

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2026-18

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE OUNALASHKA CORPORATION FOR A FIFTY YEAR UTILITY EASEMENT ON TRACT A, BASE OF SPIT SUBDIVISION, PLAT 82-4, ALEUTIAN ISLANDS RECORDING DISTRICT

WHEREAS, the Unalaska City Council approved the Subtransmission Upgrades (EL26D) capital project to improve the reliability of the City's electric grid; and

WHEREAS, the planned equipment upgrades will require expanding an existing easement on land owned by the Ounalashka Corporation near Ballyhoo Road; and

WHEREAS, the Ounalashka Corporation has offered the City an easement for fifty (50) years with a ten (10) year extension option at a cost of \$64,680; and

WHEREAS, Staff have determined that these terms fit within a reasonable budget, align with utility operational practices and are consistent with the expected lifespan of the equipment to be installed; and

WHEREAS, sufficient monies have been appropriated in the Subtransmission Upgrades (EL26D) capital project budget to enter this agreement.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska authorizes the City Manager to enter into an agreement with the Ounalashka Corporation for a fifty-year utility easement on Tract A, Base of Spit Subdivision, Plat 82-4, Aleutian Islands Recording District.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 14, 2026.

  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
Estkarlen P. Magdaong, CMC  
City Clerk



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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Cameron Dean, Planning Director  
Through: Abner Hoage, Interim City Manager  
Date: April 14, 2026  
Re: Resolution 2026-18: Authorizing the City Manager to enter into an agreement with the Ounalashka Corporation for a fifty-year utility easement on Tract A, Base of Spit Subdivision, Plat 82-4, Aleutian Islands Recording District

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**SUMMARY:** This resolution would authorize the City Manager to sign an agreement acquiring a fifty year utility easement on Ounalashka Corporation land near Ballyhoo Road to enable electric equipment improvements as part of the Subtransmission Upgrades (EL26D) project at a cost of \$64,680. Funding has already been appropriated as part of the project.

**PREVIOUS COUNCIL ACTION:** Council authorized the Subtransmission Upgrades (EL26D) project and appropriated funds as part of the FY26-35 CMMP (Resolution 2025-31).

**BACKGROUND:** The Subtransmission Upgrades project consists of multiple upgrades to the City's electrical grid needed for continued reliability and to improve capacity to accommodate new generation source.

**DISCUSSION:** An easement along Ballyhoo Road near the Northern Victor contains equipment needed to provide electric service to the businesses and port facilities along the Spit. DPU plans to upgrade this circuit from a radial (single-feed) configuration to a looped system with redundancy, while also replacing aging infrastructure to improve reliability and power availability along Ballyhoo Road as part of the Subtransmission Upgrades project. The new equipment needs a larger footprint than is available on the existing easement.

Staff approached the Ounalashka Corporation, the landowner, to discuss options for expanding the easement by 770 square feet. The City initially sought a permanent easement but determined that the associated fee, \$2,310 annually, was not practical for this project.

Through further negotiations, the City and the Ounalashka Corporation agreed to a fifty year lease with a ten year extension option with a one-time cost of \$64,680 for fifty years. With an annual rate of \$1,293.60, this represents significant savings over a permanent easement. The length of the lease aligns with the utility's operational practices and the expected forty to fifty year lifespan for the equipment to be installed. It also gives the City more flexibility if at the



end of the term changes in development patterns or the City's electric grid suggests different infrastructure.

**ALTERNATIVES:** Council may direct Staff to seek different terms with the landowner.

**FINANCIAL IMPLICATIONS:** The agreement requires a single payment of \$64,680. An additional payment will be required if the City chooses to exercise its extension option, the cost of which will be determined at that time. Funding is already appropriated in the Subtransmission Upgrades project.

**LEGAL:** The City Attorney has reviewed the agreement.

**STAFF RECOMMENDATION:** Staff recommend approval.

**PROPOSED MOTION:** I move to adopt Resolution 2026-18.

**CITY MANAGER COMMENTS:** Staff have completed negotiations with the Ounalashka Corporation for the easement needed to support the Subtransmission Upgrades project previously approved by Council. The terms are consistent with the project scope, the expected lifespan of the equipment, and the funding already appropriated within the EL26D capital project.

