

**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2011-09**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING  
SUBLEASE OF SPACE BY ALASKA RENT A CAR, INC. d/b/a AVIS RENT A  
CAR 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.

In 1995, CBS advertised for bids for certain spaces at the Terminal Building. On August 8, 1995, bids were approved unanimously by CBS Assembly. Ordinance 95-1327 was passed on October 10, 1995 to ratify the bids, as required for lease of municipal property under SGC Title 18.12.010, approving the 3-year sublease agreement between Alaska Rent A Car, Inc. ("Avis") and CBS for Space L-6 at the Terminal Building, consisting of 201 square feet. This sublease expired on September 30, 1998.

On September 29, 1998, Ordinance 98-1512 was passed approving a bid by Avis for Terminal Building space L-4, consisting of 207 square feet. A 5-year sublease was approved, ending September 30, 2003, but allowing for extensions. Avis moved into Terminal Building space L-4 from L-6.

On January 21, 2004, an open outcry auction was held for space at the Terminal Building. Ordinance 2004-13 awarded Avis Terminal Building space L-7, consisting of 243 square feet. A 5-year sublease, with a provision allowing a 2-year extension, was entered into on March 1, 2004. Avis relocated into Terminal Building space L-7. In March 2009, the parties agreed to a 2-year extension by signing an Agreement Regarding Extension of Tenant Sublease, expiring on February 28, 2011.

Avis wishes to remain in its current space L-7 at the Terminal Building. It is willing to pay fair market value for the sublease space, estimated to be \$4,957.20 per year

1 by the Municipal Assessor, as well as sign the new standardized Terminal Building  
2 Sublease Agreement.

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

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7 A. The Assembly finds that competitive bidding is inappropriate under  
8 SGC 18.12.010E for Terminal Building space currently subleased by  
9 Avis, that has been subleasing space in the Terminal Building since at  
10 least 1995, is willing to pay fair market value for the space as  
11 determined by the Municipal Assessor, and will execute the new  
12 standardized Terminal Building Sublease Agreement;

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14 B. Execution of the attached sublease is authorized; and

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16 C. Approval of this sublease agreement is contingent on the State of  
17 Alaska DOT&PF approval and consent to the Sublease Agreement.

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19 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day  
20 after the date of its passage, with the date of the sublease agreement effective March 1,  
21 2011.

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23 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and  
24 Borough of Sitka, Alaska this 12th day of April, 2011.

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Cheryl Westover, Mayor

29 ATTEST:

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32 Colleen Ingman, MMC  
33 Municipal Clerk