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**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 20-106

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING AN AMENDMENT TO THE NORTHERN ENTERPRISES INC. LEASE FOR 60 SQ FT OF CITY TIDELANDS KNOWN AS KPB PARCEL # 18107001 TO EXTEND THE TERM FROM THE ORIGINAL 20 YEARS WITH OPTIONS FOR 2 CONSECUTIVE 5-YEAR RENEWALS TO 40 YEARS WITH OPTIONS FOR 2 CONSECUTIVE 5-YEAR RENEWALS FOR AN ANNUAL RATE OF \$3.74.

WHEREAS, Northern Enterprises Boat Yard, Inc. (Northern Enterprises) is a Homer-based corporation specializing in vessel haul out, repair, and storage; and

WHEREAS, Northern Enterprises entered into a 20 year lease with the City on May 1 2019 for 60 square feet of tidelands to accommodate their construction of a new dock capable of supporting a Marine Travel Lift Station to haul out larger, heavier vessels in deeper waters ; and

WHEREAS, Northern Enterprises was informed by their financial lenders that, per Alaska Admin Code 3AAC 99.230, they are required to have a set term of lease that covers 10 years beyond the timeframe of the loans; and

WHEREAS, Northern Enterprises is requesting an amendment to the lease to extend the original term from 20 years with options for 2 consecutive 5 year renewals to 40 years with 2 consecutive 5 year renewals ,giving a new final end date of April 30 2059; and

WHEREAS, No other neighboring upland businesses with a similar competing interest abut City tidelands parcel ATS 612; and

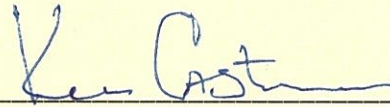
WHEREAS, On October 20 2020, the Port and Harbor Advisory Commission discussed the proposed change in term for the Northern Enterprises lease of City tidelands parcel ATS 612 and passed a motion, with unanimous consent, to recommend that City Council approve the amendment of the Northern Enterprises' lease to extend the term to 40 years with options for 2 consecutive 5 year renewals; and

WHEREAS, HCC 18.08.160(e) States that any significant changes in the terms (use) of the existing lease must be reviewed by the Port and Harbor Commission and approved by City Council by resolution as an amendment to the lease; and

43 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
44 amendment of the Northern Enterprises Inc. lease extending the term from 20 years with
45 options for 2 consecutive 5-year renewals to 40 years with options for 2 consecutive 5-year
46 renewals for the 60 sq. ft. of City tidelands known as KPB Parcel #18107001, and authorizes the
47 City manager to execute the appropriate documents.

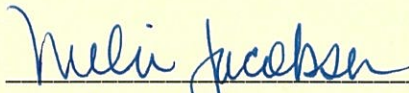
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49 PASSED AND ADOPTED by the Homer City Council on this 26 day of October, 2020.

51 CITY OF HOMER

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55 KEN CASTNER, MAYOR

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57 ATTEST:

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61 MELISSA JACOBSEN, MMC, CITY CLERK

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63 Fiscal Note: \$3.74 Annually

