



REQUEST FOR PROPOSALS

Manage, Lease, and Renovate the Homer Education and Recreation Complex (HERC) 1



City of Homer, Alaska
April 18th, 2019

REQUEST FOR PROPOSALS
By the City of Homer, Alaska for the
Management, Lease, and Renovation of the
Homer Education and Recreation Complex (HERC) 1

The City of Homer, Alaska is requesting proposals from qualified organizations to lease, manage, and renovate the Homer Education and Recreation Complex (HERC) 1. Proposers must also accommodate the City's recreational activities currently occurring at the Complex. Grounds maintenance and management, including the skate park and plowing/sanding of both the upper and lower parking lot during the term of the lease, are negotiable.

There is a **mandatory pre-proposal meeting and ground tour** scheduled on **May 15, 2019 from 2:00 p.m. - 4:00 p.m. or May 22, 2019 from 2:00 - 4:00 p.m.** The meetings will be held at the HERC1 building located at 450 Sterling Hwy, Homer, Alaska, 99603 at the Woodside Avenue entrance.

Sealed proposals shall be received at the office of the City Clerk **no later than 4:00 p.m. Monday, June 24, 2019.** The time of receipt will be determined by the City Clerk's time stamp. Proposals must be sent to: City of Homer - City Clerk's Office, ATTN: HERC1 RFP, 491 East Pioneer Avenue, Homer, Alaska 99603. Electronic and faxed proposals are not accepted. Proposals received after the time fixed for the receipt of the proposals shall not be considered.

Please direct proposal submission questions to Melissa Jacobsen, City Clerk, at clerk@cityofhomer-ak.gov. Please direct technical questions regarding this proposal in writing to both Julie Engebretsen in the City Planning Department, JEngebretsen@ci.homer.ak.us and Rachel Friedlander in the City Manager's Office, RFriedlander@ci.homer.ak.us

All proposers must submit a City of Homer Plan Holders Registration Form to be on the Plan Holders List and to be considered responsive. Plan Holder Registration forms and Request for Proposal Specifications are available online at <http://www.cityofhomer-ak.gov/rfps>. Paper copies of the Proposal Documents may be purchased at the Office of the City Clerk upon payment of \$10 per set (\$15 for overnight delivery). All fees are non-refundable.

The City of Homer reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals, and to award the contract to the respondent that best meets the selection criteria and the City of Homer's needs.

DATED this 15th day of April, 2019

CITY OF HOMER


Katie Koester, City Manager

Publish: Homer News April 18 and 25, 2019
Peninsula Clarion April 21 and 28, 2019

Fiscal Note: 100-0100-5227

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I. Introduction

The HERC property presents an opportunity for community use but also has long term financial costs for the City of Homer. In 2018, Homer City Council formed the HERC Task Force to determine the financial resources required to use the building and if leasing space would be a feasible option. The Task Force addressed the concerns Council outlined in Resolution 18-036(A) by producing a final recommendation report published November of 2018. The report can be found on the city website, <https://www.cityofhomer-ak.gov/planning>.

In February 2019, Homer City Council requested letters of interest for tenants interested in occupying the HERC1 building and grounds. The purpose of this request was to determine effective use of the space and to seek potential stakeholders who would be interested in investing in the building as third party property managers. The City received four submittals from: the Bunnell Street Arts Center, City of Homer Community Recreation Program, Fireweed Academy, and Kachemak Bay Martial Athletics.

As a result of this demonstrated interest in the HERC1 building and direction provided by Resolution 19-006(A), the City is issuing this formal RFP to secure an organization interested in leasing, managing, renovating and performing any necessary improvements required for occupancy of the HERC1 with preference given to a proposed use that prioritizes recreation and/or education. The City of Homer’s Community Recreation Program must be incorporated as a tenant.

Background on the Property

“The HERC property encompasses 4.3 acres in downtown Homer. The property was originally donated by community members for school use and included a deed restriction. While the deed restriction has since been lifted, there is still strong community attachment to the land and desire to honor the public use of it. The property presents the opportunity to provide a gateway to downtown Homer and is centrally located on the corner of the Sterling Highway and Pioneer Avenue.

There are two older school buildings on site: HERC1 is approximately 16,000 square feet and includes a gymnasium. HERC2 is the second building; a smaller, two story concrete structure that was formerly the high school. HERC1 was built in the late 1950s and has served as an elementary, middle and high school. Day use as a school ended in 1997 with the opening of West Homer Elementary School. In 2000, the Kenai Peninsula Borough deeded the property to the City for the purchase price of \$1. At the time, the Kachemak Bay Campus of the Kenai Peninsula College leased the upstairs, and the Boys and Girls Club used the gym for after school and summer programs. In 2010, the college moved out and some of the City Hall offices were temporarily relocated to the building while City Hall was renovated. In the spring of 2013, the Boys and Girls Club closed permanently.

Currently, the City’s Community Recreation program uses portions of the lower level of the building for recreation programs.”

- “HERC Task Force Final Recommendation Report.” HERC Task Force Information, City of Homer Planning Department, 27 Nov. 2018

II. Schedule

ACTIVITY

DATES

Advertisement Dates

Homer News: April 18th and 25th
Peninsula Clarion: April 21st and 28th

Mandatory Pre-Proposal Meeting and Facility/Grounds Tour

May 15th from 2-4 PM or May 22nd from 2-4 PM

Must attend one.

Meeting will begin

in front of the HERC1 building:

Woodside Avenue entrance

Homer, Alaska 99603

Feedback, Clarification, and Inquiries Deadline

4:00 PM on Friday, June 14th

All feedback, clarifying comments, and inquiries must be made in writing and received at least ten days before the submittal deadline for receipt of proposals

Submittal Deadline

4:00 PM on Monday, June 24th, 2019 to the following address:

Proposals received after the deadline will not be considered

City of Homer
Attn: City Clerk's Office
HERC1 RFP
491 East Pioneer Avenue
Homer, AK 99603

Tentative Homer City Council Approval of firm and authorization of City Manager to negotiate a contract

July 22nd, 2019

RFP Posting

An electronic version of the RFP package is available at on the City Clerk's website:

<https://www.cityofhomer-ak.gov/rfps>. There will be a \$10 fee for a requested hard copy (\$15 for overnight delivery). Requests for a hardcopy of the RFP may be submitted to the City Clerk's Office at clerk@cityofhomer-ak.gov or City of Homer, City Clerk's Office, 491 East Pioneer Ave, Homer AK 99603.

III. Site Details

Site maps provided as an attachment. All proposed development of the HERC1 building and grounds must comply with applicable federal, state and local city regulations.

- Legal Description: Tract 2, Homer School Survey 1999 City Addition HM 2000022; Kenai Peninsula Borough Parcel # 17510070
- Located at the gateway to downtown Homer, this site contains 4.3 acres. The large building, HERC1 is the subject of this RFP. The smaller concrete building (HERC2) is used by the City for storage and office space for the City’s Building Maintenance employees. The City has reserved four spaces in front of the HERC2 building for City use only as defined in Attachment A of Resolution 19-014.
- Site also includes a skateboard park, large field, and a creek. Parking is located in two areas: the eastern paved parking lot, and the western gravel/dirt parking lot. ADA spaces are available from the eastern lot to the upper level. The lower level is not generally ADA accessible. The western parking lot also has a basketball court, about half of which is on school district land.

Please note: all land, buildings, improvements, and permanent equipment which are presently in place, or new real property improvements or equipment which may be added, shall remain or become the property of the City. Supplies, materials, and equipment that are on hand on the day of the lease agreement’s execution shall be inventoried. The Proposer shall have access to the supplies, materials, and equipment during the duration of their lease and will be responsible for replenishing any supplies used and/or keeping materials and equipment in good condition throughout the duration of the lease.

Maintenance Needs

The HERC1 building is approximately seventy years old. Annual maintenance and operation fees (with minimal heating) have ranged from \$36,000 to \$51,000 over the last four years but this does not account for capital improvements. Below is a list of needed and suggested improvements to extend the life of the building. Additional improvements may be required depending on what the Proposers’ intended use of the property will be. Within Chapter 3 of the HERC Task Force’s Final Report published November of 2018 is a rough order of magnitude cost estimate for three levels of potential renovations. Some repairs are required for the building to remain viable (roof replacement) while others would improve energy efficiency and aesthetics (lighting and windows replacement).

Needed

- **Repair Roof:** The City is aware of the poor condition of the roof and the significant need for its repair. The City of Homer is consulting with Klauder and Associates for an assessment of the roof. When the final report is available, the City will make it an addendum to this RFP.

Suggested

- Water/Sewer utility repairs - current water service line is too small to support any new sprinkler system
- ADA improvements
- Heating/Ventilation system repairs
- Fire sprinkler system - entire building
- Fire wall separation
- New windows throughout
- Convert building to natural gas heat
- Upgraded electrical and information technology systems

Management Objectives

The proposer should address all activities for operation and management of the HERC1 building and potentially the surrounding grounds. This includes personnel costs, janitorial costs (including cleaning supplies), building maintenance needs, reservation/rental requests, responding to complaints, snow plowing, grounds maintenance – anything involved in the fulltime management of a facility (and if applicable to the proposal, the surrounding grounds). Proposer must thoroughly outline any assistance needed from the City (ie. staff support, equipment, grounds maintenance).

Proposed Use

A successful proposer must incorporate the City Community Recreation Program as a paying tenant and propose to the City what the terms and rate would be for the City Community Recreation Program to use the building as discussed in their attached letter. Any other uses that are educational or recreational in nature will be awarded more points within the applicant grading criteria. Please keep in mind that the applicant will be responsible for all maintenance and operational costs so all proposed uses must demonstrate compliance with any zoning, safety, and building improvement requirements. A list of City permitting fees is provided as an attachment. Proposer is responsible for determining and fulfilling any requirements issued at the City, State, and Federal level.

IV. Code Requirements and Term of Contract

1. All City leases follow requirements listed in Homer City Code, especially **Chapter 18.08 - City Property Leases**. Any proposer must agree to the terms listed in City Code unless exceptions to specific code sections are requested. If a proposer requests exceptions, a written explanation must accompany each request; City regulations and permitting can be a point of negotiation since this will depend on the proposed use of the building. Length of lease and first right of refusal upon renewal of lease (conditional on the proposed buyer fulfilling all city requirements and qualifications) are options that will be considered when negotiating the lease. Project timeline is negotiable as it is dependent on the proposed development plan and cost schedule.

V. Minimum Insurance Requirements

Prior to commencement of work, the Proposer shall be required to provide proof of insurance and to keep it in full force and effect, at their expense, the following minimum policy limits; it may be determined that higher limits are needed depending on the proposed use of the building. Also, the City of Homer shall be named as additional insured during the proposer's lease term.

- (1) Comprehensive general liability insurance with limits of liability not less than a combined single limit for bodily injury and property damage of \$1,000,000 each occurrence and \$2,000,000 aggregate. This insurance shall also be endorsed to provide contractual liability insuring Proposer's obligations to indemnify under this Lease.
- (2) Comprehensive automobile liability covering all owned, hired and non-owned vehicles with coverage limits not less than \$1,000,000 occurrence combined single limit for bodily injury and property damage.
- (3) Workers' compensation insurance as required by AS 23.30.045. This coverage shall include employer's liability protection not less than \$1,000,000 per person, \$1,000,000 per occurrence. Where applicable, coverage for all federal acts (i.e. U.S. Longshoremen and Harbor Worker's Compensation and Jones Acts) shall also be included. The workers' compensation insurance shall contain a waiver of subrogation clause in favor of the City.
- (4) Environmental remediation and environmental impairment liability, including sudden and accidental coverage, gradual pollution coverage, and clean-up cost coverage associated with any activity by Proposer or others on, from, or related to the Property, with coverage limits not less than \$1,000,000 for any one accident or occurrence. Coverage shall extend to loss arising as a result of the work or services or products furnished, used or handled in connection with Proposer's operations. This insurance requirement may be optional as it depends on the development plan submitted by the Proposer.

