

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 20-043

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A LEASE ASSIGNMENT FROM ICICLE SEAFOODS, INC. TO OCEAN BEAUTY ICICLE, LLC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE APPROPRIATE DOCUMENTS FOR THE CONTINUATION OF THE CURRENT TWENTY YEAR LEASE WITH TERM ENDING DECEMBER 31, 2036 WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR LOT 41 & 42, AS SHOWN ON THE SUBDIVISION PLAT 89-34 ENTITLED HOMER SPIT AMENDED ADL 18009, AT AN INITIAL ANNUAL BASE RENT OF \$69,876.96.

WHEREAS, Icicle Seafoods, Inc. (Icicle) has reached a tentative agreement to merge with Ocean Beauty Seafoods, LLC. to form Ocean Beauty Icicle, LLC (OBI), which results in a change in ownership of more than 25% and triggers the need for a lease assignment per Section 8.2 of Icicle Seafood, Inc.'s current lease; and

WHEREAS, Both Icicle Seafoods, Inc. and Ocean Beauty, LLC are seeking the City of Homer's approval to assign Icicle's current lease to OBI in order to complete the merger; and

WHEREAS, OBI has requested no new changes or alterations to the current lease other than the assignment of tenant from Icicle Seafoods to OBI and has stated their intention of continuing to operate the facility as a viable fish processing plant on the Homer Spit; and

WHEREAS, The City is in possession of sufficient financial information for Icicle Seafoods, Inc., however OBI has yet to provide its own financial portfolio; and

WHEREAS, The merger between Icicle Seafoods, Inc. and Ocean Beauty, LLC is set to complete at the end of May 2020 and once complete, OBI will provide the City with an explanation for how the assets of each party are to be incorporated into the LLC and sufficient financial information to satisfy the requirements of Homer City Code Chapter 18.08 and the City lease application; and

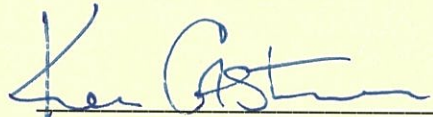
WHEREAS, HCC 18.08.060 (e) states that when a lessee intends to assign the lease as part of a sale of the business located on the leased lot, City Council will approve the assignment by resolution as an amendment to the lease.

42 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
43 lease assignment of Icycle Seafood, Inc.'s current lease to the newly merged Ocean Beauty
44 Icycle, LLC, and authorizes the City Manager to execute the appropriate documents for the
45 continuation of the current twenty year lease with term ending December 31, 2036 with
46 options for two consecutive five year renewals for Lot 41 & 42, as shown on the subdivision plat
47 89-34 entitled HOMER SPIT amended ADL 18009, at an initial annual base rent of \$69,876.96 for
48 the purpose of operating a seafood processing plant.
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50 BE IT FURTHER RESOLVED that approval of the lease assignment is contingent upon
51 OBI providing the City with an explanation for how the assets of each party are to be
52 incorporated into the LLC and sufficient financial information to satisfy the requirements of
53 Homer City Code Chapter 18.08 and the City lease application.
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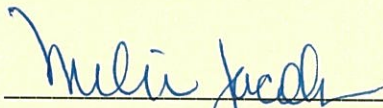
55 PASSED AND ADOPTED by the Homer City Council on this 11th day of May, 2020.
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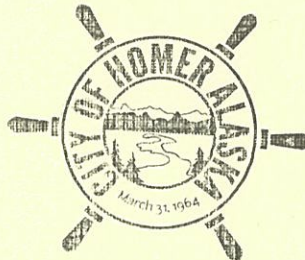
57 CITY OF HOMER

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61 KEN CASTNER, MAYOR
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63 ATTEST:

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67 MELISSA JACOBSEN, MMC, CITY CLERK
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69 Fiscal Note: \$ 69,876.96 Annually