Lease Committee Special Meeting Friday March 21, 2014 3:00 p.m.



City Hall Cowles Council Chambers 491 E. Pioneer Avenue Homer, Alaska



NOTICE OF MEETING REGULAR MEETING AGENDA

1. CALL TO ORDER

2. APPROVAL OF AGENDA

11. 12. 13. 14. 15.	COMMENTS OF THE AUDIENCE COMMENTS OF THE CITY STAFF COMMENTS OF THE COUNCILMEMBER (If one is assigned) COMMENTS OF THE CHAIR COMMENTS OF THE COMMITTEE	
10.	INFORMATIONAL MATERIALS A. Property Management Policy and Procedures	Page 65
8. 9.	 PENDING BUSINESS (Testimony or presentation by a proposal applicant is set at 10 minutes.) NEW BUSINESS (Testimony or presentation by a proposal applicant is set at 10 minutes.) A. Snug Harbor Lease Application Staff Evaluation & Recommendation Chapter 6 – Proposal Evaluation Process B. Happy Face Restaurant Lease Assignment Staff Evaluation & Recommendation Chapter 13.3 and Chapter 14- Assignments 	<i>s.)</i> Page 9 Page 47
7. °	PUBLIC HEARING (Time Limit for testimony is set at 3 minutes per person.)	
5. 6.	VISITORS (For scheduled guest, time limit 10 minutes.) STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORT A. Staff Report & Updates – City Manager	TS
4.	APPROVAL OF MINUTES (Minutes are approved during regular meetings only) A. Meeting Minutes for the Special Meeting on May 14, 2013	Page 5
3.	PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA (The Public may sp the Committee regarding matters on the agenda that are not scheduled for Public Hearing. There is a 3 minute time limit.)	peak to

LEASE COMMITTEE SPECIAL MEETING MAY 14, 2013

Session 13-01 A Special Meeting of the Lease Committee was called to order at 3:06 pm on May 14, 2013 by Chair Terry Yager at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT:	COMMITTEEMEMBERS YAGER, HAWKINS, AND ZIMMERMAN
TELEPHONIC:	COMMITTEE MEMBER ABBOUD
ABSENT:	COMMITTEEMEMBERS KRISINTU (EXCUSED)
STAFF:	DEPUTY CITY CLERK I RENEE KRAUSE CITY MANAGER WALT WREDE

APPROVAL OF THE AGENDA

Chair Yager requested a motion to approve the agenda.

HAWKINS/ZIMMERMAN – MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA (3 Minute Time Limit)

Bruce Flanagan, owner, Alaskan Coastal Freight, LLC commented on his proposal. He stated that he did not plan to fence the area until he saw that it was feasible with the access requirements required for tractor trailer units. He noted his costs to upgrade the portion of the parcel he was interested in and the basis for his offer to lease the aforementioned parcel. Mr. Flanagan stated his reasons for his interest in leasing the portion of the parcel was safety and the requirement of additional space. Mr. Flanagan assured the Committee members that there will be no hazardous materials stored on site.

Mr. Flanagan also provide the amount of revenue provided to the city from his business and the benefits his business brings the community as a whole.

APPROVAL OF THE MINUTES

Chair Yager requested a motion to approve the minutes.

HAWKINS/ZIMMERMAN – MOVED TO APPROVE THE MINUTES FOR THE MEETING OF OCTOBER 11, 2012 AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL REPORTS/COMMITTEE REPORTS/BOROUGH REPORTS

A. Staff Report – Updates and Status Report

City Manager Wrede provided updates on the progress of the following leases:

- Dockside II – William Sullivan had numerous contingencies attached to the approval of a new lease before finalizing his lease. He has been provided a lease contingent upon completion of the requirements. - Fortune Sea, LLC - Ian Pitzman – The plans changed twice, negotiations completed. A lease has been issued.

- Alaska Custom Seafoods - Brad Faulkner – Mr. Faulkner has not followed through with most of the requirements; there have been delays in progress and completing the requirements for a Conditional Use Permit; the City has removed a pipe and approval has been given by the Fire Marshall. It appears that without constant vigilance on the part of the City Mr. Faulkner is very slow to comply with the contingencies set to enter into a new lease. He noted that they are way past the time frame recommended by the committee.

- Snug Harbor – The proposal has significantly changed from the one that was approved by the committee. They would like to lease the whole lot. He has been mulling over bringing this back before the committee due to the changes due to the increased financial component.

City Manager Wrede clarified some recent discussion by Council on the parcel where Pier One Theater is located. He related misinformation from the newspapers. He stated that the City Council is very mindful that the land was purchase with Port & Harbor Enterprise money for Marine Industrial uses. He believes Council Currently there are several entities interested in the parcel besides the existing Pier One Theater and campground. There is interest to place a major barge business to install moorings, another business entity has approached the Harbormaster interested in the uplands, the Wooden Boat Society, and the Kachemak Bay Water Trail launch. Due to all the interest plus the description outlined in the Spit Comprehensive Plan; he has been directed by Council to bring forth a resolution that would amend the Land Allocation Plan to Lease out a portion of the property that is water dependent who is willing to pay rent and if this is approved then it will come before the Committee; Mr. Wrede stated that Council is interested in the best use for that property since it will become more valuable as time goes on. They are interested in making reasonable decisions.

Chair Yager inquired about the seriousness of Mr. Faulkner in making the situation work. Mr. Wrede responded noting the benchmarks that the committee outlined in their recommendation regarding a new lease with Mr. Faulkner and that they are falling behind in completing these benchmarks in the time outlined.

Mr. Zimmerman inquired about the amount Fortune Sea LLC was paying and the square footage for the lease and then inquired if Snug Harbor requested any concessions. Mr. Wrede stated he leased Lot 19 which was approximately $\frac{1}{2}$ acre and only noted that Snug Harbor requested the road to be paved which will be done this season.

There was no further discussion.

PUBLIC HEARING

There were no public hearings scheduled.

PENDING BUSINESS

There were no items on the agenda.

LEASE COMMITTEE SPECIAL MEETING MAY 14, 2013

NEW BUSINESS

A. Proposal & Assignment: Alaskan Coastal Freight

- 1. Chapter 6 Proposal Evaluation Process
- 2. Staff Evaluation & Findings

Chair Yager requested a motion to bring Item A. Alaskan Coastal Freight Proposal to the floor for discussion.

HAWKINS/ZIMMERMAN – MOVED TO BRING ALASKAN COASTAL FRIGHT PROPOSAL FORWARD FOR DISCUSSION.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Mr. Wrede commented on the review process conducted by staff and the proposal was found to be completed with the exception of a project timeline or development plan. Mr. Wrede further stated that the information Mr. Flanagan omitted from the proposal he did provide in his statement under Public Comment. There was no information provided on employees/future employment opportunity and spin off either in the proposal.

Chair Yager inquired if Mr. Flanagan would like to address those items now for the committee.

Mr. Flanagan provided information on 600 tons of equipment, winter projects, freight hauling in amounts of 200 tons or more; and that there appears to be more satellite business available. Currently he has no plans for expanding his employees which number 1 on the beach an 4 in the boat. Mr. Flanagan stated his biggest concern is safety for the pedestrians and civilians that bypass the area on a daily basis; he also noted that the Harbormaster has a better view on that parcel in regards to security. He sees the possibility of growth in the business industry. Mr. Flanagan described how he will install the culverts.

A brief discussion on a drain line, contaminant issues, installation of a system to deal with oil, using money from the proposed lease to defer that cost; a system installed out East End Road by Mr. Flanagan for a cost of approximately \$10,000. Chair Yager asked for a recap on the basis for agreeing to \$0.50 per square foot lease rate instead of the \$0.60. Mr. Flanagan cited the costs he will incur in leasing this portion of a parcel was the improvements he intended to perform and the benefits to the community his lease provided last year.

Mr. Zimmerman provided some points in leasing at the lower rate to recent lessees.

Chair Yager questioned the amount of improvements proposed by Fortune Sea, LLC and using those as a comparison to what Mr. Flanagan proposes. He expressed concern regarding a precedent being set.

Mr. Wrede offered one alternative to deduct the money paid on improvements and that the city has accepted work for rent in the past.

Mr. Flanagan cited that he is proposing to rent land that currently is not usable and making it usable.

Mr. Zimmerman expressed concerns over what the Lease Policy states in regard to the appraisal.

7

LEASE COMMITTEE SPECIAL MEETING MAY 14, 2013

ABBOUD/ZIMMERMAN - MOVED TO APPROVE THE STAFF RECOMMENDATIONS AND FORWARD TO CITY COUNCIL PRORATING THE RENTAL AMOUNT FOR THE AMOUNT OF THE PROPOSED AND REQUIRED IMPROVEMENTS TO THE PROPERTY.

There was no further discussion.

VOTE. YES. ABBOUD, HAWKINS, ZIMMERMAN, YAGER.

Motion carried.

There was a brief discussion on pedestrian safety issues and proposed trails on the Spit.

Mr. Abboud had a prior commitment and departed the meeting at 4:00 p.m.

INFORMATIONAL MATERIALS

There were no informational materials.

COMMENTS OF THE AUDIENCE

Mr. Flanagan noted the real problem was watching out for the dogs out there.

COMMENTS OF THE CITY STAFF

Mr. Wrede commented that he will bring the recommendations to Council at the next meeting on May 28, 2013 through a resolution.

COMMENTS OF THE COUNCILMEMBER (If one is appointed)

There were no councilmembers present.

COMMENTS OF THE CHAIR

Chair Yager noted that the City liked seeing what Mr. Flanagan is doing and thanked him for his participation.

COMMENTS OF THE COMMITTEE

Mr. Hawkins thanked everyone for their time.

Mr. Zimmerman thanked Mr. Flanagan for doing the improvements. It makes it all much easier.

ADJOURN

There being no further business before the Lease Committee, Chair Yager adjourned the meeting at 4:06 p.m. The next regular Lease Committee meeting is scheduled for 3:00 p.m. July 11, 2013 at City Hall, Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved:_____

8

MEMORANDUM

Lease Committee
Walt Wrede
March 14, 2014
Revised Lease Proposal / Snug Harbor Seafoods

Background

_ -

In the Fall of 2010, the City issued a Request for Proposals (RFP) to lease parcels of land adjacent to the port and harbor. The RFP specifically requested proposals for all or a portion of Lot 13 B, Port Industrial Subdivision #2. The City received one proposal for half of Lot 13 B from Snug Harbor Seafoods. Snug Harbor requested a shorter term lease because it wanted to continue to do business at that location but wished to stay flexible, monitor changes in the industry, and defer large capital investment for the immediate future. The Lease Committee reviewed the proposal and staff recommendations at a Special Meeting on November 30, 2010. The Committee recommended approval of the lease proposal and also recommended a five year term with two one year options. This recommendation was consistent with a prior recommendation from the Committee that the City make shorter term leases available to companies which provide a significant economic impact but are not in a position to make a large capital investment.

On December 13, 2010, the Homer City Council adopted Resolution 10-98 entitled "A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA APPROVING A FIVE YEAR LEASE WITH TWO ONE YEAR OPTIONS ON ONE HALF OF LOT 13 B FOR SNUG HARBOR SEAFOODS AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE DOCUMENT." At the time the proposal was reviewed and approved, the applicant made a commitment to installing a permanent building affixed to a foundation and connected to City water and sewer. This commitment resolved some outstanding zoning problems, provided for a more permanent, legal structure, and made a longer term lease possible (longer than a standard short term, six month lease).

What Has Occurred in the Interim?

The City and Snug Harbor have continued lease negotiations during the interim. The negotiation process took longer than anticipated but there was a lot to do and the result has been good for both the City and Snug Harbor. The primary reason for the delay is that Snug Harbor's plans for the site and for the building have changed significantly. Snug Harbor is now requesting that it be able to lease Lot 13 B in its entirety. Its original proposal was for one half of the lot. Lot 13 B contains approximately 22,622 square feet. This request is made to accommodate an expanded operations plan and provide for a better site plan and space utilization.

