



CITY OF KOTZEBUE

RESOLUTION NO. 26-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE A SEVEN-YEAR RESIDENTIAL LEASE AGREEMENT WITH BREE AND DEREK SWANSON FOR THE ENTIRE HOUSE # 444 SEVENTH AVENUE FOR POLICE, CORECTIONAL AND ITINERANT HOUSING AS SET FORTH HEREIN.

WHEREAS, for the past several years the City of Kotzebue (“City”) has had a contract with Bree and Derek Swanson to lease a portion of their property at House # 444 Seventh Avenue – that lease is now on a month-to-month basis – for police and correction officer housing which housing is an integral part of their employment agreements with the City and this provision for housing is an important, vital part of recruiting, hiring and retaining police and correctional officers for the law enforcement and correctional responsibilities of City;

WHEREAS, the rental market in Kotzebue has recently taken a dramatic turn with private contractors seeking to buy and/or lease available properties for their workers at highly inflated purchase and/or leasing prices which has precipitated an imminent housing crisis in Kotzebue for available housing for police and correctional officers;

WHEREAS, the Chief of Police has ably negotiated a seven-year Residential Lease Agreement with Bree and Derek Swanson for the entire property – the City has only previously been leasing only the lower portion – at House # 444 Seventh Avenue as set forth in Exhibit “A” attached hereto and incorporated by reference herein. This proposed seven-year Residential Lease Agreement with Bree and Derek Swanson would give the City a total of five (5) accommodations for police, correctional and itinerant housing;

WHEREAS, this proposed housing arrangement will allow the City to provide continuing vital public safety law enforcement and correctional services for the residents of the City and the NANA Region and avoid a serious impediment to the recruiting, hiring and retention of these public safety employees;

WHEREAS, the principle financial terms of the proposed Residential Lease Agreement are as follows:

- May 2026 rent- \$2500.00 (current cost under month-to-month agreement)
- June, July, and August 2026- \$6000.00- adding electric to current electric bill for unit C
- Beginning September 5, 2026- \$8,000.00 a month, and the Tenant will pay all utilities (water/sewer/ electric/ and fuel) which will include units A,B, and C of the property giving the Tenant the first floor 3-bedroom apartment, and 2 units upstairs that are each 1-bedroom units.
- The contract term will be for 7 years ending September 4, 2033.
- In order to comply with State and local law, the Landlord shall allow the City of Kotzebue to terminate this Residential Lease Agreement with a properly delivered 90-day notice to the Landlord. The Tenant shall pay a termination fee of two (2) months rent for early termination. Likewise, the Landlord may terminate this Residential Lease Agreement with a 90-day notice to the Tenant.
- Landlord needs a period of time, at least a 2-week period, for unit C to have its ceiling repaired at some point. Tenant acknowledges such and will not have the use of unit C during the period repairs are being done.

As set out on Page 2 of 13 of the Residential Lease Agreement attached hereto as Exhibit “A” and incorporated by reference herein.

WHEREAS, the current market conditions with contractors cornering the market on available housing make any form of competitive bidding posted by the Kotzebue Municipal Code impractical and ill-advised and in this particular case the owners of House # 444 Seventh Avenue already have in-hand a substantial offer from one private contractor which if accepted would preclude the City from having the use of this property for the next five years, at least. Therefore, time is of the essence and any delay in accepting the proposed Residential Lease Agreement will create a serious public safety crisis and will create irreparable harm to the public safety obligations of the City in the near term and for

the foreseeable future; and;

WHEREAS, the City has the legal authority to enter into this type of seven-lease for public safety housing at what today are above-market rates with the inclusion of 90-day termination (non-appropriation) clause based upon the broad powers that municipalities have to expend money for community purposes, Alaska Statute 29.35.010, and these powers are to be liberally construed. Alaska Constitution, Article 10, Section 1 and Alaska Statute 29.35.400.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Kotzebue formally authorizes the City manager or his designee to execute the Residential Lease Agreement attached hereto as Exhibit “A” *posthaste*.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Kotzebue, the Kotzebue Police Department and the Correctional Officers at the Kotzebue Regional Jail wish to acknowledge the opportunity that Bree and Derk Swanson have given the City the use of House # 444 Seventh Avenue over the past years and now giving the City this opportunity to continue the use of House # 444 Seventh Avenue for the next several years in spite of market conditions that may have allowed them to pursue other opportunities.

This resolution shall take effect immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 7th day of May 2026.

CITY OF KOTZEBUE

Saima Chase
Mayor

[SEAL]

ATTEST:

Donald Jones
City Clerk

Attachments:

- **Exhibit A:** Proposed Residential Lease Agreement [13 pages]

Residential Lease Agreement

THIS LEASE (the "Lease") dated this ____ day of May, 2026.

BETWEEN:

Bree Swanson and Derek Swanson

(collectively and individually the "Landlord")

OF THE FIRST PART

- AND -

City of Kotzebue

(collectively and individually the "Tenant" and/or "City" "City of Kotzebue")

OF THE SECOND PART

IN CONSIDERATION OF the Landlord leasing certain premises to the Tenant, the Tenant leasing those premises from the Landlord and the mutual benefits and obligations provided in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

Leased Property

1. The Landlord agrees to rent to the Tenant the entire property, municipally described as 444 7th Avenue, Kotzebue, AK 99752, USA (the "Property"), for use as residential premises only. Neither the Property nor any part of the Property will be used at any time during the term of this Lease by Tenant for the purpose of carrying on any business, profession, or trade of any kind, or for the purpose other than as a private single-family residence.

2. Subject to the provisions of this Lease, apart from the Tenant's approved City of Kotzebue Police Officers, Corrections Officers, City employees, third-party City contractors and others approved

by the City of Kotzebue, no other persons will live in the Property without the prior written permission of the Landlord.

3. No guests of the Tenants may occupy the Property for longer than three weeks without the prior written consent of the Landlord.

4. The following pets or animals may be kept in or about the Property:

A dog.

5. The Tenant agrees and acknowledges that the Property has been designated as a smoke-free living environment. The Tenant and members of Tenant's household will not smoke anywhere in the Property nor permit any guests or visitors to smoke in the Property.

Term/Rent/Termination

6. The Landlord and Tenant acknowledge the housing crisis in Kotzebue recently created by private contractors purchasing properties and drastically driving up the cost of rentals in Kotzebue for their employees. This situation causes a serious public safety situation which could adversely impact the Tenant's ability to retain/hire public safety and correctional personnel. To that end the Landlord and Tenant agree to the following:

May 2026 rent- \$2500.00 (current cost under month-to-month agreement)

June, July, and August 2026- \$6000.00- adding electric to current electric bill for unit C

Beginning September 5, 2026- \$8,000.00 a month, and the Tenant will pay all utilities (water/sewer/ electric/ and fuel) which will include units A,B, and C of the property giving the Tenant the first floor 3-bedroom apartment, and 2 units upstairs that are each 1-bedroom units.

The contract term will be for 7 years ending September 4, 2033.

In order to comply with State and local law, the Landlord shall allow the City of Kotzebue to terminate this Residential Lease Agreement with a properly delivered 90-day notice to the Landlord. The Tenant shall pay a termination fee of two (2) months rent for early termination. Likewise, the Landlord may terminate this Residential Lease Agreement with a 90-day notice to the Tenant.

Landlord needs a period of time, at least a 2-week period, for unit C to have its ceiling repaired at some point. Tenant acknowledges such and will not have the use of unit C during the period repairs are being done.

7. The Tenant will pay the Rent on or before the 1st day of each and every month of the term of this Lease to the Landlord at PO Box 1098, Kotzebue Ak 99752 or at such other place as the Landlord may later designate.
8. The Tenant will be charged an additional amount of \$50.00 per infraction for any late Rent.

Security Deposit

9. On execution of this Lease, the Tenant will pay the Landlord a security deposit of \$1,500.00 (the "Security Deposit"), if such has not already been paid.
10. The Landlord will hold the Security Deposit at an interest bearing account solely devoted to security deposits at Wells Fargo located at Kotzebue, AK 99752.
11. The Landlord will return the Security Deposit at the end of this tenancy, less such deductions as provided in this Lease but no deduction will be made for damage due to reasonable wear and tear nor for any deduction prohibited by the applicable legislation of the State of Alaska (the "Act").
12. During the term of this Lease or after its termination, the Landlord may charge the Tenant or make deductions from the Security Deposit for any or all of the following:
 - a. repair of walls due to plugs, large nails or any unreasonable number of holes in the walls including the repainting of such damaged walls;
 - b. repainting required to repair the results of any other improper use or excessive damage by the Tenant;
 - c. unplugging toilets, sinks and drains;
 - d. replacing damaged or missing doors, windows, screens, mirrors or light fixtures;
 - e. repairing cuts, burns, or water damage to linoleum, rugs, and other areas;
 - f. any other repairs or cleaning due to any damage beyond normal wear and tear caused or permitted by the Tenant or by any person whom the Tenant is responsible for;

- g. the cost of extermination where the Tenant or the Tenant's guests have brought or allowed insects into the Property or building;
- h. repairs and replacement required where windows are left open which have caused plumbing to freeze, or rain or water damage to floors or walls;
- i. damage caused if the Tenant allows fuel to run out and causes freezing to piping or sewage;
- j. any other purpose allowed under this Lease or the Act.

For the purpose of this clause, the Landlord may charge the Tenant for professional cleaning and repairs if the Tenant has not made alternate arrangements with the Landlord.

13. The Tenant may not use the Security Deposit as payment for the Rent.

Pet Deposit

- 14. On execution of this Lease, the Tenant will pay the Landlord a pet deposit of \$500.00 (the "Pet Deposit").
- 15. The Landlord will return the Pet Deposit at the end of this tenancy, less such deductions as provided in this Lease but no deduction will be made for damage due to reasonable wear and tear nor for any deduction prohibited by the Act.
- 16. During the term of this Lease or after its termination, the Landlord may charge the Tenant or make deductions from the Pet Deposit for any or all of the following:
 - a. damage or losses suffered to the Property or surrounding property caused by any pets owned by the Tenant or allowed on the Property by the Tenant; and
 - b. damage or losses suffered to the Property or surrounding property due to flea infestation caused by any pets owned by the Tenant or allowed on the Property by the Tenant, including, but not limited to, the cost to professionally clean the Property with de-infestation cleaner at the end of the Tenancy (this cost is in addition to any obligation to steam clean the carpets in this Agreement).

c. any other purpose allowed under this Lease or the Act.

17. The Tenant may not use the Pet Deposit as payment for the Rent.

Quiet Enjoyment

18. The Landlord covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Property for the agreed term.

Inspections

19. At all reasonable times during the term of this Lease and any renewal of this Lease, the Landlord and its agents may enter the Property to make inspections or repairs, or to show the Property to prospective tenants or purchasers in compliance with the Act.

Tenant Improvements

20. The Tenant will obtain written permission from the Landlord before doing any of the following:
- a. applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall;
 - b. painting, wallpapering, redecorating or in any way significantly altering the appearance of the Property;
 - c. removing or adding walls, or performing any structural alterations;
 - d. installing a waterbed(s);
 - e. changing the amount of heat or power normally used on the Property as well as installing additional electrical wiring or heating units;
 - f. placing or exposing or allowing to be placed or exposed anywhere inside or outside the Property any placard, notice or sign for advertising or any other purpose; or
 - g. affixing to or erecting upon or near the Property any radio or TV antenna or tower.

Utilities and Other Charges

21. Shall be handled as set above in Paragraph 6 at Page 2 of 3 of this Residential Lease Agreement.

Insurance

22. The Tenant is hereby advised and understands that the personal property of the Tenant is not insured by the Landlord for either damage or loss, and the Landlord assumes no liability for any such loss. The Tenant is encouraged to obtain its own renter's insurance to cover any loss to the Tenant's personal property.

Abandonment

23. If at any time during the term of this Lease, the Tenant abandons the Property or any part of the Property, the Landlord may, at its option, enter the Property by any means without being liable for any prosecution for such entering, and without becoming liable to the Tenant for damages or for any payment of any kind whatever, and may, at the Landlord's discretion, as agent for the Tenant, rent the Property, or any part of the Property, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such renting, and, at the Landlord's option, hold the Tenant liable for any difference between the Rent that would have been payable under this Lease during the balance of the unexpired term, if this Lease had continued in force, and the net rent for such period realized by the Landlord by means of the renting. If the Landlord's right of re-entry is exercised following abandonment of the Property by the Tenant, then the Landlord may consider any personal property belonging to the Tenant and left on the Property to also have been abandoned, in which case the Landlord may dispose of all such personal property in any manner the Landlord will deem proper and is relieved of all liability for doing so.

Attorney Fees

24. In the event that any action is filed in relation to this Lease, the unsuccessful party in the action will pay to the successful party, in addition to all the sums that either party may be called on to pay a reasonable sum for the successful party's attorney fees.

Governing Law

25. It is the intention of the parties to this Lease that the tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be

construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Alaska, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

26. If there is a conflict between any provision of this Lease and the Act, the Act will prevail and such provisions of the Lease will be amended or deleted as necessary in order to comply with the Act. Further, any provisions that are required by the Act are incorporated into this Lease.
27. In the event that any of the provisions of this Lease will be held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions will nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Lease and the remaining provisions had been executed by both parties subsequent to the expungement of the invalid provision.

Amendment of Lease

28. Any amendment or modification of this Lease or additional obligation assumed by either party in connection with this Lease will only be binding if evidenced in writing signed by each party or an authorized representative of each party.

Damage to Property

29. If the Property, or any part of the Property, will be partially damaged by fire or other casualty not due to the Tenant's negligence or willful act or that of the Tenant's employee, family, agent, or visitor, the Property will be promptly repaired by the Landlord and there will be an abatement of Rent corresponding with the time during which, and the extent to which, the Property may have been untenable. However, if the Property should be damaged other than by the Tenant's negligence or willful act or that of the Tenant's employee, family, agent, or visitor and the Landlord decides not to rebuild or repair the Property, the Landlord may end this Lease by giving appropriate notice.

Care and Use of Property

30. The Tenant will promptly notify the Landlord of any damage, or of any situation that may significantly interfere with the normal use of the Property or to any furnishings supplied by the Landlord.

31. The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Landlord, disturbs the comfort or convenience of other tenants.
32. The Tenant will keep the Property reasonably clean.
33. The Tenant will dispose of its trash in a timely, tidy, proper and sanitary manner.
34. The Tenant will not engage in any illegal trade or activity on or about the Property.
35. The Landlord and Tenant will comply with standards of health, sanitation, fire, housing and safety as required by law.
36. The Tenant agrees that no signs will be placed or painting done on or about the Property by the Tenant or at the Tenant's direction without the prior, express, and written consent of the Landlord. Notwithstanding the above provision, the Tenant may place election signs on the Property during the appropriate time periods.
37. If the Tenant is absent from the Property and the Property is unoccupied for a period of four consecutive days or longer, the Tenant will arrange for regular inspection by a competent person. The Landlord will be notified in advance as to the name, address and phone number of the person doing the inspections.
38. The hallways, passages and stairs of the building in which the Property is situated will be used for no purpose other than going to and from the Property and the Tenant will not in any way encumber those areas with boxes, furniture or other material or place or leave rubbish in those areas and other areas used in common with any other tenant.
39. Footwear which are soiled or wet should be removed at the entrance to the building in which the Property is located and taken into the Tenant's Property.
40. At the expiration of the term of this Lease, the Tenant will quit and surrender the Property in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and tear excepted.

Carbon Monoxide Alarm

41. Prior to the Tenant taking possession of the Property, the Landlord will ensure that any carbon monoxide alarm in place is operational. Upon possession, the Landlord will provide the Tenant with working batteries, for all carbon monoxide alarms. The Landlord will be responsible for the repair and replacement of any missing or nonfunctional carbon monoxide alarm upon written request of the Tenant.
42. The Tenant will keep, test, and maintain in good repair all the carbon monoxide alarms in the Property. The Tenant must provide the Landlord or the Landlord's agent with a written notice if any carbon monoxide alarm needs its batteries replaced or if the alarm is stolen, removed, missing, or not operational. Further, the Tenant must notify the Landlord, or its agent, in writing of any deficiency in any carbon monoxide alarm that the Tenant is unable to fix.
43. No person may remove any batteries from, or in any way render inoperable, a carbon monoxide alarm except as part of the process to inspect, maintain, repair or replace the alarm or batteries in the alarm.

Prohibited Activities and Materials

44. The Tenant will not keep or have on the property any article or thing of a dangerous, flammable or explosive character that might unreasonably increase the danger of fire on the Property or that might be considered hazardous by any responsible insurance company.
45. The Tenant will not perform any activity on the Property or have on the property any article or thing that the Landlord's insurance company considers increases any insured risk such that the insurance company denies coverage or increases the insurance premium.
46. The Tenant is prohibited from:
 - a. the storage of expensive articles on the Property if it creates an increased security risk; and
 - b. the growing of, or storage of, medical marijuana on the Property.
47. The Tenant will not perform any activity on the Property that the Landlord feels significantly increases the use of electricity, heat, water, sewer or other utilities on the Property.

Rules and Regulations

48. The Tenant will obey all rules and regulations of the Landlord regarding the Property.

Lead Warning

49. Housing built before 1978 may contain lead based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint hazards in the dwelling. **Lessees must also receive a federally approved pamphlet on lead poisoning prevention.**

Address for Notice

50. For any matter relating to this tenancy, the Tenant may be contacted at the Property. After this tenancy has been terminated, the Tenant may be contacted at the Property or at such other address as the Tenant may advise. At all times, the Tenant may also be contacted or served at or through the phone number or email below:

- a. Phone: 907-412-0433 and (360) 981-5508
- b. Email: ccook@kotzebue.org and joe@jwevanslaw.com

51. For any matter relating to this tenancy, whether during or after this tenancy has been terminated, the Landlord's address for notice is:

- a. Name: Bree Swanson and Derek Swanson.
- b. Address: PO box 1098, Kotzebue Ak 99752.