Please note: Proposer will be liable for the cost of damage to the City's building, improvements and equipment caused by negligence, recklessness, or intentional misconduct of Proposer and proposer's employees.

VI. RFP General Requirements - Proposal Format and Content

Proposal Format

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposals be organized in the manner specified below. Proposals that do not address the items listed in this request may be considered incomplete and may be deemed non-responsive by the City. Interested firms should submit the completed proposal using the following instructions:

One original and two copies of the completed proposal in an envelope marked as follows:

City of Homer
Attn: City Clerk's Office
HERC1 RFP
491 East Pioneer Avenue
Homer, AK 99603

Proposals shall be received at the Office of the City Clerk **no later than 4:00 pm, June 24th, 2019.** Please direct proposal submission questions to Melissa Jacobsen, City Clerk, at clerk@cityofhomer-ak.gov. Please direct technical questions regarding this proposal in writing to both Julie Engebretsen in the City Planning Department, JEngebretsen@ci.homer.ak.us and Rachel Friedlander in the City Manager's Office, RFriedlander@ci.homer.ak.us

Inquiries must be received at least 10 days prior to the RFP submittal deadline. Copies of all written requests and replies will be forwarded to each proposer on the official plan holders list. Only formal, written responses to properly submitted questions will be binding.

Proposal Content

Letter of Transmittal (one page maximum): The transmittal letter shall briefly state the firm's understanding of the City's request, make a positive commitment to enter into the minimum lease requirement, willingness to pay how much in rent to lease the facility from the City on an annual basis and provide management and renovation services, state interest in either maintaining or not maintaining the surrounding grounds including the skate park, and give the name, title, address, and phone number of the person(s) authorized to make representations for the firm. The letter shall be signed by a corporate officer or other individual who has the authority to bind the firm.

Proposal Narrative (ten pages maximum): The City encourages all proposals be a maximum of 10 pages to keep proposals concise. For firms that are concerned this is inadequate, additional pages are allowed. The proposal narrative shall provide the following information:

1. Proposed Development Plan. Each Proposer shall submit a conceptual development plan.

The development plan must provide:

- capital improvements to be made and/or renovation needs
- project timelines for each phase
- permitting requirements
- plan for providing utilities
- any expressed interest in either maintaining or not maintaining the surrounding grounds, including the skate park, and plowing/sanding both the upper and lower parking lot. Please keep in mind that the adjacent facility, HERC2, is excluded from the lease and that 4 parking spaces in front of HERC2 will be reserved for City vehicles. However, should the City vacate HERC2 and it became available for lease, the

successful proposer will have first right of refusal to expand their lease to include HERC2.

- state any improvements and/or maintenance assistance the City would need to provide for the renovation, operation, and maintenance of HERC1

2. Cost Schedule. Each Proposer shall submit a conceptual cost schedule that provides a rough order of magnitude for the proposed capital improvements and operational costs.

The cost schedule must:

- demonstrate the financial capacity of the proposer
- give the total projected conceptual cost to manage and/or renovate the building, including projected profit margins and costs (including personnel, janitorial, grounds maintenance, capital improvements, etc.)
- outline the approach to project financing including sources of funds, amount of debt, and equity
- outline how much the proposer is willing to invest in capital improvements to the HERC1 to bring it up to code from its current condition for intended use as determined by the State Fire Marshall; this response must align with what is outlined in the development plan
- state how much the proposer is willing to pay to lease the facility from the City on an annual basis
- state any financial support the City would need to provide for the renovation, operation, and maintenance of HERC1

3. Proposed Contract: Specify in detail the firm’s ability to fulfill all requirements including term contract, City code, and insurance that have been outlined in this RFP, including any additional contractual requirements the firm proposes. Please keep in mind that the lease term should range from a minimum of 10 years to a maximum of 20 years with the possibility of two five (5) year extensions. Proposer may request a longer term.

4. Proposed Business Plan: The proposed building plan will incorporate the Proposers’ use and management/operation of the HERC1 building and potentially grounds, along with information detailing the occupancy of the building. Preference will be given to proposed uses that are educational and/or recreational in nature. This area must state how the City of Homer Community Recreation Program will be incorporated as a tenant.

5. Proposed Management Structure: Successful proposers will be responsible for the operation and maintenance the building and associated tenants ensuring they are kept to all building and safety standards (this includes janitorial and solid waste disposal). Please outline all management plans, including the use of subcontractors, and hours of operation, and ensure it aligns with the proposed business plan.

6. Proposed Project Development Manager and Team Members: This section shall introduce the contract manager (Single Point of Contact) and members of the organization that will be performing the work under this contract and their experience with this type of work. Full resumes are not needed; one paragraph on each member of the team will be sufficient.

7. Relevant Experience: Describe the Proposers’ relevant project experience for up to 5 projects that involved long-term property management.

8. References: List the names, titles, and phone numbers of at least three businesses and one financial institution that are familiar with your organization’s experience in maintenance and knowledge in the specified field.

VII. General Legal Information

- Required Review

Proposers should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the City Clerk at least ten days before the deadline for receipt of proposals. This will allow time for the issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the City Clerk, in writing, at least ten days before the deadline for receipt of proposals.

- Right of Rejection

Proposers must comply with all of the terms of the RFP and all applicable local, state, and federal laws, codes, and regulations. The City Clerk may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

The City may waive minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision

The City reserves the right to refrain from making an award if it determines that to be in its best interest. A proposal from a suspended proposer shall be rejected.

- Amendments to Proposals

Amendments to submitted proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments will be accepted after the deadline unless they are in response to the City’s request.

- Addendum to the RFP

If an addendum is issued, it will be provided to all who are on the City of Homer’s Proposal /Plan Holders List.

- Preparation Costs

The City will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal, including any legal fees associated with challenges to decisions made by the City

related to this RFP. By submitting a proposal, the proposer agrees to this restriction and waives all such claims.

- Disclosure of Proposal Contents

All proposals and other material submitted become the property of the City of Homer and may be returned only at the City’s option. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the proposer requests, in writing, that the City does so, and if the City Clerk agrees, in writing, to do so. The proposer’s request must be included with the proposal, must clearly identify the information they wish to be held confidential, and include a statement that sets out the reasons for confidentiality. Unless the City Clerk agrees in writing to hold the requested information confidential, that information will also become public after the Notice of Intent to Award is issued.

- Clarification of Offers

In order to determine if a proposal is reasonably acceptable for award, communications by the City Clerk or the proposal evaluation committee are permitted with a proposer to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the City Clerk or the evaluation committee may be adjusted as a result of a clarification under this section.

- Discussions with Proposers

The City may conduct discussions with proposers. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the City. Discussions will only be held with proposers who have submitted a proposal deemed reasonably acceptable for award by the City. Discussions, if held, will be after initial evaluation of proposals by the City Clerk or the evaluation committee. If modifications are made as a result of these discussions, they will be put in writing. Following discussions, the City may set a time for best and final proposal submissions from those proposers with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If a proposer does not submit a best and final proposal or a notice of withdrawal, the proposer’s immediate previous proposal is considered the proposer’s best and final proposal.

Proposers with a disability needing accommodation should contact the City Clerk prior to the date set for discussions so that reasonable accommodation can be made. Any oral modification of a proposal must be reduced to writing by the proposer.

VIII. Evaluation Criteria and Selection of Proposal

The City of Homer reserves the right to reject any and all proposals submitted and shall not be liable for any costs incurred by any proposer in response to this solicitation or for any work done prior to the issuance of a notice to proceed or signed contract.

A selection committee determined by the City Manager per Resolution 19-014 will evaluate the proposals and make a recommendation to the City Council. Evaluators may discuss factual knowledge of, and may investigate proposer’s prior work experience and performance. This includes information referenced in the proposal, available written evaluations, and contacted references that were listed or other persons knowledgeable of a proposer's past performance. Factors such as overall experience relative to the proposed contract, quality of work, cost control, and the ability to meet schedules may be addressed during the evaluation. Submittals will be evaluated and scored in accordance with the following criteria:

Evaluation Criteria

- | | | |
|--------------------------------|---|------------------|
| 1. General Requirements | | 45 points |
| | <ul style="list-style-type: none"> a. Proposer provides all information requested in the Letter of Transmittal (5 points) b. Proposer provides all information requested in Section 1-8 of the Proposal Narrative (5 points for each section, 40 points total) | |
| 2. Proposed Use(s) | | 20 points |
| | <ul style="list-style-type: none"> a. Proposed use of the building is recreational and/or educational in nature (5 points) b. Proposer defines how they will accommodate the City of Homer Recreational Program (5 points) c. Proposer will independently manage and operate HERC1 building including all maintenance needs (4 points) d. Proposer expresses interest in maintaining the surrounding grounds, including the skate park, park, and plowing/sanding both the upper and lower parking lot, as defined in Attachment A of Resolution 19-014 (1 point) e. Proposer’s willingness to invest in capital improvements to the HERC1 brings it up to code from its current condition for the proposer’s intended use as determined by the State Fire Marshall (5 points) | |

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| Total: | | 65 points |
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Selection of Proposal

The City of Homer reserves the right to award a contract to the highest ranked firm based solely on the written proposal or request oral interviews with a “short list” of the highest ranked firms. The highest ranked proposer will be invited to enter into negotiations with the City of Homer for the purposes of contract award. If an agreement with any proposer cannot be reached, the next highest ranked proposer may be contacted for negotiations. Homer City Council will then be forwarded a recommendation and, if approved, the City Manager will have authority to negotiate with the successful proposer. The commencement date of the lease will be negotiated with the successful proposer.

The City of Homer reserves the right to terminate negotiations with any proposer should it be in the City of Homer’s best interest.

IX. Additional Resource

The City of Homer Planning Department has created a webpage titled “Compilation of historical HERC floor plans, remodel plans and cost estimates” which provides supporting documents such as the Nov. 2018 HERC Task Force Final Recommendations Report along with building analysis reports, plans, and cost estimates associated with the building. Please visit: <https://www.cityofhomer.ak.gov/planning/compilation-historical-herc-floor-plans-remodel-plans-and-cost-estimates>

X. Attachments

- Resolution 18-036(A)
- Resolution 18-040
- Resolution 19-006(A)
- Resolution 19-014
- The four letters of interest that were solicited by Resolution 19-006(A)
- Homer City Code Chapter 18.08
- Plat and Site Detail Map

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**CITY OF HOMER
HOMER, ALASKA**

Aderhold

RESOLUTION 18-036(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ESTABLISHING THE HOMER EDUCATION AND RECREATION COMPLEX (HERC) TASK FORCE TO DETERMINE THE FINANCIAL RESOURCES REQUIRED TO USE THE BUILDING AND IF LEASING SPACE IS A FEASIBLE OPTION.

WHEREAS, The property the Homer Education and Recreation Center (HERC) is located on comprises four parcels that Homer area residents separately donated to the territorial school, the Parent Teacher Association of Homer, and to the Territory of Alaska in the 1940s and the 1950s, which were then transferred to the Kenai Peninsula Borough in 1974; and

WHEREAS, When the property was conveyed from the Kenai Peninsula Borough to the City of Homer in 1998 it was to allow public use of the gym and associated restrooms (the upstairs being occupied by the Kachemak Bay Branch of the Kenai Peninsula College); and

WHEREAS, Since conveyance of the property to the City of Homer in 1998 the HERC has been used as public gymnasium space and until 2011 a campus of the Kachemak Bay Branch of the Kenai Peninsula College; and

WHEREAS, Without an anchor tenant since 2011 the building has been underutilized; and

WHEREAS, Homer City Council and the Parks Art Recreation and Culture Advisory Commission held a joint work session on January 8, 2018 to discuss the future of the Homer Education and Recreation Complex (HERC); and

WHEREAS, Four main ideas were discussed including a convention center, shared police station and recreation facility, selling the property, and using the HERC as a recreation facility, and

WHEREAS, Resolution 18-013(A) selected a new site for the Police Station, so a shared rec/police station is no longer an option that needs further investigation, and

WHEREAS, The HERC property presents opportunity for community use but also has long term financial costs for the City; and

WHEREAS, More information and community process is needed to determine the feasibility and desirability of expanding the use of the HERC building for recreation or as a multi-use building, and

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WHEREAS, The feasibility of HERC as a convention space is also a complex question that would require additional study; and

WHEREAS, The decision to sell the property should be entertained only after a thorough study of the feasibility of HERC as a long term recreation facility or other use such as convention center; and

WHEREAS, Council adopted Resolution 18-006, to use HERC for Community Recreation until such time as the building is demolished; and

WHEREAS, There is preliminary interest in leasing the building to use as a public school.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer Alaska establishes the Homer Education and Recreation Complex (HERC) Task Force to determine the financial resources required to use the building and if leasing space is a feasible option.

