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**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 23-117

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, APPROVING AN AMENDMENT TO THE COPPER RIVER SEAFOODS LEASE FOR A PORTION OF LOT 13B, CITY OF HOMER PORT INDUSTRIAL SUBDIVISION NO.2, ACCORDING TO PLAT NO. 80-92, CONTAINING 15,300 SQ FT, KPB PARCEL #18103425.

WHEREAS, Copper River Seafoods entered into a 20 year lease with the City on May 16, 2019 that included a property development plan to build a new 42' by 47' office structure; and

WHEREAS, On February 4, 2022 the City received a letter from Copper River Seafoods stating that they are requesting an amendment to the proposed property development requirement, listed in Exhibit D, E, and F of the lease, and

WHEREAS; On September 20, 2023 the City received a letter from Copper River Seafoods stating they are changing the current site plan to show a continuance of effort in staying contractually compliant, also noting current & forecasted economic conditions, and

WHEREAS, This proposed amendment would replace Exhibit D, E, & F of the lease, changing the current site plan of Employee Cabins into a finalized Pre-Engineered Building of 40' by 47' dimensions, including a warehouse section, common office area, and lastly a planned phase 2 bedroom, and

WHEREAS, On September 27, 2023, the Port and Harbor Advisory Commission moved to recommend to approve the proposed change thru City Council, 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.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves the amendment of the Copper River Seafoods lease to replace Exhibits D, E, & F with Exhibits #D - G, and authorizes the City manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council on this 23rd day of October, 2023.

CITY OF HOMER

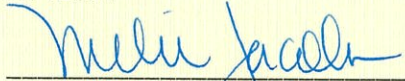


KEN CASTNER, MAYOR

45 ATTEST:

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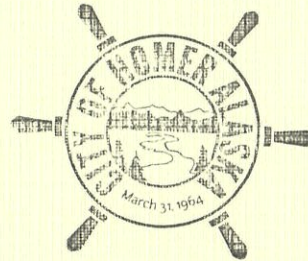
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MELISSA JACOBSEN, MMC, CITY CLERK

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Fiscal Note: Lease revenues





MEMORANDUM

Resolution 23-117, A Resolution of the City Council of Homer, Alaska Approving an Amendment to the Copper River Seafoods Lease for a Portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2 According the Plat No. 80-92, KPB Parcel 18103425. City Manager.

Item Type: Backup Memorandum
Prepared For: City Council
Date: October 11, 2023
From: Sean Conway, Port Lease Manager
Through: Rob Dumouchel, City Manager

As of September 7th, Copper River Seafood with guidance from the City, agreed upon taking action to avoid a contractual default. Previously, Copper River Seafood entered into an amended contract in February of 2020. The purpose of the 2020 amendment was to outline a path of contract completion considering the Pandemic's effect on port specific supply-chains & the overall softening of the economy. Considering present days' economic uncertainty, Copper River Seafoods will take a more prudent approach to construction. Allowing themselves ample time for any future considerations, as the City indicates this should be an ultimate plan. Furthermore, the City & Copper River Seafoods amicably agree that their continuation of operation is beneficial to both parties.

On September 20th Copper River Seafood provided an updated action plan, summary of related site tasks, and approximate CAD drawings of a "Pre Engineered Metal Building". Their proposal indicates that a 40'x47' structure, meeting their operational needs, will be erected on an existing slab.

Lastly, the Lease Manager, Head of Planning, and Port Director discussed a preliminary review of the proposed change. It was agreed upon review of the materials that there was no initial objection to any of the proposal documents and that the amendment proposal should continue through the committee process for approval.

The e-mailed proposal summary, schematics for the pre-fab building, proposed layout, and clarifying notes are all included as attachments to the memo, and are available for your review and comment.

Recommendation

For City Council to approve the resolution 23-117

Attached: *Copper River Seafoods – Homer Lease Amendment Proposal*

Exhibits:

#D. Summary of Current Situation & Request Memorandum directed from Copper River Seafoods by way of Bryan Kimball (VP) intended for City of Homer, current City Manager, Rob Dumouchel.