In addition to the request for additional space, Snug Harbor has expanded its building plan and the range of activities the building can accommodate. The approved building and site plans are attached for your information. This represents an increased and significant investment compared to the original proposal and warrants a longer lease term. The proposed uses in the new facility include seafood purchases; both commercial and sport, sport and commercial fish retail sales, storage, office space, watchman's quarters, shower and restroom facility, kitchen facility, other seafood logistics and support activities, and possible fish processing in the future. The City has also followed-through with its stated intent to make improvements adjacent to Lot 13 B which include paving Fish Dock Road and constructing the pathway along the breakwater.

What is the present status of Lease Negotiations?

Lease negotiations are complete and Snug Harbor awaits approval by this Committee and the City Council. The company fundamentals regarding things like corporate status, financial capacity, experience, etc. have not changed to the degree that they warrant a detailed discussion here. We are confident that Snug Harbor has the capacity to do what it promises and comply with the terms of the lease. This is a much stronger proposal than the original because it is a significantly greater investment and commitment and it is likely to result in more jobs and increases taxes and revenues.

The attached site plan and building plan has been reviewed and approved by both the Fire Marshall and the City Planning Department. The lease document itself has been reviewed several times by the parties and agreement has been reached on the document and all key items including allowed uses, development schedule, rent, and term. The rent is based upon an appraisal. Discussions between the parties continue regarding allowed equipment on the Fish Dock, but that is a separate discussion and will be handled through the Fish Dock Permitting process.

What has Changed? Why is a New Approval Needed?

The City Administration felt that it was important to have the revised proposal reviewed and approved again because it is significantly different than what was originally approved. The primary differences are:

- A larger building which represents a much greater investment and commitment
- A revised and expanded list of proposed uses which could result in more jobs and additional revenue.
- A revised site plan and request to lease the entire Lot 13 B instead of just half of it.
- A new term: 20 years plus two five year options.

RECOMMENDATION

Recommend approval of a new lease for Snug Harbor Seafoods for Lot **13** B in its entirety; term 20 years plus two five years options, lease amount \$15,835.44 annually to start, and the building, site plan, and permitted uses as described above.

Department of Public Safety





DIVISION OF FIRE AND LIFT SAFETY Plan Review Bureau - Anchorage

> 5200 East Tudor Road Arrohorage, Alaska 99507-1225 Main: 907.269.2004 Fax: 407.269.2098

April 09, 2013

William Nelson Nelson Engineering 155 Bidarka Street Kenai, AK 99611

SUBJECT:

ReviewCITY:HomerPLAN REVIEW:2013Anch1062TYPE OF CONSTRUCTION:VBOCCUPANCY:B, S-1, R-22009 INTERNATIONAL BUILDING AND FIRE CODE

Dear William Nelson:

Plans for the subject facility have been reviewed by this office for conformity with the State Fire Safety Regulations and are hereby approved as submitted. Enclosed is a certificate of approval that must be posted on the premises until completion of the above facility. You are prohibited to occupy this building until construction is completed as approved. Any changes to the approved plans must be submitted to this office for review and approval.

Snug Harbor Seafoods Warehouse - Full Plan

Approval of submitted plans is not approval of omissions or oversights by this office or noncompliance with any applicable regulations of the Municipal Government. The plans have not been reviewed for compliance with the federal Americans with Disabilities Act or structural requirements.

It must be understood that the inclusion of and compliance with State Fire Safety Regulations does not preclude the necessity of compliance with the requirements of local codes and ordinances.

If we can be of further assistance in this matter, please feel free to contact us at the address above.

Sincerely,

Timethy W File

Timothy Fisher Plans Examiner

Enclosure: Approval Certificate

SNUG HARBOR SEAFOODS WAREHOUSE & HOMER SPIT HOMER, ALASKA





INDEX TO DRAWINGS

INDEX TO DRAWING	<u>is_</u>			SNUG HARB WAREHOUSE HOMEF
DRAWING	SHEET	DRAWING	SEE	×
THLE SHEET AND LOCATION MAP	10	ELEVATIONS NORTH-SOUTH	41	
NOTES AND SPECIFICATIONS	t1	ELEVATIONS EAST-WEST	42	
SITE PLAN	20	FOUNDATION DETAILS	5.0	
IST FLOOR PLAN	21	PRANING DETAILS	5.1	PROJECT NO.
2ND FLOOR PLAN	2,2	FRAMING DETAILS	5,2	1254
FOUNDATION PLAN	30	ARCH DETAILS	5,3	DRAWN BY: ZSR
2ND FLOOR FRAMING PLAN	3.1			CHECKED BY:
ROOF FRAMING PLAN	3.2			WUN DATE: 01/25/13
BUILDING SECTION	4.0			SCALES: NOTED
				HORIZ, NOTED VERT, NOTED
				SHEET S1.0
				I OF 15

LEGAL DESCRIPTION T 75 R ISW SEC I SEWARD WEREDAN HM DEGDGOSS CITY OF HOMER PORT NOUSTRIAL SUB

2009 IBC CODE	DATA
DECUPANCY GROUP	8, R-2, & \$-1
CONSTRUCTION TYPE	V-8
ALLOWABLE AREA PER STORY	I STORY - 7,000SF
NUMBER OF STORIES	2 ALLOWED
FAST STORY AREA	1740 SF
SECOND STORY AREA	560 SF
HEZZAHNE AREA	380 SF
FIRST FLOOR OCCUPANT LOAD	BOSF/SODSF+5505F/1005F+B
SECOND FLOOR OCCUPANT LOAD	5605F/2005F # 3
STORAGE WEZZANNE OCCUPANT LOAD	380/5005F + 1
TOTAL DECUPANT LOAD	12
FIRST FLOOR EXITS REDURED	L
SECOND STORY EXISTS REQUIRED	I
STORAGE MEZZANINE EXITS REDURNED	1
FRST FLOOR EXIT WIDTH REDURED	36 INCHES
SECOND FLOOR MEZZ EXIT WIDTH RED'D.	36 INCHES

Spil

SNUG HARBOR SEAFOODS 0

GENERAL

ALL WATCHIALS AND CONSTRUCTION SMALL CONFORM TO REQURREMENTS OF THE INTERNATIONAL CODE COUNCIL INTERNATIONAL BUILDING COOE MECL 2009 EDITION, WHERE EXPLICIT DETAILS ARE NOT SHOWN OR DESCRIBED, THE MINIMUM REQURREMENTS OF THE AROYE CODE SHALL APPLY, UNLESS OTHERWISE NOTED, ALL CODES, STANDARDS AND OTHER PUBLICATIONS CHED SHALL REFER TO THE LATEST EDITION.

LOCATION

THESE ORAWINGS ARE INTENDED FOR THE CONSTRUCTION OF ONLY ONE BUILDING IN HOMER, ALASKA.

DESIGN LOADS

IN ADDITION TO DEAD LOADS, THE FOLLOWING LIVE LOADS WERE USED FOR DESIGN:

ROOF: 50 P.S.P. (SHOW - 2 MONTH DUPATIONI PLUS DRIFTING WHD: 120 MPH, EXPOSURE D SEISMIC: SSALA, SHOLOT, SITE CLASS D. SEISMIC USE ORCUP: 1, NON-ESSENTIAL FACILITY SEISMIC DESIGN CATEGORY, D

LATERAL LOADS ARE RESISTED BY WOOD SHEAR WALLS AND DAPHRAGMS.

SITE WORK

PREPARATION OF A SAFE AND SUITABLE BUILDING STE SMALL BE COMPLETED PRIOR TO CONSTRUCTION OF FOUNDATIONS AND SLABS. NO STE INVESTIGATION OF SOULD WHEN PERFORMED BY THE ENGINEER. THE FOUNDATION DESIGN IS BASED ON THE ASSUMPTION THAT SUIS BENEATH THE FOUNDATION ARE WELL DRANKON KOW FROST SUSSEPTIBLE SAND OR GRAVEL WITH LOAD CLARCTIES IN ACCORDANCE WITH HECT TABLE 1804-2 ALLOWAGLE BEARING CAPACITY OF 3000 PSF WAS USED FOR DESIGN.

FOUNDATIONS

EXCAMPT AND REMOVE ALL ORGANC MATTER, DEBRIE AND FROST SUSCEPTIELE SCAS FROM UNDER THE BUILDING FOOTBRINT AND TO 24" SECOND THE BUILDING FOOTBRINT, PLACE ALL WITEWOR AND EXTERIOR FEOTINGS ON NATURAL UNDERTINGED, NOM-FROST SUSCEPTIELE (N.F.S.) SOL DR ON COLFACTED NON-FROST SUSCEPTIELE GAVEL BACKFUL FREE OF DRAWNC MATTER AND DEBRIS, AND CONFORMING TO THE FOLLOWING GRACHADIN

NON-FROST SUSCEPTIELE CRAVEL BACKFILL SEVE: PERCENT PASSING: 3" 100 1" 8D - 105 44 30 - 70 . 4200 0 - 5

NO KORE THAN 3% OF PARTICLES BY WEIGHT SHALL BE FINER THAN D.O.	2
MM, BACKFILLSHALL BE PLACED IN LIFTS NOT EXCEEDING 12 INCHES IN	
LOOSE THICKNESS AND COMPACTED TO 95% OF MAXIMUM DENSITY IN	
ACCORDANCE WITH ASTM SPECIFICATION D-1557.	

FOUNDATION INSULATION

FOUNDATION INSULATION SHALL BE 'DOW HIGHLOAD 40' EXTRUDED POLYSTREES INSULATION, 'BLUEGCARD' OR 'INSULFOAL' HIGH DEVISITY EXANDED POLYSTITES. WITH 40 PSI MUNUM COMPRESSIVE STRENTH.

SLAB ON GRADE

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EXTERIOR SLABS; PROMDE A MENIMUM OF 72 INCHES OF MON-FROST SUSCEPTIELE GRAVEL BELOW SLAB COMPACTION AND COMPACTION REQUIREMENTS DESCRIBED ABOVE FOR FOUNDATIONS.

DRAINAGE: SLOPE ALL EXTERIOR SLABS ADJACENT TO BUILDINGS TO CRAIN AWAY FROM BUILDING FERMIETER AT 1/6" PER FOOT MINIMUM SLOPE. CONCRETE MIXING, SELECTION OF MATERIALS, AND PLACING OF ALL CONCRETE SHALL CONFORM TO THE REQUIREMENTS OF THE IBC, CONCRETE MIXES FOR CONCRETE WORK WHICH IS TO BE EXPOSED TO EARTH OR WEATHER.

AR ENTRANNEXT SHALL BE SK -/- IK BY VOLUME. ALL CONCRETE SHALL HAVE A MINIMUM 28 DAY COMPRESSIVE STRENGTH (FC) = 3000 P.S.L EXCEPT CONCRETE GROUT FOR MASONRY WALLS WHICH SHALL HAVE A MINIMUM 28 DAY COMPRESSIVE STRENGTH (FC) 2000 P.S.L CONCRETE FOR INTERIOR AND EXTERIOR SLABS SHALL CONTAIN IG POUNDS OF TORTA FIBE DS' COLLATED FIBERILATED POLYPROPYLEME FIBER PER CUBIC YARD OF CONCRETE. INTERIOR SHALL BE THOROUGHLY MIXED INTO THE CONCRETE IN TRANSIT TO THE SITE. IN ACCORDANCE WITH THE FIBER MANUFACTURER'S RECOMMENDATIONS.

