

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-04

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING RENEWAL OF SUBLEASE OF SPACE BY NUGGET RESTAURANT AT THE SITKA ROCKY GUTIERREZ AIRPORT TERMINAL BUILDING

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 August 1, 1974, a 10-year lease was entered into between CBS and Nugget Saloon (now known as Nugget Restaurant) (“Nugget”) for purposes of operating a restaurant and cocktail lounge at the Terminal Building. After numerous assignments, this Lease was amended on April 9, 1982 and was extended to terminate on June 30, 1994.

On April 7, 1993, the parties entered into a 10-year lease extension beginning July 1, 1994. The lease was in holdover status until March 11, 1996 where a lease was entered into between the parties to expire on March 31, 2014.

Nugget Restaurant wishes to remain in its current location at the Terminal Building. It is willing to pay fair market value for the sublease space, estimated to be \$4,515.20 per month by the Municipal Assessor, as well as sign the new standardized Terminal Building Sublease Agreement.

For consistency and efficiency, this sublease will have the same provisions such as termination dates and options to renew as the other airport terminal subleases currently in effect.

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

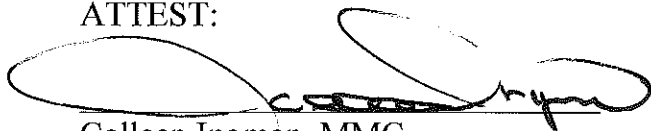
- A. The Assembly finds that competitive bidding is inappropriate under SGC 18.12.010E for Terminal Building space currently subleased by Nugget Restaurant, that has been subleasing space in the Terminal Building since 1974, is willing to pay fair market value for the space as determined by the Municipal Assessor, and will execute the new standardized Terminal Building Sublease Agreement;
- B. Execution of the attached sublease is authorized; and
- C. Approval of this sublease agreement is contingent on the State of Alaska DOT&PF approval and consent to the Sublease Agreement.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage, with the date of the sublease agreement effective April 1, 2014.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 25th day of February, 2014.


Mim McConnell, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk