

Introduced by: AC. Manager Howell
Introduction Date: June 11, 2019
Public Hearing Date: June 25, 2019
Action: Passed
Vote: 6-0

CITY OF BETHEL, ALASKA

Ordinance #19-12

AN ORDINANCE AUTHORIZING THE DISPOSAL VIA LEASE OF OFFICE SPACE LOCATED WITHIN CITY HALL AT LOT 2, COURTHOUSE SUBDIVISION, PLAT 99-12, 300 CHIEF EDDIE HOFFMAN HIGHWAY PURSUANT TO BMC 4.08.030(b)

WHEREAS, the City of Bethel owns land and an office space at 300 Chief Eddie Hoffman Highway;

WHEREAS, the legal description for the land is Lot 2, Courthouse Subdivision, Plat 99-12, Bethel Recording District, Fourth Judicial District, State of Alaska;

WHEREAS, the office space to be rented has been used by the State of Alaska for operation of a Department of Motor Vehicle Office (DMV);

WHEREAS, the State of Alaska held a lease with the City of Bethel which is set to expire on June 30, 2019;

WHEREAS, the State of Alaska desires to renew the lease for a period of three (3) years;

~~**WHEREAS,** YKHC is interested in renting the building knowing its condition;~~

WHEREAS, the office space was appraised earlier this year;

WHEREAS, the appraisal provided a fair market rent price for the office space;

~~**WHEREAS,** the lease being proposed requires rent at full fair market value as though the building is in full repair with a set stipend credit for repairs;~~

~~**WHEREAS,** the State of Alaska has advised that due to severe budget cuts, it cannot afford the fair market rent value of \$1001 to \$1030 per month;~~

~~**WHEREAS,** the State of Alaska has proposed a three (3) year lease extension at a rate lower than fair market value but more in line with the State's ability to pay;~~

WHEREAS, the City of Bethel and the State of Alaska have agreed to the following monthly lease rates;

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For the period July 1, 2019 through June 30, 2020, the monthly lease rate shall be \$1,001.00;

For the period July 1, 2020 through June 30, 2021, the monthly lease rate shall be \$1,005.00;

For the period July 1, 2021 through June 30, 2022, the monthly lease rate shall be \$1,010.00.

~~**WHEREAS,** the State of Alaska urges the City Council to consider granting the lease at the lower rate given the number of citizens which the Department of Motor Vehicles serves in this community;~~

~~**WHEREAS,** the Bethel Municipal Code, Section 4.08.030(b) allows the City Council to dispose of property via lease to an entity providing a necessary public service and allows for the rental price to be below fair market value;~~

NOW, BE IT ORDAINED, the City Council authorizes the disposal of the above building via lease of land-Office Space to an Entity Providing a Public Service the State of Alaska Department of Administration for a period of three years.

SECTION 1. Classification. This ordinance is of a general nature and shall not become a part of the Bethel Municipal Code.

SECTION 2. Authorization. Pursuant to Bethel Municipal Code 04.08.030(b) Disposal.

SECTION 3. Effective Date. This Ordinance shall become effective immediately upon passage.

ENACTED THIS 25th DAY OF JUNE 2019, BY A VOTE OF 6 IN FAVOR AND 0 OPPOSED.

Fred Watson, Mayor

ATTEST:

Lori Strickler, City Clerk