

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2014-10

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY TO BEN MCDOWELL DBA MOTIVE POWER MARINE BY LEASE

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. East side of the Dillingham Small Boat Harbor adjacent to Lot 3 Harbor Lease Lots Subdivision, within U.S. Survey 2874, Township 13 South, Range 55 West, Seward Meridian.

A. Lot 3 Harbor Lease Lot Subdivision, within U.S. Survey 2874, Township 13 South, Range 55 West, Seward Meridian will be leased by solicitation of sealed bids.

B. East side of the Dillingham Small Boat Harbor, approximately 30,605 square feet, adjacent to Lot 3, Harbor Lease Lots Subdivision, within U.S. Survey 2874, Township 13 south, Range 55 West, Seward Meridian will be leased by negotiated lease with Ben McDowell dba Motive Power Marine 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 lot to be leased is 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 expansion and disposal of Lot 3 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.

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 property will be disposed of by lease for the purpose of economic development of the Dillingham harbor area.

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 ft² per month. The property will be appraised and the lease agreement reviewed for revision.

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 June 5, 2014. 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. 2014-10 will be posted for more than thirty days in advance of approval of this ordinance.

A. Lot 3 to be expanded and will be disposed of upon the terms and conditions contained in the 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 June 5, 2014.

Kaggle J. Ruby Mayor Pro Tempore
Alice Ruby, Mayor

ATTEST:

[SEAL]

Bernadette Packa, Acting City Clerk
Janice Williams, City Clerk



Subject: An Ordinance of the Dillingham City Council Authorizing the Disposal of Municipal Property to Ben McDowell dba Motive Power Marine by Lease

Agenda of: June 5, 2014

Council Action: This ordinance was introduced May 1 and was scheduled for a public hearing on June 5, 2014.

Manager: Recommend approval.

City Manager: Rose Loera
Rose Loera

Route To:	Department / Individual	Initials	Remarks
X	Finance / Carol Shade	CS	
X	Port Director/Jean Barrett	JB	
X	Planning / Jody Seitz	JS	
X	City Clerk / Janice Williams	JW	

Fiscal Note: Yes _____ No X Funds Available: Yes _____ No _____

Other Attachment(s):

- Public Hearing on Ordinance No. 2014-10 is scheduled to be advertised in the May 29, 2014 edition of Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing

Summary Statement.

Ben McDowell dba as Motor Power Marine had expressed an interest in expanding his leased lot at the Boat Harbor. The expansion he is requesting would take in what was Lot 4 in the original Harbor Lease Lot plat, when the City first advertised for leasing property at the harbor. This is approximately 30,605 square feet of additional land.

The City advertised this lot through an RFP for 30 days and Ben was the only one that submitted his interest. His plans are to remove overburden to allow the site to be level with his current lot and use the area for boat storage. He is planning on building a 60' X 100' shop on his existing lot. With this building he indicates he would be able to maintain vessels year round and would be the only year round vessel maintenance facility in the area. The added space will allow him the room to maneuver boats and equipment within his yard without constraint due to lack of space. His proposal states that he will gain access to the lot through his existing lot and will not displace any of the parking near the road.

He has agreed to pay for the re-platting of for this additional lot. The City will draw up another lease with him once it finds out the exact dimensions of the lots combined and the

legal description. The City has asked him what he plans to do with the overburden that he will be removing and stated that Peter Pan had expressed an interest in it. There is a lot of overburden that he will have to move in order to get the lot level with his existing lot.

The introduction of this ordinance started a 30 day comment period during which the ordinance must be posted at three public places.



CITY OF
DILLINGHAM

NOTICE OF A PUBLIC HEARING
Public Hearing on Ordinance Nos. 2014-09
and 2014-10

The City Of Dillingham will hold a **Public Hearing** on Thursday, June 5, 2014, at 7:00 P.M. in the City Council Chambers for the purpose of taking comment from the public on the following ordinances:

- Ordinance No. 2014-09, An Ordinance of the Dillingham City Council Authorizing the Disposal of Municipal Property to Lyle and Silke Smith
- Ordinance No. 2014-10, An Ordinance of the Dillingham City Council Authorizing the Disposal of Municipal Property to Ben McDowell dba Motive Power Marine by Lease

If you have any questions, please contact the City Clerk's office at 842-5212 or email cityclerk@dillinghamak.us.