REINFORCING STEEL

UNLESS NOTED OTHERWISE, ALL RENFORCING STEEL SHALL BE DEFORMED BARS CONFORMING TO BE CHAPTER 19, RENFORCING BARS SHALL BE GRADE 60, REINFORCING STEEL SHALL BE SECURELY ITED IN PLACE WITH "10 DOUDLE DIMEALED NON WIRE. REINFORCING IN FOOTINGS SHALL BE SUPPORTED ON WELL CURED CONCRETE BLOCKING OR AFFROVED METAL CHARS, RENFORCING BARS SHALL BE SPLED BY A LAP OF AT LEAST 30 BAR CHAPTERS, A MINNUM LAP FOR ALL BARS SHALL BE 24'. CONCRETE COVER OVER REINFORCING SHALL BE 3' FOR CONCRETE CAST AGAINST EARTH. CONCRETE COVER FOR FORMED CONCRETE CAST AGAINST EARTH. CONCRETE COVER FOR FORMED CONCRETE CAST AGAINST EARTH. CONCRETE COVER FOR FORMED CONCRETE CAST AGAINST EARTH. CONCRETE OVER FOR FORMED CONCRETE CAST AGAINST EARTH. CONCRETE OVER FOR FORMED FABRIC 1900F *5 BARS AND SMALLER, NICLUDING WEDEDS WIRE FABRIC 1900F, OTHER REINFORCEMENT SHALL HAVE A MRMUM

STRUCTURAL STEEL AND CONNECTORS

STRUCTURAL STEEL SHALL CONFORM TO USE CHAPTER22, FOR ASTM SPECIFICATION A-35, FY , 36 K/SJ. EXCEPT WHERE NOTED OTHERWISE. STEEL TUBING ITS) SHALL CONFORM TO ASTM ASOO, GRADE B, FY & 46 K/SJ. DESIGN, FABRICATION AND ERECTION SHALL BE IN ACCORDANCE WITH THE RIC CHAPTER 22, DIVISION IX, ALLOWABLE STRESS DESIGN, MACHNE BOLTS (MEI SHALL CONFORM TO ASTM 307 AND SHALL BE ROVUBED WITH STANDARD HEX HEAD NUTS CONFORMING TO ASTM ASGS, GRADE A AND MARDERDS STEEL CIRCULAR WASHERS CONFORMING TO ASTM ASG SOCIETY DUI, ALL WELDING SHALL BE CONTINUOUS 3/M° NINNUM UNLESS OTHERWISE NOTED. ELECTRODES SHALL BE ANUS, K-300. ANCHGR ALL COLUNNS WITH MINNUM (41 3/47 × 10° ANCHGR BOLTS UNLESS SHOWN OTHERWISE. PROVIDE ADEOUATE LATERAL BRADING FOR STRUCTURE DURING CONSTRUCTION.

ANCHOR BOLTS THREADED ROOKRETE EXPANSION ANCHORS ANCHOR BOLTS THREADED ROOS AND CONCRETE EXPANSION ANCHORS SHALL CONFORM TO ASTM ASDT. CONCRETE EXPANSION ANCHORS ING! SHALL BE "HILT! KWIK BOLT M" CONCRETE EXPANSION ANCHORS OR STRUCTURAL EQUIVALENT, INSTALLED IN ACCORDANCE WITH MANUFACTURER'S RECOMMENDATIONS ANCHOR BOLTS SHALL BE PROVIDED WITH HEX HEAD NUTS AND 2**2**42" STEEL PLATE WASKERS. ALL DOLTS, WASHERS, AND JUTS IN CONTACT WITH PRESSURE TREATED WOOD SHALL BE HOT DIPPED CALVANIZED OR STAINLESS STEEL.

POWER FASTENERS

POWER FASTEMERS FOR CONNECTION TO CONCRETE, GROUTED MASONRY, OR STEEL, SHALL BE POWDER ACTUATED HULTI X-AL-H HEAVY OUTY DOME HEAD KALS, WITH OJ77 IKCH SHAKE DAMETER. MHUMUM FASTEMER EMBEOMENT SHALL BE 1 3/B', NAIL LENOTH SHALL BE AS REQUIRED TO ACHIEVE SPECIFIED MINIMUM PEMETRATION INTO SUBSTRATE.

PRESSURE TREATED WOOD

AL WOOD INDICATED AS PRESSURE TREATED, IPT, SHALL BE PRESSURE TREATED IN ACCORDANCE THE AMERICAN WOOD PRESERVER'S ASSOCIATION STANDARD UI-02. THE PRESERVATIVE SMALL BE ALKALME COPPER QUAT (ACOL. ALL WOOD SHALL BE TREATED TO A RETENTION OF 0.60 PCF AS REQUERE FOR "GROUND CONTACT, ALL PRESSURE TREATED WOOD SHALL BE APPROPRIATELY MARKED ATTESTING TO COMPLIANCE WITH THESE REQUIREMENTS. LUMBER SHALL BE DRIED AFTER TREATMENT TO A MOSTUME CONTENT OF 15% OR LESS. FIELD CUT ENDS AND BORED HOLES SHALL BE TREATED IN THE FIELD WITH BRUSH APPLIED ACD SOLUTION.

SAWN LUMBER AND TIMBER

LUMBER SHALL CONFORM TO THE CLASSIFICATION, DEFINITION, AND BRADING REGUREMENTS OF IGC CHAPTER 23 WITH ALLOWABLE UNT STRESSES AS GIVEN IN THE AMERICAN FOREST & PAPER ASSOCIATION WATIONAL DESIGN SPECIFICATION 2001 SUPPLEMENT, TABLE 44, LUMBER INASPECTION BUREAU /WESTERN WOOD PRODUCTS ASSOCIATION.

ITEM SPECIES 4 X AND LARGER DOUBLAS FIR +2 BEARING WALL PLATES HEM FIR +2 BEARING WALL STUDS HEM FIR +2 ALL OTHER LUNDER HEM FIR +2

ALL LUNDER SHALL BE FASTENED IN CONFORMANCE WITH TABLE 2304.9.1 OF THE BC, UNLESS NOTEO OTHERWISE, FASTENERS SHALL BE GALVANZO UNLESS OTHERWISE NOTEO FASTEN ALL JOIST BLOCKING TO PLATES WITH 141 IGD MIMNUM AND FASTEN ALL WALL PLATES TO WOOD FLOORS WITH IGD AT 6° OH CENTER TYPICAL. DOUBLE TOP PLATES SHALL OVERLAP 10°.0° MENGWUA AND SHALL BE SPLICED TOGETHER WITH IGD MAILS AT 6° OH CENTER VIMMUM LAND SHALL BE SPLICED TOGETHER WITH IGD MAILS AT 6° OH CENTER VIMMUM LAND SHALL BE SPLICED TOGETHER WITH IGD MAILS AT 6° OH CENTER VIMMUM LAND SHALL BE SPLICED TOGETHER WITH IGD MAILS AT 6°

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BOLT HEADS AND NUTS BEARING AGAINST WOOD TO BE PROVIDED WITH FLAT WIGNERS. SOLD BLOCKING OF NOT LESS THAN 2" NCMWAL THERNESS SHALL BE PROVIDED AT ENDS AND AT ALL SUPPORTS OF JOIST AND RAFTERS. UNLESS SHOWN OTHERWISE BEAM AND JOIST MANDERS SHALL NAVE A CAPACITY EQUAL TO THE SHEAR STRENGTH OF THE BEAM OR JOIST WHICH IT IS SUPPORTING. UNLESS NOTED OTHERWISE. ALL WEITL FRANNIG ANCHORS AND HANGERS SHOUL MAY A CAPACITY EQUAL TO THE CONFECTORS' AS MANUFACTURED BY SUPPORTING. COMPANY OR APPROVED EQUAL, ALL MANUFACTURED BY SUPPORT NO. COMPANY OR APPROVED EQUAL, ALL MANUFACTURED BY SUPPORT NOT APPROVED ESTEL ALL SUPPOR CONFECTORS IN CONTACT WITH PRESSURE IREATED WOOD SHALL BE SUPPORT. CONTACT WITH PRESSURE IREATED WOOD SHALL BE SUPPORT. THAT AND DEPED

PLYWOOD

ALL PLYWOOD SHALL CONFORM TO BE STANDARD 23-2 AND SHALL BE AMERICAN PLYWOOD ASSOCIATION GRADE TRADE MARKED. PLYWOOD SHALL BE GROUP I DG GROUP I DOUGLAS FIR. ALL PANELS SHALL BE NOMINAL 4'X & PANELS. UTILIZE FULL SHESTS WHEREVER POSSIBLE. LAY FACE GRAIN OF ROOF AND FLOOR SHEATHING PANELS PERPENCIULAR TO JOISTS AND WITH PANEL CONTRUCIUS OVER THREE OR MORE SPANS, STAGGER END JOINTS OF SUCCESSIVE COURSES 4' O' WHIL SHEATHING SHALL BE WISTALLED WITH THE FACE GRAIN PARALLEL TO STUDS, ILONG OMERNSION VERTICAL

FLOOR SHEATHING SHALL BE 3/4" THICK APA RATED 40/20 SPAR RATED TONGUE AND GROOVE PLYWOOD UNDERLAYMENT WITH EXTERIOR QUE FLOOR SHEATHING SHALL BE GLUED AND SCREWED TO SUPPORTS WITH 2 1/2" X #6 TYPE C COARSE THREAG GRIPPERS AT 6" 0/C FASTER FLOOR SHEATHING TO BLOCKNO PARELS AND WALL PLATES AT 4" 0/CWITH DESIGNATED FASTENERS, BREAK ROWS OF PARELS A MINIMUM OF 2" FROM ENDS OF JOISTS AT WITERIOR LUCATIONS.

GLUED LAMINATED STRUCTURAL UNITS MATERIALS, MANUTACTURE, AND GUALITY CONTROL OF GLUED LAMINATED STRUCTURAL UNITS (GLULAM SHALL CONFORM TO IBC CHAPTER 23 WITH ALLOWARUE STRESSES AS DEFNED IM ALERICAR FOREST & PAPER ASSOCIATION "NATIONAL DESIGN SPECIFICATION 2001 SUPPLEMENT, TABLE 5A, AND SHALL BE DURLAS FW, COMBINITION 24F-VS OF/OF, GLUE LAMINATED STRUCTURAL UNITS SHALL BE CRADE MARKED BY THE AMERICAN INSTITUTE OF IMBRE CONSTRUCTION, AITC.

ORIENTED STRAND BOARD (OSB)

ALL ORIENTED STRAND BDARD SHALL CONFORM TO IBC STANDARD 23-3 AND SHALL BE AMERICAN PLYWOOD ASSOCIATION GRADE TRADE MARRED, ALL PARLES SHALL BE NOMMAL 4'X B'PARLES, UTILIZE FULL SHEETS WHEREVER POSSIBLE. LAY STRENGTH AXIS OF ROOF AND FLOOR SHEATHING PANELS PERFENDULLAR TO SUPPORTS AND WITH PANEL CONTINUOUS OVER THREE OR MORE SPANS, STAGGEF END JOINTS OF SUCCESSIVE COURSES 4'

OSB ROOF SHEATHING SHALL BE 5/8" PANELS WITH EXTERIOR GLUE AND SHALL BEAR A PANEL SPAN RATING OF 40/20. ROOF SHEATHING SHALL BE FASTENED TO SUPPORTS WITH 100 GALVANIZED NAILS SPACED AT 6" O'CALONG PANEL EDGES AND U MICHES ON CENTER AT WITENWEIGHTE FRANNIG, ROVIDE 2X BLOCKING ALONG ALL PANEL EDGES WHERE SHOWN ON THE DRAWINGS, FASTER NOOP SHEATHING TO BLOCKING OVER SHEAR WALLS AND EXTERIOR WALLS WITH 100 GALVANIZED NAILS AT 3" 0/C

OSB WALL SHEATHING: SHALL BE 7/18" PANELS WITH EXTERIOR BLUE. UNLESS NOTED OTHERWISE ON THE DRAWINGS, WALL SHEATHING SHALL BE FASTENED TO FRAMING WITH 80 GALVANIZED NAILS 3" O/CALONG PANEL EDGES AND 12" O/CALONG INTERMEDIATE SUPPORTS. WALL SHEATHING SHALL BE BLOCKED AT ALL EDGES WITH NOMINAL 2" SOLD BLOCKNG.

