

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2022-07

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE LEASE OF GRANITE CREEK INDUSTRIAL SITE LEASE AREAS 2 AND 3, A 12.7 ACRE PARCEL, FOR MATERIAL EXTRACTION AND SALE

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

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 circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to facilitate the lease of approximately 12.7 acres of Granite Creek Industrial Site Areas 2 and 3 to McG Constructors, Inc., for material extraction and sale.

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

- A. The leasing of Granite Creek Industrial Site Lease Areas 2 and 3 is hereby authorized with the following terms:
 - 1) The Lessee shall utilize the site for material extraction and sale.
 - 2) The Lessee shall pay \$1,875.00 per month rent for the lease of the site; CPI adjusted upon exercise of lease renewal.
 - 3) The Lessee shall pay royalty rates of \$3.55 per cubic yard; CPI adjusted upon exercise of lease renewal.
 - 4) The lease term is for five (5) years, with one (1) five (5) year renewal option subject to renegotiating of site boundaries, rent and royalties and by approval of Lessor Assembly.
- B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs municipal leases, and existing municipal policies.
- C. The requirement to competitively bid leases of municipal real property, as outlined by Sitka General Code 18.12.010(E), has been satisfied by the open Request for Proposal process.

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 12th day of April, 2022.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading: 3/22/2022
2nd and final reading: 4/12/2022

Sponsor: Administrator