This item has been placed on the consent agenda because it is a budgeted component of an existing Council-approved project and no policy issues or deviations from prior direction are involved. If Council would prefer additional detail or discussion, staff are prepared to address any questions.

**ATTACHMENTS:**

Draft Easement Agreement

Exhibit A: Site Map

## UTILITY EASEMENT AGREEMENT

Ounalashka Corporation (“Grantor”), an Alaska corporation, the address of which is P. O. Box 149, Unalaska, Alaska 99685, and the City of Unalaska (“Grantee”), a first-class Alaska municipal corporation, the address of which is P. O. Box 610, Unalaska, Alaska 99685, have agreed, and hereby agree, as follows:

1. Easement Grant. Grantor shall grant and convey and hereby grants and conveys to Grantee, and Grantee shall accept and hereby accepts from and without recourse to Grantor, the following exclusive easement (together “Easement”).

The surface estate of the cross-hatched areas shown in the attached Exhibit A of Tract A, Base of Spit Subdivision, Plat No.82-4, in the Aleutian Island Recording District, Third Judicial District, State of Alaska.

2. Use Limitation. The Easement shall be used solely for the installation, maintenance, repair and upgrade of utility infrastructures and appurtenances. No other use is permitted without the Grantor’s prior written consent. (“Permitted Uses”).

3. Easement Term. The term (“Term”) of this Easement shall commence on the Effective Date of this agreement (“Agreement”) and shall continue in effect for a period of fifty (50) years, expiring at 12:00 p.m. local time on March 31, 2076, unless sooner termination or extended by mutual written agreement of the parties. Upon the expiration of the Term, all of Grantee’s right, title and interest in and to the Easement shall automatically revert to Grantor. Grantee shall have no further right, title or interest in and to the Easement, and Grantee shall remove all of its utilities, structures, improvements and other properties from Easement and restore the Easement to its original condition.

3.1 Extension of Term. Grantee shall have the option to extend the term (“Term”) for one (1) additional period of ten (10) years (“Extension Term”). The Extension Term shall be exercisable only upon mutual written agreement of the parties under terms and conditions to be negotiated prior to the expiration of the initial Term.

4. Fee. In consideration for such Easement, Grantee shall pay Grantor in advance a fixed fee (“Fee”) of one-time payment in the amount Sixty-Four Thousand Six Hundred Eighty and 00/100 Dollars (\$64,680.00).

5. Interference. Grantor shall not interfere with Grantee’s Permitted Uses of the Easement; and Grantee shall not interfere with Grantor’s surface use of the Easement, except when and to the limited extent necessary to engage in Grantee’s Permitted Uses of the Easement.

6. Future Development and Utility Installation. Grantor shall not undertake or

permit any development or activity within the Easement area that would interfere with or hinder the Grantee's use, access, or operation of the installed utilities. Grantee does not anticipate removing or relocating the installed utility improvements within the Easement area during the Term, except in the event of major or unforeseen circumstances that necessitate such removal or relocation, in which case Grantee shall provide prior written notice to Grantor and shall coordinate to minimize disruption.

7. No Representations or Warranties by Grantor; Release of Claims by Grantee. Grantor has made, and hereby makes, no warranties or representations, express or implied, regarding the title to, suitability or physical condition of the Easement. Grantee shall take and hereby takes the Easement **"as is"** and **"with all faults"** as to its title to and suitability and physical condition, including assuming all risks of environmental pollution (if any) associated therewith. Grantee shall release and hereby releases, with prejudice, Grantor, its affiliates, subsidiaries, successors and assigns, and their respective shareholders, officers, directors, managers, agents, representatives, employees and attorneys from and against any and all demands, claims, losses, damages, injuries, deaths, costs, fees, liabilities, obligations, awards and penalties, including actual reasonable costs and attorneys' fees, which are in any way based upon, arise out of, are connected with or result from the title to or suitability or physical condition, or presence of archaeological or cultural artifacts on the Easement, including any environmental pollution associated therewith, regardless of the nature, type, scope, extent or amount thereof that has been or may be caused thereby or result therefrom.

