

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO grant preliminary approval for the sale of 10,797 square feet of tidelands off Katlian Avenue to North Pacific Seafoods.

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planner I MB

Subject: Sale of Tideland to North Pacific Seafoods

Date: January 20, 2014

Recently North Pacific Seafoods approached the Planning Department with a request to purchase tidelands they currently lease from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the sale of tidelands. North Pacific Seafoods is requesting preliminary approval from the Assembly in order to proceed with the tideland sale.

The tidelands request is 10,797 square feet adjacent to property owned by North Pacific Seafoods off of Katlian Avenue. The parcel is described as: A parcel of tide and submerged land lying within the First Judicial District, State of Alaska, and within the City and Borough of Sitka, adjacent to the Conway Dock Tidelands which is adjacent to Lots 20 and 21, Block 5, US Survey 2542. Tidelands on the other side of the proposed sale are owned by the Hames Corporation.

The original tidelands lease was created in July, 1980 between Sitka Sound Seafoods and the City and Borough of Sitka for a term of fifty five (55) years. The lease rate was fixed at \$1349.63 per year, and subject to adjustment every 5 years. This fiscal year, Sitka Sound Seafoods paid \$4156.85.

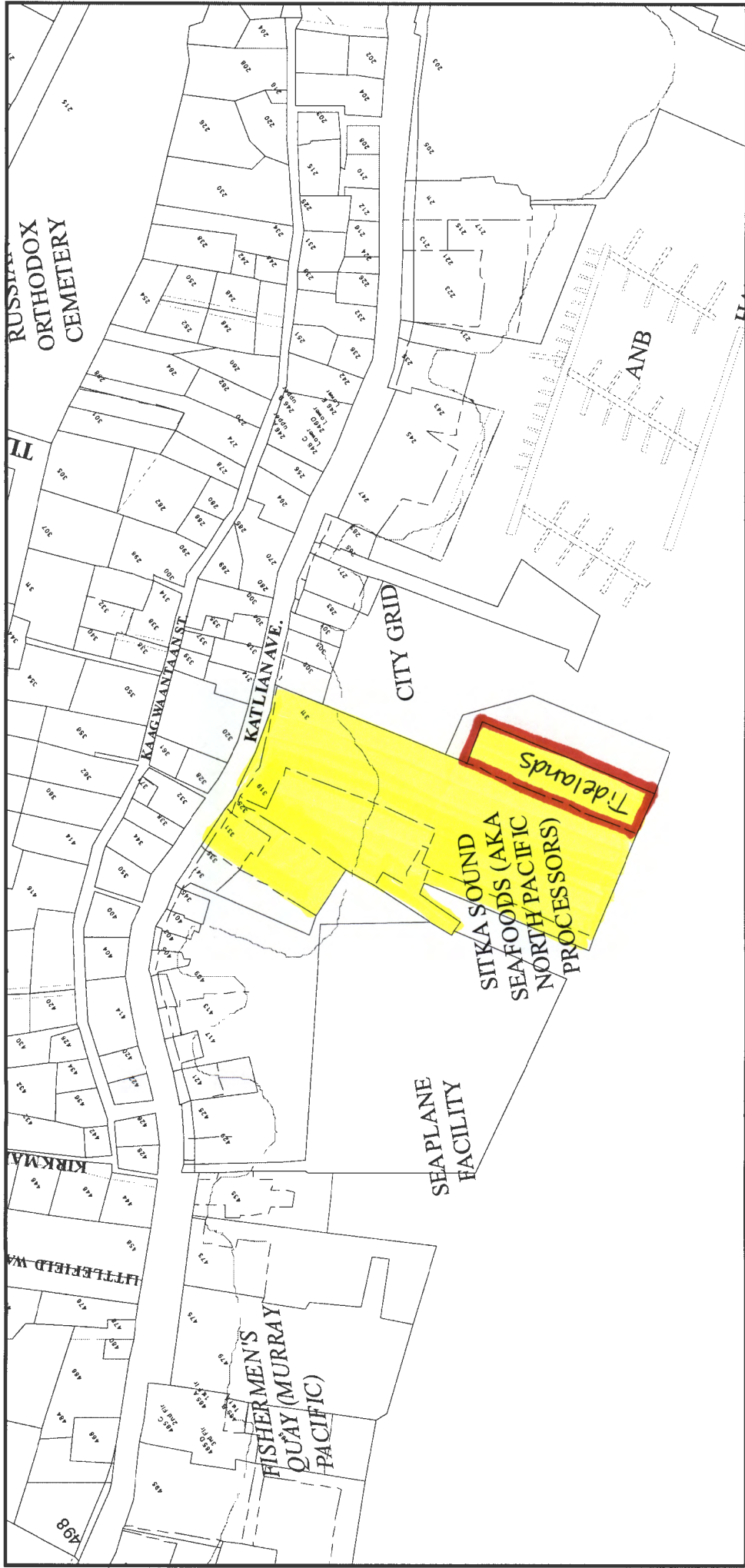
The sale price is \$83,137.00 or \$7.70 per square foot based on the rate set by the City Assessor, Randy Hughes.

