

**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Port Director

RESOLUTION 25-057

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
APPROVING A SUBLEASE BETWEEN HAPPY FACE LLC AND COVE
COLLECTIVE, LLC DBA COVE & CO., OCCUPYING UNIT #2
CONSISTING OF 1250 SQUARE FEET IN THE BUILDING LOCATED
ON THE PROPERTY ENTITLED T7S R13W SEC 1 SEWARD MERIDIAN
HM 0890034 HOMER SPIT AMENDED LOT 32, AND AUTHORIZING
THE CITY MANAGER TO NEGOTIATE AND EXECUTE THE
APPROPRIATE DOCUMENTS.

WHEREAS, Happy Face, LLC is the tenant in good standing of a ground lease for the
property at 4400 Homer Spit Road entitled T7S R13W Sec 1 Seward Meridian HM 0890034
Homer Spit Amended Lot 32; and

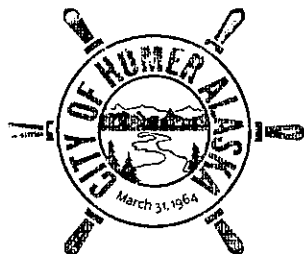
WHEREAS, Under HCC 18.08.140, subleases on City Property leases require approval of
City Council; and

WHEREAS, Cove Collective, LLC dba Cove & Co., submitted a complete Sublease
Application for Unit #2 consisting of 1250 square feet in the building from Happy Face, LLC; and

WHEREAS, The proposed business aligns with the purpose in the prime lease, the
business qualifications are sufficient, and the proposed use is in line with Marine Commercial
zoning.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
approves a sublease between Happy Face, LLC and Cove Collective dba Cove & Co., occupying
Unit #2 consisting of 1250 square feet in the building located on the property entitled T7S R13W
SEC 1 Seward Meridian HM 0890034 Homer Spit Amended Lot 32, and authorizes the City
Manager to negotiate and execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 9th day of June, 2025.



CITY OF HOMER

A handwritten signature in black ink, appearing to read "Rachel Lord", is written over a horizontal line. Below the line, the text "RACHEL LORD, MAYOR" is printed in a serif font.

RACHEL LORD, MAYOR

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ATTEST:



RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: Refer to Memorandum CC-25-160



MEMORANDUM

Resolution 25-057, A Resolution of the City of Homer, Alaska, Approving a Sublease between Happy Face, LLC and Cove Collective, LLC dba Cove & Co. Occupying Unit #2 (consisting of 1,250 square feet) in the building located on the property entitled T7S R13W Sec 1 Seward Meridian HM 0890034 LSEHLD Lot 32 Homer Spit AMD and Authorizing the City Manager to Negotiate and Execute the Appropriate Documents. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: May 28, 2025
From: Mark Bowman, Port Property Associate
Through: Melissa Jacobsen, City Manager

Happy Face, LLC has a lease with the City for the property located at 4400 Homer Spit Road, also identified as Homer Spit Amended Lot 32.

Happy Face LLC and Cove & Co. have requested that the City consent to a sublease allowing Cove & Co. to use retail space to offer beverages and food to customers.

Both Tenants and Subtenants understand that there is a proposed \$500.00 annual fee payable to the City of Homer, Port and Harbor as part of the Sublease. If that fee is approved by Council at a later date, the Fiscal Note for this sublease will be \$500 of annual revenue to 400-0600-4650. Otherwise there is no Fiscal Note.

An application, along with the required supporting documentation, was submitted and reviewed by Port & Harbor Staff. The application is complete and staff recommend approving this lease application.

RECOMMENDATION:

Approve Resolution 25-057



City of Homer

www.cityofhomer-ak.gov

Port and Harbor

4311 Freight Dock Road

Homer, AK 99603

port@cityofhomer-ak.gov

(p) 907-235-3160

(f) 907-235-3152

Sublease Application - Staff Review Checklist

Applicant (Primary Lease Holder) Information

Lessee Name: Happy Face LLC

Sublessee Information

Business Name: Cove Collective LLC dba Cove & Co Primary Contact: Pulama Chow

Sublease Information

Comments regarding description of the subleased premises:

The 1250 sq. ft. space is one of three units available for lease on the lower level of the Happy Face LLC building.

Authorized use is consistent with the authorized purpose in the primary lease: Yes X No__ Comments:

The applicant's experience in the proposed business or venture is adequate: Yes X No__ Comments:

This is a new new business but with experienced team with hand on food, retail and service experience.

Is information supporting the financial capability adequate? Yes X No__ Comments:

Sublease contains an areement to the terms and conditions of the primary lease. Yes X No__ Comment:
Owners operators of Homer Fish Processing since 2009.

Sublease includes a requirement that sublessee agrees to maintain insurance for sublessee's leasehold in the manner and form required under the primary lease and names the City of Homer as an additional insured.
Yes X No__ Comment:

The following documents (mark with Y, N or NA) have been provided:

Business licenses (Y), KPB Tax Compliance Certification (NA – new bus.), Articles of Incorporation (Y), DEC (Pending), Permits (List) _____, Other City, KPB and State required documents (List): SOA Initial Report, SOA Certificate of Organization

Port and Harbor Staff Comments:

Based on the Sublease Application and responsiveness in providing required documents, Cove and Co. seems likely to be responsible Subtenants contributing to especially the tourism element on the Spit.

City Planning Comments: N/A.

Community Development Comments: N/A

Public Works: N/A

City Manager Comments:

Recommended Action to City Council:

☐ N/A

City Manager Signature: _____ Print: _____ Date: _____



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Sublease Application

Applicant (Primary Lease Holder) Information			
Lessee Name:	HAPPY FACE LLC		
Mailing Address:	P.O. BOX 3147, HOMER, AK 99603		
Phone Number(s):	907-235-8783		
Email Address(es):	swapa@swpilots.net or support@swpilots.net		
Sublessee Information			
Business Name:	COVE & CO.	Primary Contact:	PULAMA CHOW
Mailing Address:	P.O. BOX 2044, HOMER, AK 99603		
Phone number(s):	(808)658-0865		
Email Address(es):	pulama.chow@gmail.com		
Sublease Information			
Description of the subleased premises:			
Sq ft:	1250	Description:	4400 Homer Spit Road Unit #2 Homer, AK 99603
Authorized use: (Must be consistent with authorized purpose in the primary lease.) At Cove & Co. we're a hands-on, local trade business. That means we do the work ourselves – making your coffee, blending your smoothies, and serving up fresh, healthy food right here in our shop. We're more than just a store; we're a team of real people who love creating good things for our community and visitors to enjoy.			
What is the applicant's experience in the proposed business or venture? Our team has hands-on experience operating customer-facing businesses in the food, retail, and service industries. We currently own and operate a successful seasonal seafood processing and retail shop, giving us experience in managing staff, handling perishable products, providing excellent customer service, and running a high-volume operation.			
Information supporting the financial capability or backing including a credit history, prior lease history, and assets that will be used to support the proposed business: (Attach supporting documents.) We have owned and operated Homer Fish Processing since 2009. References: Bart Chow 299-1118, Star Chow 299-0607			
Sublease includes a statement that the sublease is subject to all of the terms and conditions of the primary lease. Initial: <u>PC</u> Sublease Section #: _____ 40 ____ (Attach sublease.)			
Sublease includes a requirement that sublessee agrees to maintain insurance for sublessee's leasehold in the manner and form required under the primary lease and names the City of Homer as an additional insured. Initial: <u>PC</u> Sublease Section #: _____ 40 ____			



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Business licenses, Permits, Articles of Incorporation, KPB Tax Compliance Certification and other documents providing evidence of compliance with City, Kenai Peninsula Borough and State of Alaska laws.

Initial: PC (Attach supporting documents.)

Additional Notes:

Cove & Co. is a wellness-focused business offering a variety of fresh, locally sourced food items, including smoothies, acai bowls, and healthy snacks.

Sublease Application Signature Page

Primary Lease Holder Signature:

I hereby attest that, to the best of my knowledge, the information contained in this document is accurate, complete, and true.

John Stewart

Signed by:

D4478C8610FC486...

5/28/2025

Signature: 

Date: 05/14/25

Print Name: Pulama Chow

Title: Organizer

CITY OF HOMER

CONSENT TO SUBLEASE

SAMPLE OF REQUIRED FORM TO BE SIGNED AFTER CITY APPROVAL

This CONSENT TO SUBLEASE ("**Consent**"), dated as of the [____] day of [____], 2025 (the "**Effective Date**"), is entered into among:

CITY OF HOMER, an Alaska municipal corporation, having an address at 491 E Pioneer Avenue, Homer, Alaska 99603 (the "**City**"), as landlord,

[TENANT NAME], a [STATE OF ORGANIZATION] [ENTITY TYPE], having an address at [ADDRESS] ("**Tenant**"), as tenant; and

[SUBTENANT NAME], a [STATE OF ORGANIZATION] [ENTITY TYPE], having an address at [ADDRESS] ("**Subtenant**"), as subtenant

(collectively referred to herein as the "**Parties**" or, individually, a "**Party**").

RECITALS

WHEREAS, the City is the owner of the land having an address of [_____] (KPB Tax Parcel No. [____]), and legally described as follows: [_____] (the "**Property**");

WHEREAS, the City and Tenant entered into that certain [TITLE] dated as of [_____] (the "**Primary Lease**"), pursuant to which the City leased to Tenant the Property;

WHEREAS, Tenant and Subtenant entered into a [SUBLEASE TITLE] (the "**Sublease**"), dated as of [_____] pursuant to which Tenant subleased to Subtenant a portion of the Property, as shown on Exhibit A attached hereto and made a part hereof (the "**Subleased Premises**");

WHEREAS, Tenant has requested that City consent to Tenant subletting the Subleased Premises to Subtenant pursuant to the Sublease; and

WHEREAS, City has agreed to consent to the subletting on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Consent to Subletting. Subject to the satisfaction of the conditions set forth in Section 9, the City hereby consents to the subletting of the Subleased Premises by Tenant to Subtenant on the

terms and conditions set forth herein and as set forth in the Sublease, a true and correct copy of which is attached hereto as Exhibit B.

