

Memorandum 10-32 Lease Policy

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MEMORANDUM 10-32

DATE: January 26, 2010

TO: Mayor and City Council

FROM: Economic Development Advisory Commission Through City Manager Wrede

SUBJECT: Lease Policy Amendments

The EDC has reviewed the Lease Policies and lease documents. We have proposed revisions to areas that make it difficult for Small Business to lease land from the City of Homer. Some issues are real, and some are imagined due to the lengthy and redundant wordage.

Our criteria was to look to see what was in the best interest of the city, and as small business owners, "What would make it difficult for a business, or put it in a tenuous situation?" to lease land from the city.

While this is not an exhaustive revision, it is a start to deal with some issues with the current bank lending procedures, city codes and incentives for businesses to lease land. We realize that it is not technically written, but it is the spirit of the document we were revising, as we are not legal experts. We have deleted parts of the documents that are covered under other areas of City Codes. The deleted sections made the lease document long, arduous and intimidating.

We would encourage the Council to have an independent lawyer to review the revisions to make it viable for all parties involved since the current document is weighted heavily to the side of the city. Once it is approved, the independent lawyer would write the language to be in line with the spirit of the ordinance or lease document.

We felt that it was important due to past political agendas with in city hall, to protect City Employees and administrations, that it would be in the City's best interest to hire a Property Management Company as an ombudsman, which would negotiate and manage the leases. The ordinance does not address that, but we feel that it is an option that should be looked at.

We felt that in some cases it is in the City's best interest to sell the lease after a long period of time, and the business is viable. We do not feel that all the property should be sold, but as appropriate, and in the City's best interest. If this was an option, there should be in the negotiation a first right of refusal for the City should the property come up for sale.

We realize there is some work involved for you in reviewing this, but we feel like it is in the city's best interest for you to do so.

Thanks for letting us serve you.

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