The Port and Harbors Commission reviewed and supported the proposal at their January 8, 2014 meeting.

Following preliminary Assembly approval, the applicant will then go to the Planning Commission and through the minor subdivision process before coming back to the Assembly, for approval of a sales authorization ordinance based on the minor subdivision plat.

RECOMMENDED ACTION: Pass a motion granting preliminary approval.

The conversion of the lease to a sale is straightforward and North Pacific Seafoods is the only entity that can utilize the tidelands.



RUSSIAN ORTHODOX CEMETERY

EL

KAAGWANATNA ST

KATLIAN AVE.

CITY GRID

ANB

Tidelands
SITKA SOUND SEAFOODS (AKA NORTH/PACIFIC PROCESSORS)

SEAPLANE FACILITY

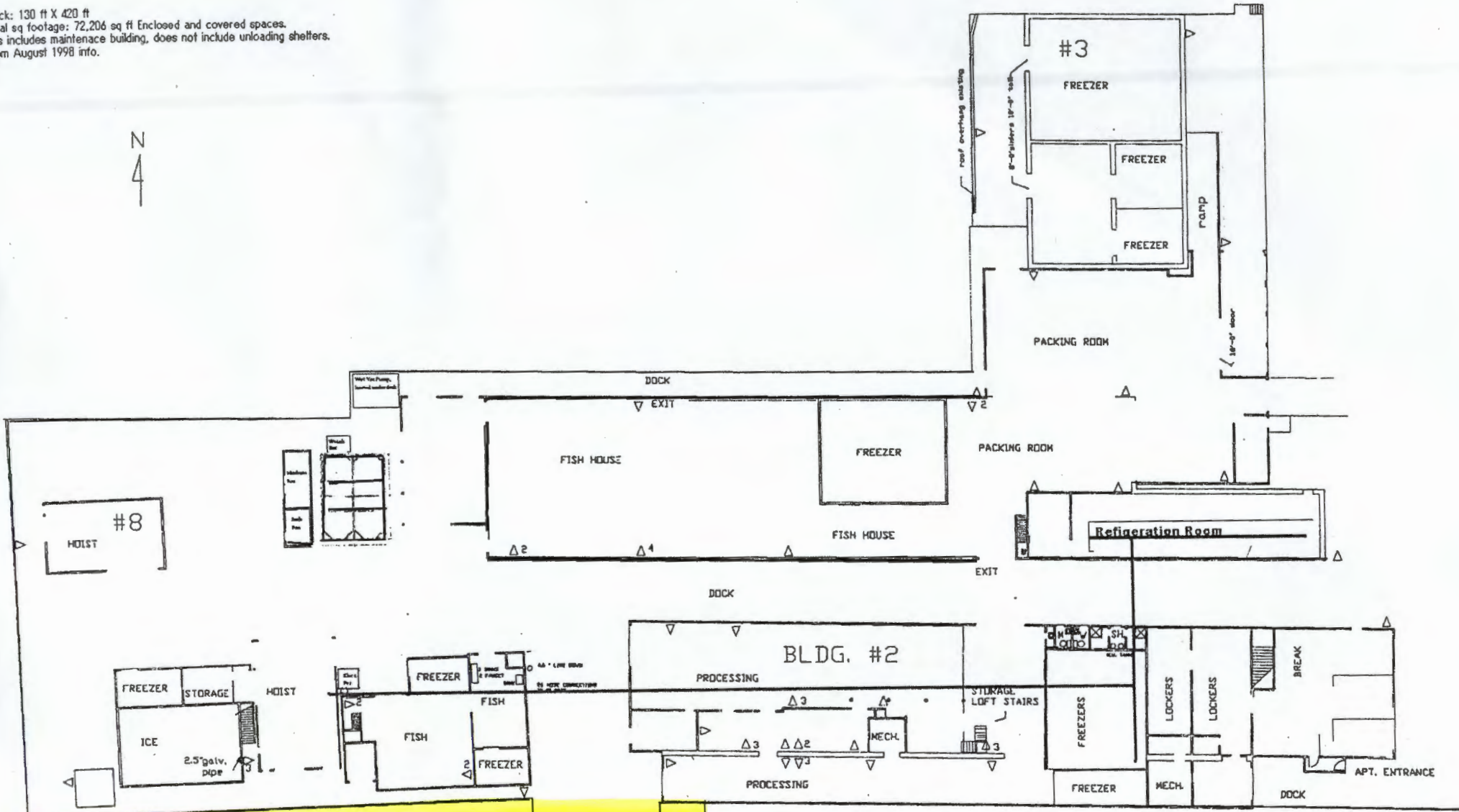
KIRKMA

ATTLEFIELD WA

FISHERMEN'S QUAY (MURRAY PACIFIC)

498

Dock: 130 ft X 420 ft
 Total sq footage: 72,206 sq ft Enclosed and covered spaces.
 This includes maintenance building, does not include unloading shelters.
 From August 1998 info.
 LW



Tidelands to be purchased



CBS Tidelands

HAMES CORPORATION

Sitka Sound Seafoods

Lot 2
North Pacific
Seafood
Distribution

Peeled Tidelands

4 Nickerson, Suite 400, Seattle, WA 98109
P.O. Box 31179, Seattle, WA 98103-1179
PHONE (206) 726-9900 FAX (206) 726-1667
www.northpacificseafoods.com



October 14, 2013

City of Sitka
Planning and Community Development
100 Lincoln Street
Sitka, AK 99835

Attn: Wells Williams

Dear Wells,

Sitka Sound Seafoods, a division of North Pacific Seafoods, Inc. is interested in purchasing one of the tideland leases that we have with the City of Sitka. We would like to know if the City of Sitka is interested in selling the leased property and at what cost.

