



# City of Homer

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Port and Harbor

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## Memorandum 19-032

TO: MAYOR CASTNER AND CITY COUNCIL

THRU: KATIE KOESTER, CITY MANAGER

FROM: PORT AND HARBOR ADVISORY COMMISSION

DATE: MARCH 5, 2019

SUBJECT: SNUG HARBOR SEAFOODS, INC. LEASE RE-ASSIGNMENT TO COPPER RIVER SEAFOODS, INC.

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On February 27, 2019, the Port and Harbor Advisory Commission reviewed and discussed the lease re-assignment request from Snug Harbor Seafoods, Inc. and the new lease proposal from Copper River Seafoods Inc., which has assumed ownership of all Snug Harbor Seafoods, Inc. assets in Homer.

- The rates and agreed upon improvements to the property are the same as the preceding 2014 lease with Snug Harbor. Improvements to the property include completing the construction of a 2,300 sq. ft. fish buying building, for which Planning Dept. permission, Fire Marshal approval, and the construction of the foundation were procured/completed by Snug Harbor. The start date for construction of the building would be in 2020.
- The Snug Harbor lease is currently set to expire on April 30, 2034 with two, 5-year extensions, giving a possible end term as late as April 30, 2044. Copper River Seafoods Inc. has requested a 20 year lease with extension. City Code requirements dictate a standard new lease term of 20 years with a maximum of two, 5-year extensions, which would set the new original lease term to expire on March 31, 2039 and with extensions give a possible end term of up to March 31, 2049.

There are no compliance issues with the current lease held by Snug Harbor Seafoods, and Copper River Seafoods' lease application is complete. This lease re-assignment will also update the lease to reflect the new and current code requirements.

The Commission reviewed the application, checklist, and the approval recommendation from the City Manager; below is an excerpt from the Commission's minutes regarding this topic:

- A. Copper River Seafoods' Lease Application- Re-assignment of Snug Harbor Seafoods' Lease
  - i. Memo from Port Director Re: Copper River Seafoods' Lease Application
  - ii. Lease Application Checklist & City Manager Recommendation
  - iii. Copper River Seafoods Lease Application

The commission held brief discussion on the lease, how the finances seemed in order, construction plans for the new facility, and its approval from Harbor Staff and the City Manager.

ULMER/CARROLL MOVE TO RECOMMEND TO CITY COUNCIL TO APPROVE A LEASE RE-ASSIGNMENT FROM SNUG HARBOR SEAFOODS TO COPPER RIVER SEAFOODS, AND RECOMMENDING CITY COUNCIL APPROVE THE RE-ASSIGNMENT AND NEW LEASE TERMS.

There was no further discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT

Motion carried.

**Recommendation:**

The Port and Harbor Advisory Commission recommends that City Council approve a lease re-assignment from Snug Harbor Seafoods to Copper River Seafoods, and that City Council approve the re-assignment and new lease terms.