- #E. Clarifying Notes with an Overhead sitemap.
- #F. Top-Down Interior CAD view with square footage.
- #F. Cardinal CAD views with basic finishing & measurement notes.
- #G. Pictures of Sheds.

2nd AMENDMENT TO LEASE AGREEMENT

This amendment is made and entered into effect as of November 1, 2023 between the City of Homer, an Alaska municipal corporation (“Landlord”) whose address is 491 East Pioneer Avenue, Homer, Alaska 99603, and Copper River Seafoods Inc., an Alaskan business corporation (“Tenant”), whose address is 1118 E. 5th Ave. Anchorage , Alaska 99501 , and amends the Ground Lease Agreement (“Lease”) entered into between Copper River Seafoods Inc., and the City of Homer, dated March 1 2019 and recorded by the Kenai Peninsula Borough’s recorder’s office on May 20 2019, Number 2019-001382-0, Homer Recording District 309, Alaska.

Landlord and Tenant agree as follows:

In Exhibit D -Tenant’s Proposed Use of the Property, under the section listed as “2. Development Plan”:

<u>Dates</u>	<u>Tasks</u>
<u>2/1/2022</u>	<u>Framing</u>
<u>12/31/2022</u>	<u>Completion</u>

Shall be amended to “**completion by 12/31/2026**” as per letter _____ included as page 3 of this amendment

- “Exhibit E – Site Plans” shall be amended and replaced by “Exhibit E – _____ included as page 4 of this amendment.
- “Exhibit F – Floor Plans” shall be amended and replaced by “Exhibit F – _____ included as pages 5- _____ of this amendment.

IN WITNESS WHEREOF, the parties have executed this Lease Amendment as of the date set forth above.

Landlord:
City of Homer

Tenant:
Copper River Seafoods Inc.

By: _____

By: _____

Rob Dumouchel, City Manager

name/title

ACKNOWLEDGMENTS

STATE OF ALASKA)
) SS.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2023 by Rob Dumouchel, City Manager of the City of Homer, an Alaska municipal corporation, on behalf of the City of Homer.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF)
) SS.
)

The foregoing instrument was acknowledged before me on _____, 2023 by _____(name/title) of Copper River Seafoods Inc.

Notary Public in and for the state of _____
My Commission Expires: _____

After recording return to:
Melissa Jacobsen, MMC, City Clerk
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603



COPPER RIVER SEAFOODS

Main Administrative Office
1400 E First Avenue, Anchorage, AK 99501
Phone: (907) 522-7806 · (888) 622-1197 · Fax: (907) 274-0348
www.CopperRiverSeafoods.com

September 20, 2023

Rob Dumouchel, City Manager
City of Homer
491 East Pioneer Avenue
Homer, AK 99603

Re: Request for Amendments

Dear Mr. Dumouchel:

I write to you on behalf of Copper River Seafoods, Inc., an Alaskan owned and operation seafood company based in Anchorage. We are the current tenant of that property located on the Homer Spit and known as a Portion of Lot 13B, City of Homer Port Industrial Subdivision No. 2, Tax Parcel # 18103425.

Copper River Seafoods, Inc., is requesting an extension and amendment to the construction timeline through December 31, 2026. Due to the estimated increased costs to the existing approved building design, we are also asking the City of Homer ("City") for its approval for a more cost-effective building concept as attached to this letter.

As I am sure you aware, the seafood industry in Alaska and the United States for that matter is continuing to experience daily market challenges since the start of the Coronavirus pandemic, increased labor costs, increased transportation costs, and ever-changing market pressures. CRS has operated in the Homer area for many years and consider our year-long presence there to be a mutually beneficial relationship for the City, the fishermen of the area, and for CRS. We have every intention to improve our facilities in Homer and remain part of the Homer seafood industry for decades to come. With the above changes, we hope to achieve that goal while dealing with the current economic road blocks that challenge a lot of businesses during this time. CRS hopes that the City will this take our sincere requests for these changes into consideration.