BE IT FURTHER RESOLVED that the task force shall be tasked with evaluating the following and providing a recommended preferred alternative to the Homer City Council on or before the November, 2018 City Council meeting:

1. Can the upstairs of the HERC be safely used with no capital improvements?
2. What are the minimum improvements that would be needed to safely use the entire HERC facility and cost associated with those improvements?
3. What are the desirable improvements that need to be made to the entire HERC facility to allow it to be used to its full potential for the next 10 years?
4. What would it cost to demo the HERC and build a new facility that meets the recreation needs of the community on the existing site?

BE IT FURTHER RESOLVED that for the above mentioned alternatives the task force evaluate how to pay for both operations, maintenance and any required capital expenditures and select a preferred funding plan to recommend to Council.

BE IT FURTHER RESOLVED that the task force will consist of seven members plus an advisory student member, no more than one member from the Homer City Council, no more than one member from the Parks, Art, Recreation and Culture Advisory Commission, and no more than two seats filled by non-city residents. The deadline to apply for the task force shall be May 7th with appointments made by the Mayor and approved by the Council at the May 14th Homer City Council meeting. When considering appointments the Mayor and Council should take care to ensure a balanced task force that represents diverse points of view including members who have a strong interest in recreation, familiarity with non-profit management, a small business owner, and a familiarity with land development and real estate.

88 BE IT FURTHER RESOLVED, the task force will sets its own meeting schedule during
89 regular business hours and will disband November 30, 2018 unless extended by City Council by
90 resolution.

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92 PASSED AND ADOPTED by the Homer City Council this 23rd day of April, 2018.

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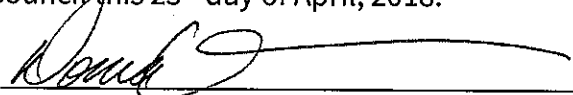
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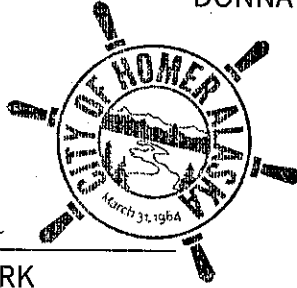
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DONNA ADERHOLD, MAYOR PRO TEMPORE

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ATTEST:



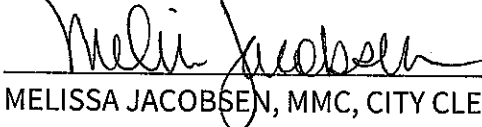
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MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Advertising, staff time, and \$3,000 from Old Middle School Depreciation Fund.

*Failed
4/23/18*

**CITY OF HOMER
HOMER, ALASKA**

Erickson

RESOLUTION 18-040

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AUTHORIZING THE CITY MANAGER TO ISSUE A REQUEST FOR
PROPOSALS (RFP) FOR THE HOMER EDUCATION AND
RECREATION COMPLEX (HERC).

WHEREAS, For many years the City Council, Parks Art Recreation and Culture Advisory
Commission has discussed and heard public testimony about how to effectively utilize the Homer
Education and Recreation Complex building; and

WHEREAS, Suggestions to relieve the City of the burden of maintaining and paying for the
building have included leasing the space and selling it; and

WHEREAS, The City won't be able to fully comprehend what feasible options could
available for leasing or selling without seeking input and interest on a wider scale; and

WHEREAS, Issuing an RFP will open the door to potential stakeholders who are interested
in investing the building and effective use of the space; and

WHEREAS, If a successful proposal is received and contract is negotiated, revenue from
the HERC will be used to pay down the financing of the Police Station building, before going into
the general fund.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the City Manager to issue a Request for Proposals (RFP) for the Homer Education and
Recreation Complex.

BE IT FURTHER RESOLVED that conditions of the RFP may include:

- A lessee would be responsible for maintenance, operation, and code compliance
- Community Recreation would be allowed to continue to use the facility
- A lessee would be responsible for getting Fire Marshall approval for occupancy

PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ___ day of ___
2018.

CITY OF HOMER

BRYAN ZAK, MAYOR

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45 ATTEST:

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MELISSA JACOBSEN, MMC, CITY CLERK

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51 Fiscal Note: Advertising Costs

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**CITY OF HOMER
HOMER, ALASKA**

Aderhold/Erickson

RESOLUTION 19-006(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
ISSUING A REQUEST FOR LETTERS OF INTEREST FOR TENANTS
TO OCCUPY THE HOMER EDUCATION AND RECREATION
COMPLEX (HERC 1)

WHEREAS, The City has discussed and heard public testimony about how to effectively utilize the Homer Education and Recreation Complex (HERC 1) building for many years; and

WHEREAS, The City will not be able to fully comprehend what feasible options could be available for the facility without seeking input and interest on a wider scale; and

WHEREAS, Gathering letters of interest from interested parties will open the door to determining effective use of the space and to seeking potential stakeholders who are interested in investing in the building as third party property managers; and

WHEREAS, City of Homer Community Recreation will submit a letter of interest detailing their needs as a tenant of HERC 1 to ensure the recreational needs of residents are taken into consideration.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby issues a request for letters of interest for HERC 1.

BE IT FURTHER RESOLVED that the letter of interest should include:

- The space needs of the tenant
- How the space will be used by the tenant including time of day
- Allow for Community Recreation activities
- How much a tenant is able to pay for space on a monthly basis
- What improvements to the space would be necessary for tenant to occupy the space
- If/how much tenant would be willing to contribute in capital costs to improvements
- How long of a lease tenant would be willing to commit to

BE IT FURTHER RESOLVED that the letters of interest are due to the City Clerk by 5:00 pm on Tuesday, February 19, 2019 in order to be included in the City Council packet for the February 25, 2019 City Council meeting. At that time City Council will hold a 4:00 pm worksession to discuss:

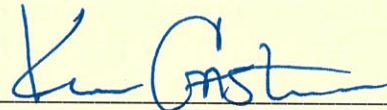
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- Results of the request for letters of interest
- What the City of Homer is willing to contribute to capital improvements to HERC 1 for occupancy by tenant(s)
- Developing a Request for Proposal for a third party to manage HERC 1, including performing any necessary improvements required for occupancy. Letters of interest will be included as informational materials to help the RFP respondent develop a successful proposal.

BE IT FURTHER RESOLVED the intent of City Council is to follow up the February 25, 2019 worksession with a Resolution at the March 11, 2019 regular City Council meeting issuing a Request for Proposal for a third party property manager to lease the property and manage any subleases.

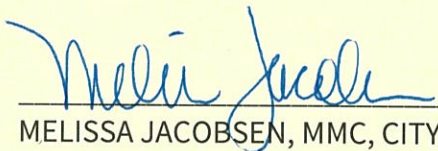
PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 28th day of January, 2019.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: Advertising Costs



**CITY OF HOMER
HOMER, ALASKA**

Erickson/ Aderhold

RESOLUTION 19-014

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ISSUING
A REQUEST FOR PROPOSAL (RFP) TO MANAGE, LEASE AND
RENOVATE THE HOMER EDUCATION AND RECREATION COMPLEX
(HERC 1).

WHEREAS, The City passed Resolution 19-006(A) on January 28, 2019 issuing a request for letters of interest for tenants to occupy the Homer Education and Recreation Complex (HERC1); and

WHEREAS, The City received four (4) letters of interest from the Bunnell Streets Art Center, City of Homer Community Recreation Program, Fireweed Academy, and K-Bay Martial Athletics detailing the City's Community Recreation detailing their prospective space needs, use, rent, lease term and capital improvement needs and overall demonstrating a current demand for use of HERC 1; and

WHEREAS, The Homer City Council held a work session February 25, 2019 to discuss the four letters of interest and next steps listed in Resolution 19-006(A); and

WHEREAS, Resolution 19-006(A) further directed Council to develop a Request for Proposal for a third party to manage and lease HERC 1, including performing any necessary improvements required for occupancy; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby authorizes the City Manager to issue a Request for Proposal (RFP) for a third party to manage and lease HERC 1.

BE IT FURTHER RESOLVED that a successful proposal will include:

- Experience in long-term property management and relevant examples
- Intended use of the property with preference given to proposed uses that are educational and/or recreational in nature;
- Intended management structure
- How much the proposer is willing to invest in capital improvements to the HERC 1 to bring it up to code from its current condition for intended use as determined by the State Fire Marshall;
- Any improvements or financial support the City would need to provide for the renovation, operation, and maintenance of HERC 1.

- How the City of Homer Community Recreation Program will be incorporated as a tenant;
- How much the proposer is willing to pay to lease the facility from the City on an annual basis;
- A lease term of that ranges from a minimum of 10 years to at maximum of 20 years with the possibility of two five (5) year options to extend.
- Expressed interest in either maintaining or not maintaining the surrounding grounds, including the skate park.

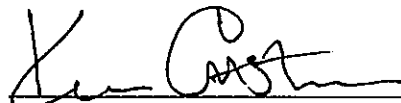
BE IT FURTHER RESOLVED that the successful proposer will be expected to cover operations and maintenance of HERC 1 and the surrounding grounds, including the skate park and plowing/sanding of both the upper and lower parking lot during the term of the lease (see exhibit A).

BE IT FURTHER RESOLVED that HERC 2 is excluded from the lease and that parking in front of HERC 2 will be reserved for City vehicles. However, should the City vacate HERC 2 and it become available for lease, the successful proposer will have first right of refusal to expand their lease to include HERC 2.

BE IT FURTHER RESOLVED that the RFP review committee will consist of a combination of City staff and professionals who have specialized experience in large structure renovations and construction, valuations, operations and maintenance.

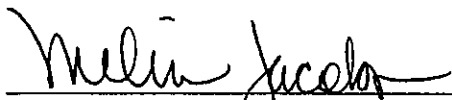
PASSED AND ADOPTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 11th day of March, 2019.

CITY OF HOMER

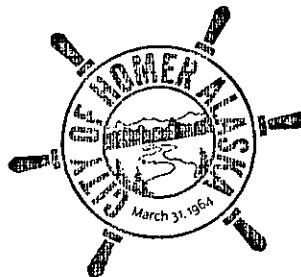


KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK



Fiscal Note: Advertising Costs

Exhibit A



Vicinity Map

0 50 100 200 Feet

450 Sterling Highway
2016 Photo; property lines not exact.
Map created 3/6/2019 COH P&Z

February 19, 2018

Dear City of Homer,

In accordance with Resolution 19-006(A), please accept this Letter of Interest for tenancy at the Homer Education and Recreation Complex (HERC1). Bunnell Street Arts Center aims to help the City of Homer enliven and manage HERC 1 as an arts, recreation and culture center to meet community recreation needs in our community. Bunnell will coordinate a Friends of the HERC coalition to undertake a community effort, Occupy HERC, that would explicitly seek to work with the City of Homer's Community Recreation Program and bring matching resources to grow a viable business model for a future community center. Occupy HERC will serve as a backbone to test and manage the HERC for up to five years.

Occupy HERC will pay for \$1 for the first year of occupancy and lease HERC 1 on a year-to-year basis for 3-5 years. Occupy HERC will need City support to empty and thoroughly clean the building, and to provide utilities including electricity, heat, water/sewer, plow services, routine maintenance and insurance for HERC 1 during this time.

