



MEMORANDUM

Ordinance 25-26, Affirming the Ground Lease and Security Agreement between the City and Tackle Shack Co., LLC., for a Portion of Lot 5, as shown on the Subdivision Plat entitled HOMER SPIT, filed as Amended Plat Number 89-34, Homer Recording District, State of Alaska, also known as Kenai Peninsula Borough Tax Parcel No. 181-03-105 and Authorizing the City Manager to Execute Termination of Lease Documents for Previously Superseded Leases. City Manager/Port Director.

Item Type: Back-Up Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: March 10, 2025
From: Mark Bowman, Port Property Associate
Through: Melissa Jacobsen, City Manager

Tackle Shack Co, LLC, ('Tackle Shack') has a lease with the City for a property located at 3815 Homer Spit Road. First American Title, in conjunction with the City, reviewed the property records for the parcel. The title agent identified that the Tackle Shack property has previous leases that have not been formally terminated but should be so that the transactional record is corrected. A summary of the lease background is presented below along with the typical approach to processing assignment requests from lessees.

BACKGROUND AND APPROACH

A lease for this property was originally awarded by Council in 2009 to Homer Enterprises, LLC. Since that time, that same lease for this property has been assigned three times. Each assignment has been approved by City Council via resolution. The internal process for assignment of leases at the time was to secure approval from Council for the assignment, then to execute a 'clean copy' of the City's base lease with the new tenant.

The typical procedure is to execute an Assignment of Lease document, which together with the original lease document will constitute the full agreement between the City and the new tenant. After reviewing the facts, the recommendation of the City Attorney was to bring an Ordinance to City Council affirming the validity of the current lease with Tackle Shack and authorizing the City Manager to sign Termination of Lease documents to formally terminate the copies of the lease signed by previous leaseholders.

Timeline of events:

- February 23, 2009 [Resolution 09-25\(s\)](#) awards lease to Homer Enterprises, LLC

- January 14, 2019 [Resolution 19-001](#) authorizes lease assignment from Homer Enterprises, LLC to AKSNOWGRL RENTALS, LLC
- July 10, 2020 City receives letter from AKSNOWGRL RENTALS, LLC to City requesting to assign lease back to Homer Enterprises, LLC
- September 14, 2020 [Resolution 20-081](#) authorizes lease assignment from AKSNOWGRL to Homer Enterprises, LLC
- May 24, 2021 [Resolution 21-035](#) authorizes lease assignment from Homer Enterprises to Tackle Shack Co., LLC

The Port Property Associate will perform an examination of City leases with the objective to determine lease compliance and recommend corrective measures when appropriate.

RECOMMENDATION:

Approve Ordinance 25-26

Attachments:

Resolution 09-25(S)

Resolution 19-001

Correspondence to the City from AKSNOWGRL RENTALS, LLC

Resolution 20-081

Resolution 21-035

CITY OF HOMER

HOMER, ALASKA

City Clerk

RESOLUTION 09-25(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AWARDED A LEASE FOR CITY PROPERTY ON THE HOMER SPIT, LOT 5, AMENDED HOMER SPIT SUBDIVISION TO HOMER ENTERPRISES, LLC OF HOMER, ALASKA, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND SIGN THE APPROPRIATE DOCUMENTS.

WHEREAS, The Advertisement for Sealed Proposals to lease City property on the Homer Spit was advertised in the Homer News on January 22 and 29, 2009 and posted on the City Clerk's Project Internet Site; and

WHEREAS, Sealed proposals were due by 2 p.m. on February 6, 2009 in the Office of the City Clerk; and

WHEREAS, One sealed proposal was received from Homer Enterprises, LLC of Homer, Alaska; and

WHEREAS, Pursuant to the Property Management Policy and Procedures Manual Chapter 2, the Lease Committee at their February 12, 2009 meeting recommended approval of a long term lease of Lot 5, Amended Homer Spit Subdivision to Homer Enterprises, LLC of Homer, Alaska; and

WHEREAS, This lease is for a term of twenty years, ending on the last day of April 2029; and

WHEREAS, The Lease Committee has requested the City Manager to negotiate a lease with Harbor Enterprises, LLC; and

WHEREAS, This award is not final until notice is received by Homer Enterprises, LLC of Homer, Alaska from the City of Homer.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, hereby awards a Lease for City Property on the Homer Spit, Lot 5, Amended Homer Spit Subdivision to Homer Enterprises, LLC of Homer, Alaska and authorizes the City Manager to negotiate and sign the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 23rd day of February, 2009.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

ATTEST:

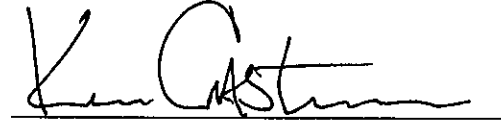
JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A

with options for two consecutive five year renewals on a portion of Lot 5, as shown on the subdivision plat entitled HOMER SPIT filed as amended plat number 89-34, at an annual base rent of \$16,590.48 for the purpose of operating a marine supply shop.

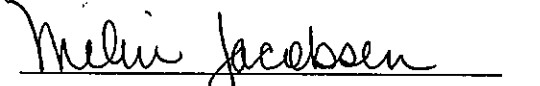
PASSED AND ADOPTED by the Homer City Council on this 14 day of January, 2019.

CITY OF HOMER

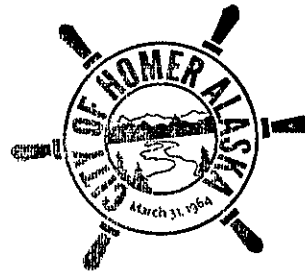


KEN CASTNER, MAYOR

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: \$16,590.48 Annually



DOLIFKA & ASSOCIATES P.C.

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P. O. BOX 498, SOLDOTNA, ALASKA 99669
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July 10, 2020

Homer Port & Harbor
4311 Freight Dock Road
Homer, Alaska 99603

Sent via email to: ehollis@ci.homer.ak.us

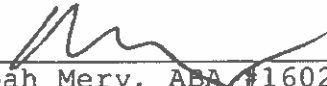
Re: AKSNOWGRL RENTALS, LLC Reversion of Lease

To Whom It May Concern:


This letter is intended to notify the City of Homer that AKSNOWGRL RENTALS, LLC wishes for its leasehold interest in the property located at 3815 Homer Spit Road #A to revert to HOMER ENTERPRISES, LLC, an Alaska Limited Liability Company, whose address is 4124 Crested Crane Street, Homer, Alaska 99603. Furthermore, AKSNOWGRL RENTALS, LLC seeks to relinquish any and all claims to the leasehold interest.

If you have any further questions, please contact my office or email me at ndolifkalaw@gmail.com. Thank You.

Sincerely,



Noah Mery, ABA #1602007
Attorney for: AKSNOWGRL RENTALS,
LLC



Jenifer Kumfer
AKSNOWGRL RENTALS, LLC
Its: Managing Member

CC:
Blaine Gilman
Attorney for: Homer Enterprises, LLC/Tabor Ashment
Gilman & Pevehouse
130 S. Willow St., Ste. 3
Kenai, AK 99611
bdgilman@gilmanlawak.com

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 20-081

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A LEASE ASSIGNMENT FROM AKSNOWGRL RENTALS LLC TO HOMER ENTERPRISES LLC AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE DOCUMENTS FOR AN EIGHTEEN YEAR FOUR MONTH LEASE WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR A PORTION OF LOT 5, HOMER SPIT AT THE REDUCED ANNUAL RATE OF \$4,925.46.

WHEREAS, AKSnowGrl Rentals, LLC contacted the City and requested their lease be transferred back to Homer Enterprises LLC as a result of Homer Enterprises LLC reassuming ownership and management of the Sport Shed; and

WHEREAS, Homer Enterprises, LLC submitted a complete lease application pursuant Homer City Code (HCC) Title 18.08; and

WHEREAS, Homer Enterprises, LLC has indicated in the lease application their intention of continuing the business as listed in the lease between the City and AKSnowGrl Rentals LLC without changes to purpose of use or length of term; and

WHEREAS, AKSnowGrl's current base lease rate is \$16,590.48 or \$0.74 per square foot plus tax; and

WHEREAS, The most current land appraisal for the property conducted in 2019 reduced the property's value due to coastal erosional conditions, concluding the new market rent value should be \$4,900 or \$0.22 per square foot plus tax; and