The contact information for the Landlord is:

- c. Phone: (907) 412-2221.
- d. Email address: devils1415@hotmail.com.

General Provisions

52. All monetary amounts stated or referred to in this Lease are based in the United States dollar.
53. Any waiver by the Landlord of any failure by the Tenant to perform or observe the provisions of this Lease will not operate as a waiver of the Landlord's rights under this Lease in respect of any subsequent defaults, breaches or non-performance and will not defeat or affect in any way the Landlord's rights in respect of any subsequent default or breach.
54. This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns, as the case may be, of each party to this Lease. All covenants are to be construed as conditions of this Lease.
55. All sums payable by the Tenant to the Landlord pursuant to any provision of this Lease will be deemed to be additional rent and will be recovered by the Landlord as rental arrears.
56. Where there is more than one Tenant executing this Lease, all Tenants are jointly and severally liable for each other's acts, omissions and liabilities pursuant to this Lease.
57. Locks may not be added or changed without the prior written agreement of both the Landlord and the Tenant, or unless the changes are made in compliance with the Act.
58. The Tenant will be charged an additional amount of \$25.00 for each N.S.F. check or checks returned by the Tenant's financial institution.
59. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Lease. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.
60. This Lease and the Tenant's leasehold interest under this Lease are and will be subject, subordinate, and inferior to any liens or encumbrances now or hereafter placed on the Property by the Landlord, all advances made under any such liens or encumbrances, the interest payable on any such liens or encumbrances, and any and all renewals or extensions such liens or encumbrances.
61. This Lease may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

62. This Lease will constitute the entire agreement between the Landlord and the Tenant. Any prior understanding or representation of any kind preceding the date of this Lease will not be binding on either party except to the extent incorporated in this Lease.
63. The Tenant will indemnify and save the Landlord, and the owner of the Property where different from the Landlord, harmless from all liabilities, fines, suits, claims, demands and actions of any kind or nature caused by the negligence of the Tenant for which the Landlord will or may become liable. Likewise, the Landlord will indemnify and save the Tenant harmless from all liabilities, fines, suits, claims, demands and actions of any kind or nature caused by the negligence of the Landlord for which the Tenant will or may become liable. Such mutual indemnification obligation arising during the term of the Lease will survive the termination of the Lease, notwithstanding anything in this Lease to the contrary.
64. The Tenant agrees that the Landlord will not be liable or responsible in any way for any personal injury or death that may be suffered or sustained by the Tenant or by any person for whom the Tenant is responsible who may be on the Property of the Landlord or for any loss of or damage or injury to any property, including cars and contents thereof belonging to the Tenant or to any other person for whom the Tenant is responsible unless caused by the negligence of the Landlord.
65. The Tenant is responsible for any person or persons who are upon or occupying the Property or any other part of the Landlord's premises at the request of the Tenant, either express or implied, whether for the purposes of visiting the Tenant, making deliveries, repairs or attending upon the Property for any other reason. Without limiting the generality of the foregoing, the Tenant is responsible for all members of the guests, servants, tradesmen, repairmen, employees, agents, invitees or other similar persons unless said persons are on the property at the request of or behest of the Landlord.
66. During the last 30 days of this Lease, the Landlord or the Landlord's agents will have the privilege of displaying the usual 'For Sale' or 'For Rent' or 'Vacancy' signs on the Property.
67. Time is of the essence in this Lease. Every calendar day except Saturday, Sunday or U.S. national holidays will be deemed a business day and all relevant time periods in this Lease will be calculated in business days. Performance will be due the next business day, if any deadline falls on a Saturday, Sunday or a national holiday. A business day ends at five p.m. local time in the time zone in which the Property is situated.

68. Landlord understands that a Residential Property Lease of this nature and duration must be approved by the City Council of the City of Kotzebue and that the City will use its best efforts to obtain such approval as soon as possible at a Regular City Council Meeting (“RCCM”) or if need be at a properly called Special City Council Meeting (“SCCM”).

IN WITNESS WHEREOF The parties have duly affixed their signatures on this ____ day of May ____, 2026.

Tenant: City of Kotzebue
City Manger Ron Johnson

Landlord: Bree Swanson

[As approved by City Council Resolution
No. 26-__, on May ____, 2026]

The Tenant acknowledges receiving a duplicate copy of this Lease signed by the Tenant and the Landlord on the ____ day of _____.

Tenant: City of Kotzebue
City Manager Ron Johnson

DRAFT for review at May 7, 2026 RCCM