

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2012-13 (SUB)

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL REPEALING AND REENACTING ORDINANCE NO. 2012-05 (SUB) A NON-CODE ORDINANCE TO AMEND THE VALUE OF THE CITY'S INTEREST FOR LOTS 1, 2, 3, AND 4, HARBOR LEASE LOTS SUBDIVISION

WHEREAS, the City adopted Ordinance No. 2012-05 (SUB), a non-code ordinance, at their April 5, Regular Council Meeting, authorizing the disposal of municipal property by lease at the City's boat harbor; and

WHEREAS, Ordinance No. 2012-05 (SUB), Section [7] **8**. Value of City's Interest, was presented to the Council showing the lease agreement amount to be \$.21 per ft² per month, instead of \$.21 per ft² per year, the correct amount, and the City's intended amount as reflected in the lease agreement;

NOW BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Ordinance No. 2012-05 (Substitute), adopted April 5, 2012, is hereby repealed and reenacted as Ordinance No. 2012-13, for the purpose of correcting the lease amount.

BE IT FURTHER ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 2. Authority. This ordinance is adopted pursuant to authority granted by DMC 5.30.100, Leases, easements and rights-of-way.

Section 3. Classification. This is a non-Code ordinance.

Section 4. 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 5. 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.

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

Section 6. Findings. The City Council hereby 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 7. Type and Purpose of Disposal. The properties will be disposed of by lease for the purpose of economic development of the Dillingham harbor area.

Section 8. 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 year. 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. The City Council found at their April 5 Regular Council Meeting that the changes between Ordinance No. 2012 and Ordinance No. 2012-05 (SUB) were not so substantial that a new thirty (30) day notice was 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.

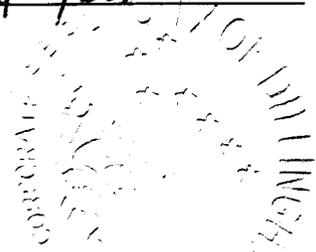
B. Lot 2 will be disposed of upon the terms and conditions contained in the attached lease agreement immediately following City Council approval of this ordinance.

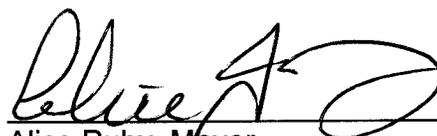
Section 10. Effective Date. This ordinance is effective as of April 5, 2012.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

4/21/2012

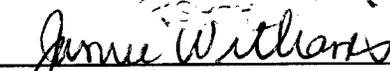
SEAL:





Alice Ruby, Mayor

ATTEST:



Janice Williams, City Clerk

City of Dillingham Information Memorandum No. O2012-13 (SUB)

Subject: An ordinance of the Dillingham City Council repealing and reenacting Ordinance No. 2012-05 (SUB) a non-code ordinance to amend the value of the City's interest for lots 1, 2, 3, and 4, harbor lease lots

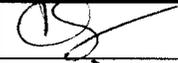
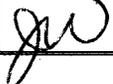
Agenda of: June 21, 2012

Council Action: This ordinance was introduced at the June 7, 2012 Regular Council Meeting.

Manager: Recommend approval.

City Manager:


Dan Forster

Route To:	Department / Individual	Initials	Remarks
X	Finance Director / Carol Shade		
X	City Clerk / Janice Williams		

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

Other Attachment(s):

- None

Summary Statement.

This ordinance would correct an error presented in Ordinance No. 2012-05 (SUB) that identified the value of the City's interest in the harbor lease lots as \$.21/per square foot per month, instead of per year. This error was found in Section 8, Value of the City's Interest.

Unfortunately, when Ordinance No. 2012-13 was introduced on June 7 to correct the value error, the reference was made to section 7, not 8. As a result, Ordinance No. 2012-13 is being brought back as a substitute ordinance.

An advertisement for a public hearing scheduled for June 21 on Ordinance No. 2012-13 was advertised in the Bristol Bay Times, June 14 edition, to meet the mandatory requirement that a public hearing of a proposed ordinance shall follow publication by at least five days.

(Clerk Note: At the Council meeting on June 21 the substitute ordinance will be recommended for adoption and the process will go as follows:

"I move to amend Ordinance No. 2012-13 by substituting Ordinance No. 2012-13 (SUB)." The Council will proceed to vote on the amendment.

If the amendment is approved the Council will vote on whether to adopt Ordinance No. 2012-13 (SUB).)