


City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: June 28, 2021

Subject: Amendment to SECON Granite Creek Lease Area Site 7

Background

SECON was assigned the Granite Creek Lease Area Site 7 from Aggregate Construction, Inc. (ACI) on June 14, 2016. After the assignment, Amendment 1 was presented and approved by the City and Borough of Sitka (CBS) Assembly on August 22, 2017. At that time, the Assembly also approved increasing the lease area an additional 37,897 square feet to correct boundary issues. The initial 10-year lease term remained unchanged, terming on Friday June 25, 2021

Analysis

The original lease terms with ACI encompassed an approximately 100,700 square foot area. ACI offered paving services in lieu of payment for a term of 10 years at a value of \$2,265.75 per month. The Assessor valued the additional area, 37,897 square feet at \$852.68 per month.

Currently, CBS staff are working on a Request for Proposal (RFP) for Granite Creek Lease Area Site 7 with the objective to advertise and evaluate proposals prior to calendar year end. Until the RFP is issued, staff proposes a month-to month lease with SECON to ensure that the 2021 paving season is not interrupted. As the initial lease was essentially an in-kind trade of services, the proposed temporary lease will add the fully assessed cash value to Site 7 until the temporary lease terms.

Fiscal Note

SECON shall pay the CBS rent in the amount of \$3,118.43 per month plus City sales tax.

Recommendation

Approve a temporary lease of Granite Creek Lease Area 7 to SECON on a month-to-month term, not to exceed 9 months.

Encl: Temporary Lease – Granite Creek Lease Area 7