

CITY AND BOROUGH OF SITKA

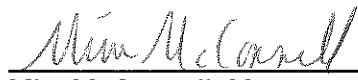
ORDINANCE NO. 2015 – 01

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING A
LEASE AMENDMENT TO THE TIDELANDS LEASE IN ALASKA TIDELANDS SURVEY 1160
TO WADE AND GRETCHEN PARRISH

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to approve a minor lease amendment to allow a leaseholder to obtain bank financing on their building on an upland parcel, a portion of which encroaches onto the lessee's tidelands lease with the City and Borough.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough to:
 - A. A lease addendum to Tideland Lease ADL 101561 is hereby authorized with the following terms:
 - 1) Lessees shall be entitled to mortgage their interest in the Lease so long as (a) that mortgage also covers Lessee's adjacent upland property, and, (b) that mortgage is secured through a financing entity licensed to business in the State of Alaska.
 - 2) Should Lessees default on their mortgage, their interest in the Lease shall be subject to foreclosure and transfer/sale along with, and only along with, the adjacent upland property, pursuant to the mortgage, and without consent of Lessor – so long as there is compliance with all lease terms. Mortgagee would have the right to acquire in its own name, or a designee, the rights of the Lessees upon foreclosure or assignment in lieu of foreclosure.
 - 3) During the term of the Lease, the City and Borough of Sitka will give the mortgaging entity 30 days advance written notice, duplicate to that provided in paragraph 2(f) of the Lease, of any conditions that might trigger a default of the lease, so long as the mortgaging entity has already given the office of the Municipal Attorney of the City and Borough of Sitka a mailing address for such notice(s).
 - 4) The parties understand that this addendum does not confer to the Lessee, the Mortgagee, or any other party an ownership right to the leased tidelands.
 - B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs tidelands leases, Tidelands Patent 439, and existing municipal policies and practices on tideland leases.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of January, 2015.



Mim McConnell, Mayor

ATTEST:



Sara Peterson, CMC
Acting Municipal Clerk

First reading: 1/13/15

Second reading: 1/27/15