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**CITY OF HOMER
HOMER, ALASKA**

City Manager/Lease Committee

RESOLUTION 11-104(A)

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A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, APPROVING A NEW LEASE FOR THE PIER ONE
THEATRE FOR A TERM OF FIVE YEARS AND A RENTAL
RATE OF ONE DOLLAR PER YEAR AND FINDING THAT IT
IS IN THE PUBLIC INTEREST TO AWARD THE LEASE
WITHOUT A COMPETITIVE BIDDING PROCESS AND AT
LESS THAN FAIR MARKET RENT.

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WHEREAS, The City lease with the Pier One Theatre expires on December 9, 2011 and the Theatre has submitted a proposal for a new lease with the same term and rent as the current lease; and

WHEREAS, The Lease Committee considered this proposal at a Special Meeting on November 10, 2011; and

WHEREAS, When reviewing the Pier One Proposal, the Committee relied on the proposal evaluation criteria contained in Sections 6.2 (B), 7.2 (A) (4) and 11.2 (F) of the Lease Policies; and

WHEREAS, The Lease Committee recommends that a new lease be granted to the Pier One Theatre for a term of five years and a rental rate of \$1.00 per year subject to review by the Planning Department and the State Fire Marshall; and

WHEREAS, The Lease Committee recommends further that a new lease for less than fair market value and without a competitive bidding process is justified for the reasons outlined in the staff report.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a new lease for the Pier One Theatre for a term of five years and a rental rate of \$1.00 per year, subject to Planning Department and Fire Marshall approval Certificate of Occupancy, and authorizes the City Manager to execute the appropriate documents.

BE IT FURTHER RESOLVED that the Council finds that it is in the best interest of the community to approve a lease without a competitive bidding process under Section 11.2 (F) of the Lease Policies for the following reasons:

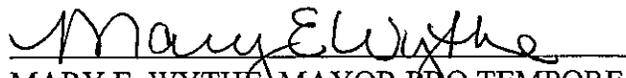
- 41 • Pier One Theatre has been an excellent tenant and has performed well under the terms of
- 42 the lease.
- 43 • Pier One has made improvements to the building, including improvements requested by
- 44 the Fire Marshall.
- 45 • The proposed use of the property is compatible with adjacent uses.
- 46 • The proposed use is consistent with the Spit Comprehensive Plan, the Comprehensive
- 47 Economic Development Strategy, and Resolution 98-36(A).
- 48 • There are substantial economic, social, cultural, and educational benefits which derive
- 49 from this use.
- 50 • The lease term is short and the City can terminate with 90 days notice.
- 51 • There are few if any alternative uses of the building.
- 52 • The City has yet to develop a long term plan for the property and is therefore not ready to
- 53 issue an RFP.

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55 BE IT FURTHER RESOLVED that the Council finds that it is in the public interest to
56 approve a lease for less than fair market rent under Section 7.2 (A) (4) for the following reasons:

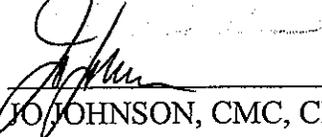
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- 58 • History / tradition: The City has leased this building for \$1.00 per year for decades. The
- 59 Council has consistently determined that it was in the public interest to do so.
- 60 • The building was an old harbor building that was ready for destruction. The Theatre
- 61 salvaged it and made various improvements to make it suitable for its present use. The
- 62 City has little investment in the building.
- 63 • The Theatre is operated by volunteers and has a very limited budget and financial
- 64 resources. It cannot afford to pay rent at this time.
- 65 • The economic, social, cultural, and educational benefits derived from the Theatre's
- 66 activities are substantial.

67 •
68 PASSED AND ADOPTED by the Homer City Council this 28th day of November, 2011.

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70 CITY OF HOMER

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73 MARY E. WYTHE, MAYOR PRO TEMPORE

74 ATTEST:

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77 JO JOHNSON, CMC, CITY CLERK

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79 Fiscal Note: Rent \$1.000 per year. No utility costs and minimal maintenance costs.