The lease is dated July 9, 1980 and contains an estimated square footage of 10,797 feet. A copy of the tidelands lease is attached along with a copy of the most recent billing from the City of Sitka which reflects this lease being referred to lease #8. I have also enclosed and highlighted the area that this lease covers on a drawing of the Sitka Sound Seafoods plant.

Please let Sitka Sound Seafoods know what the next steps are in this process. If you have any questions please feel free to contact me.

Sincerely yours,

Tim R. Ryan
Controller/Asst. Manager

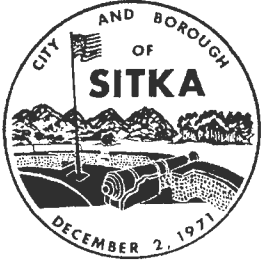
Enclosures

Alaska Pacific Seafoods
627 Shelikof Ave
Kodiak, Alaska 99615
(907) 486-3234
(907) 486-5164

Pederson Point
P.O. Box 99
Naknek, Alaska 99633
(907) 246-4461
(907) 246-6657

Sitka Sound Seafoods
329 Katlian Street
Sitka, Alaska 99835
(907) 747-6662
(907) 747-6268

Togiak Fisheries
P.O. Box 30
Togiak, Alaska 99678
(907) 493-5331
(907) 493-5133



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Sitka Sound Seafoods
329 Katlian Street
Sitka, AK 99835

Attn: Tim Ryan

COPY

Dear Mr. Ryan,

Please consider this letter confirmation of the sale price of the 10,797 square feet of tideland, described as; A parcel of tide and submerged land lying within the First Judicial District, State of Alaska, and within the City and Borough of Sitka, adjacent to the Conway Dock Tidelands which is adjacent to Lots 20 and 21, Block 5, U.S. Survey 2542.

The sale price is \$83, 137.00. Based on the rate set by the City Assessor.

We look forward to working with you throughout the sale process and are available to answer any questions.

Thank you,

Maegan Bosak
Planner I

4 Nickerson, Suite 400, Seattle, WA 98109
P.O. Box 31179, Seattle, WA 98103-1179
PHONE (206) 726-9900 FAX (206) 726-1667
www.northpacificseafoods.com



November 26, 2013

City of Sitka
Planning and Community Development
100 Lincoln Street
Sitka, AK 99835

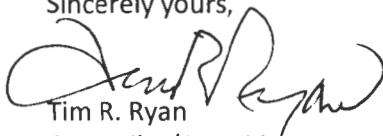
Attn: Wells Williams

Dear Wells,

This letter will confirm that Sitka Sound Seafoods, a division of North Pacific Seafoods, Inc. is interested in purchasing the leased tidelands mentioned in our letter of October 14th in the amount of \$7.70 per square foot. The total square footage of the tidelands lease is 10,797 feet for a purchase price of \$83,136.90.

We look forward to working with you on getting the approval of this purchase through the different commissions that need its review and the City of Sitka Assembly. Please contact me if you have any need for additional information or questions.

Sincerely yours,



Tim R. Ryan
Controller/Asst. Manager

Alaska Pacific Seafoods
627 Shelikof Ave
Kodiak, Alaska 99615
(907) 486-3234
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(907) 493-5331
(907) 493-5133

NEW ONE
NOT PREVIOUSLY
RECORDED
12/9/92

BOOK 99 PAGE 996
Sitka Recording District

T I D E L A N D S L E A S E

THIS LEASE, made and entered into this 9th day of JULY, 1980, by and between:

CITY AND BOROUGH OF SITKA
hereinafter referred to as the Lessor, and

SITKA SOUND SEAFOODS
hereinafter referred to as the Lessee,

W I T N E S S E T H:

WHEREAS, the Lessor is owner of certain tidelands situated at Sitka, Alaska, described as follows:

A parcel of tide and submerged land lying within the First Judicial District, State of Alaska, and within the City and Borough of Sitka, adjacent to the Conway Dock Tidelands which is adjacent to Lots 20 and 21, Block 5, U. S. Survey 2542, being more particularly described as follows:

Beginning at the southwest corner of Lot 20, Block 5, U. S. Survey 2542;

Thence S. 72° 20' W. a distance of 5.68 feet to a point;
Thence S. 59° 03' W. a distance of 232.21 feet to the True Point of Beginning, being Corner No. 1 of this description;
Thence S. 59° 03' W. a distance of 216.89 feet to Corner No. 2;
Thence S. 33° 07' E. a distance of 50.04 feet to Corner No. 3;
Thence N. 59° 03' E. a distance of 215.00 feet to Corner No. 4;
Thence N. 30° 57' W. a distance of 50.00 feet to Corner No. 1, the point of beginning containing 10,797 square feet more or less.

NOW, THEREFORE, for and in consideration of the agreements hereinafter contained, Lessor and Lessee agree as follows:

1. Lessor hereby demises and leases unto the Lessee, the above-described property for a term of fifty-five (55) years, beginning July 9, 1980 and ending July 8, 2035.

2. Lessee, in consideration of lease from Lessor, agrees as follows:

- (a) To pay as rent therefore to Lessor at its order the sum of \$1,349.63 (One thousand three hundred forty-nine dollars and 63/100ths cents) annually, payable on the 9th day of July of each year in advance. It is acknowledged that the first year's payment has been made. In addition to said rental, there shall be paid to the City and Borough of Sitka sales tax on the amount of each rental not exempt from such sales tax.
- (b) The parties hereby agree that said annual rent is subject to adjustment every five years should the appraised value of the leased property as determined by official appraisal for general property tax purposes change more than 25% from the time of lease

080
1800
CORDED-FILED
SITKA REC.
DISTRICT

Dec 8 11 04 AM '92
REQUESTED BY Sitka
ADDRESS Sound Seafoods

execution. Should such lease be subject to modification, it shall be proportional to the amount of such change. Requests for lease modification may come from either party hereto at any time after five (5) years from date of either the original execution or any prior modifications.

