

CITY OF SAXMAN

Resolution #10.2021.08

A RESOLUTION of the City Council of the City of Saman Alaska approving certain terms of a long term lease agreement of the Saxman Seaport Warehouse for the purpose of a grocery/sporting equipment/hardware retail store.

RECITALS

WHEREAS, the term *property* as used in Saxman Municipal Code Chapter 16.20 *Lease of City Lands* includes any and all interests in real property and;

WHEREAS, Saxman City Code Chapter 16.20 *Lease of City Lands* provisions how the Saxman City Council will respond to requests for leasing all real property, including tide, submerged, or shore lands, which the City owns, or in which the City has right, title and interest, or to which the City may become entitled and;

WHEREAS, Saxman City Code 16.20.030 *Lease procedure* states “The provisions of SMC 16.20.080 and 16.20.090 on the method of disposition of City-owned property shall apply to all leases of City land authorized by this chapter. The Council may lease property to a party if it determines the lease to be in the best interest of the public. [Ord. 01-77 Ch. 47 § 3].” and;

WHEREAS, Saxman City Code 16.20.040 Fair rental value states “Property shall be leased for a fair rental value. “Fair rental value” means the highest price described in terms of money for which the property would rent, if exposed for rent for a reasonable time in the open market, for the use permitted by the City. [Ord. 01-77 Ch. 47 § 4].” and;

WHEREAS, “fair rental value” has been determined by past balance sheets of the Saxman Seaport fund as it reflects the definition set forth above and;

WHEREAS, Three Bears Alaska has asked the Saxman City Council to accept \$500,000.00 for the lease of the warehouse as-is for 99 years and;

WHEREAS, Three Bears Alaska has asked the Saxman City Council to consider the 3-4 million dollar improvement to the property when deciding “fair rental value” and;

WHEREAS, Three Bears Alaska has asked the Saxman City Council to consider projected sales between \$12 million and \$15.5 million will result in \$480,000.00 to \$620,000.00 in projected sales tax revenue and;

WHEREAS, the Saxman City Council has considered that a business of this size will add 40-55 new jobs to the City of Saxman and;

WHEREAS, a grocery store located in the City of Saxman is a needed resource that is 3.5 miles closer to the residents than the next closest access to food.

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NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE COUNCIL OF THE CITY OF SAXMAN AS FOLLOWS:

Section 1. Fair market value of the Saxman Seaport Warehouse located at 2868 S. Tongass Hwy is:

- A. \$500,000.00, one-time payment and,
- B. 3.5-million-dollar improvement to Saxman owned property and,
- C. projected sales tax of approximately \$500,000.00 per year.

Section 2. The Council has determined from the purpose, use of the premises, and nature of improvements which may be placed thereon that a longer term, specifically 99 years, would benefit the City and would be consistent with City planning.

Section 3. Another arrangement for the adjustment of rental price shall be made, in that, there shall be no other consideration of rent for the term of the lease.

Section 4. The interests and rights of the residents of Saxman that are served by having small vessel moorage, boat access to waters, broadband, future development and ease of access to other remote areas of Southeast Alaska will be kept whole by the terms of the lease.

Section 4. This resolution shall pertain only to Three Bears Alaska as the company improving upon the property, paying for the lease, and the company doing business as a grocery store/sporting goods/hardware store company.

Section 5. the Mayor shall have full authority to negotiate a lease with Three Bears Alaska which will then be presented to the Council for final approval.

ADOPTED this 20th day of October 2021.



Frank Seludo, Mayor



ATTEST: Lori Richmond, City Clerk