

Presented by: The Manager

Presented: 12/12/2022

Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-65

An Ordinance Authorizing the Eaglecrest Ski Area to Enter Into a Franchise Agreement with Mountain Lift, LLC, for Coffee and Baked Goods Service.

WHEREAS, in 1975 and 1983, the federal Land and Water Conservation Funds were used to develop Eaglecrest Ski Area, which imposed permanent restrictions prohibiting conversion of any property interest, like a lease, to private use, *see* 54 U.S.C.A. § 200305(f)(3); 36 C.F.R. § 59.3; LWCF Financial Assistance Manual at page 103 (3/11/2021); and

WHEREAS, the CBJ Charter allows the Assembly to authorize franchises by ordinance, CBJ Charter 5.2(c); and

WHEREAS, Black's Law Dictionary defines franchise as "To grant (to another) the sole right of engaging in a certain business or in a business using a particular trademark in a certain area."; and

WHEREAS, the Eaglecrest Ski Area solicited statements of interest for the Eaglecrest Coffee Concessionaire (23-206), and only received one response from the current vendor, Mountain Lift, LLC; and

WHEREAS, CBJ staff contacted other coffee shop vendors who did not express an interest in the Eaglecrest Coffee Concessionaire opportunity; and

WHEREAS, the following franchise authorization is in the best interest of the public.

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

Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Franchise terms. The franchise is subject to the following essential terms:

(a) **Application of 11 CBJAC 07, Commercial Use of Eaglecrest Ski Area.** The provisions of 11 CBJAC 07.010-100 apply to this franchise authorization in addition to the following provisions except when in conflict with a provision of this ordinance.

(b) **Authorized location.** Vendor is authorized to use that portion of the Eaglecrest Lodge currently designated by the Ski Area Manager for "Coffee and Baked Goods" services, which is located on the first floor of the Eaglecrest Lodge. "Coffee and baked goods" includes drinks and

1 foods customarily available at a coffee shop, like coffee, tea, and other made-to-order and
2 packaged drinks.

3 (c) **Kitchen and restrooms.** Vendor may use restrooms and water from the kitchen. The
4 vendor may also use the kitchen on “off hours” if agreed to by the Ski Area Manager and
5 vendor. “Off hours” being defined as hours when the kitchen is not being used by Eaglecrest
6 staff for preparation or service of food to Eaglecrest users.

7 (d) **Communication system.** Vendor may use of the Eaglecrest telephone system for credit
8 card transactions.

9 (e) **Term.** Each franchise term is one year, terminating on October 1. Vendor may request to
10 renew this franchise authorization annually by sending written notice to the Ski Area Manager
11 by September 15, which shall be granted so long as the vendor is in good standing and a
12 renewal is in the best interest of Eaglecrest Ski Area as determined by the Board of Directors.
13 This franchise authorization is effective for a maximum of five winter seasons expiring October
14 1, 2027, with an annual renewal option.

15 (f) **Revocation.** This franchise authorization is revocable upon violation of any of terms of
16 this ordinance or upon failure to comply with other applicable permits, laws, and regulations.

17 (g) **Compliance with other laws and regulations.** Vendor shall comply with all applicable
18 City and Borough of Juneau, State of Alaska, and federal permits, laws and regulations,
19 including CBJ Conditional Use Permit USE2005-00060. Vendor shall ensure compliance and is
20 responsible with this franchise authorization by Vendor’s agents, employees, customers, and
21 guests.

22 (h) **Insurance.** Vendor shall maintain insurance for the risk and the amounts specified
23 below, and shall supply the CBJ Risk Manager—who may modify these requirements on an
24 annual basis when in the best interest of the CBJ—with current certificates of insurance:

- 25 (i) \$2,000,000 in commercial general liability insurance (aggregate) and \$1,000,000 (per
occurrence), naming the CBJ as additional insured.
- (ii) Proof of vehicle insurance.
- (iii) Workers compensation insurance, if there are any employees. The policy must
include employer’s liability coverage of \$1,000,000 per injury and illness, and
\$1,000,000 policy limits. This policy shall be endorsed to waive subrogation against
CBJ.

(i) **Indemnity.** Vendor agrees to indemnify, defend, and hold harmless the City and Borough
of Juneau from any and all claims for injury and damage to persons or property related to or
arising out of the Vendor’s activities unless such injury or damage is caused by the gross
negligence of the City and Borough of Juneau, its agents, employees, officers, or anyone acting
on its behalf.

1 (j) **Hours of Operation.** Vendor must operate the business every weekend day and holiday
2 that Eaglecrest is open during the winter. The business will be available from 8:30am until one-
3 half hour after the chairlifts close. Vendor may operate other hours as approved by the Ski Area
4 Manager.

5 (k) **General Permit Fees.** Vendor must pay 10% of net sales (defined as gross sales minus
6 sales tax) on all sales in excess of \$200 per day.

7 (l) **Fees Charged By Vendor.** Pursuant to 11 CBJAC 07.040(b)(3)(A), Vendor must submit
8 to the Ski Area Manager a schedule of fees and charges to customers prior to the beginning of
9 each ski season.

10 (m) **Monthly Revenue Reports.** Vendor must submit to the Ski Area Manager a complete
11 revenue report detailing the gross revenues for each month of operation. Reports are due on or
12 before the last day of the following month. (For example, the February 2023 report will be due
13 on or before March 31, 2023). Reports shall contain a breakdown of the gross receipts by the
14 activity which produced such receipts.

15 (n) **Audit and Inspection of Records.** The CBJ may once per annual term cause an audit
16 of Vendor's gross revenues to be made by a Certified Public Accountant of the CBJ Finance
17 Director's selection or a CBJ auditor. If the audit reports that less gross revenues were reported
18 by the Vendor in a given year period than were actually received, Vendor shall bear the cost of
19 the audit and remit the amount of the underpayment to the Eaglecrest Ski Area. Otherwise,
20 the Eaglecrest Ski Area shall bear the cost of the audit. The Eaglecrest Ski Area shall have the
21 right at all reasonable times during the term of this franchise authorization, upon 10 days
22 written notice, to inspect, review, and copy, records of Vendor that are necessary to verify
23 Vendor's compliance with its fee obligations.

24 (o) **Ownership, Maintenance and Removal of Improvements.** All improvements
25 installed by Vendor are the property of Vendor. Vendor shall keep Vendor's improvements in
neat, clean, sanitary and safe condition. Vendor must remove improvements on or before the
date of permit expiration, or within 30 days after permit termination. At any time during the
term of this franchise authorization, upon Vendor's consent, Eaglecrest Ski Area may purchase
the improvements or consent to allow improvements to remain on site after expiration or
termination.

(p) **Taxes and Impositions.** During the term of this franchise authorization, Vendor shall
pay all CBJ taxes which may be imposed or assessed, including tax on sales and services and
business personal property. Nothing in the preceding sentence shall affect Vendor's legal rights
to appeal any tax imposed or assessed on it by CBJ.

(q) **Permit Transfer.** Pursuant to 11 CBJAC 07.030(e), business may only be conducted
under this franchise authorization by Vendor, Mountain Lift, LLC, and this franchise
authorization may not be sold, assigned, leased, rented, mortgaged or otherwise transferred
unless Vendor's entire business interest in Mountain Lift, LLC is transferred to another party.
The Vendor or the transferee shall submit a written application which shall be approved if

1 application satisfies all of the reasonable requirements applicable to an original application. No
2 credit will be given to the transferee for any permit payments made to CBJ by the Vendor.

3 (r) **General Operating Requirements.** Pursuant to 11 CBJAC 07.080(b), Vendor is
4 responsible to the CBJ for their actions and those of agents, employees and customers while
engaged in franchise authorization activities, and the following operating requirements apply to
the permit unless otherwise addressed:

- 5 (i) Vendor will keep the permitted area clean at all times and will employ persons who
meet or exceed food safety handler standards.
- 6 (ii) Signs may be posted in accordance with CBJC 49.45 *et. seq.* and with the Ski Area
7 Manager's written permission and Board of Director approval, which must not be
unreasonably withheld.
- 8 (iii) The Vendor must promptly notify the Ski Area Manager of any accident, injury, or
claim relating to the franchise activity.
- 9 (iv) Vendor shall promptly dispose of all litter found on and near the authorized
location.
- 10 (v) All vehicles under the control of the Vendor shall be lawfully operated and parked
while the Vendor is engaging in franchise activities. The Vendor is responsible for
11 following all parking restrictions and requirements.

12 (s) **Casualty.** Should the authorized location be destroyed or so badly damaged by fire or
13 other casualty during the initial term or any renewal term of this franchise authorization
making the premises unusable for the intended purposes, the franchise authorization is
14 terminated.

15 (t) **Vendor's Confidential Information.** The parties acknowledge that as a result of
Vendor's operations under this franchise authorization, CBJ may acquire information regarding
16 Vendor's business that may be protected as confidential under state or CBJ law. Vendor
acknowledges and understands that the CBJ is subject to the Alaska Public Records Act (AS
17 40.25.120) and that all documents received, owned or controlled by the CBJ in relation to this
franchise authorization must be made available for the public to inspect upon request, unless
18 an exception applies. It is Vendor's sole responsibility to clearly identify any documents Vendor
believes are exempt from disclosure under the Public Records Act by clearly marking such
19 documents "Confidential." Should the CBJ receive a request for records under the Public
Records Act applicable to any document marked "Confidential" by Vendor, the CBJ will notify
20 Vendor as soon as practicable prior to making any disclosure. Vendor acknowledges it has five
(5) calendar days after receipt of notice to notify the CBJ of its objection to any disclosure, and
21 to file any action with any competent court Vendor deems necessary in order to protect its
22 interests. Should Vendor fail to notify the CBJ of its objection or to file suit, Vendor shall hold
the CBJ harmless of any damages incurred by Vendor as a result of the CBJ disclosing any of
23 Vendor's documents in the CBJ's possession. Additionally, Vendor may not promise
24 confidentiality to any third party on behalf of the CBJ, without first obtaining express written
approval by the CBJ.

25 (u) **Choice of law, jurisdiction.** The Superior Court for the State of Alaska, First Judicial
District at Juneau, Alaska shall be the exclusive jurisdiction for any action of any kind and any
nature arising out of or related to a franchise agreement. Venue for trial in any action shall be

1 in Juneau, Alaska. The laws of the State of Alaska shall govern the rights and obligations of
2 the parties. Vendor specifically waives any right or opportunity to request a change of venue
for trial pursuant to A.S. 22.10.040.

3 (v) **Other terms.** The Eaglecrest Ski Area may add additional terms that are in the best
4 interest of the City and Borough of Juneau.

5 **Section 3. Effective Date.** This ordinance shall be effective 30 days after its adoption.

6 Adopted this _____ day of _____, 2022.

7
8 _____
Beth A. Weldon, Mayor

9 Attest:

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11 _____
Elizabeth J. McEwen, Municipal Clerk