I look forward to hearing your thoughts and answering any questions you may have.

Sincerely,

Copper River Seafoods, Inc.

Bryan Kimball
Executive Vice President
bkimball@crsalaska.com
(907) 201-7139

Attachment

EXHIBIT D

Copper River Seafoods - Homer Fish Buying Station Building Concept

Monday, September 18, 2023 2:40 PM

- Copper River Seafoods (CRS) is currently the Tenant in a 20 year lease agreement with the City of Homer commencing May 1, 2019, expiring April 30,2039;
- CRS has been operating a fish buying station in Homer for many years and,
- CRS lease initially included a development plan
- CRS desires to build a structure for the purpose of supporting its fish buying operation, specifically to
 - Secure equipment and tools;
 - provide an area to perform maintenance and small repairs;
 - worker changing areas, and bathroom;
 - office/administrative area with small kitchenette.
- CRS is proposing the following concept structure (or similar) following Homer planning & zoning requirements under the "Marine Industrial" specifications.
 - Location: Fish Dock Road, Homer, AK
 - The building would be constructed on the existing concrete foundation (with minor modifications to support the structure).
 - Building type would be a "Pre Engineered Metal Building" style structure
 - Building would *not* eliminate the need for external structures (trailers) as required for crew break areas, bait and material storage.

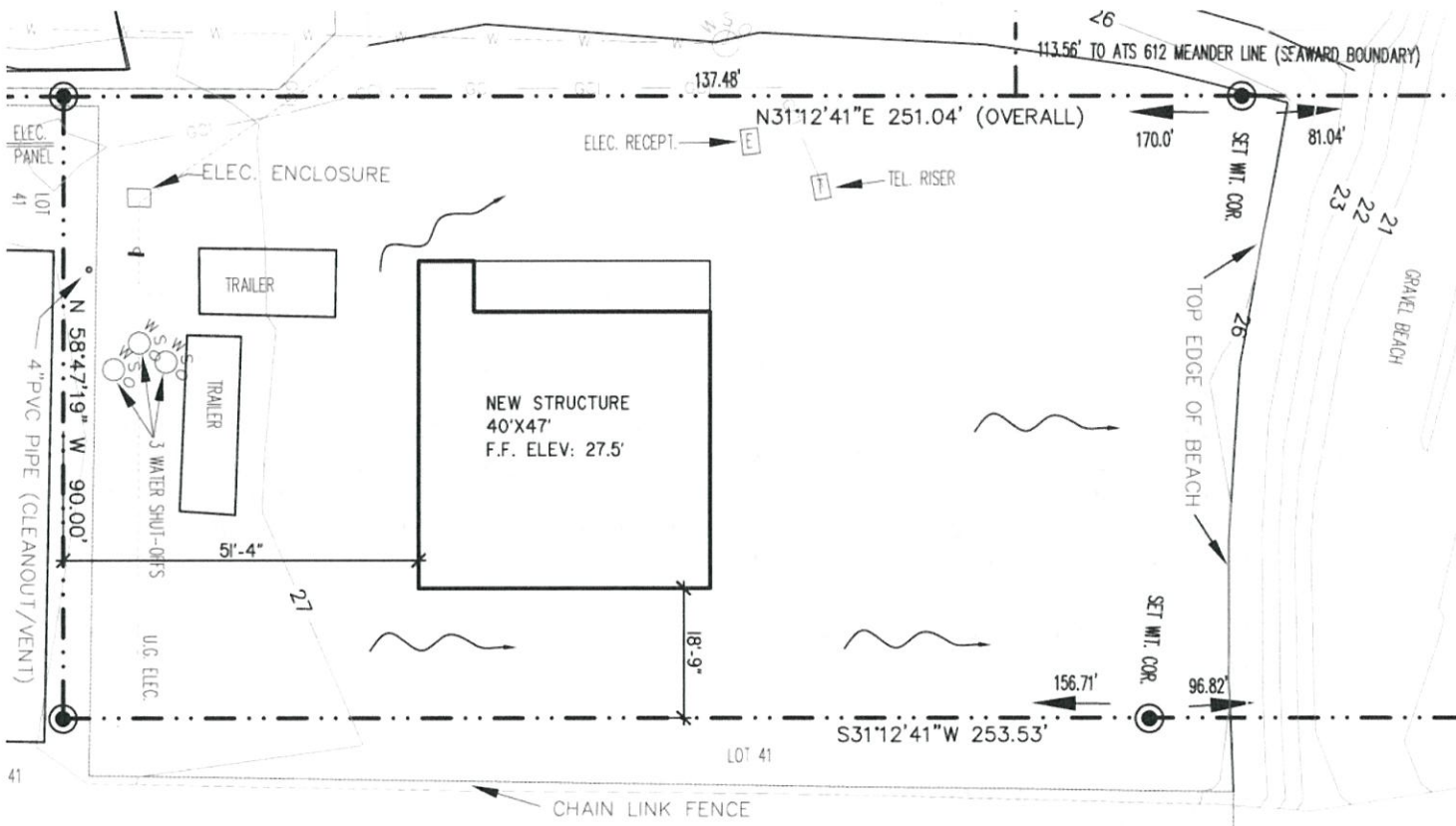


EXHIBIT E