WHEREAS, Per HCC 18.08.100 (e), in the event an appraisal reports a decrease in fair market rent, a lessee may petition or the City Manager may recommend to Council a reduction in the lease rate. Council may approve a reduction if it determines via resolution that such reduction corresponds with the appraised fair market rent and is in the City's best interest; and

WHEREAS, Homer Enterprises LLC has requested that the current base lease rate change to match the appraiser's most recent valuation and has provided invoices detailing previous erosion mitigation measures taken by the business; and

WHEREAS, The Port and Harbor Advisory Commission on August 26, 2020 reviewed the


application pursuant HCC 18.08.060 and recommended a lease transfer for the remaining term of 18 years and 4 months with options for 2 consecutive 5-year renewals on a portion of Lot 5, Homer Spit with a reduction in base rent to match the 2019 appraisal's findings; and

WHEREAS, HCC 18.08.160 (4) states the Council shall approve or deny the request for lease assignment via resolution.

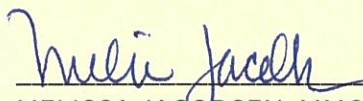
NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the lease assignment of the AKSnowGrl Rentals LLC lease from AKSnowGrl Rentals LLC to Homer Enterprises LLC, and authorizes the City Manager to negotiate and execute a lease for the remaining term of 18 years and 4 months with options for 2 consecutive 5-year renewals on a portion of Lot 5, Homer Spit at the reduced annual base rent of \$4,925.46.

PASSED AND ADOPTED by the Homer City Council this 14th day of September, 2020.

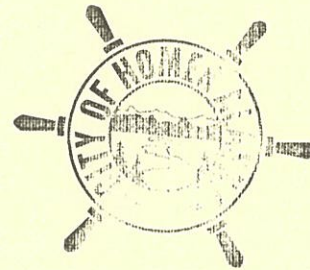
CITY OF HOMER


KEN CASTNER, MAYOR

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: \$16,590.48 decreased to \$4,925.46 annually



**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 21-035

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A LEASE ASSIGNMENT FROM HARBOR ENTERPRISES LLC TO TACKLE SHACK CO. LLC, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS FOR A 20 YEAR LEASE WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR A PORTION OF LOT 5, AS SHOWN ON THE SUBDIVISION PLAT ENTITLED HOMER SPIT FILED AS AMENDED PLAT NUMBER 89-34, AT AN INITIAL ANNUAL RATE OF \$4,925.46.

WHEREAS, Harbor Enterprises LLC requested approval to transfer their lease to Tackle Shack Co. LLC as part of Tackle Shack Co. LLC's purchase of their business; and

WHEREAS, Tackle Shack Co. LLC submitted a complete application pursuant to Homer City Code (HCC) Title 18; and

WHEREAS, Tackle Shack Co. LLC has indicated in their lease application their intention of continuing the business previously listed in the lease between the City and Harbor Enterprises LLC without change to the purpose of use; and

WHEREAS, Per HCC 18.08.110 the lease is in compliance and the past lease history has shown contractual obligations are satisfactorily met; and

WHEREAS, The lease assignment will be based on the City's updated lease template which reflects the new and current code requirements; and

WHEREAS, The City Administration and the Port and Harbor Advisory Commission on April 28, 2021 reviewed the application pursuant to HCC 18.08.060 and recommend approval of the lease assignment from Harbor Enterprises to Tackle Shack Co. LLC; and

WHEREAS, HCC 18.08.160 (4) states the Council shall approve or deny the request for lease assignment via resolution.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the lease assignment from Harbor Enterprises LLC to Tackle Shack Co. LLC, and authorizes the City Manager to execute the appropriate documents for a 20 year lease with options for two consecutive five year renewals for a portion of Lot 5, as shown on the subdivision plat entitled Homer Spit filed as amended plat number 89-34, at an initial annual rate of \$4,925.46.

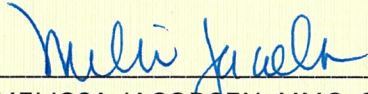
PASSED AND ADOPTED by the Homer City Council this 24th day of May, 2021.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: \$ 4,925.46 annually