Bunnell Street Arts Center, a non-profit organization, will seek an initial \$25,000 in funding for Occupy HERC to provide a part-time Coordinator and start-up costs at the HERC 1 site. Ideally, the City will meet this investment with a matching \$25,000 one-time appropriation, or an in-kind value of a part-time staff person to meet HERC 1 staffing needs for initial programming, administration and accounting, and communication. Bunnell will provide additional in-kind administrative guidance, activate community involvement, coordinate community support, write grants, and where needed, serve as a fiscal agent.

Occupy HERC shall make available all classrooms for community usage for recreation activities such as:

- movement classes and rehearsals such as gymnastics, martial Arts, Native Youth Olympics, dance
- makerspace for crafts such as 3D Printing, woodworking, pottery, fiber arts, painting, printmaking, and other technologies
- Tool-lending libraries
- arts studios and small business incubation spaces including offices or storage.
- education programs via Homer Folkschool, Connections, homeschool groups, Project Grad etc

Times of day will be limited to staffing capacity, but may be as much as 9am -9pm, depending on the space. Occupy HERC shall test the financial viability and sustainability of these activities through diverse revenue streams such as fees, rental, grant support, sponsorship, and other business models. These revenues will be subsequently be reinvested in HERC 1 staffing and operating costs for years 2 through 5.

Occupy HERC shall learn what improvements need to be made to satisfy the community's needs and create a viable community center. Occupy HERC will provide quarterly and annual progress reports to the City. Occupy HERC's long term goal shall be to develop a viable business plan to sustain HERC

beyond this 5 year phase, and further to work with the City to fund capital improvements, or to renovate or reconstruct HERC 1 as deemed necessary based on this testing phase. Occupy HERC will leverage matching funds from other public and private sources to provide this service and, if proven desired by the community, grow into an independent, self sustaining third part manager of HERC 1 to meet Homer's short and long term education, recreation, arts and cultural needs.

Sincerely,

Two handwritten signatures in blue ink. The first signature is 'Asia Freeman' and the second is 'Adele Person'.

Asia Freeman and Adele Person
Bunnell Street Arts Center
106 West Bunnell, Suite A
Homer, AK 99603
907.235.2662

The space needs of the tenant:

The City of Homer Community Recreation (CR) program currently uses the gymnasium, activity room and downstairs rest rooms (that also serve as equipment storage space) in the lower portion of HERC 1. We also use the kitchen as a place to store cleaning supplies, towels, broom and mop. The City of Homer Community Recreation mission statement is:

“The City of Homer Community Recreation will promote community involvement and life-long learning through educational and recreational opportunities for people of all ages. This will be accomplished through maximizing usage of all community facilities and resources, while utilizing, expanding and uniting local business and school resources and expertise. Our program shall be designed to recognize cultural diversity and to address social and community concerns.”

We currently offer pickleball, gymnastics, Zumba dancing, Native Youth Olympics, youth basketball and adult basketball at HERC 1 (see attached February 2019 calendar for reference). The CR relies exclusively on volunteers and contracted instructors to offer programs and activities therefore having the flexibility and accessibility for scheduling is paramount in responding and determining what activities will take place based upon the community interests and people willing to volunteer, lead or instruct each designated program. While we know today what programs we offer are popular, there is always the possibility of either a new program on the horizon or existing programs losing participation and interest.

How the space will be used by the tenant including time of day:

The primary needs for City of Homer Community Recreation at HERC 1 is for municipal recreational, educational and physical activities. The programs are a combination of ongoing drop in activities such as pickleball, basketball and dance as well as instructional classes with a flat fee and a designated start/end date, such as youth basketball. We recognize that weekdays after school and evening has the highest demand.

We would need the gymnasium, activity room and downstairs restroom areas Monday–Friday 3-9pm. Ideally, we would have youth activities from 3-5pm and from 5-9pm teens/ adults during the weekday. These times are subject to change based upon the request and demand of programs. The weekend hours are somewhat intermittent with current usage being 11am-1pm and 5-7pm on Saturday and 10am-1pm on Sundays in the gym. It should be noted that we do see a decrease of indoor activity participation for youth programs during the summer months due to the lack of staffing, volunteers or contracted instructors willing to offer programs in the summer. It is also helpful to have the ability to use the gymnasium for random days and times during the summer months as a backup location for City of Homer Community Recreation activities if and when the local high school gym is closed due to maintenance.

How much a tenant is able to pay for space on a monthly basis

The City of Homer Community Recreation program currently generates \$9,000-\$12,000 per year with existing activities in the HERC. I would conservatively estimate approximately \$850-\$950 per month. Relevant to the issue of paying for space for municipal programming, the City of Homer Community Recreation program pays \$6,000 a year for combined use of both Homer High School and Homer Middle School that includes office space, free use of equipment, office supplies and some photo copying.

What improvements to the space would be necessary for tenant to occupy the space

At the present time, per State Fire Marshall approval, the City of Homer Community Recreation program can operate in the facility "as is" with no upgrades needed for the short term. The ideal improvements for long term use would include: improving facility accessibility, upgrades to the rest rooms, hot mopping of the gymnasium and activity room roofs and a floor refinishing and repainting of floor lines. It would be helpful to have a small office space for staff and volunteers for registration, record keeping, computer/internet access, equipment storage but the programs can do without these as space for activities is the priority.

If/how much tenant would be willing to contribute in capital costs to improvements

This is up to the Homer City Council.

How long of a lease tenant would be willing to commit to

Indefinitely.



February 19, 2019

Mayor Ken Castner & Homer City Council
City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603

Re: HERC Letter of Interest

Dear Mr. Mayor & City Council Members:

Please accept this Letter of Interest from Fireweed Academy for leased space opportunities in the Homer Education & Recreation Center (HERC) facility.

I. Introduction

Fireweed Academy (Fireweed) is a free public charter school formed by motivated parents, educators and community members in 1997. Fireweed serves grades K-6 and operates within the Kenai Peninsula School District. Its mission is:

To provide a compassionate learning environment that gives students, parents, teachers, and community members opportunities to develop: self-reliance, cooperation, creativity, reasoning ability, personal growth and academic achievement.

Fireweed is like every other public school in the state in that it is free for anyone to attend, it receives annual funding under statutory formulas, and its teachers and administrators must meet stringent state standards. As a charter school, however, Fireweed is unique in its ability to embrace alternative learning tools and curriculums through a "charter" with the Kenai Peninsula Borough School District (KPBSD). Furthermore, an Academic Policy Committee (APC) - comprised of parents, teachers and community members - guides the affairs of Fireweed

according to a set of by-laws, similar to a Board of Directors for a corporation or a nonprofit organization.

Due to space constraints around Homer, Fireweed currently must divide its activities between two different locations: K-2 children attend Little Fireweed Academy at a rented facility at 813 East End Road, while Big Fireweed Academy (grades 3-6) shares space with West Homer Elementary at 995 Soundview Avenue. This separation creates a variety of safety, logistical and fiscal concerns and inefficiencies.

As a public charter school, Fireweed has a unique capacity to lease the HERC building, create efficiencies through a unified campus, provide the City of Homer with long-term revenues, and revitalize a neglected public asset.

II. Response to Request for Information

1. Space needs of the tenant

To merge its two campuses into one, Fireweed would utilize the entire HERC Building HERC 1 building and the surrounding playgrounds, basketball courts, skate park and parking lots (exempting use of HERC 2). We anticipate improving the playground equipment and placing our existing yurts on the grounds at our expense.

2. How the space will be used by the tenant, including time of day

The HERC was constructed as a school, and if Fireweed Academy occupies it, it will be used like one. The top floor would accommodate classrooms and faculty/administrative staff offices. Fireweed would use the lower floor rooms for art, music and other extracurricular activities, as well as for storage. The gymnasium would provide space for physical education activities, and also serve as cafeteria and special events space.

Fireweed Academy operates under the same calendar as other KPBSD schools, and hours of operation generally would be 8 AM to 3 PM, Monday-Friday. During normal school hours, the building will be used for academics in the classrooms, and extracurricular activities (including art, music, dance and PE) will occur in the downstairs rooms and gymnasium. Fireweed would also utilize various spaces in and outside the building for after-school activities, but at this time, it's unable to define specific times and locations for these activities. These after-school uses would be better-defined if/when a lease materializes, and when Fireweed has a better understanding about time and space needs in the HERC building for community recreation and related activities.

3. Allowance for community recreation activities

Community engagement is woven into the very heart of Fireweed Academy. From its mission, to its vision, to its core values, Fireweed's commitment to our community is central.¹ Furthermore, Fireweed's unique management structure – where the Academic Policy Committee serves the role of a "Board of Directors" to guide and oversee the school – creates a unique flexibility to attract, accommodate and support community recreation and other activities. As a result, Fireweed will work hard to make HERC space available for people and groups interested in utilizing the facility during days and times when school-related functions are not occurring.

4. Tenant's ability to pay for space on a monthly basis

As noted above, Fireweed is a public school, and as such, it obtains annual funding through a statutory formula that ensures regular cash flow. Based on current and anticipated revenues and expenses,² Fireweed could pay a gross lease amount up to \$200,000 per year (i.e., including janitorial, utilities & annual maintenance). However, because the public school calendar runs from mid-August to mid-May each year, Fireweed would only need to utilize the facility for ten (10) months of the year, which would free-up more facility space with an "E" classification occupancy for summer groups and events, and provide a monthly rent of \$20,000. On the other hand, if Fireweed paid rent twelve (12) months of year for year-round occupancy, the monthly rent would be \$16,667 at a \$200,000 gross lease.

5. Capital improvements needed for tenant to occupy space

Fireweed would need the HERC building to be brought into compliance with relevant local, state and federal occupancy codes and health/environmental standards for a K-6 educational facility. It would also need upgrades to telecommunications systems to accommodate current and anticipated internet-based learning. Regarding upgrades to accommodate other building users and summer groups, while we recognize an "E" occupancy is the most expensive capital improvement, Fireweed also stands to funnel our facilities capital back to the City with this lease, to improve a site that is important to our community and to extend the life of the building 20-30 years based on the HERC Final Report. Improving HERC 1 to an "E" occupancy will also make it more attractive to summer users as the master leaseholder sees fit and to future lessees."

6. If/how much tenant is willing to contribute to capital cost improvements

¹ See Fireweed Academy Mission, Vision & Core Values (enclosed).

² While the Governor's recent proposed budget makes significant cuts to education, we remain confident the constitutional mandate to fund education, coupled with the political realities of public school funding, will provide sufficient cash flow annually for the term of any negotiated lease.

Fireweed cannot contribute to capital improvements for the HERC building. However, it would very likely have available funding each year to complete desired tenant-specific improvements, and would not require more than general maintenance and upkeep after initial occupancy.

7. Lease term to which tenant could commit

Fireweed’s current Charter School Contract with the KPBSD is a ten (10) year contract running through August 2027. Depending on the timing of the Master Lease and the completion of necessary capital improvements, Fireweed could renegotiate its Charter with the KPBSD for a period of ten (10) years, which would enable it to enter a ten (10) year lease for the HERC facility.

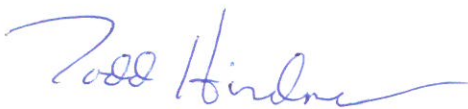
III. Conclusion

In 2015, Fireweed recognized the challenges inherent in maintaining a divided campus structure. In response, the Academic Policy Committee formed its One Campus Subcommittee, with a singular purpose to unite the two campuses. Now, thanks to the tremendous work of the City of Homer and the HERC Task Force, the HERC building provides an incredible opportunity for Fireweed Academy to realize its one-campus dream, while making the HERC facility available for a variety of community activities.

We understand a lot of work remains to be done, and there are many challenges to overcome and questions to answer. But we submit this Letter of Interest with the sincere intent to work honestly and openly with the City of Homer, its residents and its partners to once again make the HERC building an active and vibrant part of the Homer community.

Thank you for your consideration, and please know we are readily available to answer any questions.

Sincerely,



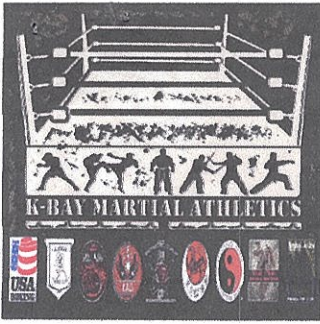
Todd Hindman, Principal
Fireweed Academy

Enc. Fireweed Mission, Vision & Core Values



| | | |
|----------------------------|-----------------------------------|---|
| <p>The WHAT</p> | <p>Our Mission</p> | <p>To provide a compassionate learning environment that gives students, parents, teachers, and community members opportunities to develop: Self-Reliance, Cooperation, Creativity, Reasoning Ability, Personal Growth and Academic Achievement.</p> |
| <p>The WHY</p> | <p>Our Vision</p> | <p>Fireweed Academy - A vibrant community of readers, writers and problem solvers for the 21st century.</p> |
| <p>The HOW</p> | <p>Our Core Values</p> | <p><u>Thriving Learners are Cultivated</u></p> <p>We believe in creating a learning community where all members -kids, families, and educators- thrive through a commitment to authentic constructivist principles. Understanding and knowledge of the world is constructed through integrated experiences and reflection upon those experiences. Foundational pieces of Fireweed’s constructivist philosophy and methodology include project based learning, thematic immersion, multiage grouping and Socratic methods.</p> <p><u>Creativity is Celebrated</u></p> <p>We believe, promote, and honor innovative thinking, risk taking, and creative expression as a foundation for learning, living, and working.</p> <p><u>Flourishing Community is Sustained</u></p> <p>We believe in a shared commitment to community by valuing and using collaboration, promoting professionalism, manifesting best practices, and bringing our best selves forward.</p> |

Fireweed Academy is a free charter school within the Kenai Peninsula Borough School District.



Leffler Fighting Systems @ K-Bay Martial Athletics
Home of the LFS-Kali Fight Team
Martial Arts Academy | After School Programs | Fitness | Boxing | Self-Defense
601 East Pioneer Ave. Suite #111. Homer, Alaska. 99603 | (907)299-7239
www.KBayMartialAthletics.org
[\(Register online\)](#)



HERC Letter of Interest
 February 12, 2019

K-Bay Martial Athletics (DBA LFS-Kali) is a martial arts and fitness academy serving the community of Homer. We offer traditional martial arts, combat sports, fitness, and after school programs for K-12 and transition aged youth (TAY). We have several community partnerships that allow us to offer of a safe and affordable community health and activities center. Homer does not have a large entity like the YMCA, a community recreation center, or a Boys and Girls Club. K-Bay Martial Athletics is attempting to meet the needs of our community members for fitness education via the martial arts and athletics.

The Karate program has been in Homer for 40 years and Sensei Martie Krohn has been leading this program as an unpaid volunteer for over 30 years. For the past 10 years it has been located in the basement of Kachemak Wholesale. In early 2014 we began chartering the creation of the K-Bay Martial Athletics Association. Since 2016, K-Bay Martial Athletics has been doing business as (LFS-Kali) under the leadership of Guro Kurt P Leffler II.

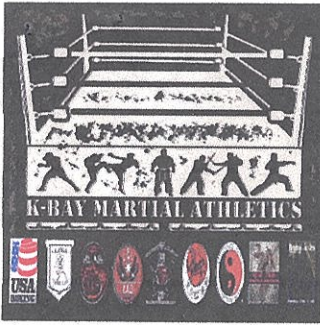
We eventually would like to purchase a piece of property and build a building. However, we lack the sufficient startup capital for such a project. In the meantime, we are seeking sustainable and affordable facilities located at the HERC.

K-Bay Martial Athletics is proud to serve this community, but we need your help to continue our mission. Please consider joining us by investing in the future of our community. By investing in Homer's youth and at-risk peoples, you are helping us honor a commitment of care, leadership development, and positive mentoring.

Sincerely,

Guro Kurt P. Leffler II — Head Coach & Director
 & the Rest of the K-Bay Martial Athletics Volunteer Staff.

(Sensei Martie Krohn, Sensei Aaron Glidden, Sensei Martha Richardson, Coach Bryan Mann, Coach Thomas Mealer III, Ms. Serena Morey, Ms. Hannah Heimbuch, and Mr. Cooper Hyde.)



Leffler Fighting Systems @ K-Bay Martial Athletics
Home of the LFS-Kali Fight Team
Martial Arts Academy | After School Programs | Fitness | Boxing | Self-Defense
601 East Pioneer Ave. Suite #111. Homer, Alaska. 99603 | (907)299-7239
www.KBayMartialAthletics.org
[\(Register online\)](#)



K-Bay Martial Athletics Association offers/provides:

- Homer Shotokan Karate Club & Polaris Cuong Nhu Dojo
- Scholars and Warriors after school program
- Fit-to-Recover with The Bearded Sister
- LFS-Kali Fight Team Program (youth leadership development and combat sports.)
- Noiseland Web-Tech Factory (youth activities center)
- AMC Fitness Program
- LFS-Kali Combatives Course for Law Enforcement
- Why We Fight self-defense workshop series

The space needs of the tenant:

We are currently housed at the Kachemak Center on Heath St. unfortunately; this location is not sustainable for our long-term service mission. This is due to lack of sufficient parking, lack of access to a school bus drop location, facilities, and landlord vision for the property.

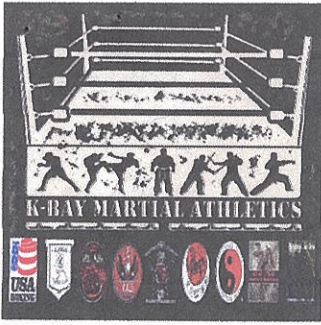
We currently operate in 4,000 sq. ft of undeveloped space. Our affiliate, Noiseland teen center, has 1,200 sq. ft.

Our intention is to occupy 4,000-5,000sq/ft of the upstairs classrooms. Our layout footprint would consist of the three separate but adjoining spaces; the LFS-Kali Fight Team Program boxing gym, the Karate Dojo, and the Noiseland Teen Center.

How the space will be used by the tenant including time of day:

If we [K-Bay Martial Athletics] become a tenant at the HERC we would require 24/hour access to the rented space, the hallway, and restrooms. We currently operate 6 days a week from 6:00AM to 9:30 PM. (Current class and operations schedule is attached.)

We are in total support of Community Recreation and the efforts of Mike Illg. Our operations would not interfere at all with current activity of Homer Rec at HERC. We have no interest in the green room or the gym. Our planned operations would be contained to the upstairs level. From time to time we may be interested in renting the gym for events such as tournaments, boxing matches, and demonstrations.



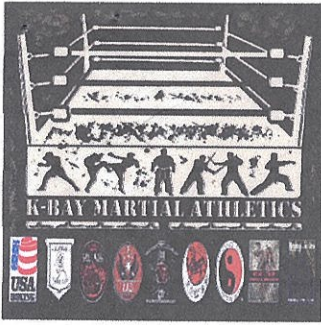
Leffler Fighting Systems @ K-Bay Martial Athletics
Home of the LFS-Kali Fight Team
Martial Arts Academy | After School Programs | Fitness | Boxing | Self-Defense
601 East Pioneer Ave. Suite #111. Homer, Alaska. 99603 | (907)299-7239
www.KBayMartialAthletics.org
[\(Register online\)](#)



Current Gym Operations:

K-Bay Martial Athletics offers:

- **Scholars & Warriors After School Program:** Services 12 children with a class capacity of 20. This program is a K-6th grade course that focuses on education and homework assistance. This program includes learning traditional games, dances, art, and activities from the martial arts countries of origin represented at the academy.
- **Polaris Dojo – Shotokan Karate & Cuong Nhu Martial Arts:** Services 50 students. This is Homer’s longest running youth martial arts program. This Dojo is K-12 with adults and families.
- **The LFS-Kali Fight Team Program:** Services 42 student and adult athletes. This program focuses on at risk teens and TAY (transitional aged youth) in leadership development via combat sports and community service. This course features, Team USA Boxing, Muay Thai, submission grappling, self-defense, and Filipino Martial Arts.
- **Noiseland (Teen Center):** Services 20 members with a capacity of 40. This education based youth community activities space actively works in prevention for at risk youth and TAY via gaming, graphic design, and digital multimedia in a positive social and supervised environment.
- **Fit-2-Revover:** Services 12 participants with a capacity of 25. Chartered by The Bearded Sister, this program is addiction recovery and peer support mentoring group. This grassroots program is in association with the Opioid Taskforce.
- **“Why We Fight” women’s self-defense workshop series:** Services 20 participants with a capacity of 30. This practical self-defense course has been taught for 3 years in Homer and it focuses on prevention and personal protection. Additionally, this course takes a close look at violence in our society and ways to address it in a positive and proactive manner.
- **LFS-Kali Combatives Course:** Services 6 with a capacity of 20. This straight forward defensive tactics and personal protection program services our local law enforcement and first responder community. The mission and goal of this program is developing and maintaining the skills necessary for our LEO community.



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Community Care Programs:

As our organization and community involvement grows, we find ourselves at the forefront of addiction recovery, homelessness and veteran issues in our community. We are leading the effort developing safe and healthy solutions for isolation to facilitate addiction recovery and reentry. We approach these issues through in-house programs and community partnerships.

Fit-To-Recover:

- Addiction Recovery and Re-entry Peer Support Group
- Skills and Fitness classes specific for persons in various stages of recovery|
- An opportunity to have a share and support group after the training session
- Peer Support consultation led by The Bearded Sister

Teen & TAY Education Center (Noiseland)

- After school resource center for teenagers to get homework done
- Community wellness and social support center with gaming options
- Digital media content creation design studio and training
- At-Risk youth and teens support center in connection with The Rec Room and SPBHS

Veteran Transition Services:

- We are developing a Veteran transition services program in partnership with The Bearded Sister and the VA.

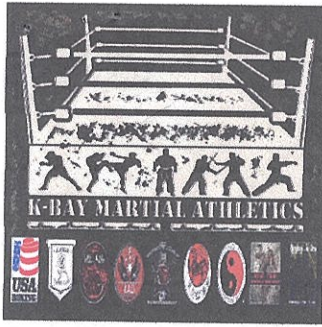
How much a tenant is able to pay for space on a monthly basis:

Our organization would pay \$.75 sq/ft.

What improvements to the space would be necessary for tenant to occupy the space:

K-Bay Martial Athletics is mainly interested in the upstairs classroom spaces. The specific improvements would be the removal of carpet, possibly the demo of walls to connect the spaces. Our organization would install a floating wood floor in each space.

Additionally, we would have to build a couple of interior walls for offices and changing rooms.



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Ideal Facility Components for Operations at the HERC:

- 14 ft. ceilings
- Bathrooms and showers
- Changing/Locker rooms
- Two offices
- Break room / warming kitchen
- Natural Gas heat

If/how much tenant would be willing to contribute in capital costs to improvements:

Our initial funding for this project is limited. We do not currently have much working capital due to our excessive overhead costs of current facilities. However, if we were able to rent facilities at a lower rate, we would have more financial availability for upgrades. We do have limited additional funding sources via grants and private donors. We will continue to seek further grant funding. Furthermore, we are in the process of finalizing contracts with various health and education organizations.

How long of a lease tenant would be willing to commit to:

K-Bay Martial Athletics would like a minimum 5 year lease with options for long term. Depending on the COH building assessment after the 5 year term, we would be interested in becoming a long term anchor tenant.

We are committed to our mission, and plan to be part of this community for the foreseeable future.

