

POSSIBLE MOTION

I MOVE TO approve a temporary lease between the City and Borough of Sitka and K&E Alaska, Inc. for municipal property at Granite Creek Lease Area Site 4 using prior agreement.




City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

From: John Leach, Municipal Administrator 

Date: December 16, 2020

Subject: Amendment to K&E Granite Creek Lease Area Site 4

Background

K&E was assigned the lease of Granite Creek Lease Area Site 4 from Tisher Construction on August 28, 2018, however, that lease expired on September 1, 2019. Since then, K&E has continued to occupy and use Site 4 making it responsible for rent and royalties, if any materials were removed, to present.

Analysis

On November 30, 2020, K&E became current with all unpaid rent, and are in the process of completing a survey to rectify any royalties due. This month to month lease would be an extension of the previous lease for the same terms on the following conditions:

- CBS must receive the required surveys prior to December 31, 2020 to determine royalties due from K&E (if any)
- All balances due to CBS are paid in full
- Acceptance of a 30-day notice of termination by either party
- CBS may actively advertise for future use of Lease Area Site 4 during the temporary lease.

Fiscal Note

The lease specifies rent of \$613.00 per month plus sales tax and \$1.55 per cubic yard in royalty fees for any material removed.

Recommendation

Approve the temporary lease of Granite Creek Lease Area 4 to K&E on month to month terms.

Encl: K&E Compliance Letter – Lease Area 4
 Temporary Lease – Granite Creek Lease Area 4