- (c) This lease may not be assigned or sublet by the Lessee without the consent of the Lessor.
- (d) If the rent shall be in arrears, or Lessee, their representatives or assigns, do or shall neglect agreements hereinabove contained which are to be performed and in the event Lessee fails to remedy default within thirty (30) days after receipt of written notice of any such rental arrears or neglect, then Lessor may immediately, or at any time thereafter, while such neglect or default continues, enter into and on the premises, or any part thereof, and repossess same as of their former estate, and expel Lessee and those claiming under it and remove its effects (forcefully, if necessary) without being guilty of any trespass and without prejudice to any remedies which might otherwise be used for arrears or rent, or preceding breach of agreement.
- (e) That the Lessee herein agrees to pay any Local Improvement District assessments that may be levied against the property leased herein to the same extent and in the same amount as if Lessee was the owner of the Local Improvement District, which would include the property leased herein, be formed or contemplated, the Lessee shall share the Lessor's right as owner in all proceedings under the Local Improvement District, (except for payment of assessments) in proportion that the remaining years of the Lease bear to 20. (Example: If the lease has 5 years to run, the Lessee shall have the right to exercise 5/20ths of the Lessor's vote and the Lessor, 15/20ths).

IT IS MUTUALLY AGREED AS FOLLOWS:

1. The terms and conditions herein contained shall apply to and bind the heirs, successors and assigns of the respective parties.
2. Waiver by Lessor of any agreement or condition herein shall not be considered a waiver of any subsequent breach of said agreement or condition.
3. If Lessee occupies the premises after expiration date of this lease with consent of Lessor, such possession shall be construed to be an annual tenancy and Lessee shall pay Lessor the annual rent paid during the last year of said lease.
4. At any termination of said tenancy, all improvements placed on said property and attached to the land so as to become part of the real property by common law definition shall become the property of the Lessor.
5. Lessee agrees to save the Lessor harmless from any liability by reason of person injury to any person or persons on or about the said premises.

ATTEST:

Mary L. Flynn

CITY AND BOROUGH OF SITKA

Fermin Gutierrez
Fermin Gutierrez, Administrator

SITKA SOUND SEAFOODS

Harold L. Johnson

Thomas P. Longman
PRESIDENT

RETURN TO:
SITKA SOUND SEAFOODS, LLC
329-333 KATLIAN ST.
SITKA, AK 99835
ATTN: MIC

Memorandum

TO: Retha Winger, Payroll Specialist / Billing Clerk
FROM: Randy Hughes, Assessing Director
SUBJECT: Tidelands Lease # 8 / North Pacific Seafood, Inc
DATE: July 22, 2011

Lease is to be adjusted every five years, which occurs in July 2011. Current lease is based on \$7/SF for tidelands. 2011 assessment is \$7.70/SF. The new lease amount for July 2011 billing cycle is computed as follows:

10,797 SF X \$7.70 = \$83,137 fee simple
Rate of lease 5% annualized
New lease payment is \$4,156.85 plus sales tax

It should be noted that the lease expires in 2035. Current new leases are made at 9% rate of return, instead of the old 5% rate.

Please bill North Pacific Seafood, Inc for their lease at \$4,156.85 plus sales tax for the next billing cycle.



City and Borough of Sitka
Municipal Billing
100 Lincoln Street
Sitka, AK 99835
907-747-1833 phone
907-747-0536 fax

INVOICE

S S S DIV OF NORTH PACIFIC SEAFOODS
329 KATLIAN STREET
SITKA AK 99835

Invoice Date: 6/26/13
Due Date . : 7/15/13

Invoice # : 130001345
Customer #: 203

ANNUAL LEASE

Total Due: \$4231.85

Thank you for your attention to this invoice.
Terms: due upon receipt, 12% interest
Questions on invoice...907-747-1833
Pay invoice with credit card...907-747-1818

Description	Unit of Measure	Quantity	Amount Per Unit	Total
Tideland Lease Lease #8 July 9, 2013 to July 8, 2014		1.0000	4,156.8500	4,156.85
			Sub-Total:	4,156.85
5% sales tax			5%	75.00
			Total Due:	\$4231.85