

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2011-51

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING ASSIGNING OF GROUND CONTROL, LLC TENANT SUBLEASE AT SITKA ROCKY GUTIERREZ AIRPORT TERMINAL BUILDING FROM CORY JO KELLY AND DOUG RENDLE TO SUNNI KEITH

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code (“SGC”).

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. PURPOSE. State of Alaska owns the Sitka Rocky Gutierrez Airport Terminal Building (“Terminal Building”) in Sitka, Alaska. City and Borough of Sitka (“CBS”) has a 30-year lease agreement with the State of Alaska, Lease No. ADA-50103, which began on July 1, 1994 and expires on June 30, 2024.

On June 17, 2003, a month-to-month sublease was entered into between Deb Miller d/b/a Lotta Latte (“Lotta Latte”) and CBS for Space L-5, consisting of 58 square feet to be used for the purposes of an espresso stand.

On January 21, 2004, an open outcry auction was held for space at the Terminal Building. Ordinance 2004-11 awarded Lotta Latte Terminal Building space L-4, consisting of 255 square feet. A 5-year sublease, with a provision allowing a 2-year extension, was entered into on March 5, 2004. On December 16, 2009, the parties agreed to a 2-year extension by signing an Agreement Regarding Extension of Tenant Sublease, expiring on February 28, 2011.

On December 22, 2009, Lotta Latte requested assignment of the sublease in accordance with the sublease agreement at Article V(c). CBS consented to the assignment on December 22, 2009, and the sublease was assigned to Ground Control, LLC (“Ground Control”), which has continued to operate the espresso stand since that date.

On April 25, 2011, a 7-year sublease was entered into between Ground Control and CBS, effective March 1, 2011 and ending on February 28, 2018, with a provision allowing two 3-year extensions. This sublease was signed by current owners of Ground Control, Cory Jo Kelly and Doug Rendle.

Cory Jo Kelly and Doug Rendle have requested assignment of the Ground Control sublease to Sunni Keith. Sunni Keith agrees to be bound by all terms and conditions of the sublease.

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82

Any assignment of any airport sublease must be approved by CBS assembly as well as State of Alaska DOT&PF before it is effective.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. All provisions in the April 25, 2011 Ground Control sublease remain in full force and effect and must be complied with by Ground Control's new owner, Sunni Keith;
- B. Approval of this Consent to Assignment of Tenant Lease is contingent upon proof of insurance by Ground Control's new owner, Sunni Keith;
- C. Execution by the Municipal Administrator of the attached Consent to Assignment of Tenant Lease is authorized upon conditions A and B above being met;
- D. This Consent to Assignment of Tenant Lease is also contingent on the State of Alaska DOT&PF approval and consent.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage. However, the Consent to Assignment of Tenant Lease shall only be valid upon all conditions being met as provided in Section 4 of this ordinance.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of December, 2011.

Cheryl Westover, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk