

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 19-056

A RESOLUTION OF THE HOMER CITY COUNCIL APPROVING A
NONCOMPETITIVE FORTY-TWO MONTH SHORT-TERM SUBLEASE
AT THE HOMER AIRPORT TERMINAL WITH PIONEER CAR RENTAL,
INC. AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, The current sublease between Pioneer Car Rental, Inc. and the City at the
Homer Airport Terminal is set to expire September 30, 2019; and

WHEREAS, Pioneer Car Rental, Inc. has requested a new sublease with the City for the
existing counter and parking spaces the company currently uses; and

WHEREAS, The prime lease held between the City and the State of Alaska Department
of Transportation and Public Facilities (DOT&PF) will terminate March 30, 2023 and all City
subleases must also terminate by that date; and

WHEREAS, DOT&PF only permits the City to enter into sublease arrangements at the
Homer Airport Terminal with a maximum lease term length of five years however the City can
only offer a forty-two month sublease given the prime lease's termination date; and

WHEREAS, HCC 18.08.040(c) states short term leases are not required to go through the
competitive bidding process unless the short-term lease would result in the lease of City-
owned property to the same lessee for more than one consecutive year; and

WHEREAS, HCC 18.08.130 (a) states Council, upon written recommendation by the City
Manager, may exempt the renewal of a lease from competitive bidding if Council finds such
exemption serves the City's best interests; and

WHEREAS, Pioneer Car Rental Inc. has been in good standing with the City as a yearlong
tenant contributing between \$30,000 to \$40,000 in annual revenue income since at least 2016;
and

WHEREAS, The City issued a Request for Proposals to lease comparable space at the
Homer Airport Terminal in 2017 and no bids were received; and

WHEREAS, Comparable counter space adjacent to Pioneer Car Rental, Inc. has been
available for sublease with no public interest received; and

WHEREAS, It is in the City's best interest to retain Pioneer Car Rental, Inc. as a year-round, high-grossing tenant until March 30, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a noncompetitive forty-two month short term sublease effective October 1, 2019 through March 30, 2023 at the Homer Airport Terminal for Concession Space #123 (111 square feet) and 20 parking spaces to Pioneer Car Rental, Inc. at a minimum annual rate of \$2 per square foot of counter space and 10% gross sales, but in no case shall the gross sales be lower than \$500 per month, and authorizes the City Manager to execute the appropriate documents.

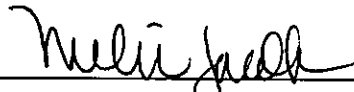
PASSED AND ADOPTED by the Homer City Council this 26th day of August, 2019.

CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal note: Minimum annual lease fee of \$2 per square foot of counter space and 10% gross sales into account number 100-0045-4657