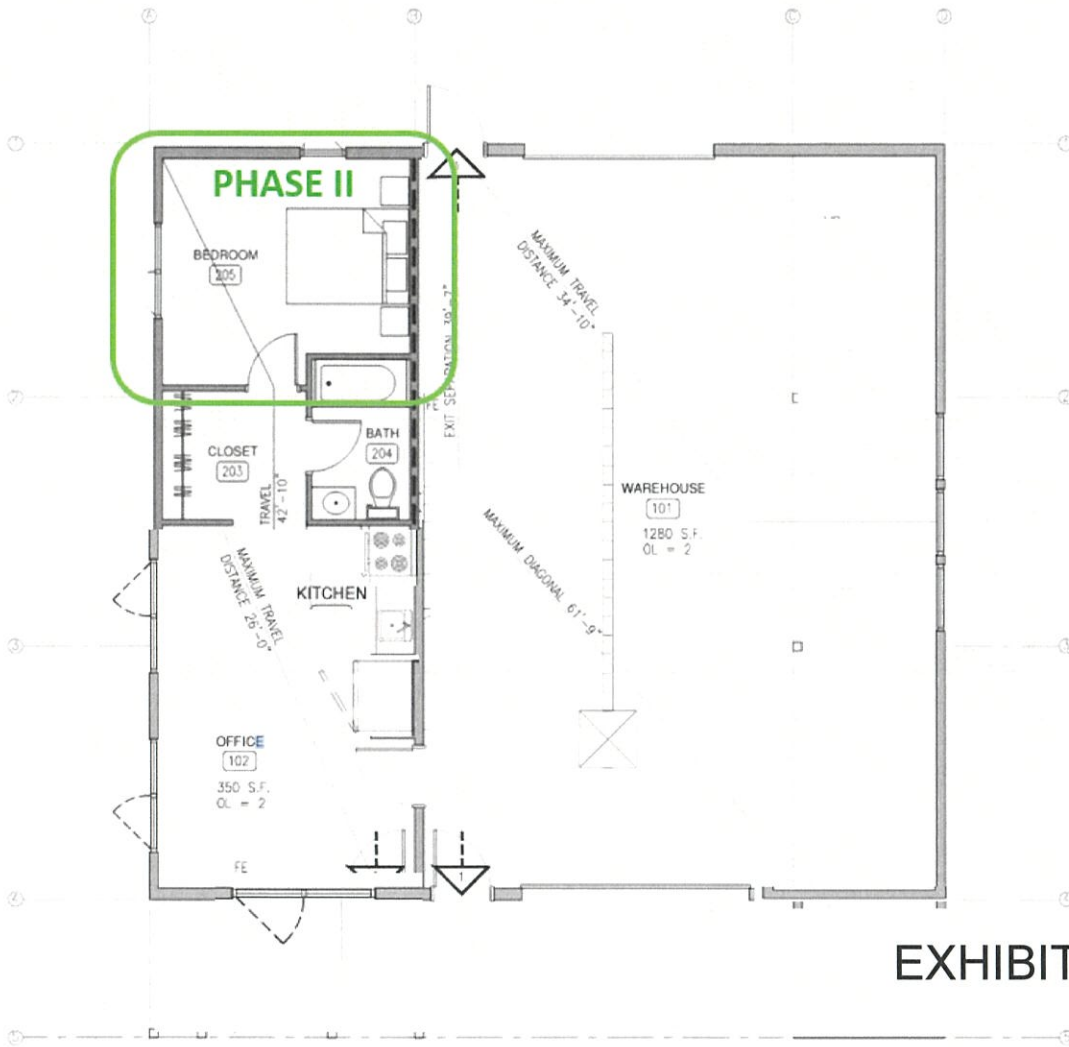
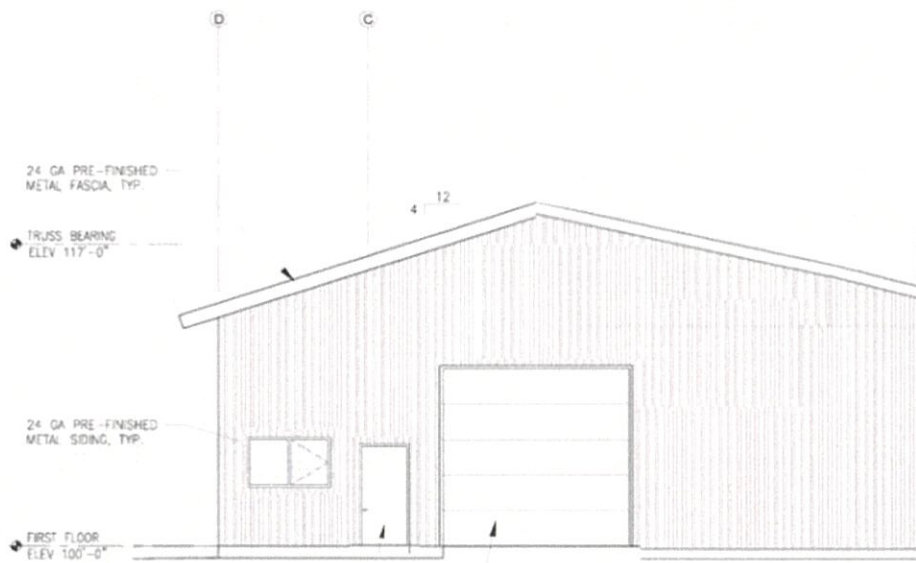


