# Memorandum 10-143 Lease Committee Recommendation / Brad Faulkner Lease Application

**Memorandum ID:** 10-143
**Memorandum Status:** No Status

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TO: Mayor Hornaday / Homer City Council
FROM: Walt Wrede
DATE: November 22, 2010
SUBJECT: Lease Committee Recommendation / Brad Faulkner Lease Application

Brad Faulkner's lease on the Homer Spit has expired, including all options. Mr. Faulkner submitted a proposal for a new lease to the Lease Committee and the Committee considered the proposal at a Special Meeting on November 3, 2010. Mr. Faulkner requests a new lease without competitive bidding pursuant to Section 11.2 (F) of the Lease Policies.
Section 11.2 (F) states:
The City Council, after reviewing a recommendation from the Lease Committee, may elect to not require a competitive bidding process for a property whose lease has expired (including all options) if it finds that it is in the best interest of the City to enter into a new lease agreement with the current lessee. If the current lessee is interested in entering into a new lease agreement, he/she must indicate so in writing to the City Manager at least 12 months prior to the expiration of the lease and submit a formal lease application/proposal for evaluation by the Lease Committee. The City will review the application but is under no obligation to enter into a new lease. If the Council chooses to approve such a new lease without a competitive bidding process, it must approve such a new lease by resolution within six months that includes a finding that it is in the public interest to do so, after consideration of relevant facts including, but not limited to, the following:
1. The lessee's past capital investment and binding commitment to future capital investment
2. The lessee's financial condition and prior lease history
3. The number of persons employed and the prospects for future employment
4. Tax revenues and other financial benefits to the City of Homer anticipated in the future if the lease is renewed
5. Consistency of the past use and intended future use with all applicable land use codes and regulations, the Comprehensive Plan, and the Overall Economic Development Plan
6. Other opportunities for use of the property that may provide greater benefits to the City of Homer.
7. Other social, policy, and economic considerations as determined by the Council.
After debate was concluded, the Lease Committee adopted the following motion:
Zimmerman / Yager: Moved to recommend that Council enter into a new lease with Mr. Brad Faulkner on Lot 88-4 without going through the competitive bidding process due to the following: existing lessee with a substantial investment in the property, there are similar lots available for RFP if additional public interest is shown, and the current economic advantages with the existing tenants. It is further recommended that Council use expediency in concluding the lease process and it is further recommended to stipulate in the new lease performance standards, and a completed application to include all required financial information. The Motion passed 4-2.

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