

**CITY OF HOMER
HOMER, ALASKA**

Howard/Roberts

RESOLUTION 10-77(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, AMENDING THE CITY OF HOMER PROPERTY
MANAGEMENT POLICY AND PROCEDURES MANUAL.

WHEREAS, Homer City Code Section 18.08.160 authorizes and directs the City Council to adopt a Property Management Policy and Procedures Manual by resolution; and

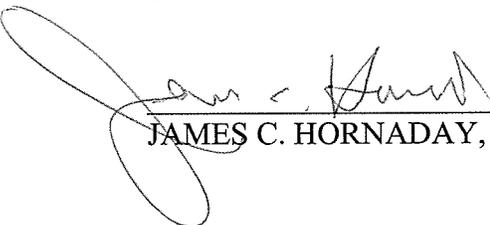
WHEREAS, The Economic Development Advisory Commission has recommended to the Council that certain provisions of the current edition of the Property Management Policy and Procedures Manual be amended; and

WHEREAS, The City Council has reviewed the recommendations of the Economic Development Advisory Commission, and as a result of that review has determined to adopt the amendments to the Property Management Policy and Procedures Manual that are incorporated in this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Property Management Policy and Procedures Manual is amended as set forth in Exhibits A and B attached hereto and incorporated by reference herein.

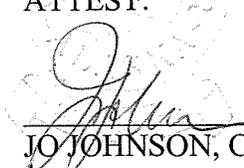
PASSED AND ADOPTED by the Homer City Council this 27 day of September 2010.

CITY OF HOMER



JAMES C. HORNADAY, MAYOR

ATTEST:



JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

EXHIBIT A
AMENDMENTS TO PROPERTY MANAGEMENT
POLICIES AND PROCEDURES MANUAL

1. Amend Procedure 7.2.B to read as follows:
 - B. Rental Rate Determination: Lease rental rates shall be determined by periodic appraisals scheduled and paid for by the City.
2. Amend Procedure 10.2 by deleting paragraph 10.2.D.
3. Add Procedure 11.2.H to read as follows:
 - H. At the expiration or termination of a lease the City may negotiate to reimburse the lessee for improvements at fair market value, and then issue a request for proposals offering the lot and improvements as a package.
4. Amend Procedure 12.2.A to read as follows:
 - A. All leased properties shall be appraised every fifth year. The appraisal shall be conducted by an Alaska Certified General Real estate Appraiser. Appraisals shall be subject to the following:
 1. The lease rate shall be adjusted upward based upon increased property appraisal values. This periodic adjustment compensates for changing market conditions in the area by determining the fair rental value. In the event that an appraisal reveals that fair market rent has declined, the lessee may petition the City for an amendment to the lease and reduction in the lease rate. The City is under no obligation to do so. Any reduction in lease rates must be approved by the City Council and the motion to do so must include a statement regarding why the action is in the public interest.
 2. During the month of January each year, the City will contract with an Alaska Certified General Real Estate Appraiser to appraise all leased parcels which are due for their five year appraisals in that year. The appraisals will be bundled and conducted at the same time under the same contract in order to reduce costs. The City will select the appraiser and bear the cost of the appraisal.
 3. The newly adjusted lease rate determined by the appraisal will take effect on the anniversary date of the lease.

5. Add 14.4 Assignment with Sale of Business to read as follows:

14.4 ASSIGNMENT WITH SALE OF BUSINESS

Where a lessee intends to assign the lease as part of a sale of the business located on the lease lot, the person who intends to purchase the business may apply to extend the lease term to allow the continuation of the business and to secure financing for the purchase.

Exhibit B

Date: September 21, 2010
To: Mayor Hornaday and City Council Members
cc: City Manager and City Attorney
From: Barbara Howard
Subject: Proposed amendments to the Property Management Policy and Procedures document dated May 12, 2010 as recommended by the EDC.

Chapter 1: Lease Policies/Goals, Purpose and Responsibility

1.1 Goals and Purpose: 1.1d: No changes retain as originally written.

1.2(b) Responsibilities: No changes: retain as originally written.

Chapter 2: Lease Committee

2.2 Procedures: No changes: retain as originally written.

Chapter 3: Properties Available for Lease

3.2 Procedures: No changes: retain as originally written.

Chapter 7: Lease Rental Rates

7.2 Procedures:

(a) (1-4) No changes: retain as originally written.

(b) Recommendation: city responsible for scheduling and paying for appraisals.

Chapter 8: Reconsideration

8.1 Policy: No changes: retain as originally written

8.3 (5) No changes: retain as originally written

Chapter 10: Improvements

2 (c) Recommendation: *" the terms of the lease shall include provisions for the disposition of leasehold improvements upon the expiration or termination o f the lease term. These provisions may require that the lessee remove the improvements, that the improvements become the property of the City, or another*

arrangement that is justified by the cost, useful life or alternative uses of the improvements”

Chapter 10: Improvements (continued)

2 (d) Recommend accepting proposed change.

Chapter 11: Length of Leases/options

11.2. (a) No changes: retain as originally written

11.2 (c) No changes: retain as originally written

11.2 (f) No changes: retain as originally written

11.2 (h) Recommend accepting proposed change

11.2 (l) Reject as written

11.3 Reject as written

Chapter 12: Lease Rate Adjustments

12.2 (a) (2) (3) Recommendation: delete existing

12.2 (a) (2) Recommend: *During the month of January each year, the City will contract with an Alaska Certified General Real Estate Appraiser to appraise all leased parcels which are due for their five year appraisals in that given year. The appraisals will be bundled and conducted at the same time under the same contract in order to reduce costs. The City will select the appraiser and bear the cost of the appraisal.*

12. (a) (3) Recommend: *The newly adjusted lease rate determined by the appraisal will take effect on the anniversary date of the lease.*

12.2 (b) No changes: retain as originally written

Chapter 13: Sub-Leases

No changes: retain as originally written

Chapter 14: Assignments:

14.4 Recommend accepting additional section. No suggestion for title of this new section

Chapter 15: Insurance:

Recommend: city insurance carrier and city attorney review and prepare recommendations.

Chapter 18: Conclusion of Lease

No changes: retain as originally written