lessor shall not be responsible for any injury or damage caused by or resulting from acts of God or Mother Nature.

Lessee shall defend, indemnify and hold the City and its mayor, council members, employees and agents harmless from any and all civil or criminal liabilities or penalties, including costs of defense, resulting from or arising out of or related to in any way Lessee's noncompliance with any term or provision of this Lease, which the noncompliance causes environmental or water quality damage, spill or other environmental related event, or civil or criminal penalties or sanctions to be incurred or alleged.

23. Building Containing Premises/Grounds.

Lessee shall maintain the leased premises at Lessee's sole cost and expense and at all times keep the leased premises neat, clean and in a sanitary condition. Lessee shall keep and use the leased premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Lessee shall permit no waste, damage or injury to the leased premises.

24. Hazardous Substances.

Lessee shall not use the leased Premises in a manner that violates any federal, state or local law, regulation, or ordinance, including, but not limited to, any such law, regulation or ordinance pertaining to air and water quality, the handling, transportation, storage, treatment, usage or disposal of Hazardous Substances. "Hazardous Substances" shall be interpreted broadly and include, but not be limited to, any material or substance that is defined or classified under federal, state or local laws as (a) "hazardous substance" pursuant to § 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 (14) or § 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, each as now or hereafter amended; (b) a "hazardous waste" pursuant to § 1004 or § 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6903, 42 U.S.C. § 691, as now or hereafter amended; (c) a toxic pollutant under § 307(l)(a) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(l)(a); (d) a "hazardous air pollutant" under § 112 of the Clean Air Act, 42 U.S.C. § 7412, as now or hereafter amended; (e) a "hazardous material" under the Hazardous Material Transportation Act, 49 U.S.C. § 1802(2), as now, or hereafter amended; (f) toxic or hazardous substances pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances, or regulations, as now, or as may be passed or promulgated in the future.

Lessee agrees to immediately notify Lessor if Lessee becomes aware of (i) any Hazardous Substances or other environmental problem or liability with respect to the Premises or real property, or (ii) any lien, action, or notice resulting from violation of any of the laws, regulations, ordinances, or other environmental laws.

It shall be Lessee's sole responsibility to pay for any and all remediation resulting from any contamination caused by Lessee or resulting from Lessee's use of the Premises. Lessee

agrees to defend, indemnify and hold Lessor harmless from any liability, including costs and actual attorney's fees, associated with remediation of any hazardous waste identified on the subject property resulting from any use of the Premises by the Lessee.

25. Utilities.

Lessee shall be responsible for utilities associated with the Premises, including but not limited to electricity, heat, water, sewer, telephone and refuse disposal. Lessee agrees to pay, and keep current, ALL charges, including deposits, for all utilities, including but not limited to water, sewer, refuse collection, electricity, propane, fuel oil and telephone. Failure to do so will result in the utility being shut off. If the City shuts off any of the utilities, such action shall constitute a material breach of the Lease and the Lessor shall have the immediate right to terminate the lease upon the shutoff, in the sole discretion of the Lessor. Absent an approved Lease Agreement the Lessee shall vacate the premise immediately upon the shutoff of any utility.

26. Signs.

Lessee will pay for exterior signage for Lessee's business. All signage must be consistent with any ordinances of the City related to signage.

27. Default.

Any of the following shall constitute a default hereunder by Lessee:

- A. Failure to perform the covenants contained in this Lease for the payment of rent;
- B. Failure to perform or fulfill any other covenant or condition contained in this Lease;
- C. Dissolution, other termination of existence, or insolvency, in any sense, of Lessee;
- D. The shut off of utilities;

- E. The filing of a petition by or against Lessee for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- F. The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Lessee or for the appointment of a receiver or trustee of leased premises of the Lessee;
- G. The taking possession of leased premises of the Lessee by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Lessee;
- H. The making by the Lessee of an assignment for the benefit of creditors;
- I. Lessee vacates or abandons the leased premises; and
- J. A failure that continues for five (5) days or more to have the Lessor named as an additional insured as required under paragraph 12, and Lessee fails to cure such default within ten (10) days after receipt of a written notice has been received by Lessee specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Lessee in this Section are in addition to any defaults specified in the Thorne Bay Municipal Code.

Failure to perform a covenant or fulfill a condition contained in this Lease shall constitute a default for purposes of this paragraph, regardless of whether other consequences of such failure are provided for herein, as in the case where an assignment without consent is void.

28. Lessor's Remedies on Default.

All rights and remedies of the Lessor enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. In addition to the other remedies in this Lease provided, the Lessor shall be entitled to the restraint by injunction of the violation or attempted

violation of any of the covenants, agreements or conditions of this Lease. Lessor's remedies are as follows:

In the event of any default of the Lessee, the Lessor shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the Lessor by statute, common law, or under Thorne Bay Municipal Code.

A. If Lessee defaults in the payment of the rent reserved in this Lease, and such default continues for ten (10) days after written notice, or if Lessee defaults in the prompt and full performance of any other provision of this Lease and such default continues for thirty (30) days after notice, or if the leasehold interest of Lessee be levied upon under execution or be attached by process of law, or if Lessee abandons the Property, then, in any such events, Lessee shall be in default under this Lease and Lessor may, at its election, either terminate this Lease and Lessee's right to possession of the Premises or, without terminating this Lease, endeavor to relet the Premises. Nothing herein shall be construed so as to relieve Lessee of any obligation including payment of the rent reserved in this Lease.

B. Re-enter leased premises and take possession thereof, remove all persons therefrom, and remove Lessee's property therefrom and store it in a public warehouse or elsewhere at the cost of Lessee, all without service of notice or resort to legal process (all of which Lessee expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;

C. Declare the Term ended;

D. Re-let leased premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;

E. Collect all reasonable damages, costs and expenses that the Lessor may incur by reason of default by Lessee, together with interest calculated at the rate of ten percent (10%) per annum;

F. If Lessee abandons the Premises or Lessor otherwise becomes entitled so to elect, and Lessor elects, without terminating this Lease, to endeavor to relet the Premises, Lessor may, at Lessor's option, enter into the Premises, remove Lessee's signs and other evidence of tenancy, and take and hold possession thereof as provided in subparagraph (ii) of this paragraph, without

such entry and possession terminating this Lease or releasing Lessee, in whole or in part, from Lessee's obligation to pay the rent hereunder for the full term as hereinafter provided. Upon and after entry into possession without termination of this Lease, Lessor may relet the Premises or any part thereof for the account of Lessee to any person, firm or corporation other than Lessee for such rent, for such time and upon such terms as Lessor shall determine to be reasonable. In any such case, Lessor may make repairs, alterations and additions in or to the Premises, and redecorate the same to the extent deemed by Lessor necessary or desirable, and Lessee shall, upon demand, pay the cost thereof, together with Lessor's expenses of the reletting including, without limitation, broker's commissions and advertising expenses. If the consideration collected by Lessor upon any such reletting for Lessee's account is not sufficient to pay yearly the full amount of the rent reserved in this Lease, together with the cost of repairs, alterations, additions, redecorating and Lessor's expenses, Lessee shall pay to Lessor the amount of each yearly deficiency upon demand.

G. If Lessor elects to terminate this Lease in any of the contingencies specified in this paragraph, it being understood that Lessor may elect to terminate the Lease after, and notwithstanding its election to terminate Lessee's right to possession as provided in subparagraph (i) of this paragraph, Lessor shall forthwith, upon such termination, be entitled to recover as

damages, and not as a penalty, an amount equal to the then present value of the rent reserved in this Lease for the residue of the term of this Lease, less the present value of the fair rental value of the Premises for the residue of the term of this Lease.

H. Lessee agrees that if it shall, at any time, fail to make any payment or perform any other act on its part to be made or performed under this Lease, Lessor may, but shall not be obligated to, after ten (10) days prior written notice and without waiving, or releasing Lessee from any obligation under this Lease, make such payment or perform such other act to the extent

Lessor may deem desirable, and in connection therewith to pay expenses and employ counsel. Lessee agrees to pay a reasonable attorney's fee if legal action is required to enforce performance by Lessee of any condition, obligation or requirement thereunder. All sums so paid by Lessor and all expenses in connection therewith, together with interest thereon at the current maximum legal rate of interest from the date of payment to the date of repayment, shall be deemed additional rent hereunder and payable at the time of any installment of rent thereafter becoming due, and Lessor shall have the same rights and remedies for the non-payment thereof, or of any other additional rent, as in the case of default in the payment of rent.

29. Lessor's Remedies.

In the event of default hereunder by Lessee, Lessor shall have all the rights and remedies afforded by law, which shall be cumulative and may be exercised separately or concurrently.

30. Waiver.

Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for

any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.

31. Changes.

No modifications, amendments, deletions, additions or alterations of the Lease Agreement shall be effective unless in writing and signed by Lessor and Lessee and such representatives of the Lessor and Lessee are authorized to make such changes.

32. Joint Product.

The language set out in this Lease represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Lease, and the rule of construction favoring construction against the drafter shall not apply. Lessee acknowledges and agrees that Lessee has not received any legal advice from the Lessor's attorney or from anyone associated with the Lessor.

33. Authority.

The parties and their undersigned representatives warrant that they have full authority to enter into this Lease Agreement and to execute this Lease Agreement.

34. Surrender of Leased Premises.

Upon termination of this Lease Agreement, Lessee agrees to peacefully quit and surrender the leased premises without notice, remove all of Lessee's buildings, equipment and personal property and leave the leased premises neat and clean. The Lessor, may through mutual agreement with Lessee, allow Lessee to to leave all buildings, equipment and personal property on the Premise.

35. Governing Law, Jurisdiction and Venue.

The laws of the State of Alaska shall govern the construction, interpretation and validity of this Lease. The Superior Court for the State of Alaska, First Judicial District at Craig, Alaska, shall be the exclusive jurisdiction and venue for any action of any kind and any nature arising out of or related in any way to this Lease and to the use of the Premises by the Lessee. Lessee specifically waives any right or opportunity to request a change of venue for trial from Craig, Alaska pursuant to A.S. 22.10.040.

36. Acknowledgment by Lessee.

Lessee acknowledges that Lessee has had a full opportunity to consult with attorneys of Lessee's choice before signing this Agreement. Lessee acknowledges that Lessee is not relying on any statements or representations made by any employees, representatives, officers, consultants, the Mayor, or Council members of the City in entering this Lease. Lessee further acknowledges that Lessee has not received and is not relying on any legal advice or representations by the City attorney.

37. General.

A. The provisions of this Lease shall bind and inure to the benefit of the successors, devisees, legatees, heirs, distributees, representatives, and assigns of the parties. This provision does not limit in any way the Lessor's sole discretion as to any subletting or assignment of the Premises.

B. This Lease contains all of the covenants, promises, agreements, conditions and understanding, either oral or written, between the parties. No subsequent alteration, change or amendment to this Lease shall be binding upon the parties unless reduced to writing and signed by them. This Lease supersedes all previous agreements or discussions or negotiations, whether orally or in writing, between the parties.

38. Notice.

Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to Lessor at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Lessee at, PoBox19569, or at such other address as either party may designate in writing to the other.

DATED this 20th day of Oct 2014 ²⁰¹⁵

LESSOR:

THE CITY OF THORNE BAY

By James A. Gould
James Gould, Mayor

LESSEE:

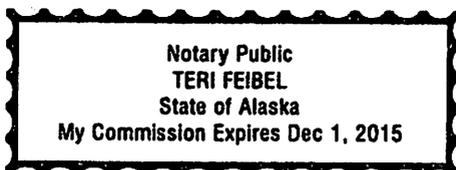
SOUTHEAST ISLAND SCHOOL DISTRICT

By Lauren Burch
Lauren Burch, Superintendent

STATE OF ALASKA)
: ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 20th day of October, 2015 before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared James Gould, to me known and known to me to be the person named in and who executed the within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, for the uses and purposes therein mentioned.

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



Teri Feibel
Notary Public, State of Alaska
My commission expires: 12/1/2015

STATE OF ALASKA)
 : ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 20__, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known and known to me to be the person named in and who executed the within and foregoing document, and he acknowledged that he executed the same freely and voluntarily, 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, State of Alaska
My commission expires:



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1010 Sandy Beach Road Thorne Bay, Alaska 99919
(907) 828-8254 Fax: (907) 828-8257 E-mail: sisd@sisd.org

February 18, 2016

City of Thorne Bay
P.O. Box 19110
Thorne Bay, AK 99919

City of Thorne Bay:

Southeast Island School District would like permission to use the city lot between the Bay Chalet and the Thorne Bay School for school district vehicle parking.

Many of our school district vehicles are currently parked next to the Thorne Bay School gymnasium, next to Sandy Beach Road, which limits public parking in this area. We feel that it will better serve the community to open up parking along the school gymnasium for events such as sports activities, the Community Christmas dinner, the Fall Festival, prom, graduation, Black and Gold awards, ASC meetings, and school board meetings.

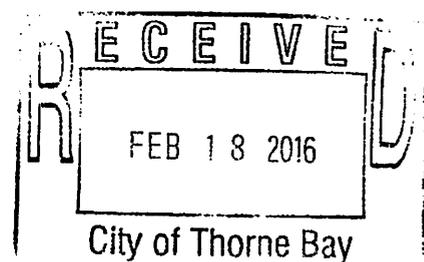
Please feel free to contact me at the school district office (907-828-8254) or via email (lburch@sisd.org) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Burch".

Laura Burch
Superintendent

LB/nh



CITY OF THORNE BAY
ORDINANCE 16-03-01-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA; AMENDING ORDINANCE 15-06-02-03; PROVIDING FOR THE
ESTABLISHMENT OF THE BUDGET FOR FISCAL YEAR 2016

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ALASKA;

Section 1. Classification. This is a non-code ordinance.

Section 2. General Provisions. The budget documents attached hereto list the authorized appropriations for expenditures, revenues and the change in cash balances as part of the budget for the period July 1, 2015 to June 30, 2016, detail anticipated line item revenues and expenditures for each appropriation and make the budget a matter of public record.

Section 3. Authorization and Appropriation. The appropriations are adopted and authorized for the period July 1, 2015 to June 30, 2016, and are for that period. Subject to council approval by resolution, the Mayor may establish line item expenditures within an authorized appropriation. Subject to council approval by ordinance, the Mayor may transfer from one authorized appropriation to another any amount that would not annually exceed 10 percent or \$10,000, whichever is less.

Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED March 1, 2016

James Gould, Mayor

ATTEST:

Teri Feibel, CMC

Operating Budget	FY16 Budget	FY16 budget amendments
Income	\$ 1,360,120.90	\$ 1,352,526.80
Expense	\$ 1,352,502.15	\$ 1,345,893.01
transfer reserve	\$ -	\$ -
Net	\$ 104,425.25	\$ 6,633.79

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016

Admin & Finance

ADMIN FINANCE	Budget	July 1 - Feb 5	Amendments
Interest Expense	200.00	0.00	\$ -
Internet Use	2,500.00	1,281.69	\$ 2,200.00
Legal Services	50,000.00	10,692.60	\$ 25,000.00
Materials and Supplies	6,000.00	4,014.32	\$ 7,000.00
Miscellaneous Expense	250.00	0.09	\$ 250.00
Payroll Taxes	6,500.00	4,520.04	\$ 6,500.00
PERS	34,000.00	26,648.96	\$ 40,293.37
Payroll Expenses - Other	207,060.00	126,892.60	\$ 212,937.81
Postage and Freight	3,500.00	1,312.61	\$ 2,500.00
Record Maintenance	100.00	0.00	\$ 100.00
Refundable Deposits			\$ 2,000.00
Telephone	2,500.00	1,931.29	\$ 3,400.00
Training	800.00	0.00	\$ 800.00
Travel Expense	5,000.00	2,616.90	\$ 5,000.00
Total Expense	433,620.53	242,867.96	420,131.18
Net Ordinary Income	266,879.47	295,286.15	\$ 286,066.62

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual**

July 1, 2015 through February 5, 2016

City Council

	Budget	July 1 - Feb 5	Amendments
Ordinary Income/Expense			
Income			
Community Revenue Sharing	3,000.00	3,000.00	\$ 3,000.00
Fees & Permits	150.00	25.00	\$ 100.00
Uncategorized Income	0.00		
Total Income	3,150.00	3,025.00	\$ 3,100.00
Gross Profit	3,150.00	3,025.00	
Expense			
Donations	3,000.00	3,849.94	\$ 4,500.00
Dues and Subscriptions	1,350.00	605.00	\$ 1,350.00
Materials and Supplies	300.00	71.98	\$ 200.00
Payroll Taxes	500.00	881.17	\$ 1,588.60
Payroll Expenses - Other	18,000.00	11,220.00	\$ 18,269.68
Postage and Freight	100.00	0.00	\$ 100.00
Telephone	600.00	282.52	\$ 500.00
Training	250.00	400.00	\$ 700.00
Travel Expense	2,500.00	3,132.43	\$ 6,000.00
Total Expense	26,600.00	20,443.04	33,208.28
Net Ordinary Income	-23,450.00	-17,418.04	-30,108.28

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016**

EMS

	Budget	July 1 - Feb 5	Amendment
Ordinary Income/Expense			
Income			
Community Revenue Sharing	15,000.00	0.00	\$ 15,000.00
Miscellaneous Income	0.00	833.96	\$ 1,000.00
Total Income	15,000.00	833.96	\$ 16,000.00
Gross Profit	15,000.00	833.96	\$ 16,000.00
Expense			
Business license and Permits		10.00	\$ 10.00
Contract Labor	0.00	50.00	\$ 50.00
Dues and Subscriptions	20.00	0.00	\$ 20.00
Electricity	1,050.00	584.71	\$ 1,050.00
Equipment Maint & Repair	150.00	0.00	\$ 150.00
Heating Fuel	700.00	435.28	\$ 700.00
AML/Insurance	2,500.00	1,236.00	\$ 1,300.00
Worker's Compensation	2,200.00	596.56	\$ 600.00
Internet Use	210.00	244.80	\$ 450.00
Materials and Supplies	1,500.00	890.31	\$ 1,500.00
Miscellaneous Expense	250.00	0.00	\$ 250.00
Payroll Taxes	350.00	527.12	\$ 700.00
Payroll Expenses - Other	10,000.00	5,500.00	\$ 10,000.00
Postage and Freight	200.00	25.78	\$ 200.00
Telephone	1,350.00	383.50	\$ 800.00
Training	600.00	560.00	\$ 700.00
Travel Expense	200.00	0.00	\$ -
Vehicle Fuel	300.00	105.04	\$ 300.00
Vehicle Maintenance	350.00	0.00	\$ 350.00
Total Expense	21,930.00	11,149.10	19,130.00
Net Ordinary Income	-6,930.00	-10,315.14	-3,130.00

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016
Fire

	Budget	July 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Community Revenue Sharing	15,000.00	15,000.00	15,000.00
Miscellaneous Income	0.00	911.00	1,000.00
Total Income	15,000.00	15,911.00	16,000.00
Gross Profit	15,000.00	15,911.00	16,000.00
Expense			
Electricity	1,500.00	1,046.45	1,800.00
Equipment Maint & Repair	600.00	0.00	600.00
Equipment Purchase	4,000.00	2,611.50	3,500.00
Heating Fuel	800.00	435.66	400.00
AML/Insurance	2,000.00	1,905.00	1,905.00
Worker's Compensation	2,200.00	458.37	458.37
Internet Use	210.00	0.00	0.00
Materials and Supplies	1,000.00	952.87	1,500.00
Payroll Taxes	150.00	38.26	60.00
Payroll Expenses - Other	1,200.00	400.00	900.00
Postage and Freight	125.00	0.00	75.00
Telephone	1,000.00	453.73	800.00
Training	600.00	0.00	0.00
Vehicle Fuel	500.00	28.70	300.00
Vehicle Maintenance	500.00	0.00	500.00
Total Expense	16,385.00	8,330.54	12,798.37
Net Ordinary Income	-1,385.00	7,580.46	3,201.63

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
 July 1, 2015 through February 5, 2016
Law Enforcement

	<u>Budget</u>	<u>Jul 1 - Feb 5</u>	Amended
Ordinary Income/Expense			
Income			
Animal Fees	350.00	0.00	
ATV Fees	200.00	0.00	
Community Revenue Sharing	15,000.00	15,000.00	\$ 15,000.00
Fees & Permits	250.00	0.00	
Total Income	15,800.00	15,000.00	\$ 15,000.00
Gross Profit	15,800.00	15,000.00	\$ 15,000.00

Expense			
Electricity	600.00	207.30	\$ 400.00
Equipment Maint & Repair	250.00	0.00	\$ 250.00
Equipment Purchase	500.00	0.00	\$ 500.00
Heating Fuel	750.00	268.17	\$ 600.00
AML/Insurance	2,000.00	1,019.00	\$ 1,019.00
Materials and Supplies	500.00	21.99	\$ 300.00
Miscellaneous Expense	1,500.00	0.00	\$ 800.00
Payroll Taxes	150.00	0.00	\$ 200.00
Payroll Expenses - Other	6,000.00	0.00	\$ 3,500.00
Postage and Freight	50.00	5.75	\$ 50.00
Telephone	1,500.00	946.30	\$ 1,800.00
Travel Expense	1,500.00	0.00	\$ 500.00
Vehicle Fuel	1,200.00	1,508.21	\$ 2,600.00
Vehicle Maintenance	1,300.00	0.00	\$ 800.00
Total Expense	17,800.00	3,976.72	13,319.00

Net Ordinary Income	-2,000.00	11,023.28	\$ 1,681.00
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City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016
Library - Other
(Library)

Budget	Jul 1 - Feb 5
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Ordinary Income/Expense

Income

Community Revenue Sharing	5,000.00	5,000.00	\$ 5,000.00
Copier/Fax	150.00	0.00	\$ 150.00
Fees & Permits	120.00	0.00	\$ 75.00
Miscellaneous Income	75.00	0.00	
Sales Tax	5.00	0.00	
Total Income	5,350.00	5,000.00	\$ 5,225.00

Gross Profit	5,350.00	5,000.00	\$ 5,225.00
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Expense

Bldg/Grnd Maint Repair	175.00	0.00	\$ 100.00
Books	200.00	17.31	\$ 200.00
Computer/Software	100.00	0.00	\$ 100.00
Contract Labor	0.00	300.00	\$ 300.00
Dues and Subscriptions	100.00	0.00	\$ 100.00
Electricity	750.00	688.15	\$ 850.00
Furniture, Equip & Computers	75.00	0.00	\$ 75.00
Heating Fuel	600.00	267.93	\$ 500.00
AML/Insurance	120.00	116.00	\$ 116.00
Internet Use	250.00		\$ 100.00
Materials and Supplies	500.00	2.50	\$ 500.00
Miscellaneous Expense	300.00	210.84	\$ 300.00
Payroll Taxes	125.00	144.00	\$ 240.00
Payroll Expenses - Other	4,000.00	1,500.00	\$ 2,400.00
Postage and Freight	200.00	73.44	\$ 200.00
Telephone	350.00	176.89	\$ 350.00
Total Expense	7,845.00	3,497.06	6,431.00

Net Ordinary Income	-2,495.00	1,502.94	-1,206.00
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**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual**

July 1, 2015 through February 5, 2016

Parks & Rec

	Budget	Jul 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Cemetery community dev funds	30,000.00	0.00	0.00
Fees & Permits	300.00	0.00	0.00
Rental	500.00	0.00	0.00
Sales Tax	30,000.00	17,344.74	25,000.00
Total Income	60,800.00	17,344.74	25,000.00
Gross Profit	60,800.00	17,344.74	25,000.00
Expense			
Cemetery community dev. funds	30,000.00	0.00	0.00
Contract Labor	2,000.00	0.00	0.00
Electricity	1,150.00	841.66	1,500.00
Equipment Maint & Repair	1,000.00	420.95	1,000.00
Equipment Purchase	1,000.00	33.90	1,000.00
Equipment Rental	200.00	0.00	200.00
Health Insurance	7,000.00	1,701.33	5,000.00
Heating Fuel	2,000.00	730.00	1,600.00
AML/Insurance	200.00	478.00	478.00
Worker's Compensation	0.00	1,415.00	1,415.00
Materials and Supplies	1,000.00	888.62	1,000.00
Payroll Taxes	550.00	1,486.59	1,900.00
PERS	3,500.00	564.74	3,500.00
Payroll Expenses - Other	33,280.00	17,595.43	30,855.43
Postage and Freight	100.00	0.00	100.00
Repairs and Maintenance	250.00	0.00	250.00
Vehicle Fuel	1,500.00	573.21	1,500.00
Total Expense	84,730.00	26,729.43	51,298.43
Net Ordinary Income	-23,930.00	-9,384.69	-26,298.43

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016
Streets and Roads

	<u>Budget</u>	<u>Jul 1 - Feb 5</u>	Amended
Ordinary Income/Expense			
Income			
Fees & Permits	\$ 250.00	\$ 209.00	\$ 300.00
Sales Tax	\$ 65,000.00	\$ 26,012.61	\$ 65,000.00
Total Income	\$ 65,250.00	\$ 26,221.61	\$ 65,300.00
Gross Profit	\$ 65,250.00	\$ 26,221.61	\$ 65,300.00
Expense			
Bldg/Grnd Maint Repair	\$ 1,000.00	\$ -	\$ 500.00
Contract Labor	\$ 25,000.00	\$ 3,989.81	\$ 25,000.00
Dues and Subscriptions	\$ 100.00	\$ 10.00	\$ 100.00
Electricity	\$ 5,500.00	\$ 3,196.49	\$ 5,500.00
Equipment Maint & Repair	\$ 7,000.00	\$ 596.03	\$ 7,000.00
Equipment Purchase	\$ 7,000.00	\$ -	\$ 7,000.00
Equipment Rental	\$ 500.00	\$ -	\$ 500.00
Health Insurance	\$ 25,000.00	\$ 16,960.01	\$ 29,000.00
Heating Fuel	\$ 2,000.00	\$ 797.33	\$ 2,000.00
AML/Insurance	\$ 4,000.00	\$ 4,097.35	\$ 4,097.35
Worker's Compensation	\$ 7,100.00	\$ 10,907.48	\$ 10,907.48
Materials and Supplies	\$ 10,000.00	\$ 5,076.18	\$ 10,000.00
Miscellaneous Expense	\$ 200.00	\$ -	\$ 200.00
Payroll Taxes	\$ 3,000.00	\$ 1,744.77	\$ 3,000.00
PERS	\$ 15,000.00	\$ 12,055.71	\$ 20,000.00
Payroll Expenses - Other	\$ 90,600.00	\$ 55,012.59	\$ 90,600.00
Postage and Freight	\$ 2,500.00	\$ 17.90	\$ 1,000.00
Training	\$ 750.00	\$ -	\$ 750.00
Travel Expense	\$ 800.00	\$ -	\$ 800.00
Vehicle Fuel	\$ 6,000.00	\$ 3,867.22	\$ 6,000.00
Vehicle Maintenance	\$ 6,500.00	\$ 4,028.76	\$ 6,500.00
Total Expense	\$ 219,550.00	\$ 122,357.63	\$ 230,454.83
Net Ordinary Income	-154,300.00	-96,136.02	-165,154.83

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016
Harbor

	<u>Budget</u>	<u>Jul 1 - Feb 5</u>	Amended
Ordinary Income/Expense			
Income			
Davidson Landing Fees	15,000.00	8,285.35	\$ 15,000.00
Fees & Permits	50.00	150.00	\$ 250.00
Fishery Tax Receipts	7,704.90	0.00	\$ 7,704.00
Grid Fees	450.00	87.75	\$ 450.00
Harbor Fees	43,000.00	29,358.20	\$ 43,000.00
Harbor Replacement	6,500.00	0.00	\$ 6,500.00
Harbor Showers	1,500.00	1,267.00	\$ 2,000.00
Live-aboard Fees	2,000.00	2,883.33	\$ 3,300.00
Miscellaneous Income	5,000.00	384.65	\$ 1,500.00
Sales Tax	4,000.00	1,805.84	\$ 4,000.00
Total Income	85,204.90	44,222.12	\$ 83,704.00
Gross Profit	85,204.90	44,222.12	\$ 83,704.00
Expense			
Bldg/Grnd Maint Repair	150.00	150.33	\$ 250.00
Contract Labor	2,500.00	666.50	\$ 2,000.00
Dues and Subscriptions	200.00	150.00	\$ 200.00
Electricity	7,000.00	5,357.26	\$ 7,000.00
Equipment Maint & Repair	2,000.00	0.00	\$ 2,000.00
Equipment Purchase	1,000.00	82.06	\$ 500.00
Harbor Replacement expense	6,500.00	0.00	\$ 6,500.00
Health Insurance	7,000.00	4,314.73	\$ 7,500.00
AML/Insurance	2,500.00	2,908.00	\$ 2,908.00
Worker's Compensation	11,000.00	5,294.34	\$ 5,294.34
Internet Use	450.00	394.10	\$ 800.00
Materials and Supplies	4,500.00	732.35	\$ 2,500.00
Miscellaneous Expense	150.00	0.00	\$ 150.00
Payroll Taxes	614.00	826.30	\$ 1,326.30
PERS	9,952.00	6,392.79	\$ 10,500.00
Payroll Expenses - Other	45,145.62	29,149.87	\$ 48,000.00
Postage and Freight	350.00	23.00	\$ 200.00
Telephone	700.00	282.52	\$ 500.00
Training	1,200.00	0.00	\$ -
Travel Expense	1,000.00	0.00	\$ -
Vehicle Fuel	750.00	617.61	\$ 800.00
Vehicle Maintenance	500.00	332.51	\$ 600.00
Total Expense	105161.62	57674.27	99528.64
Net Ordinary Income	-19956.72	-13452.15	-15,824.64

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
 July 1, 2015 through February 5, 2016
 RV Park

	Budget	Jul 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Refundable Deposits	0.00	50.00	50.00
RV Park Fees	17,500.00	18,303.72	25,000.00
Sales Tax	1,125.00	1,048.55	1,500.00
Total Income	18,625.00	19,402.27	26,550.00
Gross Profit	18,625.00	19,402.27	26,550.00
Expense			
Bldg/Grnd Maint Repair	2,000.00	0.00	2,000.00
Dues and Subscriptions	50.00	10.00	25.00
Electricity	500.00	714.06	800.00
Equipment Maint & Repair	150.00	75.00	150.00
AML/Insurance	0.00	150.00	150.00
Materials and Supplies	250.00	11.89	300.00
Postage and Freight	150.00	0.00	75.00
Refundable deposits			50.00
Total Expense	3,100.00	960.95	3,550.00
Net Ordinary Income	15,525.00	18,441.32	23,000.00

**City of Thorne Bay 2014
Profit & Loss Budget vs. Actual**

July 1, 2015 through February 5, 2016

Solid Waste

	Budget	Jul 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Equipment Rentals	\$ 200.00	\$ -	\$ -
Miscellaneous Income	\$ 500.00	\$ -	\$ -
Sales Tax	\$ 6,000.00	\$ 2,989.47	\$ 6,000.00
Solid Waste Fees	\$ 140,000.00	\$ 78,599.74	\$ 140,000.00
Total Income	\$ 146,700.00	\$ 81,589.21	\$ 146,000.00
Gross Profit	\$ 146,700.00	\$ 81,589.21	\$ 146,000.00
Expense			
Bldg/Grnd Maint Repair	\$ 500.00	\$ -	\$ 500.00
Chemicals	\$ 2,000.00	\$ -	\$ -
Contract Labor	\$ 1,500.00	\$ 237.39	\$ 1,500.00
Dues and Subscriptions	\$ 150.00	\$ 378.00	\$ 450.00
Electricity	\$ 9,000.00	\$ 6,881.20	\$ 12,000.00
Equipment Maint & Repair	\$ 7,500.00	\$ -	\$ 7,500.00
Equipment Purchase	\$ 10,000.00	\$ -	\$ 10,000.00
Equipment Rental	\$ 250.00	\$ 50.00	\$ 250.00
Health Insurance	\$ -	\$ 2,746.69	\$ 6,000.00
Heating Fuel	\$ 11,000.00	\$ 2,194.33	\$ 6,000.00
AML/Insurance	\$ 1,500.00	\$ 1,298.00	\$ 1,298.00
Worker's Compensation	\$ 1,400.00	\$ 2,504.16	\$ 2,504.16
Materials and Supplies	\$ 2,000.00	\$ 711.29	\$ 1,500.00
Miscellaneous Expense	\$ 6,000.00	\$ -	\$ 2,000.00
Payroll Taxes	\$ 4,800.00	\$ 1,869.13	\$ 2,500.00
PERS	\$ -	\$ 666.71	\$ 4,010.71
Payroll Expenses - Other	\$ 40,560.00	\$ 22,222.33	\$ 40,000.00
Postage and Freight	\$ 1,000.00	\$ 50.03	\$ 1,000.00
Repairs and Maintenance	\$ 1,000.00	\$ -	\$ 1,000.00
Testing	\$ 3,000.00	\$ 1,621.39	\$ 3,000.00
Training	\$ 500.00	\$ -	\$ -
Vehicle Fuel	\$ 1,250.00	\$ 1,891.86	\$ 3,000.00
Vehicle Maintenance	\$ 2,500.00	\$ 1.61	\$ 1,500.00
Total Expense	\$ 107,410.00	\$ 45,324.12	\$ 107,512.87
Net Ordinary Income	\$ 39,290.00	\$ 36,265.09	\$ 38,487.13

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016

Sewer

	Budget	Jul 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Miscellaneous Income	300.00	0.00	\$ -
Sales Tax	5,791.00	2,822.24	\$ 6,000.00
Sewer Fees	95,000.00	62,144.53	\$ 106,000.00
Total Income	101,091.00	64,966.77	\$ 112,000.00
Gross Profit	101,091.00	64,966.77	\$ 112,000.00
Expense			
Bldg/Grnd Maint Repair	500.00	77.02	\$ 500.00
Chemicals	5,000.00	2,160.00	\$ 5,000.00
Contract Labor	5,000.00	7,570.08	\$ 10,000.00
Dues and Subscriptions	1,300.00	940.00	\$ 1,300.00
Electricity	24,000.00	16,689.52	\$ 27,000.00
Equipment Maint & Repair	2,000.00	2,000.00	\$ 10,000.00
Equipment Purchase	2,500.00	2,500.00	\$ 5,000.00
Health Insurance	8,000.00	8,569.89	\$ 15,000.00
Heating Fuel	8,000.00	1,426.45	\$ 5,000.00
AML/Insurance	6,000.00	5,986.00	\$ 5,986.00
Worker's Compensation	3,000.00	3,106.04	\$ 3,106.04
Internet Use	600.00	349.65	\$ 600.00
Materials and Supplies	2,000.00	3,662.83	\$ 5,000.00
Miscellaneous Expense	100.00	0.00	\$ 100.00
Payroll Taxes	1,200.00	1,755.32	\$ 2,800.00
PERS	7,000.00	3,798.61	\$ 8,500.00
Payroll Expenses - Other	56,240.00	31,315.60	\$ 46,000.00
Postage and Freight	1,500.00	1,704.09	\$ 2,500.00
Telephone	360.00	0.00	\$ -
Testing	8,500.00	4,649.81	\$ 8,500.00
Training	1,200.00	0.00	\$ 2,500.00
Vehicle Fuel	500.00	199.49	\$ 500.00
Vehicle Maintenance	500.00	45.77	\$ 500.00
Total Expense	145,000.00	98,506.17	165,392.04
Net Ordinary Income	-43,909.00	-33,539.40	-53,392.04

City of Thorne Bay 2014
Profit & Loss Budget vs. Actual
July 1, 2015 through February 5, 2016
Water

