City of Bethel
Port Commission Meeting Agenda

Regularly Scheduled Meeting
October 19, 2015 - 7 pm
City Council Chambers, City Hall, Bethel, AK

Commissioners

Alan Murphy
Chair
Term Expires 2015
(907)543-2805

Greg Roczicka
Vice-Chair
Term Expires 2017
(907)543-2903
groczicka@hotmail.com

Richard Pope
Port Commissioner
Term Expires 2017
(907)543-1900
bethelalaskapc@gci.net

Ex-Officio

Peter A. Williams,
Port Director
(907)545-4150
pwilliams@cityofbethel.net

Nathan Greydanus
Port Admin
(907)543-2310
ngreydanus@cityofbethel.net

Allen Wold
City dock attendant
(907)543-2310
awold@cityofbethel.net

i. **CALL TO ORDER**

ii. **ROLL CALL**

iii. **PEOPLE TO BE HEARD**

iv. **APPROVAL OF AGENDA**

v. **APPROVAL OF MINUTES FROM THE REGULAR MEETINGS**
APPROVAL OF MINUTES FROM THE REGULAR MEETINGS APRIL 2015

vi. **SPECIAL ORDER OF BUSINESS**

vii. **DEPARTMENT HEAD COMMENTS**

viii. **UNFINISHED BUSINESS**

ix. **NEW BUSINESS**
x. **AML's warehouse lease**
xi. **Abandon Dirierlict Vessel Task Force (ADV)**

xii. **COMMISSION MEMBER'S COMMENTS**

xiii. **ADJOURNMENT**

I. City of Bethel Port Commission Meeting Minutes

OCTOBER 19, 2015 Regular Meeting 7 p.m. Bethel, Alaska

I. CALL TO ORDER
MEETING CALLED TO ORDER AT

II. ROLL CALL
COMMISSIONERS PRESENT:
CHAIRMAN MURPHY
COMM. ROCZICKA

III. PEOPLE TO BE HEARD

IV. APPROVAL OF AGENDA

V. APPROVAL OF MINUTES

VI. PORT DIRECTOR'S REPORT

VII. UNFINISHED BUISNESS

VIII. NEW BUSINESS

X. COMMISSION REPRESENTATIVES COMMENTS

XII. ADJOURNMENT

Respectfully Submitted:

_____
Alan Murphy, Chairman

APPROVED THIS _____ day of_____ 2015.

ATTEST: _____

CITY OF
BETHEL

Peter Williams <pwilliams@cityofbethel.net>

Northland Lease

Leila Kimbrell <lkimbrell@akatty.com> Wed, Apr 13, 2011 at 4:13 PM
To: Lee Foley <lfoley@cityofbethel.net>, Pete Williams <pwilliams@cityofbethel.net>
Cc: Lori Strickler <lstrickler@cityofbethel.net>

Good afternoon, Lee and Pete -

Pete asked our office to review the Northland Services warehouse lease as it is up for renewal and needs the rent and other terms revised. The new lease is attached for approval. You will note the attached form is substantially different in appearance from the old form of lease used for the past several years, however, the basic terms remain unchanged. New revised or additional provisions include language to address hazardous substances/materials, indemnification language, insurance provisions have been updated and strengthened.

Also, I spoke to Peter regarding this, but want to reiterate so you are also aware of the issue, Lee. The past practice for the Port appears to have been that the Port Director signs leases relating to Port facilities. Technically, this is not sufficient as it is the City Manager, upon Council approval, who has the authority to bind the City. If there are other leases or agreements that have been signed in this manner, we should revisit them to determine the validity of the documents.

To ensure the proper procedure is followed for authorization and approval of the renewal lease, the following must occur. This process is briefly summarized here and explained further below:

1) Receive recommendation for renewal from Port Commission (BMC 14.03.020)
2) Receive majority approval from Planning Commission for renewal (BMC 4.08.050(C))
3) Receive approval for and authorization for City Manager to execute renewal. (BMC 4.08.050(C))

An explanation of each step follows:

1) The Port Commission needs to provide a recommendation to the Council for approval of the renewal lease with Northland Services. (Note: If no quorum is available due to vacancies, the Rule of Necessity can be invoked to allow the Port Commission to proceed. I know that there were some vacancies a few weeks ago and am unaware if they have been filled. If so, this parenthetical is unnecessary.) BMC 14.03.020 provides in relevant part that the Commission must (i) Advise the city council with respect to the port facilities concerning the lease and use of real or personal property at the Port and (ii) review contracts prior to execution and monitor and periodically report to the city council concerning the status of all contracts executed with respect to the port facilities. (See, BMC 14.03.020(B) & (C).)

2 & 3) This lease is a renewal of the prior lease, set to expire May 31, 2010. The Code procedures for renewing a lease are set forth at BMC 4.08.050(c). As a renewal lease, the procedure appears relatively straightforward but it should go through the proper channels to ensure it is properly authorized and executed. All leases, including renewal of leases, must go through a 2-step process under the code: First, a majority vote of the planning commission is required and second, council must approve and authorize the City Manager to executed the lease. BMC 4.08 requires leases be approved by ordinance.

It will be best to consult with the City Clerk regarding the timing and preparation of ordinance to approve the renewal and what will be necessary from the Planning and Port Commissions.

Because the process necessary to follow to for this renewal will not likely be done prior to the expiration of the current lease, I recommend the City and Northland Services agree to continue the current lease from month-to-month until the renewal lease is approved by council. This should be done by a letter to Northland Services and their written acceptance. Otherwise, the current lease requires peaceable exit of

CITY OF BETHEL PORT FACILITIES
RENEWAL OF LEASE AGREEMENT

This Renewal of Lease Agreement ("Lease") entered into this 24th day of January 2013, is made by and between the City of Bethel, a municipal corporation organized under the laws of the State of Alaska, located at 300 State Highway, Bethel, Alaska, 99559, ("Lessor"), and Northland Services, a corporation organized under the laws of the State of Washington, whose physical address is ("Lessee"). This Lease is a renewal of the 2011 lease previously in effect between the parties which terminated on July 1, 2012.

TERMS

1. **DESCRIPTION OF PREMISES.** Lessor leases to Lessee the premises located at the Bethel City Dock, Bethel Recording District, Fourth Judicial District, State of Alaska, and described more particularly as follows:

> The Old Northwest Navigation Warehouse with dimension of the warehouse being 80' long x 60' wide (hereinafter "demised premises").

2. TERM. The term of this Lease shall be forty (40) months, retroactive to July 1, 2012 ("Commencement Date") and terminating the last day of the month of October 31, 2015 (the "Termination Date").

3. RENT. Rent shall be payable at the rate of $1,800.00 (US) per month for the first twenty (20) months. For the second twenty (20) months, rent shall be payable at the rate of $2,000 (US) per month.

Rent shall be due and payable to Lessor on the first day of each month during the term of the Lease. If rent is not received by the 5th of each month, Lessee shall be in breach and Lessor shall have the right to charge a 5% interest for each day in which the Lease is due and/or to seek any and all remedies available to it by law, including, but not limited to, terminating this Lease Agreement.

4. USE OF PREMISES. The demised premises are to be used by Lessee for the purposes of handling and storing Lessee's LCL (less container load) freight. Lessee shall restrict its use of the demised premises to such purposes subject to the terms, conditions, and other restrictions contained in this Lease. Lessee shall not use or permit the use of the demised premises for any other purpose without the prior, express, and written consent of Lessor, or Lessor's authorized agent.

5. RESTRICTIONS ON USE.

A. Lessee shall not use the demised premises in any manner that will increase risks covered by insurance on the demised premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of Lessee's business purposes.

PORT OF BETHEL

Post Office Box 1388
Bethel, Alaska 99559
Voice: 907-543-2310
Fax: 907-543-2311

TO: Ann Capela

FROM: Peter A. Williams- Port Director

SUBJECT: September 2015 Managers Report

Out of the office Oct 11-18 ,2015

PORT ADMINISTRATION ACTION ITEMS AND ACTIVITIES

- **SMALL BOAT HARBOR-** Harbor personnel have started to de-mob the SBH for the winter and will be finished by October 15. The harbor will be open for those who wish to use it but harbor personnel will only be on patrol M-F from 8am-4:30pm. I think the SBH attendants deserve a shout out for their work in the harbor this summer. Attendance was way up and they worked well each other. We will picking up skiffs and putting them in *storage for twenty-five dollars a month* as the cold weather moves in.

- **City Dock**- AML's last barge of the season, *the Hawaii Trader*, arrived on 9-22 with 2200T and departed 9-28. Alaska Logistics last sailing has not been scheduled yet, originally due to arrive for Oct. 5, I expect it to be in Bethel by around Oct 15. There still is a large amount of coastal freight that AML will pick up. *AML's Warehouse Lease* expires Oct 15. AML would like to lease the warehouse out for two more years. Their request for renewal will be on Planning Comm. Agenda for Oct. 8th. A request too Affiliated Appraisers for a Building Assessment for this property, on the City Dock, has been made but hasn't been completed. This building is un-heated and has no insulation and AML was the only company willing to pay for 12 mos. a year. It is used during the summer for SPAM orders and in the winter time for storage. The two large wire cranes are hopefully will be removed this month after residing on the dock for 5 yrs. There is 10,000 sq ft of building material and equipment on Beach 1 , adjacent to the City Dock , that needs to to various Coastal Communities. This same area will be used later this month too store vessels for the winter in Bethel.

- **BBSP -Jung/Active Parcels-**Mr.Jung has signed off on the Plat and the Actives have agreed to sign it. This is in regards to ROW on East Ave and land needed for the Bethel Bank Stabilization Project

- **Brown Slough-** The two vessels moored in the slough will depart for freeze-up. Hopefully we will re-new our Permit to finish excavating the shallow spots alongside the dock.

- *Slough Shop* at 251 East Ave – a steel floor was finished and insulation an plywood for the walls are being installed with electrical wor to follow later this month. Except for the electrical work port personnel have completed all of the improvements. Once finished this will be the first shop the Port has had to perform work in during the winter months. *Sand Shed* -400 Chevron Rd. – The building was insulated with spray foam by