8. Grantee's Indemnity. Grantee shall agree and hereby agrees, and its successors and assigns in and to the Easement (each an "Indemnitor") shall, by accepting, claiming and/or using the Easement, be deemed to have agreed to defend, indemnify and save harmless Grantor, its subsidiaries, affiliates, successors and assigns, and their respective shareholders, directors, officers, managers, agents, representatives, employees and attorneys (each an "Indemnitee") from and against any and all demands, claims, losses, damages, injuries, deaths, costs, fees, liabilities, obligations, awards and penalties, including actual reasonable costs and attorneys' fees, that in any way arise out of, are based upon, are connected with, or result from, in whole or in part, any actual or alleged acts or omissions in, on, about or with respect to the Easement by any such Indemnitor or any person using the Easement with the express or implied permission of any such Indemnitor. These defense, indemnity and hold harmless obligations shall be ongoing and shall survive indefinitely, regardless of any use, non-use or transfer of the Easement for any reason.

9. Preservation of Archaeological/Cultural Resources.

9.1 Discovery of Archaeological or Cultural Resources. In the event that Grantee discovers any previously unknown Archaeological or Cultural Resources during the course of its use of the Easement, it shall: (a) notify Grantor, the Museum of the Aleutians, or its successor or assign, and any local, state or federal agency required to be notified under applicable law of the particulars of such discovery; (b) follow the Archeological Assessment procedures required by Applicable Law; and (c) cease all further uses of the easement that might damage or adversely impact such Archaeological or Cultural Resources until they are assessed and preserved by the appropriate authority or person listed above. If, as a result of such discovery, the Easement becomes unusable for the Grantee's permitted uses under the Agreement, the Grantor and Grantee shall, in good faith, negotiate a relocation of the Easement to a mutually agreeable alternate location. Such relocation shall occur at no additional cost to the Grantee beyond the consideration already paid

under this Agreement.

9.2 Definitions. The term “Archaeological and Cultural Resources” means any of the following, in whole or in part: burial sites, human remains, funerary objects, sacred or religious objects, objects of cultural patrimony, pottery, basketry, vessels, utensils, weapons, weapon projectiles, tools, structures or portions of structures, pit houses, clothing, blankets, furnishings, paintings, carvings, fossilized or non-fossilized paleontological specimens or any other archaeological, historical, cultural or sacred resource or object at least one hundred (100) years old or as defined under Applicable Law pertaining to historic preservation, archaeological preservation, or the preservation of Native American culture, religion or grave sites. Applicable Law shall include, without limitation, the following, as amended from time to time: (a) National Historic Preservation Act [16 U.S.C. Sections 407-407w-6]; (b) Archaeological Resources Protection Act [16 U.S.C. Section 470bb-407ll]; (c) Native American Graves Protection and Repatriation Act [25 U.S.C. Sections 3001-3113]; and (d) Alaska Historic Preservation Act [AS 41.35.010-380].

IN WITNESS WHEREOF, the parties have entered into and executed this Agreement, effective the 1<sup>st</sup> day of April 2026 (“Effective Date”).

GRANTOR:

OUNALASHKA CORPORATION, an Alaska corporation

Dated: \_\_\_\_\_, 2026

By \_\_\_\_\_  
Natalie A. Cale.  
Its Chief Executive Officer

GRANTEE:

CITY OF UNALASKA, an Alaska municipal corporation

Dated: \_\_\_\_\_, 2026

By \_\_\_\_\_  
Abner Hoage,  
Its Acting City Manager

STATE OF ALASKA )  
 : ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by Natalie A. Cale the Chief Executive Officer of Ounalashka Corporation, an Alaska corporation, on behalf of the corporation.

\_\_\_\_\_  
NOTARY PUBLIC in and for Alaska  
My Commission Expires:\_\_\_\_\_

STATE OF ALASKA                    )  
  : ss.  
THIRD JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2026, by Abner Hoager, the acting Interim City Manager of the City of Unalaska, an Alaska municipal corporation, on behalf of the corporation.

\_\_\_\_\_  
NOTARY PUBLIC in and for Alaska  
My Commission Expires:\_\_\_\_\_

After recording in the Aleutian  
Islands Recording District, return to:

Ounalashka Corporation  
Attn: Natalie A. Cale  
P.O. Box 149  
Unalaska, Alaska 99685

**EXHIBIT A**

**Drawing of Easement**

