

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

January 14, 2019 7:00 PM

Assembly Chambers
Meeting 2019-02, Immediately Following Assembly Committee of the Whole

I. CALL TO ORDER / ROLL CALL

II. APPROVAL OF AGENDA

III. SPECIAL ORDER OF BUSINESS

A. Assembly Member Transitions

IV. APPROVAL OF MINUTES

A. October 22, 2018 Special Assembly Meeting Minutes

V. AGENDA TOPICS

VI. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. Ordinance 2019-02 An Ordinance Authorizing the City Manager to Execute a Purchase and Sale Agreement with Archipelago Properties LLC for Real Property located at Lots 1, 2 and 4, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, near 356 South Franklin Street.

The rapidly growing visitation of cruise ships and their passengers necessitates additional facilities to serve the industry. Since the opening of the new floating berth at Alaska Steamship Wharf, dockings have increased 44% and the number of passengers visiting has increased 182%.

Cruise ship vessels exist to take passengers on vacations, and their sole purpose for entering the port of Juneau is to allow passengers to disembark for the day and to enjoy walking about downtown and/or getting on ground transportation to their tours. This project would provide

necessary services to the vessel, to the passengers, and will advance the marine enterprise of the cruise ship industry.

This Ordinance would authorize the Manager to enter into an agreement to purchase private property and sell municipal property resulting in a net cost to the CBJ of \$922,175.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

VII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VIII. EXECUTIVE SESSION

A. Contract Negotiations

B. CLIA Litigation Update

IX. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

2018-2019 Assembly Committee and Liaison* Appointments

	Human Resources	Lands	Public Works and Facilities	Committee of the Whole	Finance	Facility Project Team (Joint Assembly/School Board group)	Board & Committee Liaisons & Other Assignments
Mayor Beth Weldon				Member	Member		JEDC, AK Committee, Capitol Committee
Mary Becker		Chair		Member	Member	Chair	<i>Chamber, Docks & Harbors Board; UAS Campus Council</i>
<i>New Member</i>	<i>Member</i>	<i>Member</i>		<i>Member</i>	<i>Member</i>		<i>Affordable Housing Commission, Commission on Aging</i>
Loren Jones				Member	<i>Chair</i>		<i>AML, JSD, DBA</i>
Maria Gladziszewski		Member		Chair	Member		Deputy Mayor , Alaska Committee Alt.
Rob Edwardson	Chair		Member	Member	Member		Airport Board, Eaglecrest Board, LEPC
Michelle Hale		Member	<i>Chair</i>	Member	Member		<i>Hospital Board, Commission on Sustainability</i>
Wade Bryson	Member		<i>Member</i>	Member	Member	<i>Member</i>	PRAC, Planning Commission, JEDC Alt.
Carole Triem	Member		Member	Member	Member	Member	Aquatics Board, Travel Juneau
Assembly Standing Committee Liaisons		Planning Commissioner, PRAC, Docks & Harbors	Planning Commissioner			3 School Board Members	

* "Liaison" is defined as "the person who initiates and maintains contact between units in order to ensure concerted action and cooperation."

The Mayor is ex-officio on all CBJ committees.

All Assemblymembers are members of the Alaska Municipal League (AML) and of Southeast Conference.

All Assemblymembers are members of the Committee of the Whole (COW) and Finance Committee (AFC).

<i>Changes from the 10/2018 version noted in blue italicized text.</i>							
							Revised Version for Assembly Action on 1/14/2018

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

October 22, 2018 Special Assembly Meeting Minutes

ATTACHMENTS:

	Description	Upload Date	Type
▣	October 22, 2018 Special Assembly Meeting DRAFT Minutes	1/7/2019	Minutes

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Meeting Minutes - October 22, 2018

MEETING NO. 2018-31: The Special Meeting of the City and Borough Juneau Assembly, held in Assembly Chambers of the Municipal Building, was called to order at 6:00 p.m. by Mayor Beth Weldon.

I. CALL TO ORDER / ROLL CALL

Assemblymembers present: Mary Becker, Jesse Kiehl, Loren Jones, Rob Edwardson, Carol Triem, Michelle Hale, Wade Bryson, and Mayor Beth Weldon

Assemblymembers absent: Maria Gladziszewski

Staff present: City Manager Rorie Watt, City Attorney Rob Palmer, Deputy Manager Mila Cosgrove, Municipal Clerk Beth McEwen, Chief Housing Officer Scott Ciambor; Housing/Homelessness Coordinator Irene Gallion; Parks and Recreation Director George Schaaf

II. AGENDA TOPICS

A. Supplemental Agreement, Wastewater Crossings of Mendenhall River

The Public Works and Facilities Committee heard an update today on the replacement of the Maier Drive wastewater force main which runs across the Mendenhall River. Staff requested consideration of Assembly approval of a supplemental agreement to authorize installation of a second river crossing near the Kaiser pumping station.

Unless rejected by the PWFC, the City Manager recommends approval of a supplemental agreement to ENCO Alaska.

Mr. Watt explained that the Public Works and Facilities Committee (PWFC) heard an update on the Maier Drive wastewater force main earlier in the day.

Public Participation:

None.

Assembly Action:

Mr. Jones reported that the PWFC had a fairly lengthy discussion on this topic and it was the recommendation of the PWFC to approve the supplemental agreement.

MOTION by Mr. Jones to approve a supplemental agreement to ENCO Alaska on the Maier Drive Force Main Installation project and asked for unanimous

consent. *Hearing no objection, the motion carried.*

B. IAFF Contract Ratification, including DRAFT Resolution 2830

This resolution would provide Assembly ratification of the terms of the tentative agreement negotiated between the City and Borough of Juneau and the International Association of Fire Fighters (IAFF) for an economic reopener provided for in the current collective bargaining agreement.

The terms of the economic reopener include a 2% general wage increase, retention incentive bonuses, and an adjustment to the wage rate for captains. The total cost of these provisions over the life of the contract is projected to be approximately \$204,000.

Because this is an economic reopener, there are no adjustments to general operating terms.

Ballots for the IAFF membership ratification of the terms of the tentative agreement were counted on October 15, 2018. The agreed upon terms are consistent with Assembly direction.

The City Manager recommends this resolution be adopted.

Ms. Triem requested to be recused due to a conflict of interest. She stated that she consulted with the City Attorney on this matter and he recommended she recuse herself due to a personal relationship with an IAFF member. *Hearing no objections, Mayor Weldon excused Ms. Triem from the dias.*

Mr. Watt directed the members to Resolution 2838 that was provided in the red folder and asked that they consider that rather than Resolution 2830 as provided in the packet. He recommended adoption of Resolution 2838.

Public Participation:

None.

Assembly Action:

Mr. Kiehl asked what the difference was between Resolution 2830 and Resolution 2838 to which Mr. Palmer reported there was a typo in the number of Resolution 2830 and the correct number was Resolution 2838.

MOTION by Ms. Becker to adopt Resolution 2838 ratifying the IAFF Contract. *Hearing no objection, the motion carried.*

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

IV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 6:05 p.m.

Signed: _____

Elizabeth J. McEwen
Municipal Clerk

Signed: _____

Beth A. Weldon
Mayor

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Ordinance 2019-02 An Ordinance Authorizing the City Manager to Execute a Purchase and Sale Agreement with Archipelago Properties LLC for Real Property located at Lots 1, 2 and 4, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, near 356 South Franklin Street.

MANAGER'S REPORT:

The rapidly growing visitation of cruise ships and their passengers necessitates additional facilities to serve the industry. Since the opening of the new floating berth at Alaska Steamship Wharf, dockings have increased 44% and the number of passengers visiting has increased 182%.

Cruise ship vessels exist to take passengers on vacations, and their sole purpose for entering the port of Juneau is to allow passengers to disembark for the day and to enjoy walking about downtown and/or getting on ground transportation to their tours. This project would provide necessary services to the vessel, to the passengers, and will advance the marine enterprise of the cruise ship industry.

This Ordinance would authorize the Manager to enter into an agreement to purchase private property and sell municipal property resulting in a net cost to the CBJ of \$922,175.

RECOMMENDATION:

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

ATTACHMENTS:

Description	Upload Date	Type
☐ Ordinance 2019-02	1/10/2019	Non-Code Ordinance
☐ Attachment A w Exhibits A - E Ordinance 2019-02	1/10/2019	Exhibit

Presented by: The Manager
Introduced:
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2019-02

An Ordinance Authorizing the City Manager to Execute a Purchase and Sale Agreement with Archipelago Properties LLC for Real Property located at Lots 1, 2 and 4, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, near 356 South Franklin Street.

WHEREAS, Archipelago Properties, LLC (“Archipelago”) owns certain property located near the Alaska Steamship Dock and legally described as a portion of Lots 1 and 2, Archipelago Subdivision, Plat 2013-22, Juneau Recording District, as depicted on Exhibit A of the proposed Purchase and Sale Agreement, included as Attachment A; and

WHEREAS, the number of passengers disembarking from cruise ships onto downtown Juneau docks increased from 36,536 passengers in 1973 to an anticipated 1,360,000 passengers in 2019; and

WHEREAS, from 2010 until 2016, the number of cruise ships calling at the Alaska Steamship Dock in downtown Juneau averaged 81, representing approximately 95,000 disembarking passengers, and increased to 117 ships by 2018, representing approximately 270,000 passengers; and

WHEREAS, although the number of cruise ships calling at the Alaska Steamship Dock has increased 44% since 2010, the number of passengers has increased 182% since 2010; and

WHEREAS, the increase in the number and size of vessels, and corresponding increase in ship passengers, has not been met with proportionate dock infrastructure investment; and

WHEREAS, the growth of passengers has overwhelmed the existing shoreside port infrastructure and construction of this facility would benefit the cruise ships and passengers and allow for their use of the port; and

WHEREAS, in order to accommodate the greater number of cruise ships bringing an increasing number of passengers onto the downtown docks, the City and Borough of Juneau (“CBJ”) proposes to expand the deckover and transportation staging area at the Alaska Steamship Dock; and

Whereas, the cruise ship companies or their subsidiaries or affiliates own, operate, or sell a significant number of the tours accessed by the disembarking passengers from the dock according to studies by the McDowell Group; and

WHEREAS, this proposed conveyance and associated infrastructure project will provide a service to cruise ship passengers and a service to the cruise ships calling at the Alaska Steamship Dock; and

WHEREAS, the proposed expansion of dock infrastructure will provide a service to the cruise ships and a service to the cruise ship passengers because it is an extension of the recently completed floating berth serving visiting cruise ships and vessels with safe and efficient ship to shore connections; and

WHEREAS, this investment into the expansion of dock infrastructure will provide a service to the cruise ships and passengers by increasing the safety and efficiency of commerce on the dock and its facilities, by allowing ships to discharge and embark passengers more efficiently, and thus allowing the vessels to depart on a safe and predictable schedule, which is necessary for the safe operation of the harbor due to the multiple ships embarking each day; and

WHEREAS, a representative of the cruise ship and tourism industry has commented in support of the proposed development at the Alaska Steamship Dock by stating: “the responsible development of additional pick up and drop off space along the waterfront is indeed necessary and prudent. There is currently inadequate space for vehicles to service what will likely very soon be some 6,000 – 8,000 passengers at the Cruise Terminal and Alaska Steamship Dock combined. Not moving forward with this development will simply cause and increase vehicle congestion in the downtown core and send us back to impacts we were dealing with some 15 years ago.”; and

WHEREAS, a representative of the cruise ship and tourism industry has further commented in support of the proposed development at the Alaska Steamship Dock by stating: “there are peak times when we currently do not have space to handle the transport needs and those vehicles end up transiting downtown in circles for sometimes 10-15 minutes waiting for a space. This adds to downtown traffic and also causes tours to run late and creates passenger dissatisfaction [to the cruise ship]”; and

WHEREAS, without this conveyance and associated infrastructure development necessitated by the increased cruise ships and the resulting passengers, the cruise ship marine enterprise would suffer harms like passenger dissatisfaction, negative trip reviews, and departure delays; and

WHEREAS, Archipelago and the CBJ have been working together to create a mutually beneficial purchase and sale agreement whereby the CBJ will acquire submerged lands to expand the deckover at the Alaska Steamship Dock and upland portions to improve ingress and egress to the cruise ship facilities; and

WHEREAS, as part of this purchase and sale agreement, Archipelago will acquire approximately 4,193 square feet of land from the CBJ on the Archipelago Subdivision for commercial development; and

WHEREAS, the value of the property to be acquired by the CBJ has been appraised and is reduced by the sale of CBJ property to Archipelago and other adjustments as considered in the Purchase and Sale Agreement; and

WHEREAS, through this proposed purchase and sale agreement, the CBJ has an opportunity to invest in port facilities to meet demand by the cruise ships at the downtown port given the existing cruise ship volume and anticipated growth of the cruise ship tourism market; and

WHEREAS, such investment in the development of transportation staging and expanded deck space on the dock in downtown Juneau will enhance service to the cruise ship vessels and passengers by providing a highly valued port destination to facilitate commerce and facilitate the marine enterprise of the cruise ships; and

WHEREAS, the use of marine passenger fees to purchase this property, to construct transportation staging, and to expand deckover space is consistent with federal law because this project provides a service to the cruise ships, provides a service to cruise ship passengers, enhances the safety and efficiency of commerce, and facilitates the marine operations of the cruise ships and the owners of the cruise ships.

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

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

Section 2. Authorization to Purchase. The Manager is authorized to execute a purchase and sale agreement with Archipelago Properties LLC that is substantially similar to the agreement provided as Attachment A.

Section 3. Archipelago Property to be Purchased. The Manager is authorized to purchase the real property located at or near the Alaska Steamship Dock for fair market value as follows:

(A) Fair Market Value: \$2,850,135.00 (Two million, eight hundred fifty thousand, one hundred thirty-five dollars).

(B) Description of the Property: 24,104 square feet portion of Lots 1 and 2, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, First Judicial District, State of Alaska, which is further described in Exhibit A of the Purchase and Sale Agreement.

Section 4. CBJ Property to be Sold. The Manager is authorized to sell the real property located at or near the Alaska Steamship Dock for fair market value as follows:

(A) Fair Market Value: \$1,252,400.00 (One million, two hundred fifty-two thousand, four hundred dollars).

- (B) Description of the Property: 4,193 square feet portion of Lot 4, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, First Judicial District, State of Alaska, which is further described in Exhibit A of the Purchase and Sale Agreement.

Section 5. Minimum Essential Terms and Conditions. The Purchase and Sale Agreement is subject to the following minimum terms and conditions:

- (A) Transaction Value. The net balance due from the CBJ to Archipelago is \$922,175 (Nine hundred twenty-two thousand, one hundred seventy-five dollars), which was determined by appraisal, given the following:
1. Archipelago land value of \$2,850,135.00;
 2. Minus \$1,252,400.00 for CBJ's land value;
 3. Minus \$420,935.00 for Archipelago's benefit of fill behind retaining wall;
 4. Minus \$60,000.00 for Archipelago's benefit of access along northern property line;
 5. Minus \$194,625.00 for Archipelago's right to object to development on a portion of Lot 1.
- (B) Retaining Wall. The CBJ, in conjunction with the construction of a piling-supported structure over its real property and subject to appropriation, intends to construct and maintain a retaining wall to develop the infrastructure on CBJ property. This retaining wall would create uplands for Archipelago, which the appraisal valued as a \$420,935.00 benefit to Archipelago.
- (C) Archipelago Access Easement along Northern Property Line. The CBJ agrees to provide a public access and utility easement to Archipelago, as owner of the abutting real property, consistent with paragraph #12 of Exhibit A. The appraisal valued this easement as a \$60,000.00 benefit to Archipelago.
- (D) Archipelago Right to Object. Archipelago has requested preserving a right to object to development on a portion of Lot 1 sold to the CBJ. The appraisal valued that right to object as decreasing the property value by fifty percent or \$194,625.00. The Manager may execute the purchase and sale agreement with Archipelago's right to object language, which is in paragraph #14 of Exhibit A.
- (E) Title Insurance, Subdivision, and Closing Costs. Archipelago shall obtain title insurance. Archipelago and the CBJ shall share equally in the cost for survey and subdivision of the property and title insurance. All reasonable and customary closing costs shall be split evenly between Archipelago and CBJ at time of closing. Each party shall pay its own separate attorney fees incurred in negotiations, drafting, and documenting this transaction.
- (F) Type of Deed. The Manager is only authorized to sell the CBJ property by quitclaim deed.

Section 6. Other Terms and Conditions. The Manager may include such other terms and conditions as may be in the public interest and in accordance with CBJ Title 53.

Section 7. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ____ day of _____, 2019.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk

REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Real Property Purchase Agreement (“Agreement”) is made in duplicate and entered into by and between **Archipelago Properties, LLC**, an Alaska Limited Liability Company, having a mailing address of 725 Broad Street, Augusta, Georgia 30901 (“Archipelago”) and, the **City and Borough of Juneau**, a municipal corporation in the State of Alaska, having its offices at 155 South Seward Street, Juneau, Alaska 99801, (“CBJ”) (collectively, “Parties”).

1. Intent: The Parties wish to execute this Purchase and Sale Agreement (“Agreement”) to facilitate the reconfiguration and development of the below described real property for their mutual benefit. CBJ will acquire the remaining submerged lands in order to expand and make improvements to the CBJ’s cruise ship dock; the Parties will purchase and sell to each other certain upland portions by which CBJ will secure improved ingress and egress to its cruise ship facilities; and Archipelago will retain a portion of its existing uplands for commercial development.

2. Real Property: Subject to the terms and conditions set forth in this Agreement, Archipelago agrees to convey to CBJ, and CBJ agrees to convey to Archipelago, fee simple title to the following described real property located in the Juneau Recording District, First Judicial District, State of Alaska:

A portion of Lots 1 and 2 owned by Archipelago, and Lot 4 owned by CBJ, Archipelago Subdivision, Plat No. 2013-22, Juneau Recording District, First Judicial District, State of Alaska, as further described in Exhibit A.

(hereinafter, the “Property”).

3. Purchase Area: The area of the Property to be conveyed by Archipelago to CBJ consists of approximately 24,104 square feet of land, consisting of portions of Lot 1 and Lot 2; and the area of the Property to be conveyed by CBJ to Archipelago consists of approximately 4,193 square feet of land, consisting of a portion of Lot 4; as described in Exhibit A of this Agreement (hereinafter, the “Purchase Area”).

4. Land Value: The value of the land to be purchased or exchanged by the Parties has been determined by the Appraisal Report of Horan & Company, dated December 10, 2018 (the “Appraisal”). The net balance due from CBJ to Archipelago is \$922,175.00 (Nine Hundred Twenty-two Thousand, One Hundred Seventy-Five Dollars), after offsets for property purchased by Archipelago and other adjustments as set forth in the Appraisal.

5. Evidence of Title: Archipelago and CBJ represent that fee simple title to the Property is vested in Archipelago and CBJ, respectively.

6. Title Insurance: Within 10 calendar days of the execution of this Agreement, the Parties shall jointly obtain an updated preliminary commitment to issue title insurance. Each Party shall have 10 calendar days after receipt of the updated preliminary title report to notify the other of any objections to title conditions stated in the report. After notification of any title objections, if

it appears that either Party will be unable to convey title to the Property free and clear of encumbrances, liens, or exceptions to title, other than those deemed acceptable by the other Party, that Party shall have a further period of 30 days within which to perfect title. If, at the end of such period, the Party is still unable to convey title to the Property free and clear of all encumbrances, liens or exceptions to title except as aforesaid, the other Party may elect to accept such title as that Party can convey, upon the payment of the purchase price stated in Paragraph 3 herein, as may be adjusted by mutual agreement of the parties on account of the encumbrance, or a Party may, without penalty, terminate this Agreement and have no further obligations hereunder.

7. Conveyance: The Parties shall convey title to the Property to the other Party by quitclaim deed, free of any mortgages, liens, encumbrances or other defects in title, other than those deemed acceptable by the other Party.

8. Encumbrances: The Parties agree not to sell, convey, or further encumber the Property prior to closing without concurrence of the other party.

9. Retaining Wall: CBJ, in conjunction with the construction of a piling-supported structure over its submerged portion of the Property, and subject to appropriation, intends to construct and maintain a retaining wall through the Property, as further described in Exhibit B.

10. Construction Easement: Recognizing the extraordinary cost associated with constructing the pile decking and transportation staging parking from the channel side of the Property from barges, Archipelago shall grant to CBJ an exclusive temporary construction easement or license on its uplands portion of the reconfigured Property, as further described in Exhibit C, to allow staging of equipment, material, and personnel, as well as construction from the uplands side of the Property. When CBJ has substantially completed construction of the pile decking and transportation staging area, CBJ shall likewise grant to Archipelago a temporary easement or license to the transportation staging and pile-supported decking areas for construction of Archipelago's upland improvements. Unless terminated earlier, this easement or license shall be for a period of ten (10) months, which may be extended upon mutual agreement of the Parties. The Parties shall indemnify and hold each other harmless during their respective construction activities and maintain appropriate liability insurance. These indemnity terms shall survive after construction is completed. Upon completion of its construction activities on the uplands site, CBJ shall leave a clean and graded uplands site.

11. Construction Timing and Reversion: CBJ shall have until March 29, 2019, to appropriate funding for the transportation staging, shuttle parking and deck-over portion of the project; to advertise such project for bid; and to order construction materials to be supplied by CBJ. If the forgoing actions have not been completed by such date, Archipelago shall have the right, but not the obligation, to terminate the Construction Easement described in Section 10 hereof, and to proceed immediately with Archipelago's commercial development and construction on its upland property. Further, if CBJ has not commenced construction of its project on the adjoining portion of the property within three (3) years of the date on which this Agreement was executed by both parties, Archipelago shall have the right, but not the obligation, to repurchase the property sold or exchanged to CBJ under this Agreement at the then fair market value, including

the value of any improvements made to the property by CBJ prior to that time. Any deadline set forth in this section may be extended for a reasonable time upon mutual agreement of the Parties if the action to be taken has been commenced and is reasonably certain to be completed within a time which will not materially further delay completion of the project.

12. Access between public parking structure and Property: As a condition of this purchase and sale agreement, CBJ agrees to provide a public access and utility easement for the area between the Property and the public parking structure. Archipelago and its tenants, invitees, and contractors shall have the non-exclusive right to access the area in the normal course of conducting business to service the Property. The parties understand and acknowledge that access to this area is from South Franklin Street, which is controlled by Alaska Department of Transportation & Public Facilities. While the CBJ intends the area to be available for access to utilities for the mutual benefit of both Parties, ADOT has final control of road access to the area. This area and easement are further described in Exhibit D.

13. Access and Easements: No barriers shall be constructed between the two reconfigured properties, except as required for pedestrian safety between the transportation staging shuttle parking area and the Archipelago development. In the event a barrier is deemed required for public safety, both Parties prior to installation shall agree upon the design and location. Archipelago will grant an easement for placement, construction, and maintenance of a retaining wall as shown in Exhibit B and described in Section 9 hereof.

Subject to final design, if applicable, CBJ and Archipelago shall grant to one another utility easements for the installation, repair, maintenance, and improvements for utilities as needed. Archipelago and CBJ shall each be responsible for the repair and condition of utility improvements on their respective reconfigured parcels.

Archipelago shall grant to CBJ an access easement across and on its property for the repair and maintenance of the retaining wall as needed from time to time.

CBJ grants to Archipelago and its tenants, invitees, and contractors a non-exclusive limited license for access to the transportation staging shuttle parking area in the normal course of business. At no time, however, shall this license conflict with or impair the primary use of the transportation staging shuttle parking area, which is to serve cruise ships and supporting activities, as designated by CBJ. This non-exclusive limited license shall only be in effect outside of peak usage by commercial passenger transportation vehicles supporting cruise vessels, the primary user of the transportation staging shuttle parking area.

14. Future Improvements on Reconfigured Public Portion of Property: As used herein, the term "Future Improvements" means any permanent or temporary structure or improvement to be placed or constructed upon those portions of the present Archipelago subdivision parcels 1, 2, 3 and 4, after acquisition by CBJ, for public or private use, by either Party hereto or any third party. The term expressly excludes the area designated by CBJ for cruise ship passenger staging, loading and transportation (the "B Permit Parking Lot"); the area and structure designated for covered passenger staging, welcome and assembly; the act of decking over of the remaining open areas of the aforesaid parcels; and the commercial/retail development on the uplands

portion of Lots 1 and 2; all of which are expressly contemplated within this transaction and consented to by the Parties (herein, the “Approved Structures”).

With respect to Future Improvements other than the Approved Structures, Archipelago shall have, and hereby reserves for itself and its successors and assigns, a limited right to object in advance of placement or construction of such improvements on the portion of the subject property designated on Exhibit E hereto, based upon the following considerations: Archipelago may object if the Future Improvement does not provide an identifiable public purpose or benefit, and is reasonably likely to impair, interfere with, or unfairly compete with, the businesses and operations taking place on the adjacent Archipelago premises. If CBJ proposes a Future Improvement it shall notify Archipelago in writing at least 180 days in advance of the intended date of commencement, and Archipelago shall have not more than 60 days to consider and state in writing its objection to the improvement, if any. In the event of objection, the two Parties will work in good faith to attempt to resolve the objectionable issues. Archipelago’s approval shall not be unreasonably withheld, provided the above conditions are met.

15. No Violations: Both Parties represent that at this time and at the time of the closing of title, there shall exist no violations of government (including environmental, zoning and planning) rules, regulations or limitations, unless the same have become legally nonconforming, and no violations of any restrictive covenant, agreement or condition subject to which the title is to be conveyed in accord with the terms hereof.

16. Taxes: All local taxes applicable to the Property shall be prorated and paid through the date of closing.

17. Closing: Closing on the sale of the Property shall occur no later than March 31, 2019, unless the closing date is extended by written agreement of the parties. Such agreement shall not be unreasonably withheld.

18. Costs: CBJ shall be responsible for obtaining survey and subdivision of the Property; provided however that Archipelago and the CBJ shall share equally in the cost for survey and subdivision of the Property and title insurance. All reasonable and customary closing costs shall be split evenly between Archipelago and CBJ at time of closing. Each Party shall pay its own separate attorney fees incurred in negotiations, drafting, and documenting this transaction.

19. Conditions Precedent: The parties acknowledge that closing is subject to the following conditions:

a. Both Parties’ receipt of a preliminary commitment to issue title documenting clear title to the Property, acceptable to each Party.

b. First American Title Insurance Company shall serve as closing and escrow agent for the parties hereunder.

c. Each Party and its representatives, consultants and contractors shall have the privilege, opportunity and right of entering upon the Property, in order to inspect and examine

same and perform (i) a comprehensive inspection and review of the physical condition of the property; (ii) such environmental analysis as each Party deems necessary; (iii) a review of all plans, drawings, specifications and surveys pertaining to the property boundary, as well as other tests and inspections of same (including, without limitation, environmental tests, studies and examinations, soil tests, borings, percolation tests and other tests needed to determine surface, subsurface and topographic conditions); (iv) a land survey to establish the purchase area.

d. If any of these conditions are not satisfied within the timeframe provided, and the deadline has not been waived, then either party may elect to terminate this Agreement upon written notice.

20. General Agreement Terms:

a. Possession. Each Party shall continue in possession of its portion of the Property until closing. Possession shall be transferred at closing, subject to the easements granted herein.

b. Assignment. This Agreement is binding on the heirs, successors, and assigns of the parties, but shall not be assigned by either party without prior written consent of the other party.

c. Modifications. Any changes to this Agreement must be mutually agreed upon in writing before they will be regarded as part of this Agreement.

d. Notices. Any notice to be delivered pursuant to the terms hereof shall be in writing and shall be sent by certified mail, hand delivered, or by facsimile to the parties at the addresses set forth above, unless written notice of a different address shall be given to the other party.

e. Construction. This Agreement should not be construed in favor of or against any party, as both parties participated in negotiating and drafting it. This Agreement contains the entire agreement between the parties and supersedes all previous communications, representations or agreements, either oral or written, between the parties.

f. Choice of Law; Jurisdiction. This Agreement shall be governed by the law of the State of Alaska. The Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska, shall be the exclusive jurisdiction and venue for all actions of any kind and any nature arising out of or relating to this Agreement or arising out of or relating to any performance under this Agreement. In the event that one party is required to take legal action to enforce any portion of this Agreement, the parties agree the non-prevailing party will pay the reasonable attorney fees incurred by the prevailing party.

g. Compliance with Applicable Laws. Both parties shall, at their sole cost and expense, comply with all applicable requirements of federal, state, and local laws, ordinances and regulations now in force, or which may be in force, during the performance of this Agreement.

h. Taxes and Other Obligations. Archipelago shall pay all federal, state and local taxes incurred by Archipelago, and shall require their payment by any subcontractor or any other persons in the performance of this Agreement. Archipelago has paid or will pay CBJ 2018 property taxes on its portion of the property; thereafter, the area of the Property, for taxation purposes shall be reduced by the amount of the conveyance herein/and the taxes for the remainder of the current tax year apportioned accordingly.

i. Conflict of Interest. Archipelago warrants that no employee or officer of the CBJ has violated the conflict of interest provisions of the CBJ code regarding this Agreement. Archipelago also warrants that Archipelago has not solicited or received any prohibited action, favor or benefit from any employee or officer of CBJ, and that it will not do so as a condition of this Agreement. If Archipelago learns of any such conflict of interest, Archipelago shall without delay inform the City Attorney or CBJ representative for this Agreement.

j. Agreement Execution. This Agreement is not binding or effective until fully executed by all parties. This Agreement may be executed in two or more counterparts, which when taken together shall constitute a single, integrated and binding document. A facsimile signature of an authorized party shall be binding and valid as an original.

k. Brokers. It is understood by the parties that no agent or broker has been employed by either Party in this transaction. No claims of agents or brokers shall be recognized by CBJ or Archipelago regarding the Property.

ARCHIPELAGO: ARCHIPELAGO PROPERTIES, LLC

Archipelago Properties, LLC

Date: _____

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____, 2018, by _____, Member/Manager of Archipelago Properties, LLC, an Alaska limited liability company, on behalf of the limited liability company for the uses and purposes therein mentioned.

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

(Seal)

Notary in and for the State of Alaska
My Commission Expires:

Real Property Purchase Agreement
Archipelago Properties, LLC

Initials /

Page 6 of 8

DRAFT

CBJ: CITY AND BOROUGH OF JUNEAU

Rorie Watt, City Manager

Date: _____

Approved as to form: _____ CBJ Law Department

Approved as to content: _____ Lands and Resources Manager

Approved to content: _____ Docks & Harbors Director

ACKNOWLEDGEMENT

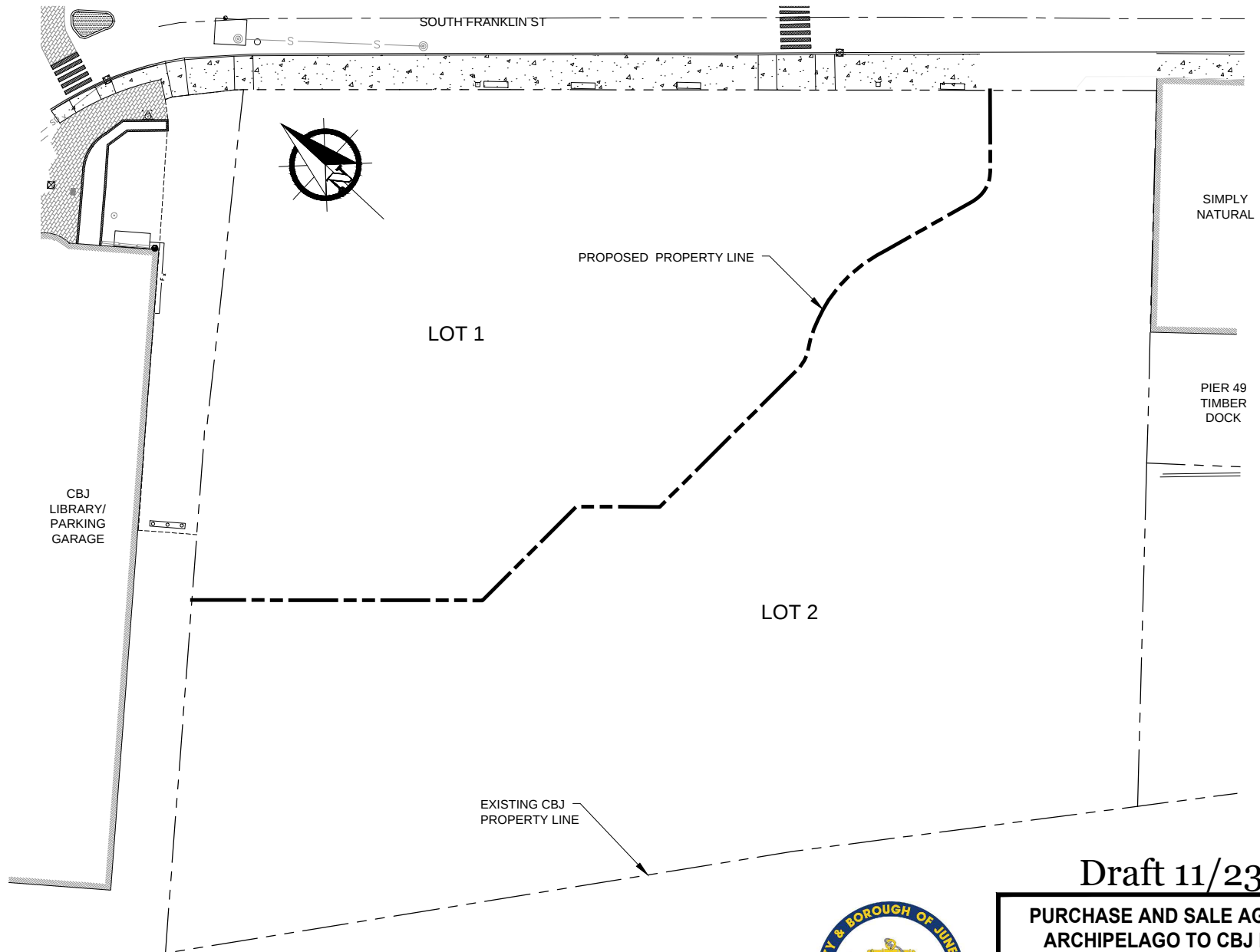
STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____, 2018, by Rorie Watt, the City Manager of the City and Borough of Juneau, an Alaska municipal corporation on behalf of said corporation for the uses and purposes therein mentioned.

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

(Seal)

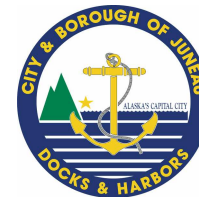
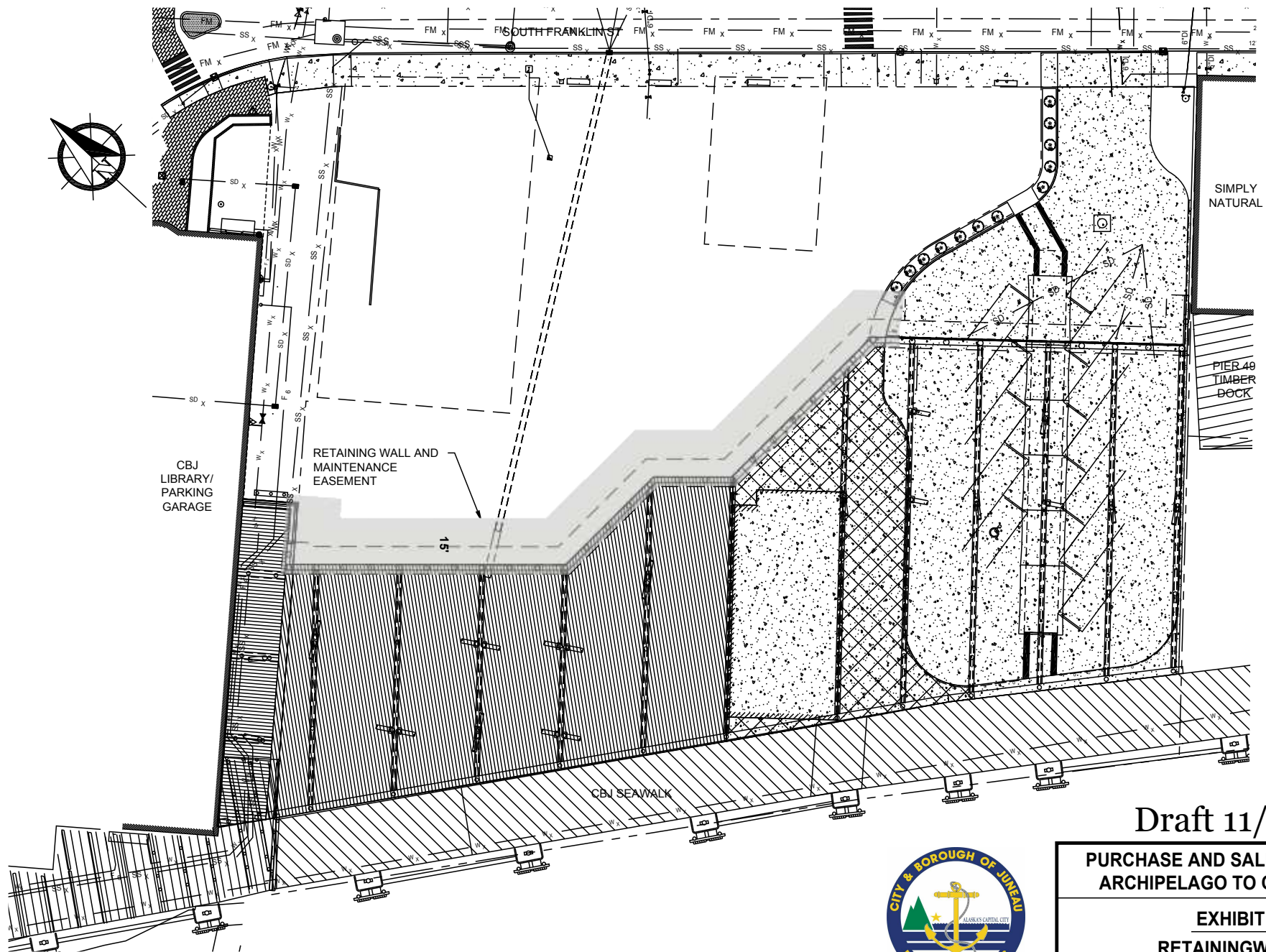
Notary in and for the State of Alaska
My Commission Expires: _____



