

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

3 City Manager

4 **RESOLUTION 20-081**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING A LEASE ASSIGNMENT FROM AKSNOWGRL RENTALS
8 LLC TO HOMER ENTERPRISES LLC AND AUTHORIZING THE CITY
9 MANAGER TO NEGOTIATE AND EXECUTE THE APPROPRIATE
10 DOCUMENTS FOR AN EIGHTEEN YEAR FOUR MONTH LEASE WITH
11 OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR A
12 PORTION OF LOT 5, HOMER SPIT AT THE REDUCED ANNUAL RATE
13 OF \$4,925.46.

14
15 WHEREAS, AKSnowGrl Rentals, LLC contacted the City and requested their lease be
16 transferred back to Homer Enterprises LLC as a result of Homer Enterprises LLC reassuming
17 ownership and management of the Sport Shed; and

18
19 WHEREAS, Homer Enterprises, LLC submitted a complete lease application pursuant
20 Homer City Code (HCC) Title 18.08; and

21
22 WHEREAS, Homer Enterprises, LLC has indicated in the lease application their intention
23 of continuing the business as listed in the lease between the City and AKSnowGrl Rentals LLC
24 without changes to purpose of use or length of term; and

25
26 WHEREAS, AKSnowGrl's current base lease rate is \$16,590.48 or \$0.74 per square foot
27 plus tax; and

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29 WHEREAS, The most current land appraisal for the property conducted in 2019 reduced
30 the property's value due to coastal erosional conditions, concluding the new market rent value
31 should be \$4,900 or \$0.22 per square foot plus tax; and

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33 WHEREAS, Per HCC 18.08.100 (e), in the event an appraisal reports a decrease in fair
34 market rent, a lessee may petition or the City Manager may recommend to Council a reduction
35 in the lease rate. Council may approve a reduction if it determines via resolution that such
36 reduction corresponds with the appraised fair market rent and is in the City's best interest; and

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38 WHEREAS, Homer Enterprises LLC has requested that the current base lease rate
39 change to match the appraiser's most recent valuation and has provided invoices detailing
40 previous erosion mitigation measures taken by the business; and

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42 WHEREAS, The Port and Harbor Advisory Commission on August 26, 2020 reviewed the

43 application pursuant HCC 18.08.060 and recommended a lease transfer for the remaining term
44 of 18 years and 4 months with options for 2 consecutive 5-year renewals on a portion of Lot 5,
45 Homer Spit with a reduction in base rent to match the 2019 appraisal's findings; and
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47 WHEREAS, HCC 18.08.160 (4) states the Council shall approve or deny the request for
48 lease assignment via resolution.
49

50 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
51 lease assignment of the AKSnowGrl Rentals LLC lease from AKSnowGrl Rentals LLC to Homer
52 Enterprises LLC, and authorizes the City Manager to negotiate and execute a lease for the
53 remaining term of 18 years and 4 months with options for 2 consecutive 5-year renewals on a
54 portion of Lot 5, Homer Spit at the reduced annual base rent of \$4,925.46.
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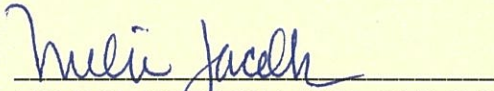
56 PASSED AND ADOPTED by the Homer City Council this 14th day of September, 2020.
57

58 CITY OF HOMER

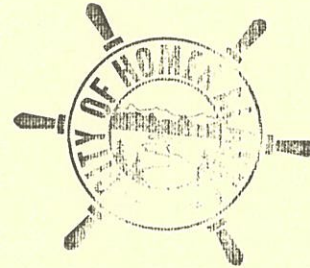
59 
60 _____

61 KEN CASTNER, MAYOR
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63
64 ATTEST:

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66 
67 _____

68 MELISSA JACOBSEN, MMC, CITY CLERK
69



Fiscal Note: \$16,590.48 decreased to \$4,925.46 annually