

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2012-11

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING A
FIVE-YEAR LEASE OF PROPERTY AT GRIFFIN ISLAND WITH
JOAN BERG FOR 4-J'S COFFEE**

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.** City and Borough of Sitka ("CBS") owns property known as Griffith Island, located adjacent to the Eliason Harbor parking lot. Part of this property was previously leased to the Lord Baranov Yacht Club. Joan Berge owns and has been operating for years an espresso stand business known as 4-J'S Coffee, also adjacent to the Eliason Harbor parking lot. She needs to relocate as soon as possible because her current lease is ending with a private landowner. She has requested leasing the former yacht club site on Griffith Island in order to be able to relocate her espresso stand on that property. She has appeared and obtained no objections and/or has received a recommended vote from various municipal entities that may have some oversight regarding the property and/or process, including Parks and Recreation Committee, Ports and Harbor Committee, and Planning Commission.

Attached is a proposed lease, using the CBS's standard template lease, with a 5-year term and one 5-year renewal period. The Assessor has determined the fair market value rent rate to be \$225 per month, based on \$30 per square foot for the 1,000 square feet portion of Griffith Island, formerly leased to the Lord Baranov Yacht Club. Adoption of this ordinance would authorize the execution of those five-year leases.

The Assembly finds that competitive bidding is inappropriate under the Charter at Art. 11.14, which allows for other than competitive bid due to the nature of the property or the circumstances surrounding its disposal, include possible unjust results with regard to adjacent or neighboring property owners. It is also found to be inappropriate under SGC 18.12.010E, which allows for non-competitive bid due to the size, shape, or location of the parcel, rendering it of true usefulness to only one party. In particular regarding this lease, competitive bid is inappropriate consider the small size and location of the parcel, no other inquiries regarding this property, the new tenant's long-term established business in the same immediate area, the immediate need for the new tenant to relocate, and the payment of the fair market value of the

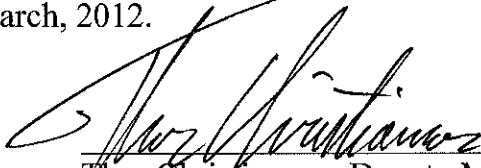
property by the tenant under the proposed lease.

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 the Charter at Art. 11.14 and SGC 18.12.010.E. regarding the lease of a 1,000 square feet portion of Griffith Island area to the Lessee, based on the small size and location of the parcel, no other inquiries regarding this property, the new tenant's long-term established business in the same immediate area, the immediate need for the new tenant to relocate, and the payment of the fair market value of the property by the tenant under the proposed lease.
- B. The attached lease is approved;
- C. The execution of the attached lease by the Administrator is authorized.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13 day of March, 2012.



Thor Christianson, Deputy Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk