

PORT AND HARBOR ADVISORY COMMISSION
491 E. PIONEER AVE.
HOMER, ALASKA

JUNE 20, 2017
TUESDAY, 12:00 P.M.
CITY HALL CONFERENCE ROOM

**NOTICE OF MEETING
SPECIAL MEETING AGENDA**

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

4. NEW BUSINESS

- A. Lease Transfer from Auction Block to Southwind Foods, LLC, from Carson, CA on lot 12C City of Homer Port Industrial Subdivision No. 4.

5. COMMENTS OF THE AUDIENCE

6. COMMENTS OF THE CITY STAFF

7. COMMENTS OF THE CHAIR

8. COMMENTS OF THE COMMISSION

9. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, JUNE 28, 2017 at 6:00 p.m. in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

TO: Port and Harbor Commission

From: Dotti Harness-Foster, City Manager's Office 

Through: Katie Koester, City Manager

Date: June 19, 2017

Subject: Lease transfer request from Southwind Foods, LLC regarding Harbor Leasing at 4501 Ice Dock Road, KPB 18103452

Legal: Lot 12-C Homer Port Industrial No. 4

The City administration received a Lease Application from Southwind Foods, LLC, a wholesale food distributor from Carson, California that is purchasing The Auction Block, LLC. Southwind Foods, LLC is requesting a lease transfer and a new 20-year lease with options for two consecutive 5-year renewals.

The City administration reviewed the lease proposal per the Property Management Policy and Procedures. The review was based on compatibility with neighboring uses, experience of the applicant, future investment into the business, and the applicant's financial capability, (Chpt 6 Property Management Policy and Procedures). Due to the proposed investment and plans for future development it was further agreed that a new lease be awarded without the parcel being advertised through the Request for Proposal process.

Southwind Foods, LLC was established in 1999 and has a 160,000 sf distribution center in Carson, CA, near Los Angeles. In 2003, Southwind Foods expanded overseas with a diverse line of cooked, raw, and packaged seafood product. They are now looking to expand by offering Alaskan seafood to meet the demand of their nationwide sales and distribution network.

Please review the Lease Application and forward a recommendation to the City Council to authorize the City Manager to assign the Harbor Leasing, LLC lease to Southwind Foods, LLC/Great American Seafood Imports Co. and to negotiate a new 20-year lease with options for two consecutive 5- year renewals on Lot 12-C Homer Port Industrial No. 4 for the purpose of operating a fish processing business without the parcel being advertised through the Request for Proposal process.

Att: Lease application to include cover letter, survey, Certificate of Insurance and Auditor's Report.
June 15, 2017 letter to Southwind requesting additional information
June 16, 2017 letter from Southwind providing additional information
DRAFT memo to City Council
DRAFT resolution for City Council



**CITY OF HOMER
PROPERTY MANAGEMENT
LEASE APPLICATION CHECKLIST**

Applicant Name: Sam Galletti, Southwind Foods, LLC
Date Application Received: 6/14/17

5.2 PROCEDURES

A. A responsive lease application / proposal shall include:

1. A completed application form provided by the City

☒ YES	☐ NO	☐ N/A	☐ INCOMPLETE
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NOTES:

2. Any applicable fees

☒ YES	☐ NO	☐ N/A	☐ INCOMPLETE
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NOTES:

\$30 Application fee.

3. A clear and precise narrative description of the proposed use of the property

☒ YES	☐ NO	☐ N/A	☐ INCOMPLETE
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NOTES:

See cover letter that was included in application plus the June 16, 2017 letter addressing phases to their capital investment.

4. A specific time schedule and benchmarks for development

☐ YES	☐ NO	☒ N/A	☐ INCOMPLETE
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NOTES:

The new leaseholder is assuming the developed property.

5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.

☒ YES	☐ NO	☒ N/A	☐ INCOMPLETE
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NOTES: 2008 survey

6. Any other information that is directly pertinent to the proposal scoring criteria contained herein

YES	NO	N/A	INCOMPLETE
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NOTES:

7. All other **required attachments** requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile, and references.

☒ Applicant information

☒ Plot Plan

Existing ☒ Development Plan

☒ Insurance

☒ Proposed Subleases

☐ Environmental Information

☐ Agency approvals and permits

☒ Financial Information (Financial Statement **REQUIRED**, Surety, bankruptcy, pending litigation are situational.

☐ Partnership information and a copy of the partnership agreement OR

☒ Corporation information and a copy of the Articles of Incorporation and Bylaws

☒ Certificate of good standing issued by the entity's state if domicile

☒ Appropriate References (Total of 4 persons or firms with whom the applicant or its owners have conducted business transactions with during the past three years. Two references must have knowledge of your financial management history (One of which **MUST** be your principal financial institution) and two must have knowledge of your business expertise).

YES	NO	N/A	INCOMPLETE
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NOTES:

Dotti spoke to two references. Questions asked were: Would you continue doing business with Southwind Foods? Is their account current? Do they follow through on their obligations? Would you continue do business with Southwind Foods?

Both references had favorable comments in regards to doing business with Southwind Foods. Both noted that their accounts are current, that Southwind Foods follows through with their obligations, and both hope to continue doing business with Southwind Foods.

8. Any other information required by the solicitation or request for proposals.

YES	☒ NO	N/A	INCOMPLETE
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NOTES:

www.southwindfoods.com

YouTube - Southwind Foods - An introduction



Lease Application/Assignment Form

Directions:

1. Please submit this application form to the City Manager's Office, 491 Pioneer Avenue, Homer, AK, 99603.
2. Please answer all questions on this form, or put "N/A" in the space if it is non-applicable.
3. Please include all applicable fees in the form of a check, made payable to the City of Homer.

Applicant Name:	Southwind Foods LLC
Business Name:	Southwind Foods / Great American Seafood Imports Co
Social Security Number:	EIN #: 95-4748473
Email Address:	sgalletti@southwindfoods.com
Mailing Address	20644 Fordyce Avenue
City, State, ZIP code:	Carson California, 90810
Business Telephone No.	323 262 8222
Representative's Name:	Salvatore "Sam" Galletti
Mailing Address:	20644 Fordyce Avenue
City, State, ZIP code:	Carson California, 90810
Business Telephone No.	323 262 8222
Property Location:	4501 Ice Dock Road
Legal Description:	Lot 12(C) Port Industrial #4 Plot 99-43 Homer Recording Dist. KPB Tax Parcel 181 034 52
Type of Business to be placed on property:	Seafood. Fresh and frozen processing, cutting, portion control, value add, freezing. Unloading from and buying from boats.
Duration of Lease requested:	Minimum of 20 years. Maximum 30 years
Options to re-new:	2 options to renew Minimum of 5 year and maximum of 7 year options

**The following materials must be submitted when applying for a lease of
City of Homer real property**

1.	Plot Plan Please see attached (Included)	<u>A drawing of the proposed leased property showing:</u> ☒ Size of lot - dimensions and total square footage (to scale) ☒ Placement and size of buildings, storage units, miscellaneous structures planned (to scale). ☒ Water and sewer lines – location of septic tanks, if needed. ☐ Parking spaces – numbered on the drawing with a total number indicated																				
2.	Development Plan Our intention is to assume the property as is with the current improvements.	☐ <u>List the time schedule from project initiation to project completion, including major project milestones.</u> <table border="0"> <thead> <tr> <th align="left">Dates</th> <th align="left">Tasks</th> </tr> </thead> <tbody> <tr> <td><u>N/A</u></td> <td><u>N/A</u></td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table> For each building, indicate: <table border="0"> <thead> <tr> <th align="left">Building Use</th> <th align="left">Dimensions and square footage</th> </tr> </thead> <tbody> <tr> <td><u>N/A</u></td> <td><u>N/A SEE ATTACHED</u></td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Dates	Tasks	<u>N/A</u>	<u>N/A</u>	_____	_____	_____	_____	_____	_____	_____	_____	Building Use	Dimensions and square footage	<u>N/A</u>	<u>N/A SEE ATTACHED</u>	_____	_____	_____	_____
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Building Use	Dimensions and square footage																					
<u>N/A</u>	<u>N/A SEE ATTACHED</u>																					
_____	_____																					
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3.	Insurance Please see attached. (Included)	☒ Attach a statement of proof of insurability of lessee for a minimum liability insurance for combined single limits of \$1,000,000 showing the City of Homer as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance may be required. If subleases are involved, include appropriate certificates of insurance.																				
4.	Subleases We are not interested in sub leasing.	☐ Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to chapter 13 of the Property Management Policy and Procedures manual.																				

5.	Health Requirements The Auction Block, (current Leasee) is current with their permitting and use agreement for the outfall line.	☐ Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining all necessary approvals from the State DEC.
6.	Agency Approval We are not submitting plans for any additional improvements.	☐ Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.
7.	Fees Included with this lease application is a check for \$30.00	<u>All applicable fees must be submitted prior to the preparation and/or execution of a lease.</u> ☒ Application fee - \$30.00. Covers costs associated with processing the application. <i>Please make check payable to the City of Homer.</i> ☐ Lease fee - \$300.00. Covers the costs of preparing and processing the actual lease. ☐ Assignment fee - \$250.00. Covers the costs of preparing and processing the lease transfer. <i>Please make check payable to the City of Homer.</i>

8.	Financial Data Southwind Foods LLC is a Limited Liability Corporation. Financial Statement is included with this Lease Application.	<u>Please indicate lessee's type of business entity:</u> ☐ Sole or individual proprietorship. ☐ Partnership. ☐ Corporation. ☒ Other – Please explain: <u>Limited Liability Corporation</u> ☒ Financial Statement – <u>Please attach a financial statement showing the ability of the lessee to meet the required financial obligations.</u> ☒ Surety Information – Has any surety or bonding company ever been required to perform upon your default or the default of any of the principals in you organization holding more than a 10% interest ☒ No ☐ Yes. If yes, please attach a statement naming the surety or bonding company, date and amount of bond, and the circumstances surrounding the default or performance. ☒ Bankruptcy information - Have you or any of the principals of your organization holding more than a 10% interest ever been declared bankrupt or are presently a debtor in a bankruptcy action? ☒ No ☐ Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt. ☒ Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending litigation? ☒ No ☐ Yes. If yes, please attach detailed information as to each claim, cause of action, lien, judgment including dates and case numbers.
9.	Partnership Statement Southwind Foods LLC is not a Partnership.	☐ <u>If the applicant is a partnership, please provide the following:</u> Date of organization: _____ Type: ☐ General Partnership ☐ Limited Partnership Statement of Partnership Recorded? ☐ Yes ☐ No Where _____ When _____ Has partnership done business in Alaska? ☐ Yes ☐ No Where _____ When _____ Name, address, and partnership share. If partner is a corporation, please complete corporation statement. <i>Please attach a copy of your partnership agreement.</i>

10. Corporation Statement
Copy of Articles of
Incorporation attached.
(Included)

☐ If the applicant is a corporation, please provide the following:

Date of Incorporation: June 22, 1999

State of Incorporation: California

Is the Corporation authorized to do business in Alaska?

☒ No ☐ Yes. Is so, as of what Date? _____

Corporation is held? ☐ Publicly ☒ Privately If publicly held, how and
where is the stock traded?

Officers & Principal Stockholders [10%+]:

Name	Title	Address	Share
SEBASTIANO Galletti	CEO	20644 FORDYCE CARSON CA 90810	30
Salvatore Galletti	Pres	20644 FORDYCE CARSON CA 90810	30
Paul Galletti	VP	20644 FORDYCE CARSON CA 90810	30
Salvatore Perri	VP	20644 FORDYCE CARSON CA 90810	10

☒ Please furnish a copy of Articles of Incorporation and By-laws.

Please furnish name and title of officer authorized by Articles and/or By-laws to execute contracts and other corporate commitments.

Name	Title
SEBASTIANO Galletti	CEO



CORPORATE OFFICES:
20644 FORDYCE AVENUE
CARSON, CA 90810

PHONE: (323) 262-8222
FAX: (323) 263-2321

Info@greatamericansfd.com
www.greatamericansfd.com

SOUTHWIND FOODS: WHO WE ARE AND OUR PURPOSE AND VISION FOR OPERATING A SEAFOOD BUSINESS IN HOMER ALASKA

WHO WE ARE

Southwind Foods is a U.S. and family owned and operated company established in 1999. We pride ourselves on supplying our supermarket, grocery, distributor and food service customers the finest fresh and frozen responsibly harvested seafood from around the world.

Our corporate office and 160,000 square foot BRC Global standard processing, storage and distribution facility is located in Carson, California. To meet regional demand for fresh and frozen product in the intermountain region, we operate an additional sales, processing and distribution facility in Salt Lake City, Utah. In order to meet growing demand for our products and services nationwide, we opened sales and marketing offices in New York, Texas and Arizona. Southwind Foods sells and distributes product into all 50 states.

Great American Seafood imports Company was established in 2003 and operates as the company's overseas procurement division. Great American soon became the national marketing and "Brand to go to Market with" for our parent company, Southwind Foods. Great American products are packed in the United States and over 15 other countries. The brand consists of a diverse line of cooked, raw, and breaded bulk and packaged shrimp, fillets, steaks, portions, whole fish, crab, shellfish, and aquatics along with value added and innovative products such as meal kits, planks, skewers, poke and more.

OUR MISSION

Southwind Foods' mission is to supply our customers with the finest fresh and frozen responsibly harvested seafood from around the world. We do this through strategic sourcing which allows us to continually lead the industry through new product innovation while increasing customer sales and profits. Our dedicated employees strive to deliver quality, variety, and excellent customer service with a never-ending focus on our customer's goals.

OUR PURPOSE FOR OPERATING A SEAFOOD BUSINESS IN HOMER ALASKA

As mentioned already in this narrative, Southwind Foods is a U.S. family owned and operated company. As a member company in the seafood industry, we look to make decisions that will give us the best opportunity to grow our business and make our company stronger. Having a division company in Homer Alaska does exactly this. Southwind Foods could now be a direct source of seafood from Alaska to all of its current and new customers that we would attract because of this new division. Having this facility in Homer Alaska is a perfect fit. Great American Seafoods, our procurement division and national brand would lead the marketing effort. No source or origin of seafood has a better reputation in the marketplace than Alaska. Customers and consumers are willing to pay for Wild Caught, Sustainable, High Quality, and Product of USA. Seafood from Alaska delivers all of this and more.

OUR VISION FOR OPERATING A SEAFOOD BUSINESS IN HOMER ALASKA

At first, we will observe and review the current operations at the Auction Block. My trip to Homer back in late March allowed me the opportunity to see the operation and meet the team who handles the daily business conducted. I quickly realized that there is a lot of potential and opportunity for a company to successfully operate there. The idea

that we can buy direct from the fishermen, directly offload the fish we are purchasing, and process and package the fish we are purchasing in our own facility allows a company like Southwind to be successful and grow. After gaining an understanding of the current operation and introducing ourselves to the fishermen community and other service suppliers of the Auction Block, we then look to how we can automate the plant so that we can do more processing in Homer Alaska to further process the products we buy. Automation will need to be part of our growth plans to allow us to cut and process more fish at a quicker pace in order to take advantage of the resource when available and to get quality product packed and shipped in a timely manner.

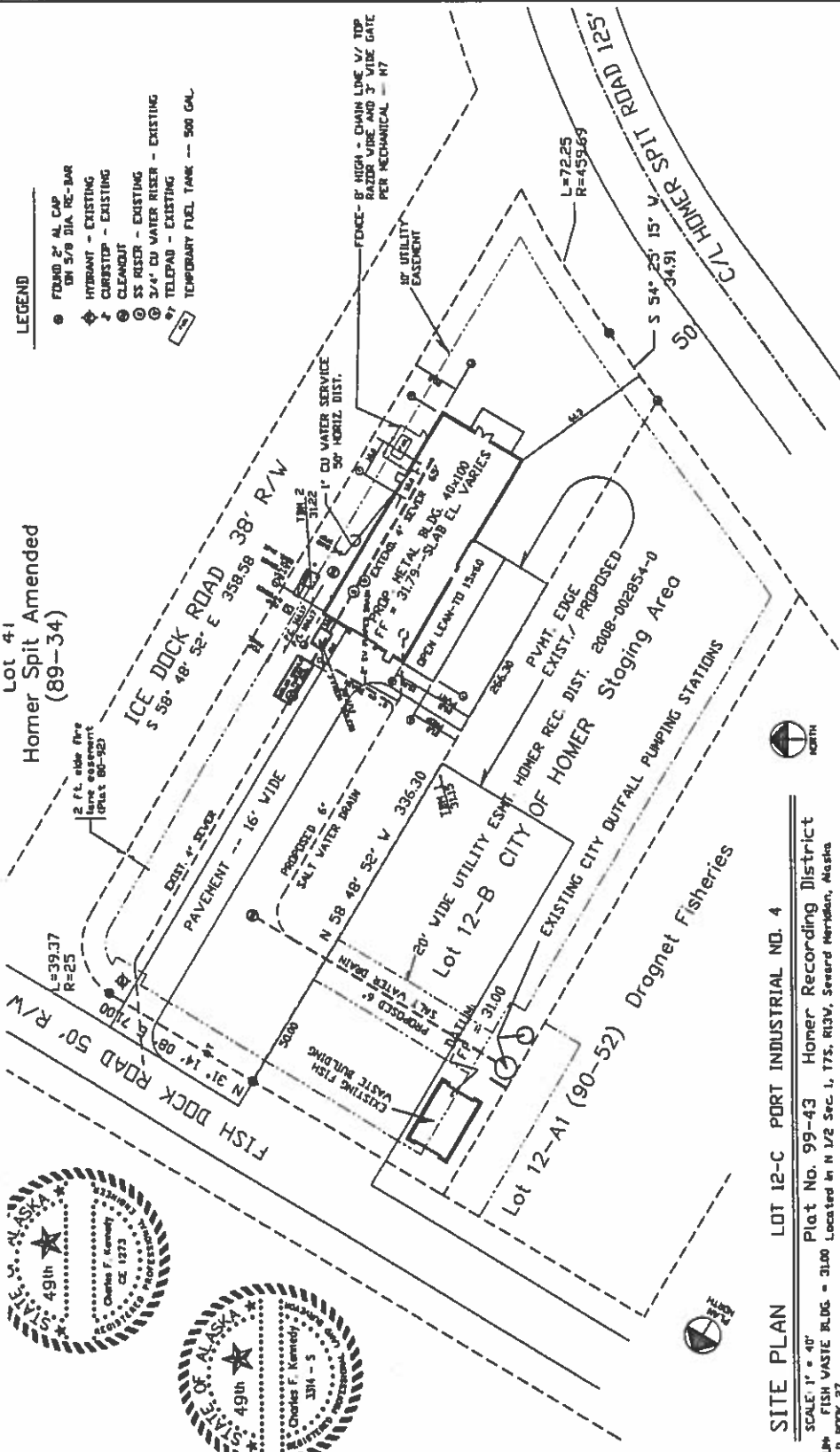
Processing would include; filleting, portion control, vacuum pack, freeze, and packing in retail bags ready for retail sale to consumer. As a direct source of Alaskan fish such as Halibut, Salmon, Pacific Cod, Black Cod and more, we can cut, portion and bag fresh and frozen product for direct sale to large supermarket chains, Foodservice Broad line Distributors, and high volume Restaurants both chain and independent operators. To do this, we would need to add people to the operation. This would include people in management, sales, logistics, quality assurance, compliance, cutters and packers. Currently, Southwind Foods is a direct supplier to some of the largest supermarket chains in the U.S. including Whole Foods, Albertsons/Safeway, Kroger, Stater Bros, Winco, Smart N Final and Ahold. We also pack private label for food service Broad liners such as Sysco, US Foods, and Performance Food Group. Our current customer base has shown a very high level of interest in buying value added Alaskan Seafood products from Southwind Foods.

I firmly believe that entering into a long term lease with Southwind Foods for the property currently occupied by the Auction Block will be extremely beneficial to the City of Homer Alaska. Our commitment to growing marketing and sales of seafood from Alaska and our ability to market and distribute value added products to the largest seafood customers in the U.S. is what Southwind can deliver both in the short term and long term. Our financial strength will allow us to operate in a way that will be most beneficial to our suppliers of seafood and services and our employees. We respect how important this land is and the value it holds especially for the port, harbor and the community it serves. Our focus will be to do everything we can to maximize the usage of the land and the facility and promote the products we buy and sell as products sustainably harvested and processed in Homer Alaska!! We want to put Homer Alaska on the map with every major customer we sell.

I truly hope that our Lease Application finds a favorable response from the Port commission and city council.

For more information about our company, please visit our website southwindfoods.com or greatamericanseafoods.com

Sam Galletti
Southwind Foods

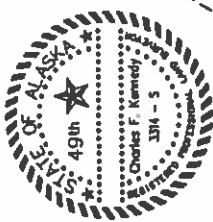


- LEGEND**
- FISH DOCK 2" AL CAP ON 5/8 DIA RE-BAR
 - ◆ HYDRANT - EXISTING
 - ⬢ CURBSTOP - EXISTING
 - ⊙ CLEANOUT
 - ⊙ SS RESER - EXISTING
 - ⊙ 3/4" CU WATER RISER - EXISTING
 - ⊙ TELEPAD - EXISTING
 - ☐ TEMPORARY FUEL TANK -- 500 GAL.

SITE PLAN LOT 12-C PORT INDUSTRIAL NO. 4

SCALE: 1" = 40'
 DATUM: FISH WASTE BLDG = 3100 Located in N 1/2 Sec 1, T7S, R13W, Seaward Meridian, Alaska
 FIELD BOOK 27

THE AUCTION BLOCK COMPANY		Kennedy Engineering Co.	
SEAFORD PROCESSING BUILDING -- 2008		3400 West 30th Avenue	
HOMER, ALASKA		Anchorage, Alaska 99517	
Phone No.		(907) 563-5581	
Fax No.		kennedyengr@aol.com	
Sheet No.	339	Project No.	2008-002854-0
Scale	1" = 40'	Drawn By	Charles F. Kennedy
Check By		Reviewed By	Charles F. Kennedy
Issue Date	10/13/2008	Issue Description	ISSUED FOR CONSTRUCTION
	9/10/2008		ISSUED FOR PERMITS
	8/15/2008		PRELIMINARY FOR MECHANICAL



200810031330
 C:\Users\charles.f.kennedy\Documents\Projects\AuctionBlock\12C\PortIndustrial\SitePlan.dwg

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/13/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency LLC Marsh & McLennan Ins Agency LLC PO Box 85638; CA Lic #0H18131 San Diego, CA 92186	CONTACT NAME: Charlaïne DeMesa PHONE (A/C, No, Ext): 858-750-4525 FAX (A/C, No): 858-210-3956 E-MAIL ADDRESS: charlaïne.demesa@barneyandbarney.com																					
INSURED Southwind Foods LLC dba Great American Seafood Imports Co. P.O. Box 86021 Los Angeles, CA 90086	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A:</td> <td>Mitsui Sumitomo Insurance USA I</td> <td>22551</td> </tr> <tr> <td>INSURER B:</td> <td>Mitsui Sumitomo Insurance Compa</td> <td>20362</td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Mitsui Sumitomo Insurance USA I	22551	INSURER B:	Mitsui Sumitomo Insurance Compa	20362	INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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INSURER E:																						
INSURER F:																						

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC OTHER:	X	PKG3127162	06/04/2017	06/04/2018	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
B	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS		BVR8406801	06/04/2017	06/04/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10000		UMB5700608	06/04/2017	06/04/2018	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☐ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	WCP9114650	06/04/2017	06/04/2018	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Operations of the named insured. As respects general liability, City of Homer is named as an additional insured per attached endorsement.

CERTIFICATE HOLDER

CANCELLATION

CITY OF HOMER 491 Pioneer Avenue Homer, AK 99603	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

June 15, 2017

Sam Galletti

Southwind Foods, LLC aka Great American Seafood Imports. Co.

20644 Fordyce Avenue, Sent by email to: sgalletti@greatamericansfd.com

Carson, CA 90810

Re: Lease application

Dear Mr. Galletti,

The City administration has reviewed your Lease Application and needs a few more details to move your request forward. To complete your application the City needs these items by Tuesday 8AM AK time:

- Proposed capital investment or reinvestment in the business including phases and timelines.
- Number of employees anticipated.

Prior to signing a new lease, the City will need:

- Articles of Incorporation and Bylaws Chpt 5.2 Procedures
- Certificate of good standing. Chpt 5.2 Procedures
- Alaska Business License
- Fish Dock Use Permit (attached)
- Accounts must be current, Chpt 14.1 Lease Assignment Policy.

With this information in hand, I will seek authorization to negotiate a new lease without advertising a Request for Proposal. The public review process begins, Tuesday, June 20th at 12:15 pm with the City's Port and Harbor Commission. Bryan Hawkins, Harbormaster will be attending and you and your company representatives are encouraged to participate either in person or telephonically by calling the City's conference line. The conference line has the capability to handle multiple calls, from different locations; 907-235-8121 then dial 2299 when prompted.

In the meantime, feel free my office at 907-435-3102.

Respectfully submitted,

Katie Koester, City Manager



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20644 FORDYCE AVENUE
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Info@greatamericansfd.com
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June 16, 2017

Katie Koester
City Manager
City of Homer Port and Harbor
4311 Freight Dock Road
Homer Alaska 99603

Re: Additional Required Lease Application Details

Dear Ms. Koester,

I received your email on June 15th and would like to respond to your additional requests for details in this letter.

Question: What capital investment or reinvestment including phases and timelines will Southwind Foods be making in the business?

PHASE 1 - A critical and necessary first step that is important to this process is our purchase of "The Auction Block". Southwind Foods is making an initial investment to buy the assets of and paying off all long term debt and critical mission liabilities of "The Auction Block", who is the current lease holder of this property. The long term debt is directly related to the improvements that were made a few years back (Processing facility and equipment including freezer, ice machine and office). The long term debt is approximately \$1.8 million. To facilitate the purchase of "The Auction Block", Southwind foods will pay off 100% of the long term debt and approximately an additional \$200,000 in mission critical payables. This will make the "new company" a strong and financially healthy operation which is necessary for the business environment we anticipate in Homer Alaska. Timeline on closing the deal to purchase "The Auction Block" is July 28-2017. During the time between now and end of July, we are actively working to retain all employees that are currently working at "The Auction Block" and allow the business to operate as usual. Our understanding is that "The Auction Block" currently employs approximately 20 people. We also understand that this number can fluctuate up and down based on seasons and work load.

PHASE 2 – July 28th – December 31, 2017

-Introduce our company to the fisherman community and other service suppliers in the city of Homer and the state of Alaska.

-Review and make changes to current sales & marketing model of "The Auction Block". This will include hiring additional employee(s) that will focus on sales for both intrastate and interstate business.

Investment estimate: 50-100K

-Review and make changes to current operations model of "The Auction Block". This will include hiring additional employee(s) that focus on operations and compliance.

Investment estimate: 50-100K

-Build sales and revenue by buying from the fishermen and dramatically increase intrastate business while maintaining and growing the interstate business.

-Review current Southwind customer demand of both fresh and frozen Alaskan seafood products. Invest in equipment to automate the processing of seafood products available to us out of Homer. The automation of the plant will allow us to add value to the product and expand customer base. Budget investment in equipment specific to processing and packing will be \$500,000.00.

PHASE 3 – January 1 2018 – December 31, 2019

-Implement sales and marketing strategy supported by automated processing capacity to drive business development. Focus to be on value adding products at the source (Homer Alaska) and marketing to strategic customers that see value in product that is Wild Caught, Product of Alaska, Sustainable, and high quality. Sales efforts will build on the reputation of "Great American Seafood" supplying product of USA sourced seafood from Homer Alaska.

PHASE 4 – January 1, 2020 – December 31, 2022

-Grow and hope that there are additional plots to lease at City of Homer Port and Harbor

Question: What will be the number of employees anticipated?

-Currently, we understand that "The Auction Block" employs approximately 20 people. Many of whom work on the dock and in the processing room. Our focus will be on sales and marketing of value added seafood. We will need to invest in people. Strategic individuals who can manage the operation and sell the value of Homer Alaska products nationally. With anticipated growth and need for skilled labor, we hope to preserve and increase the number of employees as we develop demand and our sales grow.

I understand that prior to signing a new lease, the city will need certain items. We are currently working on this. We do not anticipate any issue with these requirements.

Respectfully submitted

Sam Galletti
Southwind Foods



City of Homer

www.cityofhomer-ak.gov

491 East Pioneer Avenue
Homer, Alaska 99603

(p) 907-235-8121

(f) 907-235-3140

TO: MAYOR BRYAN ZAK & HOMER CITY COUNCIL

From: PORT & HARBOR COMMISSION

Date: JUNE 19, 2017

Subject: SUPPORT LEASE REQUEST FROM SOUTHWIND FOODS, LLC DBA GREAT AMERICAN SEAFOOD IMPORTS FOR 4501 ICE DOCK ROAD, KPB 18103452

Legal: LOT 12-C HOMER PORT INDUSTRIAL NO. 4

Per the City of Homer's Property Management Policy and Procedures, after the City's administration reviews a lease application, they make a recommendation to the Port and Harbor Advisory Commission whom shall supply their recommendation to the City Council for final approval.