	Budget	Jul 1 - Feb 5	Amended
Ordinary Income/Expense			
Income			
Fees & Permits	200.00	0.00	0.00
Miscellaneous Income	250.00	0.00	250.00
Sales Tax	7,200.00	3,326.62	7,200.00
Water Fees	120,000.00	74,647.63	125,000.00
Total Income	127,650.00	77,974.25	132,450.00
Gross Profit	127,650.00	77,974.25	132,450.00
Expense			
Bldg/Grnd Maint Repair	1,000.00	0.00	500.00
Chemicals	12,000.00	6,475.00	12,000.00
Contract Labor	15,000.00	0.00	5,000.00
Dues and Subscriptions	1,000.00	175.00	500.00
Electricity	9,500.00	7,068.24	12,000.00
Equipment Maint & Repair	1,500.00	3,511.07	5,000.00
Equipment Purchase	2,500.00	2,177.73	5,000.00
Health Insurance	19,500.00	8,341.38	18,000.00
Heating Fuel	7,500.00	2,423.71	5,000.00
AML/Insurance	4,000.00	4,024.16	4,024.16
Worker's Compensation	3,000.00	2,335.33	2,335.33
Materials and Supplies	7,500.00	3,447.73	5,000.00
Miscellaneous Expense	100.00	0.00	100.00
Payroll Taxes	1,000.00	1,539.48	2,200.00
PERS	9,400.00	6,010.93	12,000.00
Payroll Expenses - Other	50,960.00	57,763.88	81,528.88
Postage and Freight	3,500.00	851.87	2,500.00
Telephone	360.00	242.15	450.00
Testing	9,000.00	2,502.40	6,000.00
Training	800.00	0.00	0.00
Travel Expense	750.00	0.00	500.00
Vehicle Fuel	2,500.00	1,154.61	2,500.00
Vehicle Maintenance	1,000.00	0.00	1,000.00
Total Expense	163,370.00	110,044.67	183,138.37
Net Ordinary Income	-35,720.00	-32,070.42	-50,688.37

Additions are in bold
~~Deletions are stricken~~

CITY OF THORNE BAY
ORDINANCE 16-03-01-02

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY,
ASLASKA, AMENDING TITLE 2-ADMINISTRATION AND PERSONNEL, CHAPTER
2.56-CITY PROPERTY,

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Chapter. Amending Chapter 2.56-City Property, is hereby added
- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED March 1, 2016

James Gould, Mayor

ATTEST:

Teri Feibel, City Clerk

[Introduction: February 16, 2016]
[Public Hearing: March 1, 2016]

Additions are in bold
Deletions are stricken

Chapter 2.56
City Property

Sections:

ARTICLE I. REAL PROPERTY ACQUISITION

- 2.56.010 Acquisition and ownership-Authority.
- 2.56.020 Real property defined.
- 2.56.030 Acquisition-Form.
- 2.56.040 Eminent domain-Authority.
- 2.56.050 Eminent domain-Adverse possession.
- 2.56.060 Acquisition and ownership-Rights and powers.
- 2.56.070 Acquisition-Dedication of plat.
- 2.56.080 Industrial sites.
- 2.56.090 Federal and state aid.
- 2.56.100 Real property as security.

ARTICLE II. REAL PROPERTY SALES BY THE CITY

SECTIONS:

- 2.56.110 Applicability.
- 2.56.120 Commencement.
- 2.56.130 Without warranty.
- 2.56.140 Appraisal required - Minimum price.
- 2.56.150 Disposal methods.
- 2.56.160 Disposals for public use.
- 2.56.170 Disposal procedures.

ARTICLE III. LEASE OF CITY-OWNED REAL PROPERTY

SECTIONS:

- 2.56.190 Lands available for leasing-
classification of lands
- 2.56.200 Levels of approval required
- 2.56.210 Minimum rents
- 2.56.220 Term of leases
- 2.56.230 Public Notice
- 2.56.240 Negotiated or competitive leasing 2.56.250
Applications, fees, terms, payment
- 2.56.260 Competitive bidding -- Appeals
- 2.56.270 Negotiated leases
- 2.56.280 Rights prior to leasing
- 2.56.320 Terms and conditions of leases

Additions are in bold
~~Deletions are stricken~~

ARTICLE IV. DISPOSITION OF CITY-OWNED
PERSONAL PROPERTY

SECTIONS:

- 2.56.400 Value schedule for disposal of personal property.
- 2.56.410 Competitive bidding not required for sale of surplus or obsolete goods.
- 2.56.420 Surplus stock or obsolete supplies, materials or equipment.
- 2.56.430 Declaration of obsolescence.

ARTICLE V. SALE OF NATURAL RESOURCES

- 2.56.500 Power to dispose of natural resources.
- 2.56.510 Natural resources defined.
- 2.56.520 Sale or disposal-Form.
- 2.56.530 Sale of disposal-Rights and powers.
- 2.56.540 Natural resource exchanges.
- 2.56.550 Public sale-When required.
- 2.56.560 Public sale procedures.
- 2.56.570 Minimum acceptable offer.
- 2.56.580 Conditions of sale.

ARTICLE I. REAL PROPERTY ACQUISITION

2.56.010 Acquisition and ownership-Authority. The city may acquire, own and hold real property within or outside the city boundaries by any lawful means or conveyance. (Ord. 85-06-13-02 § 1.01, 1985)

2.56.020 Real property defined. As used in this chapter, "real property" includes any estate in land, tideland, submerged land, easement, right-of-way, lease, permit, license, franchise, future interest, building, fixture or any other right, title or interest in land or a building. (Ord. 98-15 §§ 3(part), 4(part), 1998: Ord. 85-06-13-02 § 1.02, 1985)

2.56.030 Acquisition-Form. A. The city may acquire, own and hold real property by warranty or quitclaim deed, easement, grant, permit, license, deed of trust, mortgage, contract of sale of real property, plat dedication, lease, tax deed, will or

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any other lawful method or mode of conveyance or grant. Real property shall be held in the name of "The City of Thorne Bay, Alaska." Any instrument requiring execution by the city shall be signed by the mayor and attested by the city clerk.

B. Only upon a specific resolution of the city council, may the mayor act on its behalf in the acquisition of real property or interest in real property when the property to be acquired is for a valuable consideration.

C. Prior to approval, the mayor is to furnish the council with an abstract of title, an appraisal **OR OTHER ESTIMATE OF THE PROPERTY VALUE** of the real property, **OR** and a review of any problems in acquisition, but the failure to furnish the council with such material shall not affect the validity of any acquisition or purchase of real property by the city.

D. Unless otherwise provided by council, the city shall purchase marketable title in the real property. Unless otherwise provided by ordinance or resolution, or upon council approval of a purchase, the mayor is authorized to obtain title insurance, to execute any instruments and to take all steps necessary to complete and close the purchase and acquisition of the real property. (Ord. 85-06-13-02 § 1.03, 1985)

2.56.040 Eminent domain-Authority. A municipality may, only within its boundaries, exercise the powers of eminent domain and declaration of taking in the performance of a power or function of the municipality under the procedures set out in AS 09.55.250 through 09.55.460. In the case of a second class city, the exercise of power of eminent domain or declaration of taking must be by ordinance that is submitted to the voters at the next general election or at a special election called for the purpose. A majority of the votes on the question is required for approval of the ordinance. (Ord. 88-34 § 5, 1988)

2.56.050 Eminent domain-Adverse possession. The city cannot be divested of title to real property by adverse possession. (Prior code Ch. 45 § 2)

2.56.060 Acquisition and ownership-Rights and powers. The city shall have and may execute all rights and powers in the acquisition, ownership and holding of real property as if the city were a private person. (Ord. 85-06-13-02 § 1.04, 1985)

2.56.070 Acquisition-Dedication of plat. The city may not acquire any real property by means of a dedication by plat unless the dedication of the real property is accepted in

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writing and signed by the mayor. (Ord. 85-06-13-02 § 1.05, 1985)

2.56.080 Industrial sites. The city may acquire, own and hold real property, either inside or outside the city boundaries, for sites available for new industries **OR EXPANDING INDUSTRIES** which will **POTENTIALLY ENHANCE THE REVENUES OF THE CITY AND ITS RESIDENTS.** ~~benefit the city.~~ (Ord. 85-06-13-02 § 1.06, 1985)

2.56.090 Federal and state aid. The city may apply for, contract and do all things necessary to cooperate with the United States Government and the state of Alaska for the acquisition, holding, improvement or development of real property within and outside the city boundaries. (Ord. 85-06-13-02 § 1.07, 1985)

2.56.100 Real property as security. The city council may pledge, mortgage or otherwise secure city real property for the payment of city bonded or other indebtedness when required, as authorized by law. (Ord. 85-06-13-02 § 1.08, 1985)

ARTICLE II. REAL PROPERTY SALES BY THE CITY

2.56.110 Applicability. A. The provisions of this chapter shall constitute the formal procedures for the sale or other permanent disposal of real property or an interest in real property owned by the City of Thorne Bay.

2.56.120 Commencement. A. The disposal process will commence upon, and be further governed and controlled by, a non-code ordinance consistent with the procedures set forth herein, and such other terms or conditions as the council may determine, identifying the particular land to be disposed of and the particular disposal method to be used.

B. Lands may not be sold or otherwise permanently disposed of until the land has been classified or zoned and the council had determined (in a non-code ordinance) that the disposal and subsequent use of the land is in the city's best interest.

C. Where a public hearing reveals that a particular upland or tideland disposal may have significant and wide spread public opposition, the council may, **BUT IS NOT REQUIRED TO DO SO, OBTAIN** ~~require~~ approval of the disposal by the qualified voters of the city.

2.56.130 Without warranty. Real property sold, traded, or exchanged shall be conveyed by the city without warranty; except

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in cases where a land trade with the federal government cannot proceed unless the city agrees to warrant title to the land being traded by the city, and any such warranty shall be supported by title insurance.

2.56.140 Appraisal required - Minimum price. Except as otherwise provided in this chapter, the mayor or the mayor's designee may sell, exchange or otherwise dispose of real property, or an interest therein, only after a consideration is determined by the council to be in the best interest of the city or an appraisal of the fair market value thereof by a qualified appraiser obtained by the city and conducted within thirty-six (36) months before the date of the sale, or the use of a comparable property appraisal **OR SALE** within the last thirty-six (36) months may be used to determine the ~~square-foot~~ value of the property as determined by a vote of the city council. The price shall ~~not be less than the fair market value unless otherwise as directed by the city council.~~ **IF THE COUNCIL DETERMINES THAT AN APPRAISAL IS NOT FEASIBLE OR WILL DELAY THE ACQUISITION OF THE PROPERTY, AND THE COUNCIL DETERMINES IT OTHERWISE HAS SUFFICIENT INFORMATION TO COMPLETE THE TRANSACTION AS IN THE BEST INTERESTS OF THE CITY, THE COUNCIL MAY COMPLETE THE TRANSACTION WITHOUT AN APPRAISAL FROM A QUALIFIED APPRAISER.**

2.56.150 Disposal methods. A. Methods. Land may be disposed of by sealed competitive bid, auction, over-the-counter offerings of unsold remnants of ~~any of the~~ ~~aforsaid processes,~~ equal value, exchange, negotiated sale, or such other lawful methods as the council may approve by non-code ordinance for the specific disposal.

B. Negotiated Sales and Exchanges. Upon authorization by the council by non-code ordinance, the Mayor or City Administrator may commence negotiations for the sale or exchange or other disposal of city land. The final terms of a negotiated disposal are subject to approval by the council unless the minimum essential terms and the authority of the mayor to execute the disposal are set forth in the ordinance authorizing negotiations. The negotiated disposal may not be executed until the effective date of the ordinance.

C. Competitive bidding not required. The mayor or the mayor's designee, after council approval by non-code, non-emergency ordinance, may sell exchange or otherwise dispose of the following real property or an interest therein, without giving an opportunity for competitive bidding.

