



## Memorandum 19-024

TO: HOMER CITY COUNCIL  
FROM: HOMER PORT AND HARBOR ADVISORY COMMISSION  
THRU: KATIE KOESTER, CITY MANAGER  
DATE: FEBRUARY 5 2019  
SUBJECT: ALASKA CUSTOM SEAFOODS -BRAD FAULKNER LEASE APPLICATION

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\*Note: Commissioner Carroll disclosed a conflict of interest regarding the agenda item listed above due to a business rental agreement with the property under consideration and removed himself.

On August 22, 2018 the Port and Harbor Advisory Commission was presented with a submitted lease application from Alaska Custom Seafoods to amend their current lease development plan and it was requested that the Port and Harbor Advisory Commission review and make a recommendation to City Council regarding the submitted application. At the time of the August 22 meeting the motion was made to recommend to council to not approve the Alaska Custom Seafoods lease amendment Application. Vote. Non-Objection. Unanimous Consent.

Taken from the August 22, 2018 meeting minutes:

*“The commission deliberated over the lease application, with questions, answers, and comments regarding:*

- *Number of businesses on the property/changes in use*
- *Insufficient financial information in the application*
- *Clarification on lessee’s responsibility to provide Certificate of Insurance; staff had only received confirmation of insurance by calling the lessee’s insurance company*
- *Staff’s recommendation; the City Manager considered it incomplete*
- *Timeframe given to lessee to meet lease deadlines*
- *Concerns regarding the incompleteness of the application*
- *Default status due to not meeting lease deadlines*
- *Continued issues with late payments”*



Alaska Custom Seafoods/Faulkner was notified in writing of the commission's decision and rather than continue forward to council with his incomplete application had chosen to take additional time to gather the documents needed to complete and resubmit his lease application for consideration. Changes to the lease application and information presented with regard to the meeting minutes listed above are as follows:

- The decreased number of businesses on the property and proposed changes in use remain the same
- Financial information has now been provided to the City
- Proof of current Insurance has now been provided to the City
- The application is now considered complete
- The lease is still in a current default status due to not meeting lease deadlines in regards to the property development plan outlined in the lease agreement
- Alaska Custom Seafoods/Faulkner has signed up for Automatic monthly payment of his bills to attempt to correct the late payment issue. The account is currently paid in full within the due date for the month of January 2019.

The decreased number of businesses on the property and proposed changes to the property development plan are Alaska Custom Seafoods' response to being out of compliance with the current lease contract. They wish to make their lease contract match their existing conditions to remedy the default status of the lease without a required further construction timeline.

On January 23 2019 the Port and Harbor Advisory Commission reviewed the re-submitted lease application by Alaska Custom Seafoods requesting an amendment to its current lease to change the development plan to match existing conditions on the lot to remedy the default status of the lease. After consideration of all of the above listed material and information the Port and Harbor Advisory Commission made the following recommendation:

Recommendation: The Port and Harbor Advisory Commission moved to recommend to City Council the approval of the proposed amendments to the Alaska Custom Seafoods lease with the contingency that any further default issues will be immediately brought back to the Port and Harbor Advisory Commission for consideration to recommend further action by the City Manager and/or City Council.