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**CITY OF HOMER
HOMER, ALASKA**

City Manager

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RESOLUTION 20-117(S)(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING A **NOTICE TO AWARD FOR THE** LEASE ASSIGNMENT ORIGINALLY HELD BY HARBOR LEASING LLC AND ASSUMED BY ALASKA GROWTH CAPITAL BIDCO, INC. TO SALMON SISTERS HOLDINGS LLC AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE **A FINAL LEASE FOR COUNCIL APPROVAL AND EXECUTE THE APPROPRIATE DOCUMENTS FOR A NEW TWENTY YEAR LEASE WITH OPTIONS FOR TWO CONSECUTIVE FIVE YEAR RENEWALS FOR A PORTION OF LOT 12C, PORT INDUSTRIAL SUBDIVISION NO. 4, PLAT 99-43, AT AN ANNUAL RATE OF \$29,785.32.**

WHEREAS, Alaska Growth Capital BIDCO (“AGC”) has requested to transfer its leasehold interest assumed from Harbor Leasing, LLC to Salmon Sisters Holdings, LLC as a result of their pending, time sensitive sale; and

WHEREAS, Per Section 14.04 (f) of the lease originally held by Harbor Leasing LLC, as mortgagee AGC has the right to assign or transfer the estate to Salmon Sisters Holdings, LLC upon obtaining the City’s consent, which will not be unreasonably withheld or delayed; and

WHEREAS, HCC 18.08.160 Assignment (b) states the City Manager must make a determination that a lessee is in full compliance with a lease before an assignment will be effective; and

WHEREAS, Salmon Sisters Holdings, LLC submitted a lease application pursuant Homer City Code (HCC) 18 and will provide the City with any required additional documents prior to ~~Port and Harbor Advisory Commission review and~~ execution of the lease; and

WHEREAS, HCC 18.08.70 and HCC 18.08.160 (c) 5. requires the Port and Harbor Advisory Commission review of the proposal prior to Council approval; and

WHEREAS, ~~Given the pending, time sensitive sale of the improvements from AGC to Salmon Sisters Holdings, LLC, HCC 18.08.70 and HCC 18.08.160 (c)5. are waived so that lease assignment approval is contingent upon receiving all required materials and a positive recommendation from the Port and Harbor Advisory Commission~~ **The Port and Harbor Advisory Commission met on November 18th to review the proposed lease application and made a motion to recommend support of the lease transfer from AGC to Salmon Sisters**

43 **Holdings LLC, and support the request from salmon sisters to negotiate a lease rate**
44 **reduction with the city manager, public purpose justifications being: 1) Bringing the**
45 **property out of bankruptcy default and making it profitable, and 2) bringing a new**
46 **business enterprise to Homer that is locally owned**; and
47

48 WHEREAS, Per both Section 14.04 (f) of the current lease and HCC 18.08.160 (4), Council
49 shall approve or deny the request for lease assignment via resolution.

50 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the
51 lease assignment **notice of award for the lease held by** from Alaska Growth Capital BIDCO to
52 Salmon Sisters Holdings, LLC, and authorizes the City Manager to negotiate **a final lease for**
53 **Council approval for** and execute a new lease for a twenty year term with options for two
54 consecutive five year renewals on a portion of Lot 12C, Port Industrial Subdivision No. 4, Plat
55 99-43, at an annual base rent of \$29,785.32.

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57 BE IT FURTHER RESOLVED that the City Manager will make a determination that AGC is
58 in full compliance with a lease before an assignment to Salmon Sisters Holdings, LLC will be
59 effective.

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61 BE IT FURTHER RESOLVED that the lease assignment to Salmon Sisters Holdings, LLC is
62 contingent upon the City receiving all required documents and a positive recommendation
63 from the Port and Harbor Advisory Commission.

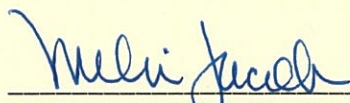
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66 PASSED AND ADOPTED by the Homer City Council on this 23rd day of November, 2020.

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68 CITY OF HOMER

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72 KEN CASTNER, MAYOR

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74 ATTEST:

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78 MELISSA JACOBSEN, MMC, CITY CLERK

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80 Fiscal Note: \$29,785.32 annually **N/A**