MANUFACTURED WOOD JOISTS

TABRICATED WOOD JOISTS SMAIL OF OF THE SIZE MOLGATED ON THE DRAWINGS AND AS MANUFACTURED BY BOISE CASCADE OR APPROVED EQUAL FOLLOW MANUFACTURER'S RECOMMENDATIONS FOR UNSTALLATION, MANUFACTURER'S RECOMMENDATIONS ROVIDE WED STIFFENERS PER MANUFACTURER'S RECOMMENDATIONS AND ON BOTH SIDES OF WEDS WHERE JOISTS RECOMMENDATIONS AND ON BOTH SIDES OF WEDS WHERE JOISTS RECOMMENDATIONS AND ON BOTH SIDES OF WEDS WHERE JOISTS RECOMMENDATIONS AND ON BOTH SIDES OF WEDS WHERE JOISTS ARE SUPPORTS AND ENDS OF JOISTS. PROVIDE SUCHING PARELS AT SUPPORTS AND ENDS OF JOISTS WHERE JOIST IS FRAMED PERFENDENLAR INTO A DOUBLE JOIST'S PHONE SULL THICKNESS RACING PLUEL PERMETER OF FLOOR SYSTEM. UNLESS NOTED OTHERWISE ON THE DEATH OFTH AGUAL TO JOIST DEPTH, AT ALL OPENINGS IN FLOOR AND ROOF SYSTEMS. UNLESS NOTED OTHERWISE, PROVIDE FLOE MOINT JOIST MANCERS WITH CAPACITY EQUAL TO THE FULL SHEAR CAPACITY OF THE JOIST AT ALL JOIST WHERE JOIST IN OT SUPPORTED BY DRIFTED BEARING,

FIRE RATED ASSEMBLIES

WALLS AND FLOOPS NOTED ON DRAWINGS AS REQUIRING A FIRE RATING SHALL CONFORM WITH 190 2009 CHAPTER 7.

2 HOUR FLOOR ASSEMBLY SHALL HAVE WOOD LJDISTS IMM 9 LAY CEPTH WITH A MIN FLANCE DEPTH OF 1/2" AND A MIN FLANCE DEPTH OF 1/2" AND A MIN FLANCE DEPTH OF 1/2" AND A MIN FLANCE X-SECTOVAL AREA OF 2.25 SOUARE INCHES, MIN WEB THICKNESS OF 3/8" & 24" O.C. UNFACED FIBERGLASS INSULATION INSTALLED BETWEEN THE L-DISTS SUPPORTED ON THE UPPER SUPERACE OF THE FLANCE BY STAY WIRES SPACED 12" O.C. A BASE LAYER OF 5/8" TYPE S GYFWIM WALLBOARD ATTACHED DIRECTLY TO LJDISTS WITH I 5/8" TYPE S DRYWALL SCREWS SPACED 12" O.C. WITHONS STAGERED, MINIMUM D.DITS THICK HAT-SHAPED 7/8" FURRING CHANNEL 16" O.C. ICHANNES DOUBLED THE MODIE AND ATTACHED TO EACH JDIST BY I 5/8" TYPE S OFYEMALL SCREWS SPACED 12" O.C. WITH ENDS STAGERED, MINIMUM D.DITS THICK HATSHAPED 7/8" FURRING CHANNEL 16" O.C. ICHANNES DOUBLED DIRECTLY TO LJDISTS WITH I 5/8" TYPE S LAYER OF OFYEM WALLBOARD FHA DINTS, PLACED ELAYER SO FORSEMULAR TO THE JDIST AND ATTACHED TO EACH JDIST BY I 5/8" TYPE S OFYEM SALBOARD FHA DINTS, PLACE LAYER SO FORSEMULAR TO THE LAYER SO FOR THE HE BASE LAYER OF ORYEND WALLBOARD HAS BEEN APPLIED. THE MIDLE AND FACE LAYERS OF 5/8" TYPE C GYFUM WALLBOARD ANDLIED DERPENDICULAR TO THE UNDLE LAYER SI FASTENED WITH I TYPE S ORYWALL SCREWS SPACED OF 5/8" TYPE S ORYWALL SCREWS SPACED OF THE MODLE LAYER RUT WITH THE DOGE JDIST OFFISET 24" FROM THOSE OF THE MODLE LAYER AND FASTENED WITH I STAGERED WITH I SPE S DAWYALL SCREWS BORD OF THE MODLE LAYER AND FASTENED WITH I STAGERED WITH I SPE S DAWYALL SCREWS BORD OF THE MODLE LAYER AND FASTENED WITH I SPE SATEL SA PROVED WITH JOINT STALL BE TAPED AND GOVERDUM WITH JOINT OCMPOUND.

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2 OF 15

PROJECT NO



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State of Alaska Office of the State Fire Marshal Plan Review

This is to certify that the plans for this building were reviewed by the State Fire Marshal on April 09, 2013 for conformance with AS 18.70.010 -- 100; 13 AAC 50.027.

This certificate shall be posted in a conspicuous place on the premises named Snug Harbor Seafoods Warehouse and shall remain posted until construction is completed.

NOTICE: Any changes or modifications to the approved plans must be resubmitted for review by the State Fire Marshal.

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Plan Review #: 2013Anch1062 By:

Authority: AS 18,70,080 Form: 12-741Full Plan Review (6/01)

Timothy Fisher **Plans Examiner**

State of Alaska Office of the State Fire Marshal Plan Review

This is to certify that the plans for this building were reviewed by the State Fire Marshal on April 09, 2013 for conformance with AS 18.70.010 -- 100; 13 AAC 50.027.

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Bv!

Plan Review #: 2013Anch1062

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Anthority: AS 18.70.080 Form: 12-741 Full Plan Review (6/01) Timothy Fisher Plans Examiner

CITY OF HOMER PROPERTY MANAGEMENT POLICY AND PROCEDURES

CHAPTER 6: APPLICATION / PROPOSAL EVALUATION PROCESS

6.1 POLICY

A. It is the policy of the City of Homer to provide for a fair, standardized and objective proposal evaluation process.

- A. All lease proposals shall be evaluated and scored by the Lease Committee.
- B. The Criteria for evaluating proposals shall include but is 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 proposed 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 of spin-off economic development, or the value of improvements left behind upon termination of the lease.
 - 9. Other long term social and economic development.
- C. Lease Rental Rates
 - 1. The determination of lease rental rates is addressed in Chapter 7.
- D. After evaluating and scoring the proposals, the Lease Committee shall make a recommendation on a successful bidder to the City Council. The recommendation shall be contained in the form of a memorandum from the City Manager to the City Council that appears on the consent calendar of a regular meeting agenda. If a recommendation to approve a proposal is adopted, the Manager or his designee shall finalize a lease document for presentation to Council for approval. If the Council approves the lease, it will not be executed until the period for reconsideration under section 8.3 passes.
- E. Final approval of long term leases (more than six months) rests with the City Council. The Council shall either:
 - 1. Approve the proposed lease
 - 2. reject the proposed lease; or
 - 3. remand the unapproved lease to the Manager with comments

MEMORANDUM

TO: Lea	ase Committee
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FROM: Walt Wrede

DATE: March 14, 2014

SUBJECT: Assignment of Happy Face Lease / Lot 32 Homer Spit Amended

Background

The Happy Face Restaurant /Sportsman's Marine Supply has been for sale for several years. The City took a look at purchasing the building and remodeling it for the new Port and Harbor Building. The owners have been in contact with the City several times over the past few years about a possible purchase. They have also contacted the City to gauge the City willingness to approve an assignment of the lease and to better understand the mechanics of doing that. The owners of the Happy Face have now reached an agreement with a prospective buyer. The buyer has requested an assignment of the lease and an extension of the term in order to complete the deal and obtain financing. The new owner is Yong Kim dba Lee&Kim LLC.

The Lease policies address lease assignments in Chapter 13.3 and Chapter 14. The City has determined that the lease is assignable, that the current owner is in good standing, and that the owner has requested an assignment in writing; all of which is required by the Lease Policies. Chapter 13.3 provides that the assignee shall submit a new lease application form complete with all attachments and proposals following the process described for lease applications, and submit it along with any applicable fees to the Lease Committee for review.

A Lease Application / Assignment Form has been submitted and found to be complete and responsive. Andrea Browning worked closely with the Applicant and her agent to make sure all relevant information was submitted. Andrea, the City Manager, and the Port and Harbor Director had a pre-application meeting with the applicant on March 6, as provided in Chapter 5.1 B. Chapter 5 of the Lease Policies contains the lease application process. A checklist of the required information was prepared by Andrea Browning and is attached for your information.

<u>Analysis</u>

Chapter 6 of the Lease Policies contains the proposal evaluation criteria. These criteria are mostly applicable to new leases but some have relevance to the assignment of a lease containing an existing business. Following is a discussion of relevant criteria:

• The proposed use is consistent with neighboring uses and the zoning code. The new owners will continue the existing use and expand it into new areas. The allowed uses proposed for the lease include restaurant, grocery and sporting goods store, gift shop, public shower and laundry

facility, room rentals and overnight accommodations. Several relatively minor zoning violations are being addressed by the current owner prior to the sale.

- Capital Investment: Purchasing the existing building and business represents a substantial investment. The new owners also plan to remodel the first floor store, add a gift shop, and construct a public laundry and shower facility.
- Experience: The new owner has a tremendous amount of experience managing restaurant facilities of this type. Her resume is attached. We believe she has the background and experience to make this venture a success.
- Finances: The new owner has demonstrated to the City's satisfaction that she has the financial resources and backing to operate this business and follow-through with her commitments under the lease.
- Rent: The applicant has agreed to pay market rent as determined by an appraisal and to all of the terms and conditions in the standard land lease.
- Employment and Revenue: The applicant proposes to increase employment over the current business by several employees. The sale to a private sector investor insures that an upgraded building remains on the tax rolls and that viable business activities there continue to generate sales taxes. The applicant discussed a marketing plan to bring more tourists to Homer from Korea.

The current Happy Face Lease expires on December 31, 2014. If this lease expired, the City would own the building and the current owners would get nothing for their investment. The City has no use for the facility and does not want to be in the business of leasing commercial buildings. If the City owned the building it would likely attempt to lease both the land and the building and the outcome would be uncertain, to say the least. The timing of this sale could not be better. The assignment of this lease is in the City's interest because it keeps the building on the tax rolls and encourages the continuation of a business there that generates jobs, revenue, and a valuable service to residents and visitors alike.

Section 14.4 of the Lease Policies provides that " if the lessee intends to assign the lease as part of a sale of the business located on the lease lot, the person who intends to purchase the business may apply to extend the lease term to allow the continuation of the business and secure financing for the purchase." The new owners have applied for financing through a Small Business Administration loan. Financing is contingent upon the lease term being extended.

We have concluded that the experience of the new owner, her financial capacity to operate the business, and the significant investment proposed, justifies a new, extended term of twenty years and two five year options. The City and the new owner have agreed to move the assignment to a new standard lease because the existing one is old and outdated.

RECOMMENDATION: Approve the assignment of the lease on Lot 32, Homer Spit Amended, to Yong Kim dba Lee and Kim LLC, with the term to be twenty years and two five year options, and rent at market rates determined by audit.

The Happy Face Restaurant Elizabeth & Tony Yuk 4400 Homer Spit Rd Homer, AK 99603

March 09, 2014

The City of Homer 491 East Pioneer Ave. Homer, AK 99603

To the City Council of Homer,

We are writing to request that our lease be assigned to the new owners of our business, The Happy Face Restaurant. The buyers are Lee and Yong Kim of Lee and Kim LLC. They have worked and operated many different restaurants throughout the years and we feel that they will do a great job as the new owners of our business.

Sincerely,

3-13-10 chan Tony Chae Yuk

3-13-14

Elizabeth Hyang Yuk



CITY OF HOMER PROPERTY MANAGEMENT LEASE APPLICATION CHECKLIST

Applicant Name: Yong Kim ~ Lee & Kim, LLC

Date Application Received: March 4, 2014

CHAPTER 5: LEASE APPLICATION PROCESS

5.1: POLICY

A. It is the policy of the City of Homer to provide for a streamlined, standardized, and easily understood lease application process. A full and complete application packet shall be provided to all applicants. Applicants must be qualified under Section 18.08.50 of the Homer City Code:

(a) a natural person and is responsible, meaning the applicant has sufficient skill, experience and financial capability to perform all the obligations of the lessee under the proposed lease; and

(b) a person who is at least nineteen years of age; or

(c) a group, association or corporation which is authorized to conduct business under the laws of the State of Alaska. (Ord. 92-10 (part), 1992). 183 (Homer 06/04)

B. The City administration will provide for pre-application meetings with all potential applicants to provide relevant information on things like land use regulations, lease policies, the permitting process, and other relevant topics.

5.2 PROCEDURES

A. A responsive lease application / proposal shall include:

1. A completed application form provided by the City

YES	NO	N/A	INCOMPLETE
NOTES:			· · · · · · · · · · · · · · · · · · ·

2. Any applicable fees

YES	NO	N/A	INCOMPLETE
NOTES:			·

Notified broker of \$30.00 Application Fee

3. A clear and precise narrative description of the proposed use of the property

YES	NO	N/A	INCOMPLETE
NOTES:		<u> </u>	

Happy Face is already a well-established business in the Homer area. Current owners operate a family style restaurant, which is open year-round. Prospective buyers would like to operate restaurant, expand gift shop, and operate a laundry/ shower facility downstairs in the building. These uses are compatible and consistent with neighboring uses and are consistent with the Spit Comprehensive Plan and other applicable land use regulations.

4. A specific time schedule and benchmarks for development

YES	NO	N/A	INCOMPLETE
NOTES:	<u> </u>		

Purchasing already established business; this criteria typically utilized to grade new development on vacant land. City Manager and Harbormaster had a meeting with applicant on March 6, 2014 in which applicant advised City that she would like to grow the business; inquired about operating previously mentioned laundry/ shower facility, as well as possibility of room rentals in summer for visiting tourists.

5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.

YES	NO	N/A	INCOMPLETE
NOTES:			ſ <u></u>

Proposed use of property only involves remodeling of lower level of building.

6. Any other information that is directly pertinent to the proposal scoring criteria contained herein

YES	NO	N/A	INCOMPLETE
NOTES:			

Applicant submitted resume which outlines her extensive work history in the restaurant industry, including staff, managerial, and ownership experience. Applicant provided financial documentation showing ability of applicant to meet required financial obligations. Applicant has \$200,000 cash in personal account, which will be transferred into LLC account at time of lease signing. Business will have 4-5 employees.

7. All other required attachments requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile, and references.



YES	NO	N/A	INCOMPLETE
NOTES:			£

Applicant has applied for a small business loan, which is contingent upon signing long-term lease with the City. Upon closing applicant will acquire necessary insurance and will submit to City prior to operating restaurant. Given that Happy Face is already operating and in good standing, the City has no reason to believe that applicant will have any difficulty obtaining necessary certifications.

8. Any other information required.

YES	NO	N/A	INCOMPLETE
NOTES:			└──────────────────────────────────────

Previous code violations (such as the trailers) have been addressed by current owners *Shown in attached photos dated March 11,2014

CUP 86-3 required: "Removal of the two existing mobile homes and any and all heavy equipment and debris currently on the lot."

There is a small amount of cleanup necessary on the property, which current owner agreed to complete prior to lease assignment.

Application review completed by Andrea Browning on March 12, 2014

City of Homer-Lease Application/Assignment Form

Directions:

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- 1. Please type.
- 2. Please submit this application form to the City Clerk's Office, 491 Pioneer Avenue, Homer, Alaska 99603.
- 3. Please answer all questions on this form, or put "N/A" in the space if it is non applicable.

Applicant Name:	
Social Security No.s	LEE! Kim LLC. Yong Kim-President.
Mailing Address:	905 Richardson Vista Rd # 257
City, State, ZIP code:	Anchorage, AK 99501
Business Telephone No.	817-600-1115
Representative's Name:	Yong Piening
Mailing Address:	4611 Shelikof St.
City, State, ZIP code:	Anchorofh Ax 99507
Business Telephone No.	907-244-6820
Property Location:	terrent to the terren
	4400 Homer Spit Rd. Homer, AK 99603
Legal Description:	Home 3Pit Amend 1 32
Type of Business to be	
placed on property:	Exsisting - Restaurant, Gift, General store
Size of Buildings to be	0
placed or leased:	EXSISTING
Duration of Lease	•
requested:	30 Years
Options to re-new:	30 years
Special lease requirements:	
	NA
Number of parking spaces required, per code:	
	Ensisting
ala and a second and	

7.	Fees	All applicable fees must be submitted prior to the preparation and/or execution
		of a lease.
		Application fee - \$30.00. Covers costs associated with processing the
		application.
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		Lease fee - \$300.00. Covers the costs of preparing and processing the
		actual lease.
		Assignment fee - \$250.00. Covers the costs of preparing and processing
		the lease transfer.
8.	Financial Data	Please indicate lessee's type of business entity:
		Sole or individual proprietorship.
	Phesently,	X Partnership.
		Corporation.
{	\$ ZOOS ODD Cash	Other – Please explain:
[on hand in the	
}	1 nana su th	
	he was a set	
1	bank is in	Financial Statement – Please attach a financial statement showing the
	NO 1- NO	ability of the lessee to meet the required financial obligations.
	Yong Kim's	Surety Information – Has any surety or bonding company ever been
		required to perform upon your default or the default of any of the principals in
	Personal Savin	you organization holding more than a 10% interest
		, No Yes. If yes, please attach a statement naming the surety
1	will be trans-	or bonding company, date and amount of bond, and the circumstances
		surrounding the default or performance.
	ferred into	Bankruptcy information - Have you or any of the principals of your
	1	anamignation for the many them a 100/ interpret own have dealered temperature
1	hee? Kim LLC	-are presently a debtor in a bankruptcy action?
{		X No Yes. If yes, please attach a statement indicating state,
	upon obtaining	date. Court having jurisdiction, case number and to amount of assets and debt.
		Pending Litigation – Are you or any of the principals of your
	Financing.	X No Yes. If yes, please attach a statement indicating state, date, Court having jurisdiction, case number and to amount of assets and debt. Pending Litigation – Are you or any of the principals of your organization holding more than a 10% interest presently a party to any pending
	· · · · · · · · · · · · · · · · · · ·	litigation?
		No Yes. If yes, please attach detailed information as to
:		each claim, cause of action, lien, judgment including dates and case numbers.
		caon chain, cause of action, new, judgment including dates and case numbers.
9.	Partnership Statement	If the applicant is a partnership, please provide the following:
		Date of organization: 01/21/2014
		Type: General Partnership X Limited Partnership
		Statement of Partnership Recorded? X Yes No
		Where <u>State of Alaska</u> When <u>O(12)2015</u> Has partnership done business in Alaska? Yes X No
		Where When
		Name, address, and partnership share. If partner is a corporation, please
		complete corporation statement.
:		complete corporation statement. Limited/Lee & K:m LLC. Pot Richardson Vist # 257 General Name Anchorofe, Address AK 9950/. Share %
		General Name An Charoge, Address 75 73 71. Share %

Page 3 of 5

		Yong Kim is		
		Yong Kim is 100% Owner		
}				
		Please attach a copy of your partnership agreement.		
10.	Corporation Statement	If the applicant is a corporation, please provide the following:		
		Date of Incorporation:		
		State of Incorporation:		
		Is the Corporation authorized to do business in Alaska?		
		No Yes. Is so, as of what Date?		
		Corporation is held? Publicly Privately If publicly held, how and		
		where is the stock traded?		
		Officers & Principal Stockholders [10%+]:		
	NA	Name <u>Title</u> <u>Address</u> <u>Share</u>		
1	1			
· .				
		Please furnish a copy of Articles of Incorporation and By-laws.		
		Please furnish name and title of officer authorized by Articles and/or By-		
		laws to execute contracts and other corporate commitments.		
		Name <u>Title</u>		
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Page 4 of 5

		The following materials must be submitted when applying for a lease of City of Homer real property				
I. Plot Plan A drawing of the proposed leased property showing:						
		Size of lot - dimensions and total square footage to scale, please.				
		Placement and size of buildings, storage units, miscellaneous structures				
		planned – to scale, please.				
		Water and sewer lines – location of septic tanks, if needed.				
	a.I.A	Parking spaces – numbered on the drawing with a total number indicated –				
	NA	please refer to Homer City Code				
2.	Development Plan	List the time schedule from project initiation to project completion,including major project milestones.DatesTasks				
	NA	For each building, indicate: Building Use Dimensions and square footage				
3.	Insurance I will aguire the necessar	Attach a statement of proof of insurability of lessee for a minimum liability vinsurance for combined single limits of \$1,000,000 showing the City of Homer				
	ng torn, ad will be	-as co-insured. Additional insurance limits may be required due to the nature of the business, lease or exposure. Environmental insurance my be required. If subleases are involved, include appropriate certificates of insurance.				
4.		Please indicate and provide a detailed explanation of any plans that you may have for subleasing the property. The City of Homer will generally require payment of 25% of proceeds paid Lessee by subtenants. Refer to				
	NIA	chapter 13 of the Property Management Policy and Procedures manual.				
5.	Health Requirements	Attach a statement documenting that the plans for the proposed waste disposal system, and for any other necessary health requirements, have been submitted to the State Department of Environmental Conservation for approval. Granting of this lease shall be contingent upon the lessee obtaining				
		all necessary approvals from the State DEC.				
6.	Agency Approval $\mathcal{N} / \mathcal{A}$	Attach statement(s) of proof that your plans have been inspected and approved by any agency which may have jurisdiction of the project; i.e. Fire Marshall, Army Corps of Engineers, EPA, etc. The granting of this lease shall, be contingent upon lessee obtaining approval, necessary permits, and/or inspection statements from all appropriate State and/or Federal agencies.				

Please list four persons or firms with whom the Applicant or its owners have conducted business transactions with during the past three years. Two references named shall have knowledge of your financial management history, of which at least one must be your principal financial institution. Two of the references must have knowledge of your business expertise.
Name: Sung C Woo Firm: Sam Sung Title: Engineer Address: 1301 E lookowt dr Richerdson 7x 175082 Telephone: 214 218 2246 Nature of business association with Applicant:
Name: Yuma & Lee Firm: University of foxas: Child learning development Title: <u>Student</u> Address: <u>251 greenside dr & 1217 Richardson</u> TX 75080 Telephone: <u>469 258 9734</u> Nature of business association with Applicant:
Name: Jung Lim Firm: Jung up town we Title: owner Address: 1023 & Victoria Ave LA CA 90019 Telephone: 343 620 1236 Nature of business association with Applicant:
Name: $5 \neq e \sqrt{an} \qquad f u$ Firm: $w_{a \leq a \leq b}$; Recticant Title: $Chef$ Address: $9 \geq 50$ w $\geq 1 \leq t \leq f \leq N$ & ≥ 0 in the Telephone: ≥ 14 715 $o \geq 56$ with $K \leq 67$

I hereby certify that the above information is true and correct to the best of my knowledge. Signature: Date:

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2/26/14

Page 5 of 5

RESUME OF YONG KIM

As of February 26, 2014

Name: Yong Kim – President of Lee & Kim LLC.

Address: 905 Richardson Vista Rd. #257 Anchorage, AK 99501

Phone: Mobil 817-600-1115

E-Mail: gil071655@gmail.com

D.O.B.:

SS #:

FOCUS: Trying to establish an opportunity to operate as successful business in City of Homer. I Found a very prosper able restaurant and gift shop in Homer Spit Rd., such as Happy Face Restaurant and General Store and Gift. I had many successful restaurant businesses, gift shops and Hotel in South Korea and throughout in different states and Cities in US.

> I will operate this existing Happy Face Restaurant, General Store and Gift as same as the present owner. I will continuously serve the present menu, so I will take training thoroughly from present owner for one month to learn present menu. I also will add some of popular Korean and Sushi dishes on the menu. I will bring more gift items which will be printed "Happy Face Homer Alaska" on the gift items after closing.

> I have many long term friends who owns travel agencies in Korea, Hong Kong and in US. I will send them lots of invitations to visit Homer. I will also set up Happy Face Restaurant and Gift web site to explore my business and Homer, which will increase sales and revenues.

> I have been looking for this type of business on this type of location like Homer Spit, which, taking care of tourists and to serve good food and unforgettable Homer gifts to tourists to remember this beautiful City of Homer and as well to local community. I fell in love City of Homer at sight and want to stay here for a long time.

PROFILE:

- Patient, confident, and committed in working with a wide range of individuals.
- Goal oriented and well-organized; possess great multi-tasking skills.

As instructed, having the judgment and initiative to make appropriate decisions within my parameters of authority and responsibility.

Quick learner and self-motivated to complete tasks on-time.

EDUCATION

Graduated Paju High School in Korea	1973
Seoul College	1973 - 1975

Marketing, Management and Hospitality courses <u>Hospitality Courses:</u> Hospitality Management; Hotel and Restaurant Sales and Marketing, Hotel Operations Management; Hospitality Services Management, Leisure Travel and Tourism; Legal Aspects of Hospitality, Revenue and Cost Control Management; Financial and Managerial Accounting.

WORK EXPERIENCE

Oriental Garden Rest. INC./CY Edohana Hibach I Position: General Manager/Cook	NC. Grapevine, TX 05/2001 - 10/2013
Branson Restaurant Rockwell, TX Position: Waitress/Cook	05/1999 -05/2001
Soju Bang Restaurant Los Angeles, CA Position: Dinning Manager	05/1988 -05/1999
House Wife New York City, NY	05/1983 – 05/1988
Korean BBQ Paju, South Korea Position: Owner/Cook	02/1978 - 05/1983
Paju Hotel in PaJu, South Korea	01/1975 - 12/1977
Position: General Manager Controlled: Hotel Restaurant, Bar and Hotel attend	lant's and dift shon/con

; Hotel Restaurant, Bar and Hotel attendant's and gift shop/controlling merchandise.

Residence History:

905 Richardson Vista #257 Anchorage, AK	10/2013 - Present
2050 Grayson Dr. Grapevine, TX	12/2009 — 10/2013
138 Henry M. Chandler Dr. Rockwall, TX	01/1999 – 12/2009
Los Angeles, CA	05/1988 – 05/1999
New York City, NY	05/1983 – 05/1988
Pa Ju, South Korea until	05/1983

Yong Kim

President of Lee & Kim LLC.

3/04/14 Date

CITY OF HOMER PROPERTY MANAGEMENT POLICIES AND PROCEDURES

CHAPTER 14: ASSIGNMENTS

14.1 POLICY

It is the policy of the City of Homer to incorporate an assignment provision into the lease document if that is requested by the lessee. Consent to an assignment request shall be conditioned upon receipt of all current and applicable payments and properly submitted documentation. The proposed assignee must also be acceptable to the City of Homer and commit to develop and use the property in a manner acceptable to the City.

14.2 DEFINITIONS

- A. Assignable lease: A lease which contains a provision permitting its assignment by lessee.
- B. Assignment: A transfer of interests or rights to property, real or personal, in possession or in action, or of any estate or right therein. The assignment of a lease is distinguishable from a sublease to the extent that in assigning, the lessee transfers his entire interest and estate in the premises, whereas, in a sublease, the sublessee acquires something less than the lessee's entire interest.

14.3 RESPONSIBILITY

- A. The Lease Committee is responsible for reviewing assignment provisions that may be included in lease documents. The Lease Committee is also responsible for reviewing and making recommendations to the City Council on all requests to assign a City lease.
- B. The City Council is the final authority on all requests to assign.
- C. The City Council may approve assignment of a lease to banks or other financial institutions for financing or other reasons if it determines that to be in the best interest of the City.

14.4 ASSIGNMENT WITH SALE OF BUSINESS

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

1.1

64

City of Homer Property Management Policy and Procedures

Lease Policy

10/4/2010

CITY OF HOMER

PROPERTY MANAGEMENT POLICY AND PROCEDURES

Table of Contents

CHAPTER 1: Lease Policies / Goals, Purpose, and Responsibility3
CHAPTER 2: Lease Committee
CHAPTER 3: Properties Available for Lease
CHAPTER 4: RFP Process / Competitive Bidding7
CHAPTER 5: Lease Application Process
CHAPTER 6: Application / Proposal Evaluation Process
CHAPTER 7: Lease Rental Rates
CHAPTER 8: Reconsideration
CHAPTER 9: Lease Implementation
CHAPTER 10 Improvements14
CHAPTER 11: Length of Leases / Options15
CHAPTER 12: Lease Rate Adjustments
CHAPTER 13 Sub-Leasing

•

CHAPTER 14:
Assignments
CHAPTER 15:
Insurance
CHAPTER 16:
Hazardous Materials
CHAPTER 17:
Performance Standards
CHAPTER 18:
Conclusion of Lease25
CHAPTER 19:
Surplus Equipment Disposal
APPENDICES:
$\mathbf{H} = \mathbf{C}^{\prime}_{1} + \mathbf{C}_{1} + \mathbf{C}_{2} + 1_{2} + 0_{2} + \mathbf{C}_{2} + \mathbf{D}_{2} + \mathbf{C}_{2} + 1_{2} + \mathbf{C}_{2} $
Homer City Code / Chapter 18.08 – City Property Leases. last amendment, Ordinance 04-
<u>22</u>

<u>Resolution 04-25(A)</u>, adopted April 26, 2004. <u>Resolution 07-25(A)</u>, adopted June 25, 2007. <u>Resolution10-77(A)</u>, adopted September 27, 2010.

CITY OF HOMER PROPERTY MANAGEMENT POLICIES AND PROCEDURES

CHAPTER 1: LEASE POLICIES / GOALS, PURPOSE, AND RESPONSIBILITY

1.1 GOALS AND PURPOSE

- A. The property lease management policies contained herein are authorized by HCC 18.08 and are intended to provide guidance, clarity, and standardization for all leasing activities on City owned property.
- B. It is the policy of the City of Homer to lease property when it is in the overall best interest of the City to do so. The City will seek to maximize the value of its assets and lease property for the highest and best use.
- C. It is the policy of the City to implement its leasing program in a fair and nondiscriminatory manner. Opportunities for long term leases on City owned properties will be made available to the public through the RFP process described herein.
- D. It is the policy of the City to lease property for a specific purpose or use. Leasing for the purpose of speculation and/or subleasing land will be discouraged.

1.2 RESPONSIBILITY

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- A. The Lease Committee described herein shall be responsible for reviewing this policy manual and making recommendations to the City Council as needed, advising the City Manager or designee as to terms, stipulations, and negotiating approach with respect to leases, evaluating lease applications, and making recommendation to the City Council regarding proposed leases.
- B. The City Manager or designee is responsible for all lease negotiation activities and for implementing and administering the lease policies and procedures.
- C. The City Council has responsibility for approving and adopting the lease policies and for final approval of all leases over six months in duration.

CITY OF HOMER PROPERTY MANAGEMENT POLICIES AND PROCEDURES

CHAPTER 2: LEASE COMMITTEE

2.1 POLICY

A. It is the policy of the City of Homer to establish and maintain a Lease Committee.

- A. The City Manager shall establish a Lease Committee that will consist of the Finance Director, the City Planner, the Port and Harbor Director, one member of the Economic Development Commission, one member of an additional commission as determined appropriate by the City Manager, and one member of the public. The Manager shall consult with the Chair of the Commissions to determine who from the Commission and who from the public might best serve the Committee and not be subject to conflicts of interest. The Lease Committee may consult with other department heads such as, the Fire Chief, Police Chief and the Public Works Director and the City Manager or outside professionals as needed and appropriate.
- B. The Lease Committee is responsible for:
 - Reviewing the Lease Policies and Procedures as needed and making recommendations to the City Council
 - Advising the City Manager or designee as to the terms, purposes, stipulations and negotiation approach to proposed leases
 - Reviewing all proposed leases and making recommendations to the City Council
- C. In all cases, the Lease Committee shall make recommendations that are consistent with this policy and procedures manual or make specific findings as to why a deviation is warranted and justified.

CITY OF HOMER PROPERTY MANAGEMENT POLICY AND PROCEDURES

CHAPTER 3: PROPERTIES AVAILABLE FOR LEASE

3.1 POLICY

- A. It is the policy of the City of Homer to provide property for lease through a fair, nondiscriminatory, and standardized process that the public can readily understand and support.
- B. It is the policy of the City that public land shall be leased in a way that maximizes the value of City assets, promotes activities and uses that are in the overall best interest of the City, and are consistent with the Comprehensive Plan.

- A. The Lease Committee shall maintain a list of all City properties that have been authorized for lease by the City Council. This list shall be made readily available to the public. The Lease Committee may also develop a list of additional properties, for City Council review, that it recommends should be made available for lease.
- B. The City Council shall identify which City properties are available for lease through its annual land allocation workshop process which includes the Lease Committee, the Planning Commission, the Port and Harbor Commission, and the Parks and Recreation Commission.
- C. All properties identified as available for lease by the City Council shall be subject to the lease policies and procedures contained herein.
- D. All uses and activities on lands made available for lease are subject to the City Comprehensive Plan, zoning ordinances, flood ordinance, subdivision ordinance, and other applicable local, state, and federal laws and regulations.
- E. The City Council may restrict specific City properties to certain uses or classes of use. Such properties will be available for leasing only such uses. The City Council has in the past restricted the use of lots immediately adjacent to the Fish Dock to activities directly related to commercial fishing. Similarly, it has restricted uses on lots adjacent to the Deep Water Dock to marine industrial uses with an emphasis on shipping and cargo handling. The purpose for these restrictions is to encourage growth in targeted economic sectors, to insure that the City receives the maximum benefits from the large investment the public has made in those docks, and to provide land for businesses that require close proximity to the docks in order to operate efficiently and profitably.

CITY OF HOMER PROPERTY MANAGEMENT POLICY AND PROCEDURES

CHAPTER 4: REQUEST FOR PROPOSALS (RFP)

4.1 POLICY

A. It is the policy of the City of Homer that a request for proposals, or a competitive bidding process be used for the leasing of City owned property. Exceptions to this policy may be made by the City Council as per section 10.2.E of these policies and/or under special or exceptional circumstances. The Council shall review recommendations of the Lease Committee and, if an exception is granted, adopt a resolution finding that it is in the public interest and approving the exception.

- A. Properties that are available for lease will be advertised by the Lease Committee through the normal City of Homer public notice process a minimum of one time per year. The Lease Committee shall provide such notice within 60 days of the completion of the annual land allocation process and adoption by the Council of the Land Allocation Plan. The committee may advertise more frequently as needed and appropriate.
- B. Requests for Proposals shall be solicited by the Lease Committee during a time frame identified in the advertisements and proposal submittal documents.
- C. The criteria used to score and rank proposals shall include, but not necessarily be limited to, the criteria listed in the evaluation chapter herein.
- D. The Lease Committee shall review, evaluate, score, and rank all responsive proposals and make recommendations to the Manager. If none of the responsive proposals is satisfactory, the Lease Committee may recommend against all of the proposals. The manager shall notify the City Council of the Committee's recommendations.
- E. The Lease Committee must obtain approval from the City Council before requesting proposals to lease property that is not on the approved list of properties available for lease.
- F. The City Council may by resolution in particular cases approve other bidding or proposal procedures or exceptions to these procedures.
CHAPTER 5: LEASE APPLICATION PROCESS

5.1: POLICY

- A. It is the policy of the City of Homer to provide for a streamlined, standardized, and easily understood lease application process. A full and complete application packet shall be provided to all applicants. Applicants must be qualified under Section 18.08.50 of the Homer City Code.
- B. The City administration will provide for pre-application meetings with all potential applicants to provide relevant information on things like land use regulations, lease policies, the permitting process, and other relevant topics.

- A. A responsive lease application / proposal shall include:
 - 1. A completed application form provided by the City
 - 2. Any applicable fees
 - 3. A clear and precise narrative description of the proposed use of the property
 - 4. A specific time schedule and benchmarks for development
 - 5. A proposed site plan drawn to scale that shows at a minimum property lines, easements, existing structures and other improvements, utilities, and the proposed development including all structures and their elevations, parking facilities, utilities, and other proposed improvements.
 - 6. Any other information that is directly pertinent to the proposal scoring criteria contained herein
 - 7. All other required attachments requested on the application form including, but not limited to, the following documentation: applicant information, plot plan, development plan, insurance, proposed subleases, environmental information, agency approvals and permits, fees, financial information, partnership and corporation statement, certificate of good standing issued by an entity's state of domicile, and references.
 - 8. Any other information required by the solicitation or request for proposals.

CHAPTER 6: APPLICATION / PROPOSAL EVALUATION PROCESS

6.1 POLICY

A. It is the policy of the City of Homer to provide for a fair, standardized and objective proposal evaluation process.

- A. All lease proposals shall be evaluated and scored by the Lease Committee.
- B. The Criteria for evaluating proposals shall include but is 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 proposed 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 of spin-off economic development, or the value of improvements left behind upon termination of the lease.
 - 9. Other long term social and economic development.
- C. Lease Rental Rates
 - 1. The determination of lease rental rates is addressed in Chapter 7.
- D. After evaluating and scoring the proposals, the Lease Committee shall make a recommendation on a successful bidder to the City Council. The recommendation shall be contained in the form of a memorandum from the City Manager to the City Council that appears on the consent calendar of a regular meeting agenda. If a recommendation to approve a proposal is adopted, the Manager or his designee shall finalize a lease document for presentation to Council for approval. If the Council approves the lease, it will not be executed until the period for reconsideration under section 8.3 passes.
- E. Final approval of long term leases (more than six months) rests with the City Council. The Council shall either:
 - 1. Approve the proposed lease
 - 2. reject the proposed lease; or
 - 3. remand the unapproved lease to the Manager with comments

CHAPTER 7: Lease Rental Rates

7.1 POLICY

It is the policy of the City of Homer to provide for a lease rental rate structure that stimulates business activity, promotes the best use of City land, and maximizes the value of City owned real property.

- A. Lease Rental Rates Generally
 - 1. All property shall be leased at no less than "fair market rent". Fair market rent is defined as the rental income that a public and 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.
 - 2. Payment of a higher than market rent resulting from an applicant's proposal is generally in the public interest and will help to establish fair market rent using current market forces.
 - 3. The City Council may establish a minimum rent or "asking price." It may set the 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.
 - 4. The Council may approve a lease of City land for less than fair market rent, minimum rent, or uniform rental rate 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.
- B. Rental Rate Determination: Lease rental rates shall be determined by periodic appraisals scheduled and paid for by the City.

CHAPTER 8: RECONSIDERATION

8.1 POLICY

It is the policy of the City of Homer to provide for a reconsideration process so that a fully responsive bidder may seek remedies to actions by the City Council that he or she may believe are in error, unfair, or otherwise unsatisfactory. The reconsideration provisions apply only to final approval of a lease by the City Council.

8.2 RESPONSIBILITY

- A. The City Council is responsible for hearing reconsiderations and for making the final determination on them.
- B. The City Manager is responsible for providing all required staff support necessary to assist the Council in hearing and deciding reconsiderations.

8.3 PROCEDURE

- A. A fully responsive bidder who believes that the City Council final action on the terms of a proposed lease is unsatisfactory may request a reconsideration.
- B. Reconsideration Process:
 - 1. A written request for reconsideration must be filed by a fully responsive bidder with the City Clerk within 15 days of the City Council action which is to be reconsidered. Any decision for which reconsideration is not requested within that period shall become final.
 - 2. The City Clerk shall schedule the matter for reconsideration before the City Council at an appropriate regular meeting.
 - 3. The person requesting reconsideration and all parties involved in the Council action to be reconsidered, shall be notified by the Clerk of the reconsideration request and the date upon which the Council will reconsider. Such notice shall be given not less than 15 days prior the scheduled reconsideration.
 - 4. An electronic tape recording shall be kept of the entire reconsideration proceeding and typewritten minutes shall be prepared. The electronic tape recording shall be preserved according to the City's records retention policy at the time.
 - 5. The decision of the City Council on reconsideration shall be final. There shall be no appeal.

CHAPTER 9: LEASE IMPLEMENTATION

9.1 POLICY

It is the policy of the City of Homer that all leases shall be negotiated and administered in a fair, standardized, and professional manner that is consistent with the Homer City Code and these policies and procedures.

- A. The Lease Committee and the City Manager shall develop a standardized ground lease document that contains standard provisions applicable to all ground leases. Similarly, the Lease Committee and the City Manager may develop one or more standardized building leases (as many as necessary to apply to each City building available for leasing) containing standard provisions applicable to all leases of space in a city building. The standard lease documents shall be reviewed by the City attorney and approved by the City Council. Standard lease documents provide the baseline requirements and conditions of all city leases. They are the starting point in negotiations and are subsequently structured and modified to meet the specifics of the development proposal with respect to things like term, lease rate, allowed uses, required insurance, and so on.
- B. The terms and conditions of each lease shall be reviewed by the Lease Committee prior to execution. The committee shall make recommendations on terms and conditions to the Manager and the City Council.
- C. The City Manager or designee is responsible for lease negotiations, including any negotiated changes in the standard lease terms. The Manager shall take into consideration the following when negotiating the terms of a lease:
 - 1. the nature of the proposed use
 - 2. the type and cost of the improvements to be placed on the property
 - 3. the period of time required to amortize the improvements
 - 4. the overall benefit to the City
 - 5. consistency with the Comprehensive Plan and all other relevant land use codes and regulations
 - 6. the public need and benefit
 - 7. the date of commencement and completion of improvements
 - 8. the value and usefulness of buildings, structures, and other permanent improvements that will remain on the City's land after termination of the lease.
 - 9. other factors deemed relevant by the Lease Committee or the City Manager.
- D. The determination of lease rental rates is addressed in Chapter 7.

- E. All leases and attachments, or in the direction of the City Manager a memorandum of lease, shall be recorded in the proper recording office by the Clerk's office. The Lessee is responsible for the recording fees.
- F. All leases must require the lessee to comply with applicable zoning, parking, sign, flood, and other pertinent local ordinances and state and federal statutes and regulations.
- G. If a lease is awarded, an as-built survey including elevations performed by an RPLS(Registered Professional Land Surveyor) shall be provided to the City within 6 months of completion of permitted or required development or requirements under the lease. Each additional structure or significant improvement shall require an additional or updated as-built except that the Manager may waive the RPLS requirement. The lessee will be required to subdivide and replat city owned parcels if the lease so requires. All surveys are to be provided by the lessee at his/her expense.
- H. At the time each as-built 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 Alaska Certified General Appraiser.
- 1. All development requirements and_performance standards contained in the lease shall be strictly enforced and if not complied with or negotiated for modification as per 10.2.B, shall be cause for the lease to be terminated.

CHAPTER 10: IMPROVEMENTS

10.1 POLICY

It is the policy of the City of Homer that all improvements installed, maintained, occupied, and used on leased City property shall be strictly monitored and shall be consistent with the terms and conditions of the lease and all other applicable codes and regulations.

10.2 IMPLEMENTATION

- A. Construction of improvements on leased properties shall take place only after review and approval of the construction plans by the Lease Committee and all applicable permits and legal requirements are secured.
- B. Construction of improvements that are not consistent with the lease agreement are prohibited unless they are approved by an amendment to the lease approved by the City Council. The amendment is subject to the same review process as initial leases.
- C. All improvements constructed upon leased property become the property of the City upon termination of the lease unless otherwise provided in the lease, or agreed to by the parties in writing, the lessee shall on or before the lease termination date remove all improvements the lessee is authorized or required to remove and restore the property to the same condition it was in at the time the lease was executed by the lessee.
- D. Lessee shall be responsible for all municipal property taxes on the leasehold interest in the real property and improvements and sales taxes on the rent payments.

CHAPTER 11: LENGTH OF LEASES / OPTIONS

11.1 POLICY

It is the policy of the City of Homer that the duration of all leases including all options shall be consistent with the provisions of Chapter 18.08 of the Homer City Code and the provisions of these policies and procedures.

- A. The initial term of leases shall be related to a large degree upon the magnitude of the lessee's financial investment and the value and usefulness of improvements that lessee will make and leave on the property upon the termination of the lease. It shall also be related, to a lesser degree, upon lessee's financing and the reasonable amortization requirements of the lessee and financing agency. Generally speaking, the larger the investment, and the greater the value and usefulness of permanent improvements that will remain on the property after termination of the lease, the longer the lease period.
- B. Leases that extend beyond 30 years (including all options) will be treated as exceptional and shall be evaluated on a case by case basis.
- C. Leases shall contain no more than two options for renewal and each option shall be for no more than 25% of the length of the initial base term. The exercise of any option shall be dependent upon lessee not being in breach of any provisions of the lease at that time.
- D. If the lease or the lessee's approved development plan provides for utilization of the lot for several months a year and the lessee installs improvements or infrastructure, occupies the lot (by persons or things), or does anything else that precludes or devalues utilization of the lot for the remainder of the year by the City or another party, the lessee shall pay either a premium rent for the months the parcel is actually in use or fair market rental for the entire lease year.
- E. It is the policy of the City that equal opportunities should be provided to compete for leasing available public property. A lessee whose initial lease and all options have expired shall have no automatic right of further renewal or extension. In general, it is the policy of the City that the Lease Committee shall offer such properties to the public through the RFP/competitive bidding process described herein.
- F. Lease Renewals: The City Council, after reviewing a recommendation from the Lease Committee, may elect to not require a competitive bidding process for a property whose lease has expired (including all options) if it finds that it is in the best interest of the City to enter into a new lease agreement with the current lessee. If the current lessee is interested in entering into a new lease agreement, he/she must indicate so in writing to the City Manager at least 12 months prior to

the expiration of the lease and submit a formal lease application/proposal for evaluation by the Lease Committee. The City will review the application but is under no obligation to enter into a new lease. If the Council chooses to approve such a new lease without a competitive process, it must approve such new lease by resolution within six months that includes a finding that it is in the public interest to do so, after consideration of relevant facts including, but not limited to, the following:

- 1. The lessee's past capital investment and binding commitment to future capital investment
- 2. The lessee's financial condition and prior lease history
- 3. The number of persons employed and the prospects for future employment
- 4. Tax revenues and other financial benefits to the City of Homer anticipated in the future if the lease is renewed.
- 5. Consistency of the past use and intended future use with all applicable 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 benefits to the City of Homer.
- 7. Other social, policy, and economic considerations as determined by the Council
- G. Short Term Leases
 - 1. A short term lease of 6 months or less may be approved by the City Manager after review and recommendations by the Lease Committee.
 - 2. Short term leases are not required to go through the competitive bidding/PFP process described herein
 - 3. Short term leases shall not include renewable options and no consecutive short term leases for the same property to the same lessee may be issued without the approval of the City Council.
 - 4. Applicants for short term leases must go through the formal application process described herein.
 - 5. The City Manager will advise the Council through memorandum or the Manager's report of all short term leases.
- H. At the expiration or termination of a lease the City may negotiate to reimburse the lessee for improvements at fair market value, and then issue a request for proposals offering the lot and improvements as a package.

