

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

3 City Manager

4 **RESOLUTION 23-032**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
7 APPROVING A LEASE WITH ALASKA SCRAP AND SALVAGE FOR A
8 TERM OF EIGHT YEARS WITH TWO ONE-YEAR OPTIONS FOR
9 RENEWAL AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE
10 AND EXECUTE THE APPROPRIATE DOCUMENTS.

11
12 WHEREAS, Alaska Scrap and Recycling, LLC currently has a five-year lease that will be
13 expiring January 31, 2024 with no options remaining for a one-acre portion of Lot 12, Concrete
14 Pad, Homer Spit Subdivision No. 5; and

15
16 WHEREAS, Alaska Scrap and Recycling submitted a lease application and written
17 request for a new short-term lease exempted from competitive bidding for the purpose of
18 continuing a scrap metal recycling operation in accordance with HCC 18.08.130(b) which states
19 a lessee must submit their request to the City Manager at least 12 months but no more than 18
20 months prior to the expiration of the existing lease; and

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22 WHEREAS, HCC 18.08.130 further states Council, upon written recommendation by the
23 City Manager, may exempt the renewal of a lease from competitive bidding if Council finds such
24 exemption serves the City's best interests and must do so by resolution within six months prior
25 to the date of lease termination; and

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27 WHEREAS, The City Manager and Lease Staff have found Alaska Scrap and Recycling's
28 proposal to be compatible with applicable land use regulations and either meets or exceeds
29 the criteria outlined in City Code, and recommend a lease be awarded exempted from the
30 competitive bidding process; and

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32 WHEREAS, The City proposed a longer term of eight years with two, one-year options to
33 renew for a total of 10 years beginning February 1, 2024 and expiring January 31, 2034 to allow
34 a longer lease commitment, therefore spending less staff and lessee's time on multiple short
35 lease renewals, without the risk of delaying any future port expansion as the City will continue
36 to seek the highest and best use of all City-owned property; and

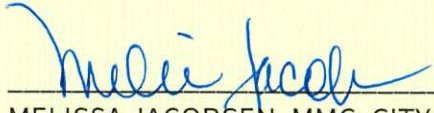
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38 WHEREAS, The Port and Harbor Advisory Commission (PHC) has advisory capacity to
39 the City Manager and Council to make recommendations on land use and future development
40 within the port and harbor areas; and

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42 WHEREAS, The PHC passed a motion with discussion at their March 22, 2023 regular
43 meeting supporting Alaska Scrap and Recycling's operation and proposed land use with a
44 recommendation that Council award a new lease.

45 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves a
46 new, eight year-term lease with two, one-year options to renew, to Alaska Scrap and Recycling
47 LLC for a one-acre portion of Lot 12, Concrete Pad, Homer Spit Subdivision No. 5, with a base
48 rent of \$43,585.56 per year, and authorizes the City Manager to negotiate and execute the
49 appropriate documents.

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51 PASSED AND ADOPTED by the Homer City Council this 10th day of April, 2023.

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53 CITY OF HOMER
54 
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56 _____
57 KEN CASTNER, MAYOR

58 ATTEST:
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60 
61 _____
62 MELISSA JACOBSEN, MMC, CITY CLERK

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64 Fiscal note: \$43,585.56 annually; subject to annual CPI increases and 5-year appraisals

