

Introduced by: Mayor Barr
Date: October 29, 2019
Public Hearing: November 12, 2019
December 3, 2019
December 10, 2019
Action: Passed
Vote: 7-0

WHEREAS, on April 23, 2019, the City of Bethel entered into a 15-year lease agreement with Essenkay, LLC, authorized by the City Council through Ordinance 19-04;

WHEREAS, Article 4.06 of the lease agreement requires that tenant "shall observe and comply with all state and federal laws, municipal ordinances, rules and regulations" which may be applicable to the leased premises;

WHEREAS, on May 28, 2019, the Administration signed a "Lease Addendum", which purported to modify the lease to allow Essenkay, LLC to operate a marijuana business on the leased premises, however, the addendum was not approved by the City Council pursuant to Bethel Municipal Code 4.08.010(B);

WHEREAS, in an August 28, 2019 letter to Essenkay, LLC, the Administration provided notice that the purported lease addendum is of no force and effect under these circumstances because the use of the leased premises for the operation of a marijuana business would violate Article 4.06 of the lease;

WHEREAS, on September 9, 2019, the City of Bethel received a letter from an attorney representing Essenkay, LLC, alleging that the City was in breach of the lease, alleging liability for damages, and threatening litigation;

WHEREAS, Bethel Municipal Code 4.08.030(D) authorizes the City Council to dispose of real property owned by the City to compromise disputed claims of litigation;

WHEREAS, in compromise of a disputed claim, and without any admission of liability, the City wishes to sell the property at the pre-lease fair market value, ~~less Essenkay's improvements to the land;~~

WHEREAS, the land area consists of 23,748 square feet falling in the General Use Zone;

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

SECTION 2. Authorization. The City Manager is authorized to negotiate and execute the "Purchase Sale and Settlement Agreement" for municipal land described as Lot 4, Block 15, USS 3230 A&B, Bethel Recording District, to the Purchaser Essenkay, pursuant to Bethel Municipal Code 04.08.030(D) "Disposal to Compromise Claim."

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SECTION 3. NOW, BE IT ORDAINED, the City Council authorizes the disposal of Lot 4, Block 15, United States Survey 3230 A & B, Bethel Recording District in the amount of the pre-lease fair market value to compromise a disputed claim of litigation, in accordance with Bethel Municipal Code 4.08.030(D).

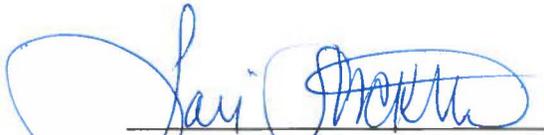
SECTION 4. Effective Date. This Ordinance shall become effective upon passage by the Bethel City Council.

ENACTED THIS 10 DAY OF NOVEMBER 2019, BY A VOTE OF 7 IN FAVOR AND 0 OPPOSED.



Perry Barr, Mayor

ATTEST:



Lori Strickler, City Clerk