

POSSIBLE MOTION

I MOVE TO approve the extension of and amendment to agreement between Seafood Producers Cooperative and the City and Borough of Sitka regarding the Sitka Marine Service Center and authorize the Municipal Administrator to execute this document.

Notes:

- This item was postponed at the July 10 and July 24 meetings.
- At the July 24 Assembly meeting, the Municipal Attorney was asked to contact Seafood Producers Cooperative for further insurance coverage information. He has done so and provided an amendment for your consideration.
- The Certificate of Liability Insurance is included in your packet.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator

Date: 7-3-18

Subject: Approval of the renewal of the lease agreement with Seafood Producers Cooperative

Summary

The Marine Service Center (MSC) has been leased to Seafood Producers Cooperative and North Pacific Seafoods for the last 10 years. Both parties have split the MSC building for their operations. The 5 year lease started in 2008, with an option to extend twice for additional five-year terms. North Pacific Seafoods has notified us within the contracted time frame that they will not extend their lease.

We have had conversations with Seafood Producers Cooperative on possible changes to their contract, however due to timing of the lease expiration and the need to extend we thought it prudent to renew the contract with them without changes. Any changes to the contract will come before the assembly for approval.

Fiscal Note

This lease generates revenue for CBS. The current rate, adjusted for CPI, is at \$10,157.86/month (\$121,894.32 annually). Sales tax is to be paid in addition to stated rent.

Recommendation

Approve a five-year lease extension with Seafood Producers Cooperative.