Chapter 18.08 CITY PROPERTY LEASES

Sections:

- [18.08.005](#) Purpose.
- [18.08.010](#) Definitions.
- [18.08.020](#) Land allocation plan – Property available for lease.
- [18.08.030](#) Standardized leases.
- [18.08.040](#) Council approval of leases.
- [18.08.045](#) Lease applications.
- [18.08.050](#) Requests for proposals – Competitive bidding process.
- [18.08.060](#) Criteria for evaluating and approving proposals and competing lease applications.
- [18.08.065](#) Lease application and proposal documents.
- [18.08.070](#) Notice to award.
- [18.08.075](#) Lease rental rates.
- [18.08.080](#) Lease execution and final approval.
- [18.08.090](#) Development and use.
- [18.08.100](#) Appraisal.
- [18.08.110](#) Options to renew.
- [18.08.120](#) Improvements.
- [18.08.130](#) Lease renewal.
- [18.08.140](#) Sublease.
- [18.08.150](#) Early termination.
- [18.08.160](#) Assignment.
- [18.08.170](#) Insurance.
- [18.08.175](#) Exception – Leasing to government entities.
- [18.08.180](#) Assessments – Capital improvement projects.
- [18.08.190](#) Connection to utilities.
- [18.08.195](#) Processing and filing fees.

18.08.005 Purpose.

The purpose of this chapter is to ensure that the lease of City-owned property maximizes the value of City assets and that the City awards leases that provide the highest and best use of City-owned property. It is the policy of the City to lease its property in a fair and nondiscriminatory way. [Ord. 18-16(S)(A) § 1, 2018].

18.08.010 Definitions.

For the purpose of this chapter, the following words and phrases are defined as set forth in this section:

“Applicant” means a person applying to lease or acquire an interest in City-owned real property and includes bidders and proposers.

“Appraisal” means a valuation or estimation of value of property by an Alaska certified general real estate appraiser or an otherwise qualified appraiser selected by the City Manager.

“Assignment” means a transfer of a leasehold interest or rights to a leasehold interest, in its entirety, in City-owned real property.

“City Manager” means the City of Homer Manager or his or her designee.

“Fair market rent” means the rental income that a public or private property would most likely command in the open market, indicated by the current rents paid for comparable space as of the date of the appraisal.

“Irregularities” means deviations from the request for proposal that are not substantive in nature and/or typographical or scrivener errors that do not impact the integrity or responsiveness of the proposal.

“Long-term lease” means a written agreement granting exclusive possession or use of City-owned real property for more than one year.

“Short-term lease” means a written agreement granting exclusive possession or use of City-owned real property for one year or less.

“Surveyor” means a registered professional land surveyor. [Ord. 18-16(S)(A) § 1, 2018].

18.08.020 Land allocation plan – Property available for lease.

a. Unless dedicated or reserved to another purpose, all real property including tide, submerged or shore lands to which the City has a right, title and interest as owner or lessee, or to which the City may become entitled, may be leased as provided in this chapter. In the case of any conflict between this chapter and any local, State or Federal law governing the leasing of City tide and submerged lands, the law governing the leasing of City tide and submerged lands shall prevail.

b. The City administration shall maintain a list of all City-owned properties authorized for lease by Council. This list shall be adopted annually and contain the information required under this chapter. The list may be called the land allocation plan and will be made available to the public at the City Clerk’s office.

c. Council shall adopt a land allocation plan that identifies:

1. City-owned property available for lease;

2. The property description, lease rate, preferred length of the lease term for each available parcel; and
 3. Any requirements, preferences or restrictions regarding use and/or development.
- d. Council may identify property in the land allocation plan that is subject to competitive bidding. Property subject to competitive bidding in the land allocation plan need only identify the property description in the land allocation plan but all other terms required in subsection (c) of this section shall be identified in the request for proposal for such properties.
- e. Prior to the adoption of the land allocation plan, Council shall hold a work session. Commission members and City staff may provide recommendations to Council during the work session regarding City-owned property available for lease and the terms of such leases.
- f. The City shall provide public notice of the adoption of the land allocation plan and the City-owned real property available for lease no more than 60 days after its adoption.
- g. All uses and activities on City-owned real property available for lease are subject to all applicable local, State, and Federal laws and regulations.
- h. The Council may restrict specific City-owned properties to certain uses or classes of use that serve the City's best interest. [Ord. 18-16(S)(A) § 1, 2018].

18.08.030 Standardized leases.

- a. The City Manager shall develop a standardized ground lease that contains provisions generally applicable to the lease of City-owned property and a standardized building lease that contains provisions generally applicable to the lease of space in City-owned buildings. The standard lease documents shall be reviewed by the City Attorney and approved by Council.
- b. Lease terms may deviate from the standardized lease terms when the City Manager determines such deviations are reasonable and necessary to protect the City's best interests and Council approves the lease as required in HCC [18.08.040](#). [Ord. 18-16(S)(A) § 1, 2018].

18.08.040 Council approval of leases.

- a. All long-term leases for more than five years shall be approved by Council via ordinance. All long-term leases for five years or less shall be approved by Council via resolution.
- b. The City Manager may execute short-term leases without Council approval when the City Manager determines that a short-term lease is in the best interest of the City and notifies the Council in writing of the short-term lease and its essential terms.
- c. Short-term leases are not required to go through the competitive bidding process unless the short-

term lease would result in the lease of City-owned property to the same lessee for more than one consecutive year.

d. Except as expressly provided in this chapter, property leased by the City from a third party that is available for sublease or the lease of space in City-owned buildings located on real property owned by a third party is exempt from this chapter. [Ord. 18-16(S)(A) § 1, 2018].

18.08.045 Lease applications.

Except for property subject to competitive bidding under this chapter, persons interested in leasing City property may submit a lease application to the City Clerk. The City Manager shall consider all applications and determine if an application is complete and meets the criteria identified in the land allocation plan. When the City receives more than one lease application for a parcel that meets the criteria established for that parcel in the land allocation plan, the City Manager shall evaluate the applications using the criteria in HCC [18.08.060](#) and award the lease most advantageous to the City. If both applicants are equally advantageous to the City, the City Manager shall award the lease to the applicant who submitted a completed application first. Applicants may be charged a fee for processing a lease application. [Ord. 18-16(S)(A) § 1, 2018].

18.08.050 Requests for proposals – Competitive bidding process.

a. The City Manager may issue a request for proposals to lease specific property identified in the land allocation plan at any time after posting the notice required in HCC [18.08.020](#)(f).

b. A request for proposal advertised by the City must identify the property description of the property available for lease, the time frame for the submission of requests for proposals, any preferred uses or industries, and the overall criteria the City intends to use to score and rank proposals.

c. The City Manager must obtain approval from the Council before requesting proposals to lease property not identified in the land allocation plan as property available for lease. [Ord. 18-16(S)(A) § 1, 2018].

18.08.060 Criteria for evaluating and approving proposals and competing lease applications.

a. The criteria for evaluating proposals shall include, but are not limited to, the following:

1. Compatibility with neighboring uses and consistency with applicable land use regulations including the Comprehensive Plan;
2. The development plan including all phases and timetables;
3. The proposed capital investment;
4. Experience of the applicant in the proposed business or venture;

5. Financial capability or backing of the applicant including credit history, prior lease history, assets that will be used to support the proposed development;
 6. The number of employees anticipated;
 7. The proposed rental rate;
 8. Other financial impacts such as tax revenues, stimulation of related or spin-off economic development, or the value of improvements left behind upon termination of the lease;
 9. Other long-term social economic development; and
 10. The residency or licensure of the applicant in the City, Kenai Peninsula Borough, and/or the State of Alaska, as identified in the City's request for proposal and permitted under State and Federal law.
- b. Determination of rent shall take into consideration the following factors:
1. Appraisal or tax assessed valuation;
 2. Highest and best use of land;
 3. Development (existing and planned);
 4. Economic development objectives;
 5. The location of the property; and
 6. Alternative valuation methodologies as negotiated by both parties. [Ord. 18-16(S)(A) § 1, 2018].

18.08.065 Lease application and proposal documents.

Upon request by the City Manager or as required in a request for proposal or the lease allocation plan, an applicant or proposer shall provide, at its sole expense, the following:

- a. A property improvement plan with information regarding planned improvements by lessee, including schedule for commencement and completion of proposed improvements;
- b. A survey of the property subject to the proposed lease; and/or
- c. If only a portion of a lot is to be leased, a subdivision plat. [Ord. 18-16(S)(A) § 1, 2018].

18.08.070 Notice to award.

- a. The City Manager shall consider all responses to the City's request for proposals that are timely

and responsive. Untimely submissions shall be returned to the proposer without review and that proposer shall not be considered.

b. The City Manager may, in his or her sole discretion, and upon a determination that none of the proposals are in the City's best interest, recommend rejection of all proposals.

c. Upon a determination that a proposal is the most advantageous to the City, the City Manager shall recommend the proposal to Council for acceptance. If Council approves the recommendation, the City Manager shall issue a notice to award the lease to the successful proposer. The City Manager's recommendation shall be presented to Council in a written memorandum identifying the recommended winning proposer, the property description, the essential terms of the proposed lease, and the reasons the City Manager recommended the award.

d. The City Manager shall submit any recommendation for approval of a proposal under this chapter for property located on the Homer Spit or in the Marine Commercial or Marine Industrial zoning districts to the Port and Harbor Advisory Commission for review and comment prior to recommending a proposal to Council.

e. If the Council adopts the City Manager's recommendation, the City Manager shall negotiate with the winning applicant and present a final lease to the Council for approval. A notice to award is conditional upon the City Manager's successful negotiation of a final written lease consistent with the terms upon which the award was based.

f. The City Manager may, with Council approval, rescind a notice to award. A notice to award becomes void on the date the City Manager provides written notice to the proposer that the award has been rescinded.

g. The City Manager may rescind a notice to award at any time prior to the execution of a lease if the proposer can no longer meet the terms of the proposal.

h. If the City Manager rescinds a notice to award, the City Manager may negotiate with the next most responsive proposer and submit a new recommendation for award to Council and Council may approve the award of the proposal to that recommended proposer. If negotiations with the next most responsive bidder are unsuccessful, all bids must be rejected and a new request for proposal may be issued.

i. The Council may approve other bidding or proposal procedures or exceptions to these procedures via resolution. [Ord. 18-16(S)(A) § 1, 2018].

18.08.075 Lease rental rates.

a. Except as otherwise provided in this section, all property shall be leased at no less than "fair market rent."

- b. Payments of a higher than fair market rent resulting from a proposal or lease application is generally in the public interest and will help to establish fair market rent using current market forces.
- c. The Council may establish a minimum rent or “asking price.” It may set a minimum rent at an amount equal to or higher than the estimated “fair market rent” if it finds that it is in public interest to do so. It may set uniform rental rates for a class of similar properties that remain available for leasing after the conclusion of a competitive lease offering.
- d. Except as otherwise provided in this chapter, Council may approve a lease of City land for less than fair market rent only if the motion approving the lease contains a finding that the lease is for a valuable public purpose or use, and a statement identifying such public purpose or use.
- e. The lease shall provide for payment of interest or a late fee for rent past due, and provide for recovery by the City of attorneys’ fees and costs to the maximum extent allowed by law in the event the City is required to enforce the lease in court, and such additional provisions pertaining to defaults and remedies as the City Manager may determine to be in the City’s interest.
- f. Lease amount to be adjusted annually based on the Anchorage Consumer Price Index. [Ord. 18-16(S)(A) § 1, 2018].

18.08.080 Lease execution and final approval.

- a. After a notice to award a lease is approved by Council or a lease application is approved by the City Manager, the City Manager is responsible for finalizing and executing the lease agreement with the successful applicant or proposer. After Council’s approval of the notice to award but before Council approval under HCC [18.08.040](#), the City Manager may negotiate nonessential long-term lease terms and make changes necessary to clarify the terms of the long-term lease or correct clerical errors.
- b. The City Manager has authority to negotiate all terms of short-term leases subject to the provisions of this chapter.
- c. After a lease is executed by both parties, the City Manager shall draft and the City Clerk shall record a memorandum of lease. Lessee is responsible for the recording fees. [Ord. 18-16(S)(A) § 1, 2018].

18.08.090 Development and use.

- a. All leases must require the lessee to comply with all applicable local, State, and Federal laws.
- b. Except as provided otherwise in the lease agreement, an as-built survey including elevations performed by a surveyor shall be provided to the City within six months of completion of development on the leased property. Each additional structure or significant improvement shall require an updated

as-built survey. All surveys are to be provided by lessees at their expense.

c. Except as provided otherwise in the lease agreement, at the time each as-built survey is submitted, a statement of value including leaseholds and all improvements shall be provided. The statement of value shall be either a letter of opinion or appraisal completed by an appraiser.

d. All development requirements and performance standards contained in the lease shall be strictly enforced and if not complied with or negotiated for modification shall be cause for the lease to be terminated. Failure to enforce the terms of the lease shall not constitute waiver of any such term.

e. The City may require a lease of City-owned property to be secured by any means that meet the City's best interest, including, without limitation, a security deposit, surety bond or guaranty. [Ord. 18-16(S)(A) § 1, 2018].

18.08.100 Appraisal.

a. An appraisal of the fair market rent of the property will be required before final approval of a new lease or the transfer of a lease and within two years prior to the renewal of a lease.

b. The requirement of an appraisal may be waived at the discretion of the City Manager for short-term leases.

c. All leased properties shall be appraised every five years from the effective date of the lease. The City may choose to have the property appraised at less than five-year intervals in order to appraise multiple properties at one time. An increase in rental rates resulting from appraisals occurring in less than five years from the last appraisal shall not be applied prior to date of appraisal permitted under this section or the effective date of the transfer or renewal of a lease.

d. Except as otherwise provided under this section or in a specific lease, lease rates shall be increased on the anniversary of the lease effective date to reflect property appraisal values. A lessee shall be notified of any increase in the appraised value of the property at least 30 days before the increased rental rate becomes effective.

e. In the event an appraisal reports a decrease in fair market rent, a lessee may petition or the City Manager may recommend to Council a reduction in the lease rate. Council may approve a reduction if it determines via resolution that such reduction corresponds with the appraised fair market rent and is in the City's best interest.

f. Each year, the City will select and retain an appraiser to appraise all leased City-owned property due for appraisals in that year. The City will have sole discretion to select the appraiser and bears the cost of the appraisal. [Ord. 18-16(S)(A) § 1, 2018].

18.08.110 Options to renew.

- a. Leases may contain no more than two options to renew and each option must not exceed 25 percent of the length of the initial lease term.
- b. A lessee may not exercise an option to renew unless the City Manager determines that the lessee is in full compliance with the terms of the lease at the time of renewal.
- c. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extensions. [Ord. 18-16(S)(A) § 1, 2018].

18.08.120 Improvements.

- a. Except as otherwise provided in the lease agreement, construction of improvements shall take place only after review and approval of the construction plans by the City Manager and only after all applicable permits have been secured and legal requirements met.
- b. Improvements not included in the lease agreement or improvements that are inconsistent with or deviate from those permitted in the lease agreement must be approved by Council via resolution. Council shall only approve such improvements upon recommendation by the City Manager and after review by the Port and Harbor Commission, the Homer Advisory Planning Commission, and any other commission determined to be appropriate by the City Manager. Inconsistent improvements may be approved if the proposed changes to the improvements serve the City's best interest and/or when changes are necessary due to relevant changes in industry or the local economy.
- c. All improvements constructed upon leased property become the property of the City upon termination of the lease unless otherwise provided in the lease agreement or agreed to by the parties in writing.
- d. Lessee shall be responsible for all taxes, including property taxes on the leasehold interest in the real property and improvements and any sales tax on rent payments. [Ord. 18-16(S)(A) § 1, 2018].

18.08.130 Lease renewal.

- a. Council, upon written recommendation by the City Manager, may exempt the renewal of a lease from competitive bidding if Council finds such exemption serves the City's best interests.
- b. A lessee seeking to enter into a new lease with the City exempted from competitive bidding under this section must submit a lease application and a written request for a new lease to the City Manager at least 12 months but no more than 18 months prior to the expiration of the existing lease. The City Manager shall notify Council of new lease requests under this section. The City will review the application but is under no obligation to enter into a new lease.
- c. If Council approves the new lease without a competitive process, it must do so by resolution within six months of the date the lease application is filed with the City.

d. Council shall consider the following factors when determining whether to exempt a lease from competitive bidding under this section:

1. Lessee's past capital investment and binding commitment to future capital investment;
2. Lessee's financial condition and prior lease history;
3. The number of persons employed and the prospect for future employment;
4. Tax revenues and other financial benefits to the City anticipated in the future if the lease is renewed;
5. Consistency of past use and intended future use with all applicable laws, including land use codes and regulations, the Comprehensive Plan, and overall economic development plan;
6. Other opportunities for use of the property that may provide greater benefit to the City; and
7. Other social, policy, and economic considerations as determined by Council. [Ord. 18-16(S)(A) § 1, 2018].

18.08.140 Sublease.

- a. City property may be subleased if expressly permitted in the lease agreement and approved in writing by Council.
- b. Except as provided otherwise in the lease agreement, all subleases must be in writing, executed by the parties, and approved by Council after a recommendation is provided by the City Manager.
- c. Approval must be granted prior to occupancy of the leased premises by a sub-tenant.
- d. Lessee shall be assessed additional rent equal to at least 10 percent of the current rent for the subleased area upon approval of a sublease.
- e. Subleasing shall not be used to transfer substantially all of a leasehold interest.
- f. All subleases must comply with all applicable Federal, State, and local laws. [Ord. 18-16(S)(A) § 1, 2018].

18.08.150 Early termination.

Except as provided otherwise in the lease agreement, Council shall approve the termination of a lease for failure to comply with the lease terms. The City Attorney shall be consulted prior to termination of a long-term lease for failure to comply with lease terms. The City Manager may only terminate a lease for failure to comply with the lease terms after receiving Council approval to do so. The City Manager shall seek approval to terminate under this section in executive session. The name of lessee and

description of the leased property shall not be included in any public notices or documents circulated by the City unless and until Council approves termination of the lease under this section. The City Manager shall notify a lessee in writing that Council will be considering termination of the lease and provide the date, time, and place of the meeting at which Council will consider such termination. Lessee may waive the right to confidentiality under this section and request Council hold its discussion of termination in public. This section shall not prevent the City from sending lessee, or other parties with an interest in the lease, notifications and/or correspondence related to the lease or lessee's compliance with its terms. [Ord. 18-16(S)(A) § 1, 2018].

18.08.160 Assignment.

- a. Except as provided in the lease agreement, Council must approve the assignment of a lease to another party.
- b. Except as otherwise provided in this section or the lease agreement, the City Manager must make a determination that a lessee is in full compliance with a lease before an assignment will be effective. The City Manager may, in his or her sole discretion, consent to assignment of a lease where lessee is in full compliance with the lease terms except for payments owed so long as assignor and/or assignee agree in writing to pay the full amount owed within 90 days of the assignment. An assignment shall not be effective and shall constitute default by lessee if full payment is not received within 90 days of the assignment.
- c. Except as otherwise provided in the lease agreement, if the lessee is in good standing and eligible to assign the lease, the following procedures apply:
 1. The lessee shall file a written request for assignment and a complete new lease application to the City Manager;
 2. The City Manager shall review the request and new lease application and determine whether the proposed assignee is qualified under this chapter and the assignment is in the City's best interests;
 3. The City Manager shall make a recommendation on the assignment to Council for final action; and
 4. Council shall approve or deny the request for assignment via resolution.
 5. Assignment of long-term leases on the Homer Spit or within the Marine Commercial or Marine Industrial zoning districts shall be reviewed by the Port and Harbor Advisory Commission prior to submission to Council for approval. Except as otherwise provided in the lease agreement, assignment of all other long-term leases shall be reviewed by the Homer Advisory Planning Commission prior to Council approval.

d. Council may approve assignment of a lease to a bank or other financial institution if it determines the assignment is in the best interest of the City and the City Manager recommends approval.

e. Where a lessee intends to assign the lease as part of a sale of the business located on the leased 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 of that business. Any significant changes in the terms (use) of the existing lease must be reviewed by the Port and Harbor Commission and approved by City Council by resolution as an amendment to the lease. [Ord. 18-16(S)(A) § 1, 2018].

18.08.170 Insurance.

a. All lessees shall keep in force for the full term of the lease public liability insurance in the amount of not less than \$1,000,000 coverage per occurrence for bodily injury, including death, and property damage. The City shall be named as an additional insured.

b. Lessees who intend to conduct activities which could potentially have significant risk of environmental contamination shall also obtain not less than \$2,000,000 in environmental impact insurance and/or environmental clean-up policy, or the equivalent subject to review and approval by the City Manager. The City shall be named as an additional insured. The City will determine on a case-by-case basis whether a lease of City property will involve a significant risk of environmental contamination due to the use of the property, the presence of hazardous materials, or the location of the property.

c. Certificates of insurance showing the required insurance is in effect and identifying the City as an additional insured shall be provided to the City at the time a lease becomes effective and annually thereafter, and upon every change in insurance provider or insurance coverage.

d. All insurance policies must be in effect for the duration of the lease term, or longer if stated in the lease, and the City must be notified of any changes to policies.

e. Insurance requirements that exceed those required in this section may be imposed in the terms of a lease agreement. [Ord. 18-16(S)(A) § 1, 2018].

18.08.175 Exception – Leasing to government entities.

a. Except as otherwise prohibited by law, leases to Federal or State government entities or political subdivisions or agencies of the State of Alaska or the United States may be exempted from this chapter upon a finding by Council that it is in the City's best interest to do so.

b. The City may lease real property to the United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities, for less than fair market rent if Council determines it is in the City's best interest to do so. [Ord. 18-16(S)(A) § 1, 2018].

18.08.180 Assessments – Capital improvement projects.

- a. Lessees of City property shall pay all real property special assessments levied and assessed against the property to the full extent of installments billed during the lease term.

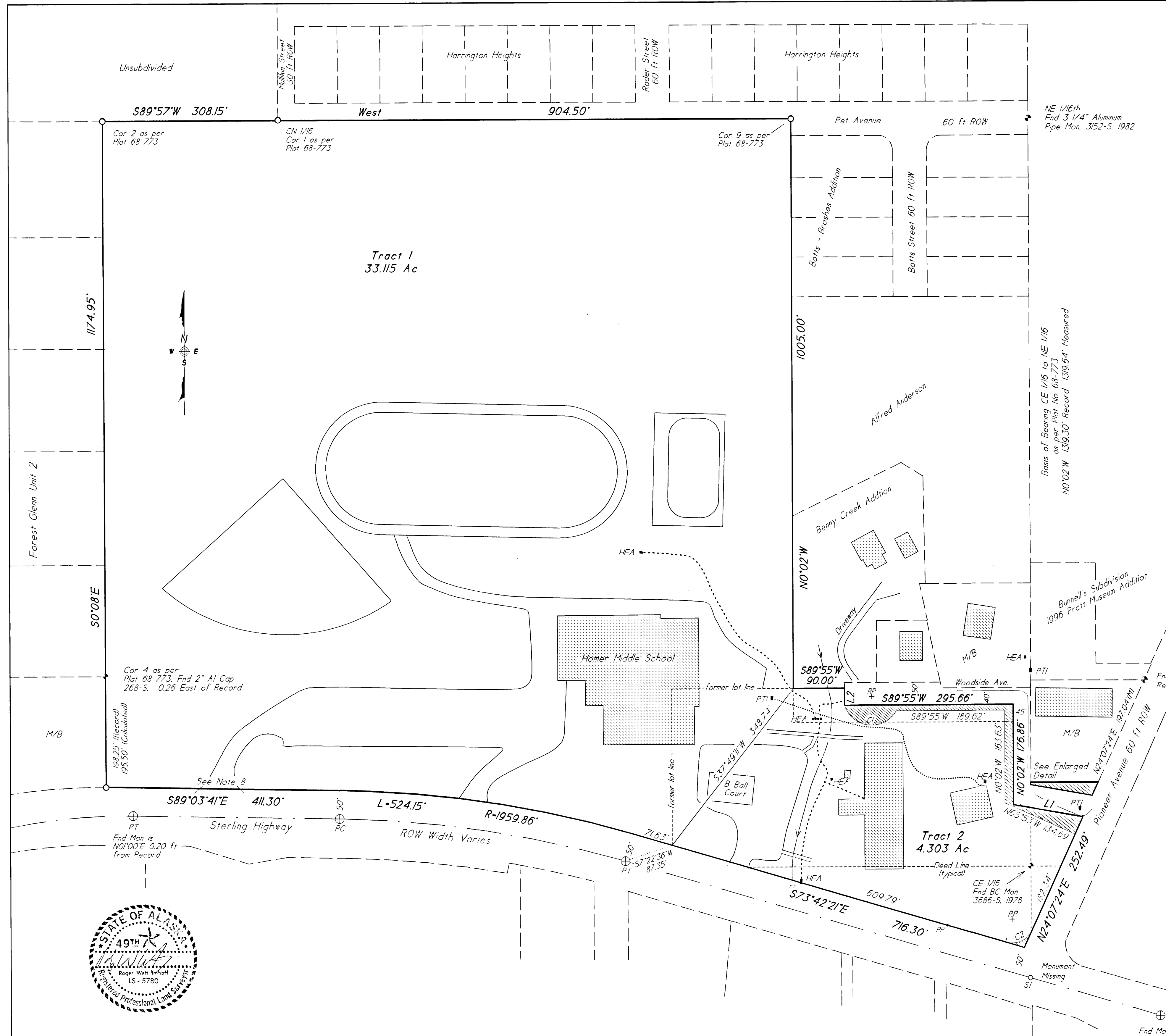
- b. In the event the City completes a capital improvement project which directly benefits the leasehold property and no local improvement district is formed to pay the cost of that project, the City may, in its sole discretion, impose, and the lessee shall pay as additional rent, the leasehold property's proportionate share of the cost of the project. The amount of additional rent imposed annually by the City under this subsection shall not exceed the amount which would have been payable annually by the lessee if a local improvement district had been formed which provided for installment payments on a schedule and bearing interest at rates typical of other local improvement districts of the City for that type of capital improvement. [Ord. 18-16(S)(A) § 1, 2018].

