

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 10-28(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A ONE YEAR LEASE EXTENSION FOR PENINSULA SCRAP AND SALVAGE, INC. ON A PORTION OF LOT 12, HOMER SPIT PLAT #5, FOR THE PURPOSE OF STAGING AND SHIPPING CRUSHED VEHICLES AND RECYCLED STEEL.

WHEREAS, Peninsula Scrap and Salvage, Inc. secured a short-term lease (six months) on a portion of Lot 12 (Chip Pad) for the purpose of staging and shipping crushed vehicles and recycled steel; and

WHEREAS, The lease term extended from June through November 2009 and the Lessee has been operating on a month to month basis (holdover provision) since November due to various delays in scheduling vessels to transport the steel from the Deep Water Dock; and

WHEREAS, Peninsula Scrap and Salvage, Inc. has been a good tenant, has complied with all of the terms and conditions of the lease, and to date, has shipped 6,500 crushed vehicles across the dock and out of the lower Kenai Peninsula; and

WHEREAS, The Lessee has requested a one year lease extension through November of 2010 because the business opportunities and the demand for the company's services in and around Homer justify the additional time and expense; and

WHEREAS, Chapter 11.2 (G) (3) of the Property Management Policy and Procedures Manual (Lease Policies) states that "no consecutive short term leases for the same property to the same lessee may be issued without the approval of the City Council"; and

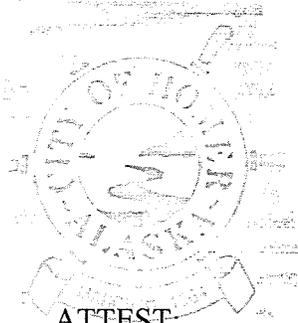
WHEREAS, The City administration recommends that the lease extension request be approved for the following reasons:

- The company has been a good tenant and has complied with all terms and conditions contained in the lease.
- The business conducted by the company has resulted in significant revenues for the Port and Harbor Enterprise Fund through rent, moorage fees, and dockage fees.

- The business conducted by the company has resulted in job creation, tax revenues, and income for third party businesses, all of which has benefitted the local economy.
- This business recycles old cars and scrap steel which results in a cleaner community, reduces health and safety risks, and provides a number of other social, economic, and environmental benefits.
- Extending this lease is consistent with the recent action of the City Council approving \$15,000 to assist with a junk car removal program this year.
- The extension is only for one year and the parcel will be available for RFP again by early 2011.

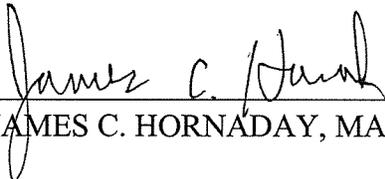
NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a lease extension for one year through November 2010 for Peninsula Scrap and Salvage, Inc. for a portion of Lot 12, Homer Spit Plat #5, for the purpose of staging and shipping crushed vehicles and recycled steel, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 22nd day of March, 2010.



ATTEST:

CITY OF HOMER



JAMES C. HORNADAY, MAYOR



JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Estimated Revenue: \$10,400 Rent, \$100,000 Moorage and Dockage.