

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2012-05 (SUB)

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY BY LEASE**

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BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Authority. This ordinance is adopted pursuant to authority granted by DMC 5.30.100, Leases, easements and rights-of-way.

Section 2. Classification. This is a non-Code ordinance.

Section 3. Authorization of Lease. The City Council hereby authorizes the disposal of an interest by lease substantially upon the terms and conditions contained in the lease agreement for a period of up to five years with periodic renewal provisions up to 30 years.

Section 4. Legal Description. [Lots 1 through 4 Harbor Lease Lots Subdivision, within U.S. Survey 2874, Township 13 South, Range 55 West, Seward Meridian. Actual leases may be a subdivided lease lot.]

A. Lots 1, 3, and 4, Harbor Lease Lots Subdivision, within U.S. Survey 2874, Township 13 South, Range 55 West, Seward Meridian will be leased by solicitation of sealed bids. Actual leases may be a subdivided lease lot.

B. Lot 2, Harbor Lease Lots Subdivision, within U.S. Survey 2874, Township 13 south, Range 55 West, Seward Meridian will be leased by negotiated lease with DLG LLC who has been selected without unfair discrimination amongst similarly situated potential tenants.

Section 5. Findings. The City Council hereby [finds that the disposal is for a public purpose, in that the leasing of this land will promote greater economic development of the community and a more viable harbor.] finds: a) that the lots to be leased are no longer needed for public use; b) that the disposal is for a public purpose, in that the leasing of this land will promote greater economic development of the community and a more viable harbor; and c) that the disposal of Lot 2 by negotiated disposal is needed to protect the public interest in that knowing that one tenant has already committed to lease property in the area will promote interest in submitting bids for Lots 1, 3, and 4.

Section 6. Type and Purpose of Disposal. [A non-exclusive right to use the property by a lease agreement solely for the purpose of allowing citizens to use property within the Harbor for a term to be identified in the lease agreement.] The properties will be disposed of by lease for the purpose of economic development of the Dillingham harbor area.

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(Substitute Ordinance – Underlined indicates added language. [Brackets] indicates deleted language.)

Section 7. Value of City's Interest. Based on the current assessment of the Property, the City estimates the fair market value of the right to use the Property upon the terms and conditions set forth in the lease agreements at about \$1.75 a square foot. Applying a 12% cap rate equates to \$ .21 per ft<sup>2</sup> per month. The property will be appraised again and the lease agreement reviewed for revision in 3 years.

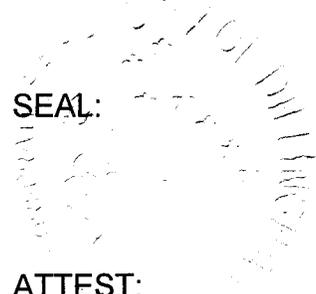
Section 8. Time, Place and Manner in Which Disposal Shall Occur. [Offers shall have been previously solicited using a sealed bid auction method. Those uses that are harbor-dependent or related will be given priority. All other proposed uses will be considered as space allows on a year to year or shorter term. The actual disposal shall occur following approval of this ordinance at the regularly scheduled City Council meeting of April 5, 2012. At this time, the thirty (30) day provision of DMC 5.30.030 will have been met. At least thirty days is required between the time the disposal ordinance is introduced and the time that it is finally adopted by the City Council.] Notice of Ordinance No. 2012-05 was posted more than thirty days in advance of approval of this ordinance. The City Council finds that the changes between Ordinance No. 2012-05 and Ordinance No. 2012-05 (SUB) are not so substantial that a new thirty (30) day notice is required.

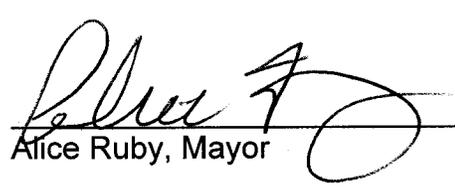
A. Offers for Lots 1, 3, and 4 will be solicited using a sealed bid auction method. Those uses that are harbor-dependent or related will be given priority. All other proposed uses will be considered as space allows on a year to year or shorter term. The actual disposal shall occur following approval of this ordinance.

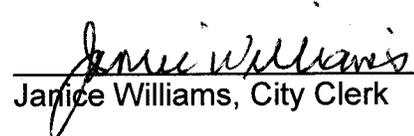
B. Lot 2 will be disposed of upon the terms and conditions contained in the attached lease agreement immediately following City Council approval of this ordinance.

Section 9. Effective Date. This ordinance is effective upon passage.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on April 5, 2012.

SEAL: 

  
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Alice Ruby, Mayor

ATTEST:  
  
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Janice Williams, City Clerk

(Substitute Ordinance – Underlined indicates added language. [Brackets] indicates deleted language.)