

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-26

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING SUBLEASE OF SPACES BY UNITED PARCEL SERVICE 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.

United Parcel Service (“UPS”) would like to sublease the spaces known as L-1, L-1a, L-2 and L-3, consisting of 600 square feet, to operate as a commercial business specializing in delivering, receiving and distributing parcels and other merchandise. The Sublease Agreement would be a sublease, beginning November 1, 2014, and ending on February 28, 2018, with an option for two 3-year extensions. The Sublease Agreement ending date of February 28, 2018 is consistent with current sublease agreements at the airport terminal and allows for all options of renewals to be done at the same time in 2018.

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 as UPS 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 the date after passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th day of August, 2014.



Matt Hunter, Deputy Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk