

Presented by:

City Manager

Action Taken:

Yes \_\_\_\_\_ No \_\_\_\_\_

Abstain \_\_\_\_\_

CITY OF NOME, ALASKA

ORDINANCE NO. 0-24-12-01

AN ORDINANCE AUTHORIZING THE DISPOSAL OF MUNICIPAL  
PROPERTY BY LEASE TO KAWERAK, INC. FOR USE AS A RECYCLING  
FACILITY

Section 1. **Authority.** This ordinance is adopted pursuant to authority granted by NCO 2.10.030(b).

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

Section 3. **Authorization of Lease to Kawerak, Inc.** The City Council hereby authorizes the disposal of a portion of its interest in City property located adjacent to Center Creek Road described as a portion of Tract A and B, Wonder Bench Subdivision Plat No. 99-02 consisting of an existing building commonly known as the Monofill Building and approximately 32,705 square feet of adjacent and surrounding real property ("the Property") to Kawerak, Inc. substantially upon the terms and conditions contained in the accompanying Lease Agreement.

Section 4. **Legal Description.** The Leased Premises are shown on the attached drawing, Exhibit A: Leased Premises and are more particularly described as follows:

That portion of Tract A and B, Wonder Bench Subdivision, according to Plat 99-02, Recorded in the Cape of Nome Recording District, Within Section 23, T.11S. R. 34W., Kateel River Meridian, and being more particularly described as follows:

Beginning at the northwest corner of Wonder Bench Subdivision (Plat 99-2), thence S23°45'00"W a distance of 1395.00 feet, the SW corner of Wonder Bench Subdivision; thence N 23°45'00"E a distance of 957.886 feet, the point of beginning; thence S54°20'44"E a distance of 235.30 feet; thence S28°22'01"W a distance of 117.32 feet; thence N 73°22'00"W a distance of 104.36 feet; thence N54°25'27"W a distance of 119.78 feet; thence N23°45'00"E a distance of 153.86 feet to the TRUE POINT OF BEGINNING.

Section 5. **Findings.** The City Council hereby finds that the lease of the Property to

Kawerak, Inc. is for the necessary public service of providing a recycling facility for public use.

Section 6. **Interest Conveyed and Identification of Disposal Instrument.** The City agrees to allow exclusive use conveyed by a written Lease Agreement in the form attached hereto for a term starting January 1, 2025 through December 31, 2044 subject to reversion to the City in the event the Leased Premises cease to be used to provide the necessary public service justifying the disposal, per NCO 2.10.30(b).

Section 7. **Value of City's Interest.** The estimated value of the City's interest according to the current property tax assessment is \$210,600 for the building and \$ 40,000 for the real property. A rule of thumb for annual rental rates is based on 10% of assessed value per year (.83% per month). Applying that rule of thumb results in an estimated fair market rental value of the Leased Premises of \$2,506 per month. Kawerak, Inc. is being charged \$1 per year rent during the entire term of the Lease.

Section 8. **Time Place and Manner in Which Disposal Shall Occur.** Disposal shall occur as soon after approval of this ordinance as practical.

Section 9. **Effective Date.** This ordinance is effective upon adoption.

**APPROVED** and **SIGNED** this \_\_\_<sup>th</sup> day of December, 2024.

---

**JOHN K. HANDELAND, Mayor**

**ATTEST:**

---

**DANIEL GRIMMER, City Clerk**