1. Real property, or an interest therein, to be exchanged for other real property, or an interest therein, which is determined by an appraisal prepared by a qualified appraiser

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obtained by the city to be at least equal in value to the city owned property or the interest therein that is to be exchanged, or appraisal or **SALE** of a comparable parcel within the last thirty-six (36) months and approved by the city council, or if the city's property is determined to be greater in value, if the difference is made up in cash or additional property of equivalent value. The equal-value requirement is not mandatory in transactions with other government entities. The person receiving the city owned property or interest to be exchanged shall pay the cost of the appraisal, plus survey, platting, recording and all other costs to the city attendant to the transaction; except where the exchange is with a governmental entity whose rules prohibit such payment.

2. Sale, lease, donation; exchange or other transfer of real property, or an interest therein, to or with another municipality, a state, or the United States, when and under such terms and conditions as the council, in its sole judgment, deems advantageous to the city.

3. Parcels of real property **THAT ARE, ADJACENT TO AN EXISTING PARCEL** or that are substandard in size ~~or configuration under existing zoning~~ may be disposed of by sale or exchange to the legal owner of adjoining property, with such adjoining parcel to be then re-platted to incorporate therein such ~~substantial~~ parcel sold or exchanged. That the sale price or exchange value shall be at least equal to the fair market value of the city-owned or interest therein transferred which may be determined by using the current assessed value of the property, or appraisal or sale of a comparable parcel within the last thirty-six (36) months and approved by the city council.

4. Easements may be released to the legal owner of the servient property when and under such terms and conditions as the council, in its sole judgment, deems advantageous to **AND IN THE BEST INTERESTS OF** the city.

5. Or a consideration is determined by the council to be in the best interest of the city.

2.56.160 Disposals for public use. A. Disposal to Governmental Agency. The sale or disposal of land may be made to a state or federal agency for less than the appraised value, provided the council approves the terms and conditions of such disposal by ordinance.

B. Disposal to nongovernmental agency. The sale, **LEASE** ~~lease or other~~ disposal of city land may be made to a private, nonprofit corporation at less than fair market value, provided the disposal is approved by the council by ordinance adopted after fourteen days public notice and the land or interest in land is to be used solely for the purpose of providing a service

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to the public which is supplemental to a governmental service or is in lieu of a service, which could ~~or should~~ reasonably be provided by the state or the city.

2.56.170 Disposal procedures. A. Conduct of Sale. The mayor or his designee shall conduct sales in accordance with the ordinance approved by the council for a specific sale. The **MAYOR OR HIS DESIGNEE** ~~city administrator~~ shall prescribe the procedures for the conduct of the sale to the extent not provided by this chapter or otherwise prescribed by the council for a specific sale.

B. Advertisement **FOR PARCELS REQUIRING COMPETITIVE BIDDING.**

1. The city shall publish notice in a newspaper of general circulation once per week for two weeks and the notice in at least three public places within the city at least thirty days prior to the sale date. The notice shall contain a general description of the types and locations of the parcels available, the terms and conditions of purchase, the last day upon which a person may register for the sale, the date, time and place of any sale activities, and the name, address and telephone number of the person or office to contact for sale or registration forms and further information.

2. Public notice as set forth above shall be required prior to all sales or other permanent disposals.

C. Qualifications. To qualify to purchase city lands, an individual must be eighteen years of age or older; a corporation must be registered to do business in the state. No person, corporation or other entity may register or bid if they have failed to remedy a default on a prior sale or lease of city real property, or if they have failed to pay in full the amount of any judgment obtained against them by the city from a court of law, **OR ARE DELINQUENT ON ANY ACCOUNTS OWED TO THE CITY.**

D. Conditions of Sale.

1. The buyer shall pay all closing costs, including fees for preparation of documents, escrow fees and recording fees.

2. The city reserves the right to require, in the event the buyer desires to remove or cause to be removed, merchantable timber, sand or gravel, or other materials, that prior to commencement of such activity, the entire remaining principal and accumulated interest, or any unpaid portion of the purchase price, be paid in full to the city **AND THE BUYER ENTER AN AGREEMENT TO DEFEND AND INDEMNIFY THE CITY FOR ANY AND ALL ACTIONS TAKEN BY THE BUYER.**

3. The city council shall consider placing restrictive covenants, reversionary clauses, performance bond

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requirements, or other similar restrictions in the deeds, or require the submission of a development plan when deemed reasonably necessary to protect the public health and welfare or to uphold the city's ordinances, ~~coastal coastal management plan~~ or other officially adopted land use plans.

E. Subsequent Transfers. Any subsequent transfer or sale of the property by the buyer prior to full payment therefore shall require the prior written approval of the city, followed by the transferee's **PERSONAL GUARANTEE FOR AND** assumption of any remaining balance on the original buyer's promissory note and the original buyer's deed of trust to the city. The city may withhold approval based on lack of credit worthiness of the proposed transferee or other commercially reasonable grounds, in which case the sale or transfer shall not be made unless the entire remaining balance due the city is paid in full either prior to or as part of the buyer's sale transaction. **THE CITY WILL NOT APPROVE A TRANSFER TO AN LLC WITHOUT ALL THE MEMBERS OF AN LLC SIGNING AN AGREEMENT TO PERSONALLY GUARANTEE THE REMAINING BALANCE ON THE PROMISSORY NOTE TO THE CITY.**

ARTICLE III. LONG TERM LEASE OR SHORT TERM LEASE OF CITY-OWNED REAL PROPERTY

2.56.190 Lands available for leasing - classification of lands.

A. All lands and interest in land owned by the city, including tide and submerged lands, may be leased or rented as hereinafter provided. Thorne Bay R.V. Park, Thorne Bay Harbor Facilities, Parking and other service rented by the day, week, month or year are regulated in other sections of the Thorne Bay Municipal Code.

B. Before accepting applications to lease lands, the city shall have zoned by ordinance or otherwise classified the lands in question for leasing and for particular land uses. No lease shall be granted except for the particular uses for which the tract is zoned or classified. The classification of a tract of leased land may be changed by ordinance after consideration by the ~~planning and zoning commission~~ **CITY**

C. No city-owned property shall be leased or otherwise developed prior to the assignment of a particular zone or the repeal of the reserved use classification.

D. Long Term Lease. A long term lease herein referred to as "Lease" may not exceed ~~20~~**30** years. A renewal option exercisable at the discretion of the lessee with approval of the city council may extend a long term lease, for an additional periods of time, not to exceed ~~20~~**30** years. Long term leases are subject to terms set forth in Article III.

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E. Short Term Lease. A short term lease herein referred to as "Rental Agreement" may not exceed 4 5 years. A renewal option exercisable at the discretion of the lessee with approval of the city council may extend a short term lease for additional periods of time not to exceed ~~four~~ 5 years. **THE CITY MAY IN ITS DISCRETION REQUIRE AMENDMENTS OR REVISIONS TO THE LEASE AS A CONDITION OF APPROVAL FOR EXTENSION.** Short term leases are subject to the specific short term lease terms set forth in Article III.

2.56.200 Levels of approval required. A. Except as provided in subsection B and C, leases of city-owned property shall be authorized by non-code ordinance.

B. Leases valued at ten thousand dollars or less and for a lease term (including the lessee's rights of renewal) of ~~four~~ 5 years or less, and involving two acres or less, may be authorized by the council by resolution.

C. All short term leases or rental agreements may be authorized by the city council.

2.56.210 Rent. A. ~~Minimum rate~~ **RENT** ~~Except~~ for short term leases and lands leased for public use, ~~no land shall be leased for an annual rent less than eight percent of the appraised value of the land and any improvements thereon owned by the city.~~ shall be derived through negotiations with the City based on the best interest of the city. All monthly or annual rents or lease payments shall be reviewed and adjusted, at a minimum, every five (5) years unless provisions provide for ~~are spelled out within the lease or rental agreement for~~ automatic adjustments to the rent or lease payments. ~~Facilities for supply utility services shall not be considered as such improvements. The city council may, for a consideration determined by the council to be in the best interest of the city, set annual rent more or less than eight percent of the appraised value.~~

B. Public Use. City lands may be leased **OR RENTED** to any state or federal agency or political subdivision of the state or to a nonprofit organization ~~for less than eight percent of the appraised value,~~ and for a consideration determined by the council to be in the best interest of the city.

C. Appraisal. With the exception of the public uses described in paragraph B of this section, **THE CITY COUNCIL MAY DETERMINE IT IS IN THE BEST INTEREST OF THE CITY, THAT PRIOR TO LEASING OF** ~~no land shall be leased, or a renewal~~ renewal of a lease issued ~~therefore,~~ unless **THAT** the land has ~~bee~~ **BE** appraised according to Municipal Code, **BUT THE COUNCIL IS NOT REQUIRED TO OBTAIN AN APPRAISAL.** ~~or a consideration is~~

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~~determined by the council to be in the best interest of the city.~~

D. Short Term Leases. With the exception of the public uses described in paragraph B of this section, all lands leased through a short term lease "rental agreement", or a renewal lease issued therefore, shall be negotiated by the city and approved by the city council.

2.56.220 Term of leases. A. **ANY** Long Term Lease will be negotiated between the applicant and the city and be for a term not to exceed ~~20~~ **30** years with the option of renewal, **IN THE SOLE DISCRETION OF THE CITY, FOR A PERIOD NOT TO EXCEED 30 YEAR INCREMENTS AND WITH SUCH REVISIONS AND AMENDMENTS AS DEEMED BY THE CITY IN THE BEST INTERESTS OF THE CITY.** The applicant shall state in the application the term desired. In determining whether to grant a lease for the requested term, the council shall consider the nature, extent and cost of the improvements which the applicant agrees as a condition of the lease to construct ~~thereon,~~ **AND** the value of the other relevant factors. The term of any given lease shall depend upon the desirability of the proposed use, the amount of investment and improvements proposed to be made by the lessee, and the nature of the improvements proposed with respect to the durability and time required to amortize the proposed investment. A renewal option exercisable at the discretion of the lessee, **WITH APPROVAL OF THE COUNCIL,** shall be ~~counted~~ **CONSIDERED** in determining the term of the lease for purposes of this subsection.

B. **ANY** Short Term Lease will be negotiated between the applicant and the city and be for a term not to exceed 4 5 years with the option of renewal **IN THE SOLE DISCRETION OF THE CITY, FOR PERIODS NOT TO EXCEED 5 YEARS AND WITH SUCH REVISIONS AND AMENDMENTS AS DEEMED BY THE CITY IN THE BEST INTERESTS OF THE CITY.** The applicant shall state in the application the term desired. In determining whether to grant an agreement for the requested term, the council shall consider the nature, extent and cost of the improvements which the applicant agrees as a condition of the rent to construct ~~AND thereon,~~ the value of the other relevant factors. The term of any given rental agreement shall depend upon the desirability of the proposed use, the amount of investment and improvements proposed to be made by the renter, and the nature of the improvements proposed with respect to the durability and time required to amortize the proposed investment. A renewal option exercisable at the discretion of the lessee **WITH APPROVAL OF THE COUNCIL,** shall be ~~counted~~ **CONSIDERED** in determining the term of the rental agreement for purposes of this subsection.

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2.56.230 Public Notice. Public Notice for competitive leasing shall be given ~~prior to long term leasing of city owned land~~ as stated in Section 2.56.230 of the Thorne Bay Municipal Code. A Thirty day notice shall be given by posting notice thereof in three public places and by publication in a newspaper of general circulation ~~twice~~. The notice must contain the name of the applicant, a brief description of the land, its area and general location, proposed use, term, computed annual minimum rent, limitations if any, a declaration stating the particular method of disposal to be used and the time and place set for a hearing on the proposed lease.

