Memorandum 11-024 Re: Lease Committee Recommendation for Lease of a Portion of Lot 49 and Lot 50

Memorandum ID: 11-024
Memorandum Status: Backup

CITY OF HOMER
CITY HALL
MEMORANDUM 11-024

To: Mayor Hornaday and City Council
From: Terry Felde, Lease Committee Staff
Through: Walt Wrede, City Manager
Date: February 9, 2011
Subject: Lease Committee Recommendation for Lease of a Portion of Lot 49 and Lot 50

BACKGROUND: At the January 13, 2011 regular meeting of the Lease Committee the following action was taken:

HAWKINS/MAURAS - MOVED TO REVIEW THE HOMER SPIT CAMPGROUND LEASE APPLICATION.

Chair Erickson inquired if there were any questions or comments regarding the staff report or application. She further commented on the report being included it offered more information than the last go around regarding a lease proposal for review. Ms. Mauras thought it was very helpful and well written. Mr. Zimmerman concurred.

ZIMMERMAN/MAURAS - MOVED TO APPROVE THE APPLICATION WITHOUT GOING THROUGH THE RFP PROCESS.
Ms. Mauras offered a friendly amendment to include the City Managers recommendation to approve the proposal with stipulations that all zoning violations be addressed, 10 year lease with two 5 year options for a total of 20 years.
Mr. Zimmerman clarified that they are approving the application or recommendation to council. He had concerns that 20 years would be enough to amortize the investment for the proposer. Mr. Chapple clarified that 20 years would be enough time to recoup. Mr. Zimmerman accepted the friendly amendment. The motion now reads:

ZIMMERMAN/MAURAS – MOVED TO APPROVE THE LEASE APPLICATION OF THE HOMER SPIT CAMPGROUND WITHOUT GOING THROUGH THE COMPETITIVE PROCESS UNDER THE TERMS AND CONDITIONS DESCRIBED IN THE PROPOSAL, WITH THE STIPULATIONS THAT THE LEASE WILL BE FOR 10 YEARS WITH TWO FIVE YEAR OPTIONS, AND ALL ZONING VIOLATIONS BE ADDRESSED.

Mr. Yager wanted assurance that this approval included the 50% rate increase. It was noted that the recommendation included all of the items included in the proposal. The shorter term was recommended due to the location in the future there may be a more beneficial use for this property especially once dewatering issues were addressed and it is also recommended in the Spit Comprehensive Plan to review.

VOTE. YES. ZIMMERMAN, MAURAS, ERICKSON, YAGER, HAWKINS.

Motion carried.

RECOMMENDATION: Approve Resolution 11-015

Related Resolutions**Memorandum - Related Resolutions:** Resolution 11-015 Approving a Lease for Homer Spit Campground

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