2. Sublease Subject and Subordinate to Primary Lease. The Sublease is subject and subordinate always to the Primary Lease. In the case of any conflict between the provisions of the Primary Lease and the provisions of the Sublease, the provisions of the Primary Lease will govern.

3. Tenant Not Released. Neither the Sublease nor this Consent releases or discharges Tenant from any covenants, duties, agreements, or liabilities under the Primary Lease. Tenant will remain liable and responsible for the full performance and observance of all the provisions, covenants, and conditions set forth in the Primary Lease on the part of Tenant to be performed and observed. Any breach or violation of any provisions of the Primary Lease by Subtenant will be deemed to be and will constitute a default by Tenant.

4. Consent Limited to Subletting. This Consent is limited solely to the subletting of the Subleased Premises by Tenant to Subtenant pursuant to the Sublease. The City expressly reserves the right to consent to or withhold consent with respect to any other matters in the Primary Lease, including, without limitation, any proposed alterations to the Property or the Subleased Premises or any further subletting either by Tenant or Subtenant.

5. Termination of Primary Lease. If at any time prior to the expiration or termination of the Sublease the Primary Lease expires or terminates for any reason, the Sublease will automatically and simultaneously terminate.

6. Notices. Tenant and Subtenant acknowledge and agree that the City must be copied simultaneously on any notices between Tenant and Subtenant delivered as provided in the Primary Lease. Notices to the City must be sent to:

City of Homer
Port and Harbor
4311 Freight Dock Rd.
Homer, Alaska 99603

Or by email to: leases@ci.homer.ak.us

7. Fee. Tenant must pay to the City, upon demand, the fee specified in the Primary Lease, or if no fee is specified, the City's fees and expenses (including without limitation the City's reasonable attorneys' fees and expenses) incurred relating to the City's review, negotiation, and processing of all information and documents relating to the Sublease or Subtenant.

8. No Further Modifications. Tenant and Subtenant agree not to amend, modify, or supplement the Sublease without the prior written consent of the City, which consent may be given

or withheld in its sole and absolute discretion. This Consent does not confer any third-party beneficiary rights upon Subtenant, except as expressly set forth herein.

9. CONDITIONS TO CONSENT TO SUBLEASE. THE SUBLEASE AND THIS CONSENT ARE NOT VALID AND SUBTENANT MAY NOT TAKE POSSESSION OF THE SUBLEASED PREMISES UNTIL EACH OF THE FOLLOWING HAS BEEN SATISFIED: (A) THE CITY'S RECEIPT OF AN ORIGINAL, EXECUTED COUNTERPART OF THE SUBLEASE, IN THE FORM ATTACHED HERETO; (B) THE CITY'S RECEIPT OF A CERTIFICATE OF SUBTENANT'S INSURANCE IN FORM AND SUBSTANCE REQUIRED BY THE PRIMARY LEASE; AND (C) PAYMENT TO THE CITY OF THE SUM REQUIRED PURSUANT TO SECTION 7. IF THE CONDITIONS OF THIS SECTION 9 HAVE NOT BEEN SATISFIED ON OR BEFORE TEN (10) DAYS AFTER THE EFFECTIVE DATE, THIS CONSENT WILL BE DEEMED NULL AND VOID AND OF NO FURTHER FORCE OR EFFECT.

10. Entire Agreement. This Consent contains the entire agreement of the Parties and may not be modified orally or in any manner other than by an agreement in writing signed by the Parties or their respective successors in interest.

11. Capitalized Terms. All capitalized terms not defined herein have the meaning given them in the Primary Lease.

12. Paragraph Headings. The paragraph headings appearing herein are for purposes of convenience only and are not deemed to be part of this Consent.

13. Governing Law. This Consent is to be construed in accordance with the laws of Alaska without regard to the choice of law rules of that state.

14. Severability. If any term or provision of this Consent is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Consent or invalidate or render unenforceable such term or provision in any other jurisdiction.

15. Counterparts. This Consent may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Consent delivered by email is deemed to have the same legal effect as delivery of an original signed copy of this Consent. Notwithstanding the foregoing, each Party hereto must deliver original counterpart signatures to the other Parties by no later than ten (10) days after the date hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Consent to be executed as of the Effective Date.

CITY OF HOMER:

By: _____

Name: _____

Title: _____

TENANT:

[TENANT NAME]

By: _____

Name: _____

Title: _____

SUBTENANT:

[SUBTENANT NAME]

By: _____

Name: _____

Title: _____

[SIGNATURE PAGE TO CONSENT TO SUBLEASE]

EXHIBIT A

DESCRIPTION OF SUBLEASED PREMISES

[Insert a drawing/plan or description of the Sublease Premises and delete this text]

SAMPLE

EXHIBIT B

SUBLEASE

A copy of the Sublease is attached.

DRAFT