18.08.190 Connection to utilities.

Lessees of City real property shall connect to City utilities and bear all costs of connections and adhere to all applicable local, State and Federal regulations. Connections to newly installed City utilities shall be made as soon as possible after completion. [Ord. 18-16(S)(A) § 1, 2018].

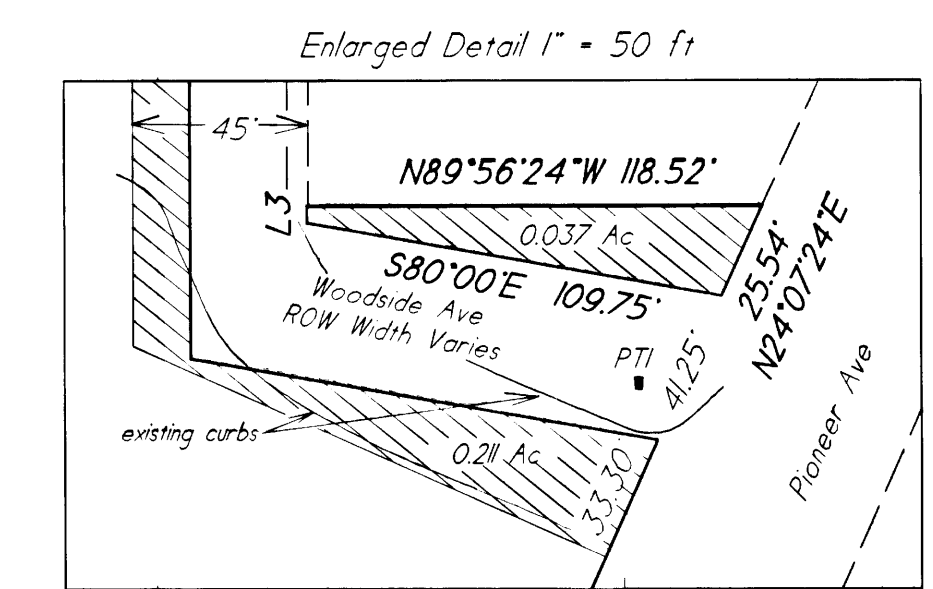
18.08.195 Processing and filing fees.

Fees for lease applications, lease, subleases and assignments, and other related fees shall be established by Council by resolution. Failure to pay fees owed may result in the rejection of a lease application or denial of lease renewal, assignment or sublease. [Ord. 18-16(S)(A) § 1, 2018].



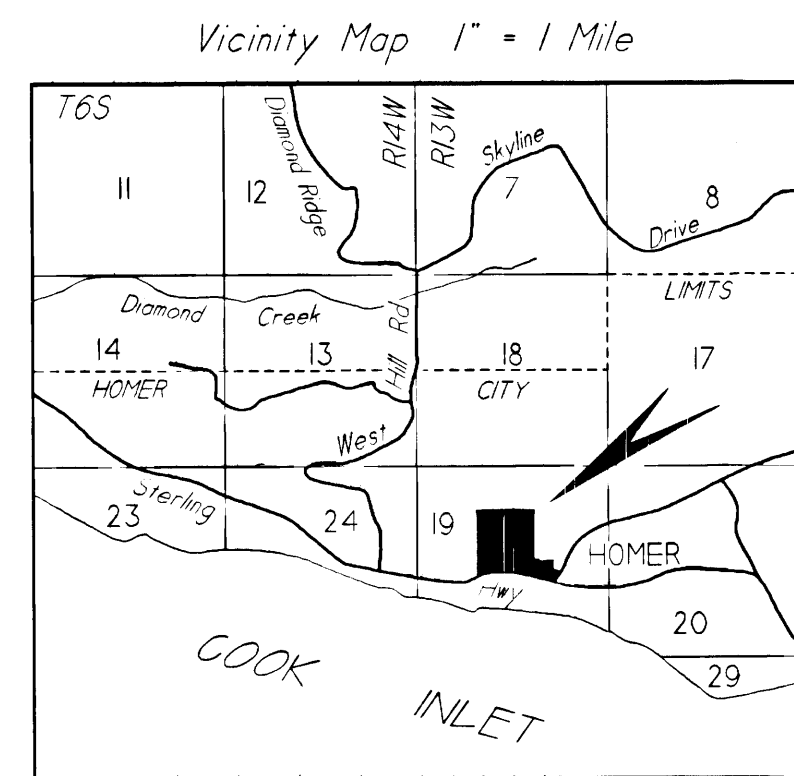
NOTES

- All wastewater disposal systems shall comply with existing applicable laws at the time of construction.
- No permanent structures shall be constructed or placed within an easement which would interfere with the ability of a utility to use the easement.
- The front 10 ft. and the entire building setback within 5 ft of any side lot line is also a utility easement.
- No access to State maintained rights-of-way permitted unless approved by State of Alaska Department of Transportation.
- A 2" self identifying aluminum cap on 5/8" diameter x 36" long rebar set at all lot corners for Tract 2 unless otherwise specified. A Monumentation Waiver was granted by the KPB Planning Commission for Tract 1 at its meeting on February 22, 1999.
- Portions of the creek are designated "R4SB and PEMB". A wetlands permit issued by the City of Homer will be required prior to any development which may affect the creek.
- The location of the Sterling Highway was determined by field measurements made to the monumented centerline. Corresponding calculations were made using DOT&PF Right-of-Way Maps from Alaska Project No. F 021-1371 Homer Hill. Maps are on file at the Homer Office of the State Recorder. This survey matches the calculated northerly DOT ROW line and does not attempt to resolve differences with the Parent Plat (68-773).
- This boundary segment is not tangent to the curve on the east. According to the DOT&PF ROW Maps, there is no Point of Tangency (PT) corresponding with the centerline PT.
- Default Judgement stating the ownership is vested in the Kenai Peninsula Borough recorded in Book 209 Page 905, HRD.



LEGEND

- ⊕ Found DOT&PF BC Centerline Monument in casing
- Corner Monument not tied or set by this survey
- ◆ Found Monument of Record as described
- ~ Creek or centerline of drainage
- PP Power Pole
- Existing buried PTI phone cable centerline 10 ft wide underground utility easement
- Existing buried HEA electrical cable centerline 15 ft wide electrical distribution line easement
- HEA HEA Transformer
- PTI PTI Phone Pedestal
- ▨ ROW dedicated by this plat



Line and Curve Chart

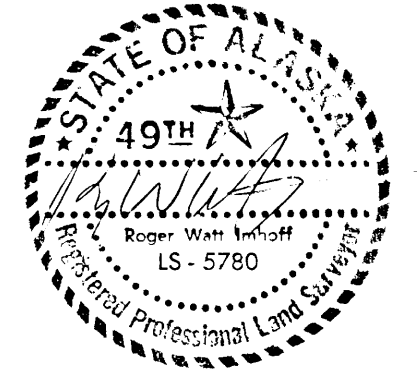
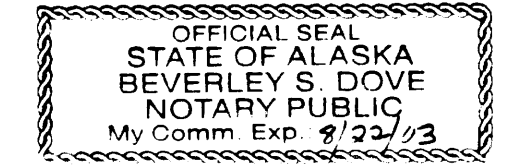
| | | | |
|----|----------|------------|-----------------------|
| L1 | N80°00'W | 123.41' | |
| L2 | N0°02'W | 30.00' | |
| L3 | S0°02'E | 4.38' | |
| L4 | N89°56'W | 52.24' (M) | |
| C1 | L=15.76' | R=50' | LC N83°48'56"W 91.58' |
| C2 | L=57.37' | R=40' | LC N65°12'31"E 52.57' |

OWNERSHIP CERTIFICATE

We hereby certify that we are the owners of the real property shown and described hereon and that we hereby adopt this plan of subdivision and by our free consent dedicate all rights-of-way to public use and grant all easements to the use shown.

Dale L. Bagley 5/1/00
 Kenai Peninsula Borough Date
 by Mayor Dale Bagley
 144 N Binkley Street
 Soldotna, AK 99669

Notary's Acknowledgement
 Subscribed and sworn to me before me this 1st day
 of May 2000 for
Dale L. Bagley
Beverley S. Dove
 Notary Public for Alaska
 My Commission Expires Aug 22, 2003



SURVEYORS CERTIFICATE

I hereby certify that I am a Registered Land Surveyor and that this plat represents a survey made by me or under my direct supervision and the monuments shown hereon actually exist as described and that the dimensions and other details are correct to the best of my knowledge.

Date April 18, 2000 R. W. Imhoff
 Roger W. Imhoff LS-5780

PLAT APPROVAL

This plat was approved by the Kenai Peninsula Borough Planning Commission at the meeting of
February 22, 1999
 KENAI PENINSULA BOROUGH
 By: [Signature]
 Authorized Official

WASTEWATER DISPOSAL

Plans for wastewater disposal that meet regulatory requirements are on file at the State of Alaska Department of Environmental Conservation.

[Signature] April 18, 2000
 Roger W. Imhoff Date LS-5780

9000-22
 Homer REC DIST
 Date 6/6/2000
 Time 8:35 A.M.
 Requested by [Signature]
 Address _____

Homer School Survey 1999 City Addition

Being a Replat of the common boundary between the Homer Intermediate School and the Homer Middle School

located within portions of the SE 1/4 NW 1/4, the SW 1/4 NE 1/4, the SE 1/4 NE 1/4, the NW 1/4 SE 1/4, the NE 1/4 SE 1/4 Section 19, T6S, R13W, S1M.

Within the the City of Homer
 Homer Recording District, Third Judicial District, Alaska
 Contains 37.672 Acres, more or less.

| | | |
|--|--|---------------------------------|
| Client: City of Homer 491 E. Pioneer Homer AK 99603 | Surveyor: Roger W. Imhoff, RLS PO Box 2588 Homer AK 99603 | Drawn RWI SCALE 1" = 100 ft. |
| Date 12-25-98 | File school/vcd | KPB File No. 99-022 |



0 100 200 400 Feet

2016 Photo. Parcel lines approximate; use with care.