

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 16-117**

5
6 A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING AN
7 ASSIGNMENT OF LEASE FOR THE FISH FACTORY ON LOT 12-A1
8 AND AWARDING SEVEN SEAS FISH COMPANY, DBA ALASKAN FISH
9 FACTORY, A NEW LEASE WITH OPTIONS TO RENEW FOR LOT 12-
10 A1, PORT INDUSTRIAL NO. 3, AND A PORTION OF LOT 12B, PORT
11 INDUSTRIAL NO. 4, WITH AN ANNUAL BASE RENT OF \$26,119.80,
12 AND AUTHORIZING THE CITY MANAGER TO MOVE FORWARD
13 WITH LEASE NEGOTIATIONS AND EXECUTE THE APPROPRIATE
14 DOCUMENTS.

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16 WHEREAS, The Fish Factory, LLC has reached a tentative agreement to sell the
17 building and business to Seven Seas Fish Company, Ltd. and continue operating it as a fish
18 processing business under the name Alaskan Fish Factory, Ltd.; and
19

20 WHEREAS, Both parties are seeking the City of Homer's approval of assigning the lease
21 to the new owners before the end of 2016 in order to complete the business sale before the
22 beginning of the upcoming 2017 fishing season; and
23

24 WHEREAS, Per Chapter 13.3 of the City's Lease Policies and Procedures, Seven Seas
25 Fish Co. has submitted a request for lease assignment and new lease application with their
26 proposal, seeking the remaining amount of The Fish Factory's lease term (14 years) or a
27 twenty-year term; and
28

29 WHEREAS, The Fish Factory is also leasing a portion of Lot 12B, the lot adjacent to Lot
30 12-A1 and both parties requested this portion be included in the new lease; this section of
31 parcel was leased to The Fish Factory on a short-term basis until they fulfilled all
32 requirements listed under Conditional Use Permit 10-05 in which case their lease for Lot 12-
33 A1 would be amended to include the portion of Lot 12B; and
34

35 WHEREAS, The majority of the requirements in CUP 10-05 were completed in a timely
36 manner, issues regarding RV storage prevented the CUP from being finalized until recently;
37 and

38 WHEREAS, The City Administration, the Lease Advisors, and the Port and Harbor
39 Advisory Commission have reviewed the application and proposal and found it to be
40 complete and responsive; and

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42 WHEREAS, Seven Seas has provided sufficient information to the City to show that The
43 Fish Factory is being sold to a responsible party and can continue operating it as a viable fish
44 processing plant on the Homer Spit; and

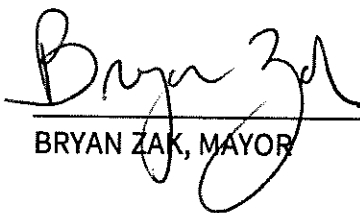
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46 WHEREAS, The Lease Advisors and the Port and Harbor Advisory Commission
47 recommend to City Council that the lease assignment request be granted to Seven Seas Fish
48 Company, and a new lease with options to renew be awarded to Seven Seas Fish Company,
49 Ltd., dba Alaskan Fish Factory, Ltd. for Lot 12-A1 and a portion of Lot 12B for the purpose of
50 operating a fish processing business without the parcel being advertised through the Request
51 for Proposals process.

52
53 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
54 assignment of lease for The Fish Factory on Lot 12-A1 and awarding Seven Seas Fish
55 Company, Ltd., dba Alaskan Fish Factory, Ltd. a new lease with options to renew for Lot 12-
56 A1, Port Industrial No. 3, and a Portion of Lot 12B, Port Industrial No. 4, with a base rent of
57 \$26,119.80 per year (subject to change as determined by lease negotiations and/or ordered
58 appraisal if needed), and authorizing the City Manager to move forward with lease
59 negotiations and execute the appropriate documents.

60
61 BE IT FURTHER RESOLVED that this assignment and new lease is contingent upon any
62 outstanding zoning code violations being resolved by Mike McCune, owner of The Fish
63 Factory, before the completion and signing of a new lease with Seven Seas Fish Company.

64
65 PASSED AND ADOPTED by the Homer City Council this 21st day of November, 2016.

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67 CITY OF HOMER

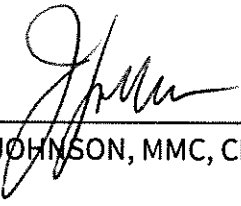
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71 _____
72 BRYAN ZAK, MAYOR
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76 ATTEST:

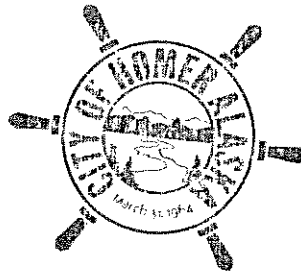
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JO JOHNSON, MMC, CITY CLERK

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82 Fiscal Note: Base lease will be \$26,119.80 annually, subject to change as determined by lease
83 negotiations and/or ordered appraisal if needed, and is adjusted annually to keep pace with
84 the Consumer Price Index.