



City of Homer

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Port and Harbor

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Memorandum 20-139

TO: HOMER CITY COUNCIL

FROM: HOMER PORT AND HARBOR ADVISORY COMMISSION

THRU: ROBERT DUMOUCHEL, CITY MANAGER

DATE: SEPTEMBER 2 2020

SUBJECT: SPORT SHED LEASE TRANSFER FROM AKSNOWGRL-KUMFER TO HOMER ENTERPRISES-ASHMENT

This lease was last transferred via Resolution 19-001 from Homer Enterprises LLC to AKSnowGrl Rentals LLC/Ms. Kumfer as part of a sale of the Sport Shed business. AKSnowGrl Rentals LLC acquired the business using owner financing at the time of sale; this agreement was made through a promissory note signed between the two parties. On July 10, 2020 Ms. Kumfer/AKSnowGrl made a request to relinquish all leasehold interests so that the business could go back to Mr. Ashment of Homer Enterprises LLC. In a letter dated July 13, 2020, Mr. Ashment's attorney further explained that "Unfortunately Ms. [Kumfer] was not able to profitably operate the business. Mr. Ashment has been forced to exercise his rights as a secured creditor to take back possession of the business." Both parties are requesting a lease transfer of the City land lease for the Sport Shed from AKSnowGrl/Kumfer back to Homer Enterprises/ Ashment.

Tabor Ashment as part of his lease application has also requested that the annual rent on the property be adjusted to the amount listed as fair market value in the property's last appraisal.

The property has erosional conditions and there was a decrease in appraised land value in the 2019 assessment. Mr. Ashment has provided receipts that, in total, amount to \$75,498.15 from 2018 and 2019, all pertaining specifically to revetment and wall construction, gravel infill, and replacement of soils to protect against erosion of the property. The most recent land appraisal of the lot details this same beach erosion of the lot, with accompanying photos, as the main reasoning for the decrease in appraised value. (see attached) Current annual rent is \$16590.48. Adjusted to fair market appraised value, annual rent would be \$4925.46. Should erosional conditions change toward positive improvement in the future, the lease is written to increase to the newly appraised fair market rent at every 5 year assessment period per Section 4.02(a) of the lease.

The lease transfer request and reduction in annual rent to match the current appraised fair market property value were reviewed by the Port and Harbor Advisory Commission at their August 26 2020

meeting. After discussion, the commission decided in favor of both. A motion was made and passed to recommend that council approve the lease transfer from AKSnowgrl Rental LLC to Homer Enterprises, LLC and to match the base rent to the appraised fair market value.

RECOMMENDATION

Approval of the lease transfer of AKSnowgrls back to Homer Enterprises and a change in annual base rent to match current fair market value for the property via Resolution.

Attached: 2019 Land Appraisal-Sport Shed
Ashment's submitted Erosional Mitigation Costs
Pages from HCC 18.08.100 Appraisals