2.56.240 LEASING LAND - Negotiated or ~~competitive~~ **COMPETITIVE** leasing. **A. NEGOTIATED LEASING MAY BE CONDUCTED WITH A SINGLE PROSPECTIVE LESSEE OR RENTER THROUGH THE USE OF RESOLUTION. B. COMPETITIVE LEASING MAY BE CONDUCTED IF DETERMINED BY THE CITY, THROUGH A NON CODE ORDINANCE AND COMPETITIVE BIDDING REQUIREMENTS.** ~~Unless the council determines by resolution that a particular leasing transaction should proceed by negotiation with a single prospective lessee, competitive bidding will be utilized. The city council may elect to forgo competitive bidding requirements for negotiations with a single prospective lessee or renter.~~

2.56.250 Applications, fees, terms, and payments for competitive bidding.

Unless otherwise provided by the council in the ordinance or resolution authorizing the lease of specific lands, the following procedures shall be followed for competitive bidding:

A. Qualifications of applicants or bidders. An applicant or bidder for a lease is qualified if the applicant or bidder:

1. Is eighteen years or age or over;
2. Is a group, association, partnership or corporation which is authorized to conduct business in the State of Alaska; or
3. Is acting as an agent for another meeting one of the above criteria, and has qualified by filing with the administrator or his designee, prior to the time set for the disposition, a power of attorney or a letter of authorization creating such agency. The agent shall represent only one principal, to the exclusion of himself.

B. Applications for lease. All applications for lease of lands shall be filed with the City Clerk on forms provided by the city. Only forms completed in full and accompanied by a one hundred dollar (\$100.00) nonrefundable filing fee will be

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required for filing. Applications that qualify as a public use as defined in 2.56.210 (B) may be exempted from the filing fee. With every application the applicant shall submit a development plan showing and stating:

1. The purpose of the proposed lease;
2. The use, value and nature of improvements to be constructed;
3. The type of construction;
4. Dates construction is estimated to commence and be completed; and
5. Whether the intended use complies with the zoning and the Thorne Bay land use code.

C. Deposits for Cost. All applications filed with the city clerk will be forwarded to the administrator to determine estimated costs required to handle the application, including, but not limited to one or more of the following: survey, appraisal, and advertising of the proposed lease of the area under application. Upon determination of the estimated costs, **THE ADMINISTRATOR** ~~said official~~ shall notify the applicant in writing of such costs, and a deposit ~~thereof~~ must be made within thirty calendar days after the notice is mailed. Failure of the applicant to pay the deposit shall result in the application being cancelled.

If the applicant does not accept a lease within thirty-calendar days after it is offered to the applicant, all deposit money spent or encumbered for survey, appraisal or advertising shall be forfeited, and the balance, if any, shall be returned to the applicant. If the land applied for is leased to another, the latter shall be required to pay actual costs of survey, appraisal and advertising, and the original deposit shall be returned to the depositor. The lessee shall be required to pay any excess of costs over deposits, and where the deposit exceeds actual costs, the excess shall be credited to present or future rents under the lease. All survey, appraisal and advertising shall be performed only under the control of the city, and any such work done without such control will not be accepted by the city.

Those applications defined as a public use in 2.56.210 may be exempted from the requirements of this subsection.

2.56.260 Competitive bidding -- Appeals. A. Where competitive bidding is used, the city may either require written sealed bids stating the annual rental amount offered, or hold an auction on the rent amount. Only applicants who have completed the application requirements to the city's satisfaction (including submittal of a development plan and the deposits for cost) shall be qualified to bid. The City may base its award of

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lease on a combination of factors (including the development plan and the extent to which the proposed project will meet community needs) rather than solely upon rental amount bid. The city reserves the right to reject all bids and return the deposits to the applicants.

B. Appeal. In cases involving competitive bidding, an aggrieved bidder may appeal the determination of the winning bid to the council with five days (excluding Saturday and Sunday) following such determination. Such appeals must be in writing, signed and notarized and contain a **COMPLETE** ~~short~~ statement of the grounds for appeal. The council shall within thirty days after receipt of a timely appeal review the asserted grounds for appeal and rule on the appeal. The council's decision shall be final.

C. Lease to Successful Bidder. Following the appeal period or the council's ruling, the city administrator shall notify the successful bidder that the city is prepared to issue **THE** ~~an appropriate~~ lease. The bidder shall be given thirty calendar days from date of mailing the notice in which to remit to the city ~~elerk~~ any bid balance. Failure to do so shall result in forfeiture of any and all rights previously acquired in the proposed lease, and in addition, any monies paid or deposited with the city shall be forfeited.

D. Issuance of Lease. After expiration of the appeal period, or after the ruling on the appeal to the council, the administrator shall cause a lease to be issued and executed containing such terms as the council shall have established.

2.56.270 Negotiated leases. ~~Upon authorization by the city council by ordinance or resolution, t~~

The city administrator may commence negotiations **WITH A SINGLE PROSPECTIVE LESSEE** for the lease of city land. The final terms of a negotiated lease are subject to approval by the council **THROUGH A RESOLUTION FOR SHORT TERM LEASE AND NON CODE ORDINANCE FOR A LONG TERM LEASE.** ~~unless the minimum essential terms and the authority of the administrator to execute the lease are set forth in the ordinance or resolution authorizing negotiations.~~ The negotiated lease may not be executed until the effective date of the ordinance or resolution.

2.56.280 Rights prior to leasing. A. The filing of an application for a short or long term lease shall give the applicant no right to a lease nor to the use of the land applied for.

B. Any use of city-owned property not authorized by a short or long term lease shall constitute a trespass against the city.

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2.56.320 Terms and conditions of long term leases and short term leases (rental agreements). In addition to other applicable provisions of this code, the terms, conditions and covenants following as subsections A. through V. of this section shall govern all long term leases and may govern short term leases (rental agreements) made under the provisions of this chapter and shall be as a matter of law incorporated in all such leases of land made, or issued by the city unless the council by resolution provides otherwise as to a specific lease, and are incorporated as though set out in full in the lease. Each lease shall contain such additional provisions as the council deems necessary to protect the public interest. Violation by the lessee of any duty of lessee's contained in subsections A through V shall be grounds for the city's termination of the lease, if, following written notice to lessee of lessee's breach, lessee has not in thirty days entirely remedied the breach to the city's satisfaction. **ALL LONG TERM AND SHORT TERM LEASES SHALL BE REVIEWED EVERY FIVE YEARS THROUGHOUT THE LIFE OF ALL LEASES. ADDITIONS, MODIFICATIONS, ADJUSTMENTS OR CHANGES MAY BE MADE TO ALL LEASES AT THE TIME OF REVIEW.**

A. Lease Utilization. Leased lands shall be utilized only for purposes within the scope of the applicable land use classification or zoning and the terms of the lease, and in conformity with the ordinances of the city, **FEDERAL AND STATE LAWS AND REGULATIONS.** Utilization or development for other than the allowed uses shall constitute a violation of the lease and subject the lease to **TERMINATION OR** cancellation by the city at any time.

B. Adjustment of Rent **FOR LONG TERM OR SHORT TERM LEASES.** The annual rent payable pursuant to any lease becomes subject to adjustment by the council on the ~~fourth~~ **FIFTH** anniversary of the date of the lease and at each ~~four~~ **FIVE** year interval thereafter unless specified otherwise in ~~THE~~ said lease. **THE PROCESS UPON WHICH RENTS MAY BE ADJUSTED BY THE CITY COUNCIL WILL BE DETERMINED PRIOR TO FINALIZING ANY LEASE.** ~~The adjusted annual rent shall be computed at that percentage of the fair market value of the land as set by the lease, inclusive of any improvements thereon made by the city, or a consideration is determined by the council to be in the best interest of the city, but exclusive of any portion of value created by expenditures by lessee, except that the value of any improvements credited against rentals shall be included in the value. Such fair market value shall be determined by the City Administrator and reviewed and approved by the council. The lessee may obtain council reconsideration of the council's prior approval of the appraiser's figure for market value by giving~~

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~~written notice of request for reconsideration within ten days after the council's original decision, and by thereafter presenting an alternative appraisal, prepared by a Member of the Appraisal Institute (MAI) within ninety days after the council's original decision. The council shall, upon presentation of the lessee's evidence, within thirty days decide the final market value to be used in adjusting the rent. The new rental amount shall be effective at the beginning of the three year interval to which it applies.~~

C. Subleasing. The lessee may sublease lands or any part thereof leased to him hereunder, provided that the lessee ~~first~~ obtains the approval of the council to such sublease. Leases not having improvements thereon shall not be sublet. Subleases shall be in writing, and subject to the terms and conditions of the original lease and such further terms and conditions, as the council may deem **PROPER** ~~appropriate~~ including adjustments to rents and conditions. A copy of the sublease shall be filed with the city administrator.

D. Assignments. The lessee **SHALL NOT ASSIGN THE LEASE WITHOUT PRIOR APPROVAL OF THE CITY COUNCIL, WHICH MAY IMPOSE TERMS AND CONDITIONS ON THE ASSIGNMENT.** ~~may assign the lease issued to him, provided that the proposed assignment shall be first approved by the city council under such further terms and conditions as the city council may deem appropriate. The assignee shall be subject to all of the provisions of the original lease, and the assignor shall not be relieved of his obligations there under. A copy of any assignment shall be filed with the city administrator.~~ **THE CITY COUNCIL WILL NOT APPROVE AN ASSIGNMENT TO AN LLC UNLESS ALL THE MEMBERS OF THE LLC SIGN A PERSONAL GUARANTEE FOR PERFORMANCE OF THE LEASE TERMS AND CONDITIONS.**

E. Modification. Any modification or amendment of a lease shall be in writing, signed by both the city and the lessee. Modification of any lease **DOES NOT** require authorization by ordinance or resolution **WHERE THE LEASE WAS NEGOTIATED WITH A SINGLE PROSPECTIVE LESSEE.** ~~in the case of a lease negotiation with a single prospective lessee.~~

F. Cancellation and Forfeiture.

1. Leases in good standing may be cancelled in whole, or in part, at any time, upon mutual written agreement by lessee and the council. Any lease may, at the council's option, include a term providing that the lease may be terminated by the lessee upon ninety days' notice in writing to the city before the end of an annual rental period **UNLESS STATED OTHERWISE IN THE LEASE.**

2. If the lessee defaults in the performance or observance of any of the lease terms, covenants or stipulations,

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or any applicable term of this chapter, or any portion of the city code as applied to the property in question, the lessee is automatically in default on the lease by operation of law.

INCURRING ~~Occurring~~ **DEBT WITH THE CITY SHALL CONSTITUTE A DEFAULT.** If such default continues for thirty calendar days after service upon lessee of written notice of default by the city without remedy of lessee of the default, the council shall take such action as is necessary to protect the rights and best interests of the city, including the exercise of any or all rights after default permitted by the lease. Lessee **SHALL NOT** ~~may remove~~ **ANY** ~~no~~ improvements during the time the lessee is in default.

3. The city may **TERMINATE OR** cancel the lease if the land is used for any unlawful purpose.

4. Failure to make substantial use of the land, consistent with the proposed use, within one year shall with the approval of the council constitute grounds for **TERMINATION OR** cancellation. This time period may be extended by the council by resolution **OR BY COUNCIL AUTHORIZATION TO THE ADMINISTRATOR.**

G. Site contamination Prohibited-Environmental Compliance Required.

1. Any violation, at the site of the leased land, by lessee, or by a third party present upon the land with lessee's permission, of an environmental statute or regulation of the city, state or federal governments shall be grounds for immediate termination of the lease by the city, at the city's sole discretion. By entering into the lease, the lessee agrees not to make any claim for monetary damages against the city for lease **TERMINATION OR** cancellation pursuant to this subsection.