EXHIBIT E



1 WEST ELEVATION

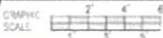
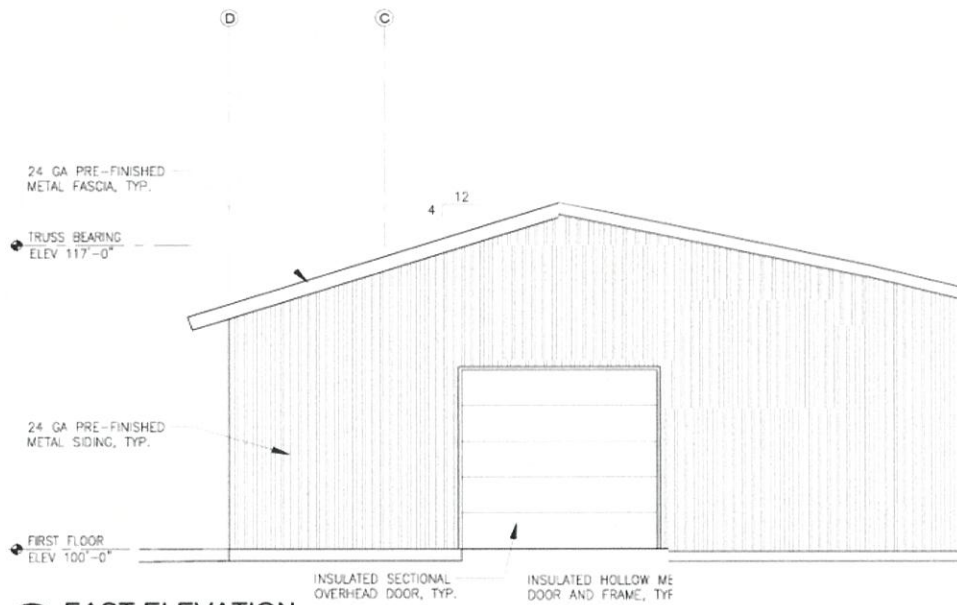


EXHIBIT F



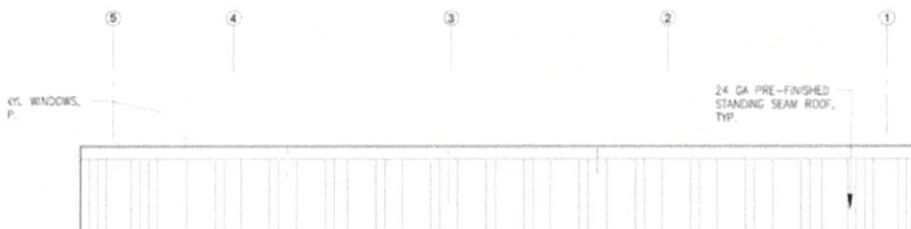
2 SOUTH ELEVATION

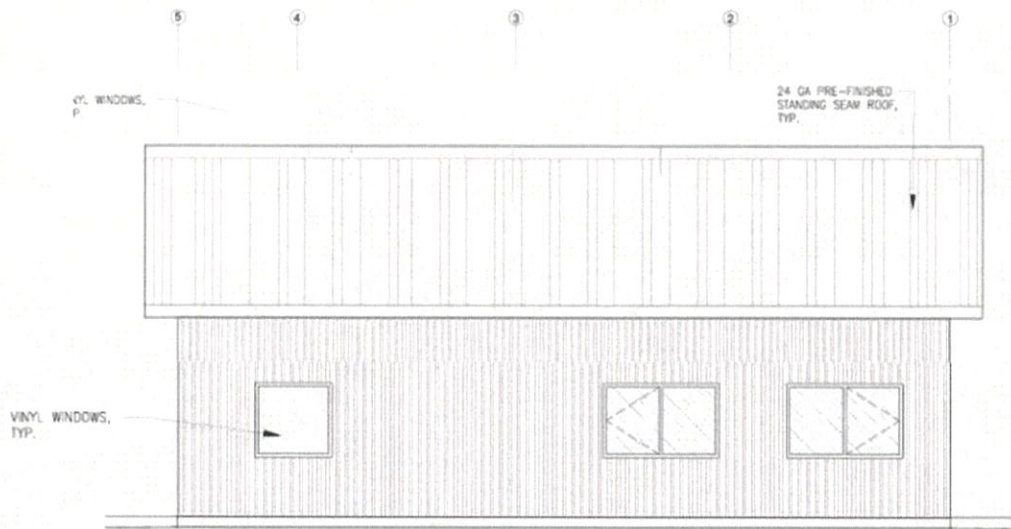


3 EAST ELEVATION



EXHIBIT F





4 NORTH ELEVATION



SAMPLE PICTURES OF SIMILAR STRUCTURES:



EXHIBIT G

