

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 17-077

A RESOLUTION OF THE HOMER CITY COUNCIL AWARDING SPORTSMAN'S SUPPLY AND RENTAL A NEW 20-YEAR LEASE FOR APPROXIMATELY 12,500 SQUARE FEET THAT INCLUDES TRACT 1-C THE FISHIN' HOLE SUB. NO. 2, KPB PARCEL NO. 181-031-19 WITH AN ANNUAL BASE RENT OF APPROXIMATELY, \$11,375.00 AND AUTHORIZING THE CITY MANAGER TO MOVE FORWARD WITH LEASE NEGOTIATIONS AND EXECUTE THE APPROPRIATE DOCUMENTS.

WHEREAS, LH and Marcia Pierce, the owners of Sportsman's Supply and Rental, have operated at 1114 Freight Dock Road since 1999; and

WHEREAS, the Sportsman's Supply and Rental lease expires March 31, 2018 and there are no further options to renew; and

WHEREAS, Per Chapter 11.2(E) of the City's Lease Policies and Procedures, when the initial lease and all options have expired, the property to be offered through the competitive bidding, unless City Council elects not to require competitive bids; and

WHEREAS, Sportsman's supply submitted a new lease application to increase the lease area from 7,803 square feet to approximately 12,500 square feet which includes Tract 1-C The Fishin' Hole No. 2 and approximately 4,697 square feet of the City's Right-of-Way; and

WHEREAS, The lease will include a total area of approximately 12,500 square feet with the provision that no structures or improvements be placed in the City's Right-of-Way and if the City has a higher and better use of the additional space the City to provide 180 day notice to vacate the City's Right-of-Way; and

WHEREAS, Starting April 1, 2018, the Sportsman's Supply and Rental will be in compliance with the City's Marine Commercial District HCC 21.28.020 by operating a retail fishing store, offering showers, freezer space and boat storage (in lieu of Recreational Vehicle spaces); and

WHEREAS, Based on the current lease rate of \$ 0.91 per square foot, the annual lease fee will be approximately \$11,375.00; and

WHEREAS, The City will obtain a new appraisal to determine the new lease rate; and

43 WHEREAS, The City Administration and the Port and Harbor Advisory Commission
44 conclude that Sportsman's Supply and Rental has provided sufficient information to show that
45 they will comply with City standards while meeting the needs of the fishing, recreational and
46 visitor industries; and

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48 WHEREAS, the City Manager and the Port and Harbor Advisory Commission recommend
49 to City Council that a new 20-year lease be awarded to Sportsman's Supply and Rental for
50 approximately 12,500 square feet that includes Tract 1-C The Fishin' Hole No. 2 and
51 approximately 4,697 square feet of the City's Right-of-Way for the purpose of operating a
52 retailing fishing store without the parcel being advertised through the Request for Proposals
53 process.

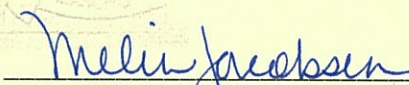
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55 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby authorizes the
56 City Manager to negotiate and execute the appropriate documents for a new, 20-year lease
57 with Sportsman's Supply and Rental for approximately 12,500 square feet that includes Tract
58 1-C The Fishin' Hole No. 2, KPB 181-031-19 and approximately 4,697 square feet of the City's
59 Right-of-Way for \$11,375 annually, subject to an appraisal.

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61 BE IT FURTHER RESOLVED that the lease will include provisions that no structures or
62 improvements will be allowed in the City's Right-of-Way and if the City has a higher and better
63 use of the additional space the City will provide 180 days notice to vacate the Right-of-Way.

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65 PASSED AND ADOPTED by the Homer City Council this 14th day of August, 2017.

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67 CITY OF HOMER

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71 _____
72 BRYAN ZAK, MAYOR

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74 ATTEST:
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77 MELISSA JACOBSEN, MMC, CITY CLERK

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79 Fiscal Note: Base lease will be approximately \$11,375.00 annually, subject to the change as
80 determined by lease negotiations and the appraisal, and is adjusted annually to keep pace
81 with the Consumer Price Index.