

CITY OF HOMER  
HOMER, ALASKA

City Manager

RESOLUTION 18-055

A RESOLUTION OF THE CITY COUNCIL OF HOMER ALASKA  
AUTHORIZING THE CITY MANAGER TO ENTER INTO  
NEGOTIATIONS WITH PENINSULA AIRWAYS, INC., FOR A TWENTY-  
SIX MONTH SUBLEASE AT THE HOMER AIPORT TERMINAL,  
CONSISTING OF TICKET, OFFICE AREA #110 AND BAGGAGE AREAS.

WHEREAS, Per Chapter 4 of the Property Management Policy and Procedures Manual, a Request for Proposal to lease airport terminal spaces was advertised in the Homer News December 7 and 14, 2017, posted on **the City's website**, and noted in the Land Allocation Plan; and

WHEREAS, On May 4, 2018 Peninsula Airways, Inc. applied for a 26-month, sublease at the rate of \$38,125 annually to be paid in equal monthly installments of \$3,177 per month; and

WHEREAS, A second air carrier at the Homer Airport provides competition and additional flight times which is good for residents, visitors, and the economic vitality of Homer; and

WHEREAS, Peninsula Airways, Inc. has filed for Chapter 11 Bankruptcy allowing them to continue operating as their business model restructures which is expected in the fall of 2018; and

WHEREAS, Included in the new lease will be language that provides credit support for the City in the event of a Peninsula Airways, Inc. bankruptcy; and

WHEREAS, City Council is currently in the process of revising Homer City Code 18.08 and property management practices to increase transparency and Council oversight by requiring Council approval of all final lease documents; and

WHEREAS, Given these anticipated changes, a final lease will require City Council approval no later than the June 25, 2018 City Council meeting in order to meet Peninsula Airways, Inc. operational goals and deadlines.

NOW, THEREFORE, BE IT RESOLVED That the City Council of Homer, Alaska, hereby authorizes the City Manager to enter into negotiations with Peninsula Airways, Inc., for a new 26-month sublease at the Homer Airport, from July 1, 2018 through September 30, 2020 that

42 consists of ticket, office area #110 and baggage areas, at a rate of \$38,125 annually, payable  
43 monthly.

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45 BE IT FURTHER RESOLVED That the final lease will include language providing credit  
46 support for the City of Homer and be subject to City Council approval.

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48 PASSED AND ADOPTED by the Homer City Council this \_\_\_\_\_ day of \_\_\_\_, 2018.

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50 CITY OF HOMER

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54 BRYAN ZAK, MAYOR

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58 ATTEST:

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63 MELISSA JACOBSEN, MMC, CITY CLERK

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65 Fiscal note: 100-0045-4655 \$38,125 annual rent, paid monthly

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