At our special Port & Harbor meeting on June 20, 2017 we reviewed the City's administration recommendation on the Southwind Foods, LLC proposal and we unanimously support recommendation.

The City administration received a Lease Application from Southwind Foods, LLC, a wholesale food distributor from Carson, California that is purchasing The Auction Block, LLC. Southwind Foods, LLC and requesting a lease transfer and a new 20-year lease with options for two consecutive 5-year renewals. Based on the Lease Policy and Procedures, the City administration evaluated the proposal based on compatibility with neighboring uses, experience of the applicant, future investments into the business, and the applicant's financial capability, (Chpt 6 Lease Policy). Based on the responsiveness of Southwind Foods, LLC proposal the Commission further agreed that a new lease be awarded without the parcel being advertised through the Request for Proposal process.

Southwind Foods, LLC was established in 1999 and has a 160,000 sf distribution center in Carson, CA, near Los Angeles. In 2003, Southwind Foods, LLC expanded overseas with a diverse line of cooked, raw, and packaged seafood product. They are now looking to expand by offering Alaskan seafood to meet the demand of their nationwide sales and distribution network.

Please review the Lease Application and forward a recommend to the City Council to authorize the City Manager to assign the Harbor Leasing, LLC lease to Southwind, LLC/Great American Seafood Imports Co. and to negotiate a new 20-year lease with options for two consecutive 5- year renewals on Lot 12-C Homer Port Industrial No. 4 without the parcel being advertised through the Request for Proposal process.

Att: Lease application to include cover letter, survey, Certificate of Insurance and Auditor's Report.
June 15, 2017 to Southwind requesting additional information
June 16, 2017 from Southwind with additional information

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 17-

A RESOLUTION OF THE HOMER CITY COUNCIL TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS TO ASSIGN THE HARBOR LEASING, LLC LEASE TO SOUTHWIND FOODS, LLC/GREAT AMERICAN SEAFOOD IMPORTS CO. AND TO NEGOTIATE A NEW 20-YEAR LEASE WITH OPTION FOR TWO CONSECUTIVE 5-YEAR RENEWALS ON LOT 12-C HOMER PORT INDUSTRIAL NO. 4 AT AN ANNUAL BASE RENT OF APPROXIMATELY \$25,626.36.

WHEREAS, Harbor Leasing, LLC has reached a tentative agreement to sell the building and business to Southwind Foods, LLC/Great American Seafood Imports Co. which will continue operating as a fish processing business under the name Southwind Foods, LLC/Great American Seafood Imports Co.; and

WHEREAS, Per Chapter 13.3 of the City's Lease Policy and Procedures, Southwind Foods, LLC/Great American Seafood Imports Co. has submitted a lease application for a new 20-year lease with two, five-year options to renew; and

WHEREAS, The City Administration and the Port and Harbor Commission have reviewed the application and proposal and found it to be complete and responsive; and

WHEREAS, Due to the proposed investment and plans for future development it was further agreed that a new lease be awarded without the parcel being advertised through the Request for Proposal process, and

WHEREAS, Upon the signing of a new lease, the lease with Harbor Leasing, LLC dba Auction Block would be terminated, and

WHEREAS, The Port and Harbor Commission recommend that the City Council authorize the City Manager to assign the Harbor Leasing, LLC lease to Southwind Foods, LLC/Great American Seafood Imports Co. and to negotiate a new 20-year lease with options for two consecutive 5-year renewals on Lot 12-C Homer Port Industrial No. 4. for the purpose of operating a fish processing business without the parcel being advertised through the Request for Proposals process.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the City Manager to assign the Harbor Leasing, LLC lease to Southwind Foods, LLC/Great American Seafood Imports Co. and to negotiate and execute the appropriate documents for a new 20-year lease with options for two consecutive 5-year renewals on Lot 12-C Homer Port Industrial No. 4. with an annual base rent of \$25, 626.36 (subject to change as determined by lease negotiations) for the purpose of operating a fish processing business without the parcel being advertised through the Request for Proposals process.

PASSED AND ADOPTED by the Homer City Council this ____th day of _month_, year.

CITY OF HOMER

BRYAN ZAK, MAYOR

ATTEST:

MELISSA JACOBSON, MMC, CITY CLERK

Fiscal information: Lease fee of approximately \$25,626.36 annually with annual increases according to the Consumer Price Index subject to change as determined by lease negotiations.