

Vote: Holler, Larson, Massie, Menard, Metiva and Woodruff in favor

**CITY OF WASILLA
ORDINANCE SERIAL NO. 08-16(SUB)**

**AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.32.110
CONCERNING NEGOTIATED LEASES OF CITY LAND.**

* **Section 1. Classification.** This ordinance is of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of section.** WMC 5.32.110, Negotiated leases, is amended to read as follows:

5.32.110 Negotiated leases.

A. The mayor may, with the approval of the council, by ordinance, negotiate a lease of city land without public auction or sealed bid and without voter ratification under the following conditions:

[1. THE LEASE IS FOR PROPERTY THE FAIR ANNUAL RENTAL VALUE OF WHICH IS TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00) OR LESS FOR A TERM NOT EXCEEDING TEN (10) YEARS AND AN ANNUAL RENTAL VALUE NOT LESS THAN EIGHT PERCENT OF THE APPRAISED VALUE;]

1[2]. The lease is for a beneficial new industry[, SUBJECT TO THE TERMS OF THIS CHAPTER];

2[3]. The lease is for a public purpose, to a governmental agency or **nonprofit organization** [NOT-FOR-PROFIT CORPORATION] **authorized to carry out** [FORMED FOR THE PURPOSE OF CARRYING ON] the public **purpose** [SERVICE];
or

3[4]. The lease is to a public utility[,] for a site for public utility facilities[, IN WHICH CASE NO APPRAISAL OF THE LEASED PROPERTY IS REQUIRED].

B. Leases **authorized** [APPROVED] under this section shall be subject to all other requirements and conditions applicable to leases under this chapter, **except that**

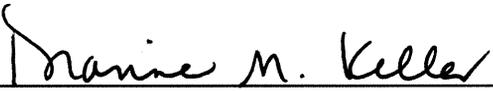
Bold and underline added. [CAPS AND BRACKETS, DELETED.]

no appraisal of the leased property is required for a lease to a public utility under subsection A.3 of this section.

C. [LEASES FOR PUBLIC PURPOSE.] An **application to lease city land** for a [LEASE FOR] **beneficial new industry under subsection A.1 of this section, or for a public purpose[S] under subsection A.2 of this section** shall be made in the same manner as other applications **to lease city land** and shall **include** [CONTAIN] a plan for development and use of the property requested. **To approve an application under subsection A.1 of this section, the council must find that the proposed use of city land is for a beneficial new industry. To approve an application, under subsection A.2 of this section, the council must** [SHALL, IN EACH CASE,] determine that the proposed **use** [USAGE] of city **land** [PROPERTY] is for a worthwhile public service, that there will be no discrimination in providing **the** service, and that the **use will be** [USAGE IS] nonprofit. The city may, from time to time, make such other requirements as it deems proper before the issuance of such leases. **The lessee's** **f[F]ailure to develop and use the land in accordance with the approved** [CARRY OUT SUCH] plan [AS SUBMITTED AND AGREED UPON] may result in revocation of the lease.

* **Section 3. Effective date.** This ordinance shall take effect upon adoption by the Wasilla City Council.

ADOPTED by the Wasilla City Council on March 24, 2008.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk



Bold and underline added. [CAPS AND BRACKETS, DELETED.]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: ORDINANCE SERIAL NO. 08-16

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 5.32.110 BY REPEALING WMC 5.32.110.A.1 IN REGARD TO NEGOTIATED LEASES.

Agenda of: March 10, 2008 Introduction
Originator: Public Works Director

Date: February 28, 2008

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Director Library, Museum, Sports Complex	
X	Public Works & Recreation Facility Maintenance Director	<i>[Signature]</i> 2/28/08
X	Finance, Risk Management & MIS Director Purchasing	<i>[Signature]</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>[Signature]</i>
X	City Clerk	<i>[Signature]</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller*

FISCAL IMPACT: yes or no Funds Available yes no

Account number/name:

Attachments: Current City Leases

SUMMARY STATEMENT: A review of the Wasilla Municipal Code (WMC) and the City's current lease agreements reveals an inconsistency exists with terms and conditions of City leases. The attached spreadsheet lists the City's current leases, the amount of each lease, and the term of each lease agreement. These terms are in conflict with WMC 5.32.110.A.1 which limits leases to 10 year terms, limits lease amounts to \$2,500 annually and also sets a minimum lease rate of 8 percent of the appraised value annually. The rate provision provides a maximum AND minimum annual rate that limits the ability of the City to lease any property with a value greater than \$31,250 ($\$2,500/0.08=\$31,250$). Most of the City leases are on property with a value in excess of \$31,250 and have terms greater than 10 years.

Eliminating this provision will bring all current leases into compliance with the Wasilla Municipal Code and allow flexibility for the City Council to determine terms and conditions on future leases.

RECOMMENDED ACTION: To adopt Ordinance Serial No. 08-16 that amends WMC 5.32.010 in regards to negotiated leases.

Current City Leases

Entity	Description	Annual Lease Amount	Term Began	Term Ends	Eligible for Renewal?	If so, how long?
Mat-Su Softball Association	Ball fields & concession stand	\$ -	5/5/2006	5/4/2009	Yes	2 years
Iditarod Trail Committee	Land lease	\$ -	9/11/1985	9/11/2010	Yes	25 years
FAA	Airport weather observation station	\$ -	6/1/1992	9/30/2012	No	N/A
Chamber of Commerce	Railroad depot lease	\$ 100.00	8/5/2007	7/31/2017	Yes	20 years
Mat-Su Borough	Land lease for EMS station	\$ 10.00	8/10/1987	8/10/2017	No	N/A
Valley Performing Arts	Land and building lease	\$ 100.00	9/20/1994	9/19/2024	Yes	10 years
Mascot	Building/land lease	\$ 1.00	5/1/2006	4/30/2026	Yes	20 years
American Legion	Baseball field	\$ -	9/24/2002	Indefinite	N/A	N/A