2. The lessee shall at all times manage lessee's activities upon the leased lands, and the activities of third parties present with lessee's permission, so as to positively prevent any and all contamination of the site which would violate any **FEDERAL OR STATE** statute or regulation, which could subject the city to an enforcement action **OR ANY ADMINISTRATIVE PROCEEDING** by a state or federal agency, or which could subject the city to statutory or common law liability, diminish the value of the land, or cause city expenditures for response costs **OR REMEDIATION COSTS** caused by a hazardous substances release, **DISCHARGE, OR SPILL. THE CITY SHALL HAVE THE RIGHT TO INSPECT OR OTHERWISE ENTER ON TO THE LEASED PREMISES DURING THE TERM OF THE LEASE TO ASSURE LESSEE'S COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND REGULATIONS.**

3. By entering into the lease, the lessee agrees to defend and indemnify the city from and against any and all claims **OF ANY KIND AND ANY NATURE, INCLUDING DEATH,** by third parties (including governmental entities and industry pollution-

Additions are in bold
Deletions are stricken

based claims) brought against city ARISING OUT OF OR RELATING TO IN ANY WAY THE USE OF THE LEASED PREMISES BY THE LESSEE OR ANYONE ON THE LEASED PREMISES BY INVITATION OR AUTHORIZATION OF THE LESSEE. THIS OBLIGATION TO DEFEND AND INDEMNIFY THE CITY SHALL EXTEND BEYOND THE TERM OF THE LEASE TO ANY CLAIM OR ACTION OCCURRING DURING THE TERM OF THE LEASE. ~~by reason of activities on the land during the period of lessee's lease.~~

4. By entering into the lease, the lessee agrees to reimburse the city for any and all expenses reasonably incurred by the city (including any response, **REMEDICATION** or site cleanup costs) because of activities on the land during the period of lessee's lease, **INCLUDING THE CITY'S ATTORNEY'S FEES.**

H. Rights of Mortgagee or Lien holder. In the event of cancellation or forfeiture of a lease for cause, the holder of a properly recorded mortgage of the improvements on the land shall be given a duplicate copy of any notice of default in the same manner as notice is given the lessee, provided such mortgagee has given the city clerk notice of such mortgage and the mortgagee's address.

I. Payment of Annual Rentals. Unless otherwise provided by the council by ordinance **OR RESOLUTION, ALL** the following lease payment schedules shall apply: ~~Annual rentals AND LEASE PAYMENTS SHALL BE DUE AND PAYABLE ON THE FIRST OF THE MONTH. PAYMENTS NOT MADE BY THE 10TH OF THE MONTH SHALL BE CONSIDERED DELINQUENT. of five hundred dollars or less shall be paid annually in advance. (Annual rentals of more than five hundred dollars but less than five thousand dollars shall be prorated and paid in advance every calendar quarter.) Annual rentals of five thousand dollars or more shall be prorated and paid in advance each calendar month.~~

J. Entry and Re-entry. In the event the lease is terminated, or in the event that the demised lands, or any part thereof, are abandoned by the lessee during the term, The city or its agent or representative may, immediately or any time thereafter, reenter and resume possession of such lands or such part thereof, and remove all persons and property there from either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefore. No reentry by the city shall be deemed an acceptance of a surrender of the lease.

K. Re-Lease. In the event that a lease is terminated, the city council may offer the lands for lease or other appropriate disposal pursuant to the provisions of this Chapter.

L. Forfeiture of Rental. In the event that the lessee terminates the lease because of any breach, the rental payment last made by the lessee shall be forfeited and retained by the city.

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M. Written Waiver. The receipt of rent by the city with knowledge of any breach of the lease by the lessee, or of any default on the part of the lessee in observance or performance of any of the conditions or covenants of the lease, shall not be deemed to be a waiver of any provision of the lease. No failure on the part of the city to enforce any covenant or provision of the lease, nor any waiver of any right thereunder by the city unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of the city to enforce the same in the event of any subsequent breach or default. The receipt by the city of any other sum of money after the termination in any manner, of the term demised, or after the giving by the city of any notice thereunder to effect such termination, shall not reinstate, continue or extend the resultant term therein demised, or destroy, or in any manner impair the efficiency of any such notice or termination as may have been given thereunder by the city to the lessee prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by the city administrator.

N. Expiration of Lease. Unless the lease is renewed or sooner terminated, as provided herein, the lessee shall peaceably and quietly leave, surrender and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

O. Renewal of Lease.

1. Upon the expiration of the term of any lease, or the cancellation of a lease by mutual consent of all parties, thereto, the council may grant a new lease to the lessee or his assignee who owns valuable improvements thereon, ~~without competitive bidding,~~ provided:

a. The lessee or his assignee makes written application ~~therefore~~ at least ninety days prior to such termination;

b. The lessee is not in default under the lease;

c. The use to which the land is to be put is compatible with the current use classification (or with such new classification as the council may adopt effective at the end of the current lease term) or with the applicable zoning provisions;

d. The lessee's improvements on the leased land are in compliance with applicable building codes, fire and safety codes;

e. The lessee has complied with all requirements of the lease, particularly including the provisions of subsection G of this section, and there are no outstanding

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and unresolved environmental enforcement actions **OR PROCEEDINGS OR NOTICES OF VIOLATION** pertaining to the leased premises;

f. The lessee is current in all monetary obligations to the city, including property taxes, sales taxes, utility bills, and rents for any other lands leased from the city; and

g. Mutually agreeable terms, consistent with the provisions of this chapter governing lease terms, are negotiated by the city and the prospective lessee.

2. Such lease shall be for an annual rent equal to the ~~percentage of the appraised~~ value of the land which is then being charged for new leases or a consideration is determined by the council to be in the best interest of the city, and shall be subject to adjustment on every ~~third~~ **FIFTH** anniversary

3. Any renewal preference granted the lessee is a privilege, and is neither a right nor bargained for consideration.

P. Removal or Reversion of Improvements upon Termination of Lease. Improvements owned by a lessee may within thirty calendar days after the termination of the lease be removed by **THE LESSEE** ~~him~~, provided, such removal will not cause injury or damage to the lands or improvements **OF THE CITY** ~~demised~~; and further provided that the city council may extend the time for removing such improvements in cases where **ACTUAL** hardship is **ESTABLISHED TO THE SATISFACTION OF THE COUNCIL**. ~~preven-~~ All periods of time granted the lessee to remove improvements, are subject to the lessee paying to the city pro rata lease rentals for such periods. If any improvements and/or **PERSONAL PROPERTY** ~~chattels~~ are not removed within the time allowed, such improvements and/or **PERSONAL PROPERTY** ~~chattels~~ shall revert to, and absolute title shall vest in, the city, **WITHOUT ANY FURTHER NOTICE TO THE LESSEE**.

Q. Inspection. The lessee shall allow an authorized representative of the city to enter the leased land at any reasonable time for the purposes of inspecting the land and improvements thereon. Upon the city's request, the lessee shall permit an authorized representative of the Alaska Department of Environmental Conservation (ADEC) to make an environmental audit of the leased premises. Notwithstanding any confidentiality provisions in federal or state law, by entering into the lease, the lessee agrees that the results of any environmental audit of the premises made by or at the order of any state or federal agency shall be made available to the city as land owner.

R. Use of Material. All coal, oil, gas and other minerals, and all deposits of stone, earth or gravel valuable for extraction or utilization, are reserved by the city and shall not be removed from the land except with written

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permission of the council. The lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, 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 council in writing.

S. Rights-of-way. The lessor expressly reserves the right to grant easements or right-of-way across leased land if it is determined in the best interest of the city to do so. If the lessor grants an easement or right-of-way across any of the leased land, the lessee shall be entitled to damages for all lessee-owned improvements destroyed or damaged. Damages shall be limited to improvements only and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate the lessee for the loss of uses.

T. Warranty. The city does not warrant by its zoning, classification or leasing of land that the land is ideally suited for the use authorized under the zoning, classification or lease, and no guaranty is given or implied that it will be profitable to employ the land for **ANY** ~~said~~ use.

U. Notice or Demand. Any notice or demand, which under the terms of a lease or under any statute must be given or made by the parties shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either party may designate in writing such new or other address to which such notice or demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed delivered when deposited in the U.S. mails enclosed in a registered or certified mail prepaid envelope addressed as herein provided. **E-MAIL SHALL NOT CONSTITUTE PROPER NOTICE UNDER THIS SECTION.**

V. Additional Lease Terms. Any lease shall contain such additional limitations, reservations, requirements or special conditions as the council may determine ~~are appropriate~~ to protect the city's interest, including (without limitation) requirements (a) for improvements of a specified kind and value to be constructed or located on the land by the lessee within a specified time period, (b) for the lessee to complete the improvements set forth in the development plan submitted with the lease application within a specified time period, or (c) requirements that the lessee **DEFEND AND** indemnify the city against the third party claims for personal injury or property damage arising from lessee's occupancy of **OR USE OF** the land, and **PROVIDE** ~~support that indemnification with liability insurance~~ **IN AN AMOUNT DETERMINED BY THE CITY AND REQUIRING THAT** ~~naming~~ the city **BE NAMED** as an additional insured.

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ARTICLE IV. DISPOSITION OF CITY-OWNED PERSONAL PROPERTY

2.56.400 Value schedule for disposal of personal property.

A. Personal property, other than surplus stock, valued at less than five thousand dollars may be disposed of upon such notice and terms considered reasonable by the mayor, taking into consideration the value of the article, the reason for disposal, and the general preference for disposal by competitive bid. The mayor shall report disposals to the council.

B. Personal property valued at more than five thousand dollars but less than ten thousand dollars may be disposed of upon such notice and terms considered reasonable by the mayor and approved by the city council by resolution, taking into consideration the value of the article, the reason for disposal, and the general preference of disposal by competitive bid.

C. Personal property valued at more than ten thousand dollars, but less than one hundred fifty thousand dollars shall be disposed of in the manner provided for land under one hundred fifty thousand dollars as required in subsection B of Section 2.56.160.

D. Personal property valued at more than one hundred fifty thousand dollars shall be disposed of in the manner provided for land over one hundred fifty thousand dollars as required in subsection C of Section 2.56.160. (Ord. 98-15 §§ 3(part), 4(part), 1998: Ord. 85-06-13-02 § 4.01, 1985)

2.56.410 Competitive bidding not required for sale of surplus or obsolete goods. The mayor may sell the following without giving an opportunity for competitive bidding:

A. Surplus Stock or obsolete supplies, materials or equipment whose total value does not exceed five thousand dollars in a single transaction.

B. Supplies, materials or equipment when sold at a price at least as great as that paid by the city for the same. (Ord. 98-15 §§ 3(part), 4(part), 1998: Ord. 85-06-13-02 § 4.02, 1985)

2.56.420 Surplus stock or obsolete supplies, materials or equipment. A. All city departments shall submit to the mayor or the mayor's designee at such times and in such form as the mayor shall prescribe, reports showing stocks of all supplies, materials or equipment that are no longer used or that have become obsolete, worn out or scrapped.

B. The mayor or the mayor's designee shall have the authority to transfer surplus stock from one city department to another and provide for proper fiscal transfer of such.

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C. The mayor or the mayor's designee, with the approval of the city council by resolution shall have the authority to sell all surplus stock or obsolete supplies, materials or equipment valued at over five thousand dollars in a single transaction, that have become unsuitable for public use, or to exchange the same for or trade-in the same on any new stock, supplies, materials or equipment.

1. Sales of surplus stock or obsolete supplies, materials or equipment valued at over five thousand dollars under this section shall be made to the highest responsible bidder.

2. The mayor or the mayor's designee shall conduct the sale and issue the certificates of sale to the purchaser of surplus stock or obsolete supplies, materials or equipment. (Ord. 98-15 §§ 3(part), 4(part), 1998: Ord. 85-06-13-02 § 4.03, 1985)

2.56.430 Declaration of obsolescence. No surplus stock or obsolete supplies, materials or equipment having a value of more than five thousand dollars may be sold until the city council by resolution shall have declared them obsolete or surplus. (Ord. 98-15 §§ 3(part), 4(part), 1998: Ord. 85-06-13-02 § 4.04, 1985)

ARTICLE V. SALE OF NATURAL RESOURCES

2.56.500 Power to dispose of natural resources. Except as provided herein, the city may sell, convey, exchange, transfer, donate, dedicate, direct or assign to use, or otherwise dispose of city-owned natural resources by any lawful means of conveyance. (Ord. 98-15 § 4(part), 1998)

2.56.510 Natural resources defined. As used in this chapter, "natural resources" includes any timber, rock, minerals, water, or other materials created by natural causes. "Natural resources" also includes trees or plants planted by man. (Ord. 98-15 § 4(part), 1998)

2.56.520 Sale or disposal-Form. The city may sell or dispose of natural resources by any lawful means. Any instrument requiring execution by the city shall be signed by the mayor or the mayor's designee and attested by the city clerk. (Ord. 98-15 § 4(part), 1998)

2.56.530 Sale or disposal-Rights and powers. Except as provided herein, the city shall have and may exercise all rights and powers in the sale and disposal of natural resources as if

Additions are in bold
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the city were a private person. The city may sell or dispose of any natural resource, including natural resources acquired or held for or devoted to a public use, when in the judgment of the city council it is no longer required for city purposes. (Ord. 98-15 § 4(part), 1998)

2.56.540 Natural resource exchanges. The city council by resolution may approve the conveyance and exchange of natural resources, **EXCEEDING FIVE THOUSAND DOLLARS**, for equivalent natural resources, or for goods and services subject to such conditions as the council may impose on the conveyance or exchange, whenever, in the judgment of the city council, it is advantageous to the city to make the natural resource exchange. (Ord. 98-15 § 4(part), 1998)

2.56.550 Public sale-When required. Unless otherwise provided in this chapter, natural resources no longer used or useful for a public use or purpose, exceeding five thousand dollars, shall be sold to the highest responsible bidder at a public sale. (Ord. 98-15 § 4(part), 1998)

2.56.560 Public sale procedures. Natural resources of the city, except as otherwise provided in this chapter, shall be sold or otherwise disposed of as follows:

A. The city council shall make a determination that the natural resource exceeding five thousand dollars is no longer used or useful for a public use or purpose and shall recommend that the natural resource be sold.