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

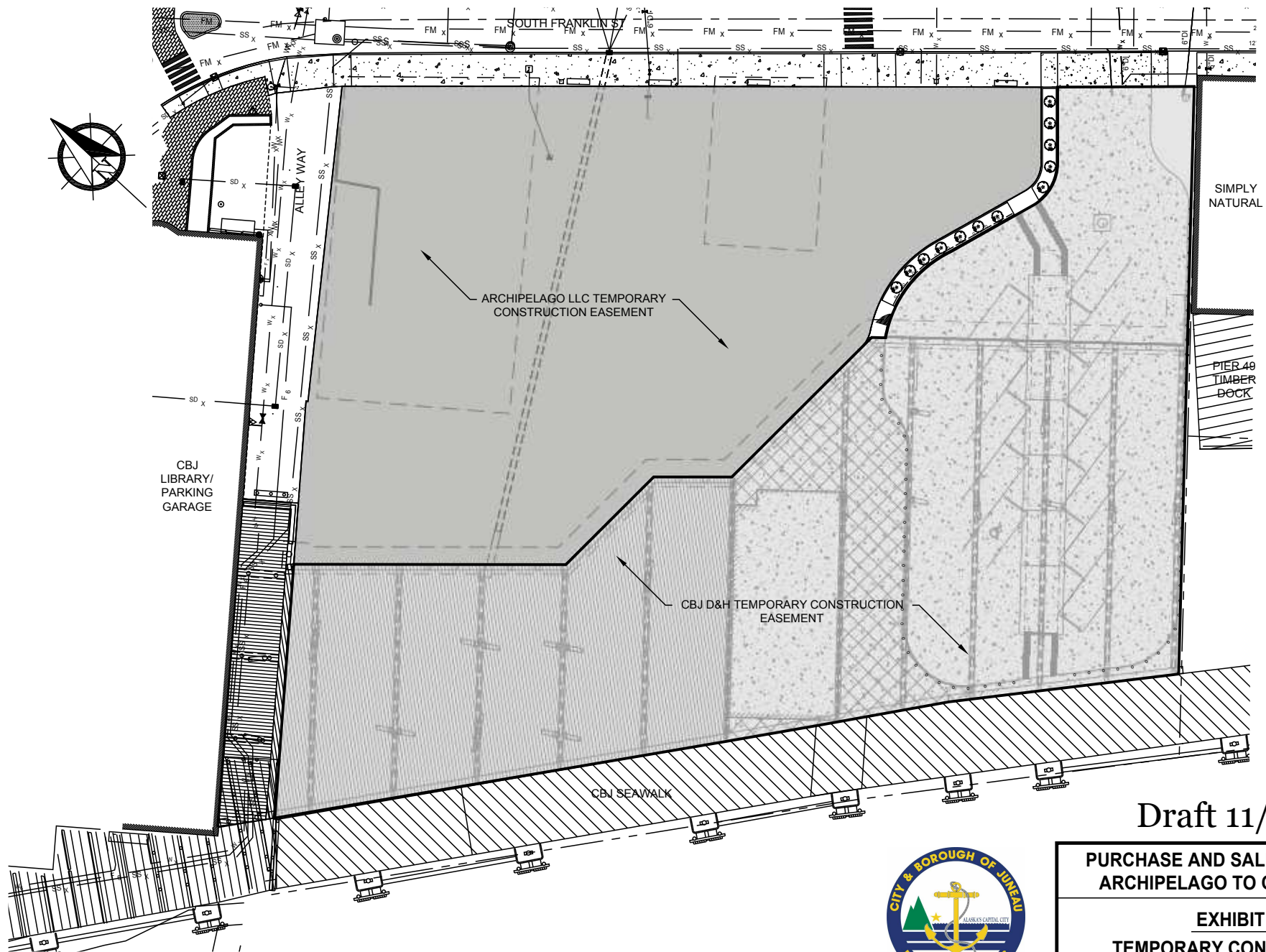
EXHIBIT A
SURVEY PLAT



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

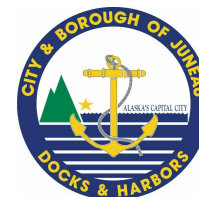
EXHIBIT B
RETAININGWALL &
MAINTENANCE EASEMENTS



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT C
TEMPORARY CONSTRUCTION
EASEMENTS





Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT D
PUBLIC ACCESS &
UTILITY EASEMENT



Draft 11/23/18

PURCHASE AND SALE AGREEMENT
ARCHIPELAGO TO CBJ EXHIBITS

EXHIBIT E
FUTURE IMPROVEMENTS AREA

