



# MEMORANDUM

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**Resolution 23-080, A Resolution of the City Council of Homer, Alaska Approving a Sublease Assignment at the Homer Airport Terminal to Sterling Airways DBA Aleutian Airways, an Alaskan Corporation for 3 years with Option for (2) Nine Month Extensions and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents.  
City Manager**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Castner and Homer City Council  
**Date:** 09 August 2023  
**From:** Bryan Hawkins, Port Director  
**Through:** Rob Dumouchel, City Manager

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Sterling Airways dba Aleutian Airways has submitted a lease application requesting a new short term lease at the Homer Airport Terminal for the purpose of conducting scheduled charter passenger air carrier operations.

The Homer Airport Terminal building is owned by the City of Homer, while the land is leased to the City by the State of Alaska. The lease with the State has a five year term remaining, beyond which the City cannot sublease space long term within the terminal. There is a provision for a month to month continuation of both the City lease with the State and for subleases within the terminal building. HCC 18 specifies within it that lease options to renew are limited to 25% of the original term. Aleutian Airways has requested a 3 year term with 2 extensions (restricted to 9 months each). This combination will take us close to the end date of our own land lease with the State, but shall not exceed it. Aleutian Airways will be operating through the 3<sup>rd</sup> counter area in the cargo wing and have expressed intent to enter into a services agreement/arrangement with Kenai Aviation for assistance with turning their planes around and baggage handling.

The City Manager and Lease Staff have reviewed the request and found the proposal to be compatible with applicable regulations and meets the criteria outlined in City Code.

## **Recommendation**

Adoption of Resolution 23-080