B. An estimated value of the natural resource shall be made using the best available information to determine current market value.

C. After the estimated value of the natural resource has been determined, the city council may by resolution direct the sale of such natural resource under such terms and conditions as is required, including the minimum offered sales price.

D. Notice of disposition and the manner in which the natural resource is to be disposed of shall be published in a newspaper of general circulation within the city once each week for two successive weeks not less than thirty days prior to the date set for the public sale.

E. Notice shall also be posted in at least three public places within the city for at least thirty days prior to the date set for the public sale.

F. The notice must contain a brief description of the natural resource, its location, terms and conditions of sale, minimum offered sales price, and the time and place set for auction or bid opening. (Ord. 98-15 § 4(part), 1998)

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2.56.570 Minimum acceptable offer. If there are no acceptable offers, the mayor, or the mayor's designee may negotiate for the sale of natural resources but the city council must, by resolution, approve the terms, price, and conditions of any such negotiated sale, **EXCEEDING FIVE THOUSAND DOLLARS**, before such sale shall be binding upon the city. (Ord. 98-15 § 4(part), 1998)

2.56.580 Conditions of sale. The city council, in the resolution authorizing the sale of natural resources **EXCEEDING FIVE THOUSAND DOLLARS**, shall set forth the terms and conditions of the public sale. The council reserves the right to reject any and all bids received at the public sale, if the highest bid is below the minimum offered sales price plus the cost of sale or is not made by a responsible bidder. The resolution shall provide if the sale is for cash, or cash deposit and purchase agreement. The city council shall approve any purchase agreement prior to its execution by the city. The approval of any public sale by the council authorizes the mayor or the mayor designee to take all steps and execute all instruments to complete and close the sale. The mayor, or the mayor's designee, shall conduct the sale, and shall give to the buyer a receipt for all moneys received by the city. A purchaser at a public sale who fails to make such other cash payments within the times required by the resolution shall forfeit any cash deposit paid to the city. (Ord. 98-15 § 4(part), 1998)

CITY OF THORNE BAY
ORDINANCE 16-03-15-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA,
AMENDING TITLE 17-ZONING, CHAPTER 17.04-PLANNING AND ZONING, SECTION
17.04.029-WATERFRONT DEVELOPMENT ZONE

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Section. The title and chapter of Title 17-Zoning, Chapter 17.04-Planning and Zoning, Section 17.04.029-Waterfront development zone, is hereby amended.
- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED March 15, 2016

James Gould, Mayor

ATTEST:

Teri Feibel, CMC

[Introduction: March 1, 2016]
[Public Hearing: March 15, 2016]

Additions are in bold
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~~17.04.029 Waterfront development Zone. The purpose of this zone is to reserve areas with direct waterfront access for water-dependent or water-related uses and to give these uses first priority.~~

THE PURPOSE OF THIS ZONE IS TO PROVIDE FOR AESTHETICALLY PLEASING COMMERCIAL AREAS ALONG THE WATERFRONT WHILE RETAINING ACCESS TO THE WATERFRONT FOR BOTH PUBLIC AND PRIVATE USES.

DEVELOPMENT PLANS ARE REQUIRED FOR ALL DEVELOPMENT WITHIN THE WATERFRONT COMMERCIAL ZONE CONFORMING TO APPLICABLE STANDARDS OF SECTION 17.04.035.

~~A. Permitted Uses.~~

- ~~1. Port and harbor facilities, including docks, floatplane operations, barge freight and ferry terminals;~~
- ~~2. Marine fuel, water and sanitation facilities;~~
- ~~3. Public, private and commercial moorage;~~
- ~~4. Log storage facilities;~~
- ~~5. Seafood processing plants, cold storage plants and facilities;~~
- ~~6. Warehousing, storage and handling of cargo;~~
- ~~7. Shipyards, boat storage yards and sale facilities;~~
- ~~8. Parks and open space;~~
- ~~9. Residential uses accessory to permitted uses such as watchmen quarters, or owner operator's home;~~
- ~~10. Administrative offices accessory to permitted uses.~~

A. USES ALLOWED IN WATERFRONT COMMERCIAL ZONE WITHOUT SPECIAL PERMITTING.

- 1. PORT AND HARBOR FACILITIES, INCLUDING DOCKS, FLOATPLANE OPERATIONS;**
- 2. MARINE, VEHICLE AND PROPANE FUEL SALES;**
- 3. PUBLIC, PRIVATE AND COMMERCIAL MOORAGE ASSOCIATED WITH APPROVED USES;**
- 4. POST OFFICE;**
- 5. SMALL SCALE; SEAFOOD PROCESSING PLANTS, COLD STORAGE PLANTS AND FACILITIES;**
- 6. HAIR SALONS;**
- 7. BANKS AND OTHER FINANCIAL INSTITUTIONS;**
- 8. PARKS AND OPEN SPACE;**
- 9. COMMUNITY RECREATION, COMMUNITY FACILITIES, OPEN SPACE, BEACHES AND BUFFER STRIPS;**
- 10. RETAIL SALES AND RENTALS;**

Additions are in bold
deletions

11. LAUNDROMAT;
12. RESTAURANTS AND OTHER EATING ESTABLISHMENTS;
13. RESIDENTIAL USES ACCESSORY TO PERMITTED USES SUCH AS WATCHMEN QUARTERS, OWNER-OPERATOR'S HOME OR RENTAL UNIT CONSTRUCTED ABOVE AN ALLOWED USE WITHOUT SPECIAL PERMITTING;
14. WATER AND SANITATION FACILITIES;
14. ADMINISTRATIVE OFFICES ACCESSORY TO PERMITTED USES.

B. USES ALLOWED IN WATERFRONT COMMERCIAL ZONE-TRANS-SHIPMENT WITHOUT SPECIAL PERMITTING.

1. STORAGE AND SHIPPING OF CONTAINERS, EQUIPMENT, MATERIALS, COMMODITIES AND ANY OTHER ITEMS BEING SHIPPED TO AND FROM PRINCE OF WALES ISLAND;
2. PICK-UP AND DELIVERY OF CONTAINERS, EQUIPMENT, MATERIALS, COMMODITIES AND ANY OTHER ITEMS SHIPPED TO AND FROM PRINCE OF WALES ISLAND;
3. LOADING AND UNLOADING FREIGHT BARGES.

C. USES ALLOWED IN WATERFRONT COMMERCIAL ZONE-BUSINESS DISTRICT SUBDIVISION WITHOUT SPECIAL PERMITTING.

1. MATERIAL STORAGE AND SALES ASSOCIATED WITH ANOTHER LOCAL COMMERCIAL OPERATION;
2. VEHICLE, BOAT AND EQUIPMENT PARKING, STORAGE AND REPAIR;
3. ELECTRIC AND COMMUNICATION FACILITIES;
4. WAREHOUSES AND RENTAL STORAGE, INCLUDING UNITS;
5. CONTAINER STORAGE.

~~B. Conditional Uses.~~

- ~~1. Other water dependant or water-related commercial or industrial uses;~~
- ~~2. Helipad and heliport facilities;~~
- ~~3. Hotels, motels and restaurants;~~
- ~~4. Structures and fences built above the maximum height limit.~~

Additions are in bold
deletions

**D. USES CONSIDERED IN WATERFRONT COMMERCIAL ZONE WITH
CONDITIONAL USE PERMITTING.**

- 1. BARS, TAVERNS AND RESTAURANTS THAT SELL ALCOHOLIC BEVERAGES;**
- 2. HOTELS, MOTELS AND RESTAURANTS;**
- 3. LODGES AND RESORTS;**
- 4. COMMUNICATION FACILITIES;**
- 5. LIGHT INDUSTRIAL FACILITIES;**
- 6. COMMERCIAL SALES NOT ASSOCIATED WITH ANOTHER LOCAL COMMERCIAL OPERATION;**
- 7. ALL FLOATING STRUCTURES OR STRUCTURES ON PILING, EXCLUDING FLOATPLANE OPERATIONS AND DOCKS ACCESSARY WITH APPROVED USES;**
- 8. STRUCTURES AND FENCES BUILT ABOVE THE MAXIMUM HEIGHT LIMIT.**

~~C. Property Development Standards.~~

- ~~1. Minimum lot size: shall be decided on a case by case basis.~~
- ~~2. Minimum lot width: shall be decided on a case by case basis.~~
- ~~3. Parking: see Section 17.04.041 Off street parking.~~
- ~~4. Setbacks: shall be decided on a case by case basis.~~
- ~~5. Screening: the planning commission may require landscaping or view obscuring screening for uses along the Thorne River Road.~~
- ~~6. Building height: shall be decided on a case by case basis.~~
- ~~7. Signs: signs must be on the premises. No signs shall flash or move or cause glare on any public right of way or surrounding property. Signs shall not be illuminated between the hours of eleven p.m. and seven a.m. unless the establishment is open during those hours.~~

~~B. Fences. Fences, walls or hedges may be constructed up to the property line up to six feet in height. Fences shall not obstruct vehicular visibility. (Ord. 93-23 § 6(part), 1993)~~

E. PROPERTY DEVELOPMENT STANDARDS.

1. **MINIMUM LOT SIZE: NO MINIMUM LOT SIZE.**

2. **MINIMUM LOT WIDTH: NO MINIMUM LOT WIDTH.**

3. **SETBACKS: FIVE FEET FROM ROAD RIGHTS-OF-WAY AND FIVE FEET FROM SIDE AND REAR PROPERTY LINES.**

4. **BUILDING HEIGHTS: A MAXIMUM OF THIRTY-FIVE FEET AS DEFINED IN THE DEFINITIONS FOR "BUILDING HEIGHT". SERVER SLOPES MAYBE GROUNDS TO SEEK A VARIANCE FROM BUILDING HEIGHT LIMITATIONS.**

5. **PARKING: ALL PARKING UNLESS IS OTHERWISE APPROVED BY THE PLANNING DIRECTOR IS OFF-STREET AND SUBJECT TO SECTION 17.04.041.**

6. **SIGNS: NO SIGNS SHALL CAUSE GLARE ON ANY PUBLIC RIGHT-OF-WAY OR SURROUNDING PROPERTY. SIGNS SHALL NOT BE ILLUMINATED BETWEEN THE HOURS OF ELEVEN P.M. AND SEVEN A.M. UNLESS THE ESTABLISHMENT IS OPEN DURING THOSE HOURS.**

7. **FENCES, WALLS AND HEDGES. A FENCE, WALL OR HEDGE MAY BE CONSTRUCTED UP TO A PROPERTY LINE SIX FEET IN HEIGHT. FENCES SHALL NOT OBSTRUCT VEHICULAR VISIBILITY. (ORD. 93-23 § 6(PART), 1993)**

8. **LANDSCAPING OR VIEW OBSCURING SCREENING MAY BE REQUIRED FOR USES ALONG THE THORNE RIVER ROAD AND SHORELINE DRIVE.**