

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2011-07

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING SUBLEASE OF SPACE BY GROUND CONTROL, LLC 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 June 17, 2003, a month-to-month sublease was entered into between Deb Miller d/b/a Lotta Latte (“Lotta Latte”) and CBS for Space L-5, consisting of 58 square feet to be used for the purposes of an expresso stand.

On January 21, 2004, an open outcry auction was held for space at the Terminal Building. Ordinance 2004-11 awarded Lotta Latte Terminal Building space L-4, consisting of 255 square feet. A 5-year sublease, with a provision allowing a 2-year extension, was entered into on March 5, 2004. On December 16, 2009, the parties agreed to a 2-year extension by signing an Agreement Regarding Extension of Tenant Sublease, expiring on February 28, 2011.

On December 22, 2009, Lotta Latte requested assignment of the sublease in accordance with the sublease agreement at Article V(c). CBS consented to the assignment on December 22, 2009, and subsequently the sublease was assigned to Ground Control, LLC (“Ground Control”), which has continued to operate the espresso stand since that date.

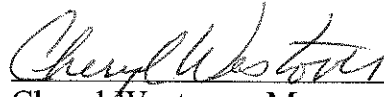
Ground Control wishes to remain in its current space L-4 at the Terminal Building. It is willing to pay fair market value for the sublease space, estimated to be \$5,202 per year by the Municipal Assessor, as well as sign the new standardized Terminal Building Sublease Agreement.

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 Avis, that has been subleasing space in the Terminal Building since 2009, 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 March 1, 2011.

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


Cheryl Westover, Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk