



# City of Homer

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## Office of the City Manager

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## Memorandum 18-076

TO: Mayor Zak and Homer City Council  
FROM: Katie Koester, City Manager  
DATE: June 6, 2018  
SUBJECT: Memo to clarify proposed changes to Ordinance 18-16 by City Attorney and Port and Harbor Commission

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The purpose of this memo is to provide an overview of the proposed changes before you in Ordinance 18-16(S) both by the City Attorney and the Port and Harbor Advisory Commission who has spent 2 meetings reviewing the Ordinance.

Changes from the Attorney:

Ordinance 18-16(S) before you includes changes recommended by the City Attorney that provide clarity and are detailed in the track changes /notes version of 18-16(S) in the packet.

Changes from the Port and Harbor Commission:

Changes proposed by the Port and Harbor Commission are *not* included in the substitute (Ordinance 18-16(S)) and will need to be adopted by Council by motion by referencing the items below. Memo 18-059 details recommendations from the Port and Harbor Commission from their March meeting and Memo 18-075 their May meeting. Please keep in mind the exact line references in the memos may be off given they were working from different versions. Use sections of code instead of line number as a reference. The changes they proposed are summarized below.

1. Reinstating the annual adjustment of leases based on the Anchorage Consumer Price Index.  
18.08.075(f) (new subsection) and in title.
2. Requiring the terms of the lease to remain the same with the transfer of the lease.

Upon further clarification with the sponsor of the amendment, staff recommends adding the language below to section 18.08.160(e).

(e) Where a lessee intends to assign the lease as part of a sale of the business located on the leased lot, the person who intends to purchase the business may apply to extend the lease term to allow the continuation of the business and to secure financing for the purchase of that business. **Any significant changes in the terms (use) of the existing lease must be reviewed by the Port Commission and approved by City Council by Resolution as an amendment to the lease.**

3. Require an appraisal at time of lease transfer in addition to new leases. Allow an appraisal to serve as valid if it was done within 2 years of time of renewal of a lease (up from place holder of 1 year proposed by City Attorney). 18.08.100(a-c).
4. Clarifying the language regarding the length of time allowed for options to renew in a lease in 18.08.110(a).

a. Leases may contain no more than two options to renew and each option must be ~~for less than~~ **not to exceed** 25% of the length of the initial lease term.

#### Attachments

Memorandum 18-035 from City Attorney Wells

Memorandum 18-059 from Port and Harbor Advisory Commission

Memorandum 18-075 from Port and Harbor Advisory Commission