CHAPTER 12: LEASE RATE ADJUSTMENTS

12.1 POLICY

It is the policy of the City of Homer to adjust lease rental rates from time to time in order to compensate for inflation, increases in the cost of living, and changing real estate market conditions.

- A. All leased properties shall be appraised every fifth year. The appraisal shall be conducted by an Alaska Certified General Real estate Appraiser. Appraisals shall be subject to the following:
 - 1. The lease rate shall be adjusted upward based upon increased property appraisal values. This periodic adjustment compensates for changing market conditions in the area by determining the fair rental value. In the event that an appraisal reveals that fair market rent has declined, the lessee may petition the City for an amendment to the lease and reduction in the lease rate. The City is under no obligation to do so. Any reduction in lease rates must be approved by the City Council and the motion to do so must include a statement regarding why the action is in the public interest.
 - 2. During the month of January each year, the City will contract with an Alaska Certified General Real Estate Appraiser to appraise all leased parcels which are due for their five year appraisals in that year. The appraisals will be bundled and conducted at the same time under the same contract in order to reduce costs. The City will select the appraiser and bear the cost of the appraisal.
 - 3. The newly adjusted lease rate determined by the appraisal will take effect on the anniversary date of the lease.
- B. In addition, all rental rates shall be adjusted annually based upon changes in the Anchorage Consumer Price Index (CPI). No CPI adjustments shall be made in the initial year of the lease or in any year in which an appraisal adjustment occurs.

CHAPTER 13: SUB-LEASES

13.1 POLICY

It is the policy of the City of Homer that City land should be leased for a specific use or purpose approved by the City. City land shall not be leased for the purpose of speculation. Individual business structures unrelated to the primary permitted use that are owned by the lessee or subtenants of the lessee shall be discouraged.

- A. If a potential lessee intends to sub-lease City owned property, this intention shall be clearly stated and described in the original lease application and proposal.
- B. In order for a sub-lease to be approved, the right to sub-lease, and the terms and conditions thereon, must be specifically included and stated in the underlying base lease.
- C. All sub-leases must be in writing and executed by the parties. All sub-leases must approved by the City Council after a recommendation is provided by the City Manager and the Lease Committee. Approval must be granted prior to occupancy of the leased premises by the sub-tenant.
- D. All amendments to sub-leases must be in writing and approved by the City Council prior to becoming effective.
- E. Sub-leasing shall not be used as a method to accomplish the transfer of interest in the entire leasehold.
- F. All sub-leases must comply with applicable zoning, parking, sign, flood, and other applicable local ordinances and state and federal statutes.
- G. All sub-leases are subject to the base lease and all sub-tenants must comply with the relevant provisions of the base lease as identified by the Lease Committee. Sub leases of City land are subject to additional rent pursuant to HCC 18.08.120.
- H. Sub-leasing within a building may be approved provided that the terms and conditions of such are clearly set out and described in the original base lease.
- I. Partnerships: The City may consider and approve a lease and development plan that consists of two or more independent businesses that finance, construct, and occupy the same building or improvements. The businesses, business relationship, and proposed uses must be approved by the City in advance. Partnerships such as this are not considered to be a sub-lease.
- J. Developers/Investors: The City may consider proposals from developers who wish to construct buildings and/or other improvements for the purpose of subleasing, if all tenants of the building or land are engaged in activities that are permitted by applicable zoning codes and restricted uses as approved by the Council in effect at the time. The lessee will be in violation of the lease if he/she sub-leases for uses other than those permitted by the lease.

- A. If a lessee with an assignable lease wishes to assign, the City must first make a determination that the lessee is current and not in default with respect to lease payments, taxes, and other fees that may be owing, and in compliance with any other relevant terms and conditions of the base lease. If the lessee is in good standing and eligible to assign, the following procedures will apply.
- B. The lessee shall request approval of lease assignment in written form and submit a lease assignment document(s) to the Lease Committee.
- C. The Lease Committee shall review the request and assignment document(s), determine whether the proposed assignee is qualified under HCC 18.08.050, and meet with assignee to ascertain whether the assignment would be beneficial to the interests of the City.
- D. The assignee shall submit a new lease application form complete with all attachments and proposals following the process described herein for lease applications, and submit it along with any applicable fees to the Lease Committee for review.
- E. The Lease Committee shall review the application and proposal using the application evaluation criteria described herein.
- F. The Lease Committee shall make a recommendation on the assignment to the City Council for final action.

CHAPTER 14: ASSIGNMENTS

14.1 POLICY

It is the policy of the City of Homer to incorporate an assignment provision into the lease document if that is requested by the lessee. Consent to an assignment request shall be conditioned upon receipt of all current and applicable payments and properly submitted documentation. The proposed assignee must also be acceptable to the City of Homer and commit to develop and use the property in a manner acceptable to the City.

14.2 DEFINITIONS

- A. Assignable lease: A lease which contains a provision permitting its assignment by lessee.
- B. Assignment: A transfer of interests or rights to property, real or personal, in possession or in action, or of any estate or right therein. The assignment of a lease is distinguishable from a sublease to the extent that in assigning, the lessee transfers his entire interest and estate in the premises, whereas, in a sublease, the sublessee acquires something less than the lessee's entire interest.

14.3 RESPONSIBILITY

- A. The Lease Committee is responsible for reviewing assignment provisions that may be included in lease documents. The Lease Committee is also responsible for reviewing and making recommendations to the City Council on all requests to assign a City lease.
- B. The City Council is the final authority on all requests to assign.
- C. The City Council may approve assignment of a lease to banks or other financial institutions for financing or other reasons if it determines that to be in the best interest of the City.

14.4 ASSIGNMENT WITH SALE OF BUSINESS

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

CHAPTER 15: INSURANCE

15.1 POLICY

It is the policy of the City of Homer to require lessees to carry general public liability insurance, environmental insurance if appropriate, workers compensation insurance, and any other insurance coverage determined to be necessary by the City in order to protect City assets and the public interest.

- 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 million coverage per occurrence for bodily injury (including death) and property damage. The City of Homer 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 million in environmental insurance (Environmental Impact Insurance and/or Environmental Clean-up Policy, or the equivalent subject to review and approval by the City Manager) with the City of Homer as an additional insured. Environmental Insurance for the purposes of City leasing procedures shall meet the standards of the Environmental Insurance Requirement document attached as Appendix A to these policies. The following procedures apply in determining whether a significant risk of environmental contamination is present:
 - 1. 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.
 - 2. If the City determines that a significant risk is present, the environmental insurance requirement shall apply.
 - 3. Recommendations by the Manager and Lease Committee on environmental insurance are subject to final approval by the Homer City Council through the lease approval process.
 - 4. The following arc examples of uses that generally will not involve a significant risk of environmental contamination. This list is not exhaustive or all inclusive and is provided for illustrative purposes only: restaurants, retail/charter businesses, commercial fishing gear storage (provided the storage does not include fuels, lubricants, hydraulic fluids, and solvents, or machinery containing any of them, campgrounds, entertainment establishments, drinking establishments, and the ordinary use of commonly used household cleaning agents and office products.

- 5. The following are examples of uses that generally will involve a significant risk of environmental contamination. This list is not exhaustive and is provided for illustrative purposes only: a) Storage or processing of logs, chips & other wood products, b) sale, manufacture, distribution, fueling of equipment, or storage of petroleum products, c) repair shops involving the use of solvents, d) activities in the tidelands or in close proximity to environmentally sensitive areas, e) the use of drums to collect, transport, or store waste oil, solvents, or other hazardous materials, f) the use of hazardous materials in manufacturing or processing, g) storage of hazardous waste in quantities sufficient to trigger reporting obligations under the Resource Conservation and Recovery Act, h) outside use or storage of equipment with a risk of leaking fuels, lubricants, solvents or hydraulic fluid.
- C. Certificates of Insurance showing the required insurance is in effect and identifying the City of Homer as an additional insured shall be provided to the City of Homer initially 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.

CHAPTER 16: HAZARDOUS MATERIALS

16.1 POLICY

It is the policy of the City of Homer to require that all lessees on City owned property take the precautions necessary to protect city property and the surrounding environment from pollution and contamination. All leases of City property, whether they are subject to the Environmental Insurance Requirement or not, shall include terms which impose the minimum requirements for environmental protection set out below.

- A. The lessee shall not allow hazardous materials to be used or kept on City property, except as specifically permitted or necessary for the lessee's lawful use and approved of the property.
- B. The lessee's use of hazardous materials, if permitted, shall comply will all applicable laws and regulations.
- C. The lessee shall not pollute or contaminate the environment with discharges, leaks, or emissions of hazardous materials.
- D. The lessee shall be required to promptly notify the appropriate authorities and the City of any discharge or spill and to clean up the impacted area at lessee's own expense in compliance with applicable laws.
- E. Lessee shall be fully liable for all damages, costs and expenses related to a violation of the terms of the lease with respect to the use, storage, cleanup, remediation, or disposal of hazardous materials.

CHAPTER 17: PERFORMANCE STANDARDS

17.1 POLICY

It is the policy of the City of Homer that leased properties and the improvements on them shall be maintained in a way that provides for the health and safety of the community, and is consistent with community values with respect to zoning, aesthetics, architecture, and other values as determined by the City Council.

- A. All properties leased by the City are to be maintained in a proper, safe, clean, and orderly fashion taking into consideration its permitted use, surrounding, properties, zoning, and other applicable laws and regulations.
- B. The City of Homer reserves the right to enter leased property and the structures thereon at all reasonable times. This includes regular annual inspections.
- C. All commercial structures shall at all times be in compliance with applicable building, fire, mechanical, electrical and other regulations.
- D. Applicable building code and fire marshal inspections must be performed and certified to the City upon completion of all renovations, remodels, and / or new construction.
- E. Easements or Rights-of-Way on the leased parcel shall not be used in any way that interferes with the rights of the holders or any person(s) lawfully using the easement or right-of-way.
- F. Easements or Rights-of-Way outside of the leased parcel and/or immediately adjacent to it shall not be used for storage, parking, or any other authorized uses.
- G. Failure to comply with the performance standards listed in this section or any other provisions or stipulations contained in the lease are grounds for termination of the lease if the lessee does not rectify the problem after reasonable notice by the City.

CHAPTER 18: CONCLUSION OF LEASE

18.1 POLICY

It is the policy of the City of Homer to provide for a smooth transition and the restoration of City property at the time a lease expires.

- A. Improvements constructed by the Lessee or sub-lessees shall be left in place unless removal is authorized or required by the provisions of the lease. If the lease authorizes or requires removal of improvements, they may be removed prior to the conclusion of the lease if doing so would not damage the leased property or adjoining properties. Removing improvements shall be coordinated with and approved by the City Manager prior to commencement of activities.
- B. Unless otherwise agreed by the parties, when the lessee is authorized or required to remove improvements, the lessee shall remove all improvements made on the property by lessee prior to termination of the lease.
- C. When authorized or required to remove improvements, if lessee fails to do so prior to the termination date of the lease, lessee shall forfeit the improvements to the City and shall receive no compensation therefore, or, at the City's election, pay to the City the costs incurred by the City in removing and disposing of the improvements.
- D. Unless otherwise provided in the lease, or agreed to in writing by the parties, the lessee shall restore the property to the same condition it was in at the time the lease was executed by the lessee.
- E. An environmental inspection (Phase I, plus further testing, including test holes if the need for such further testing is indicated by the Phase I inspection) shall be completed at the termination of the lease at the lessee's expense. Identified environmental problems shall be rectified by lessee at his/her expense.