

By: Administration
Adopted: 12/13/2010

**CITY OF WASILLA
RESOLUTION SERIAL NO. 10-35**

**A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING A 20-YEAR
AIRPORT LEASE RENEWAL FOR GRASSHOPPER AVIATION.**

WHEREAS, Grasshopper Aviation has a 10-year lease at the airport that is up for renewal; and

WHEREAS, Grasshopper Aviation constructed a hangar and office building under the first term of their lease and they maintain an excellent air-taxi service for Wasilla; and

WHEREAS, Grasshopper Aviation is seeking a 20-year lease term to protect their investment; and

WHEREAS, the administration believes granting a 20-year lease for Grasshopper Aviation is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED, the Wasilla City Council hereby authorizes a 20-year lease renewal with Grasshopper Aviation on the east 19,575 square feet of Lot 2, New Wasilla Airport.

ADOPTED by the Wasilla City Council on December 13, 2010.



VERNE E. RUPRIGHT, Mayor

ATTEST:



KRISTIE L. SMITHERS, MMC, City Clerk

[SEAL]

VOTE: Harris, Katkus, Menard, Sullivan-Leonard and Woodruff in favor. Holler absent.

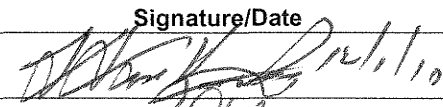


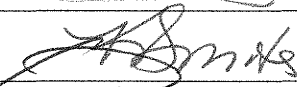


**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RESOLUTION SERIAL No. 10-35: A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING A 20-YEAR AIRPORT LEASE RENEWAL FOR GRASSHOPPER AVIATION.

Agenda of: December 13, 2010
Originator: Public Works Director

Date: December 1, 2010

Route to:	Department	Signature/Date
X	Finance Director	 12/1/10
X	Interim Deputy Administrator	
X	Public Works Director	 12/1/10
X	City Clerk	

REVIEWED BY MAYOR VERNE E. RUPRIGHT: 

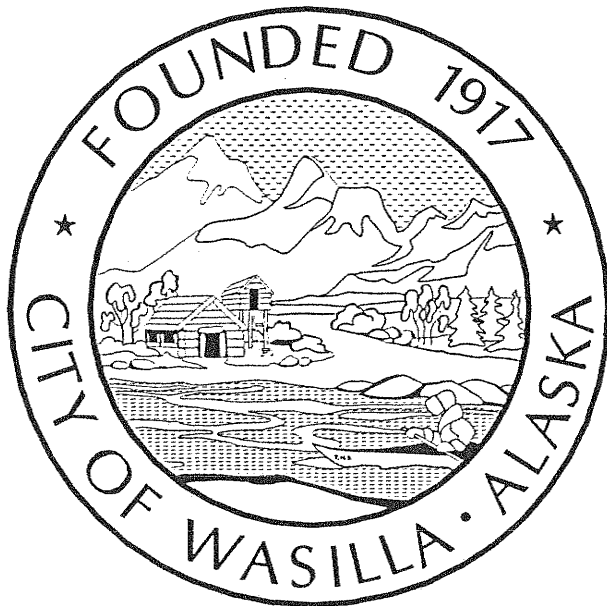
FISCAL IMPACT: yes \$1,175 annual revenue

Account name/number:

Attachments: Lease Agreement

SUMMARY STATEMENT: Grasshopper Aviation has a 10-year lease that is up for renewal. Grasshopper Aviation has constructed a hangar and office building on the lease lot and they operate the only air-taxi service from the airport. Grasshopper Aviation has a substantial investment into the property and they provide a vital service at the airport. Grasshopper Aviation is seeking a 20-year lease term on this renewal to protect their investment. The administration believes granting a 20-year lease term for Grasshopper Aviation is in the best interest of the City.

STAFF RECOMMENDATION: Approve the adoption of Resolution Serial Number 10-35 that authorizes a 20-year airport lease for Grasshopper Aviation.



LEASE
of Lot 2, (the east 1/4 75 86)
City of Wasilla
and
Grasshopper Aviation

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ARTICLE II

USE

Section 2.1 Airport Purposes

This property shall be used for: Aircraft Storage and air
Taxi service

Section 2.2 Prohibited Uses

Tenant shall not use or permit any part of the Property to be used for any unlawful purpose or for any purpose, that may constitute a nuisance or hazard to health, safety, or property. Tenant shall not permit any part of the Property to be used for any purpose in violation of any applicable law, lawful order, or rule or regulation relating to the operation or use of the Wasilla Municipal Airport.

Section 2.3 Hazardous Material

- (a) Tenant shall not cause or permit any hazardous material to be on or used on the Property without the written consent of lessor. Lessor shall not unreasonably withhold consent if any such materials are necessary or useful to tenant's business, and will be stored and used in a manner complying with all laws and regulations regulating use and storage of hazardous materials.
- (b) Tenant shall defend, indemnify, and hold the lessor harmless from any claims, damages, fines, penalties, liabilities or losses resulting from any breach of subsection (a) above, or from hazardous material being on the property. If clean-up or property restoration is required, tenant shall be considered the Responsible Party under any and all applicable State and Federal laws and regulations, and shall pay all costs connected with clean-up or restoration.

Section 2.4 Reservations and Exceptions

Lessor represents that it is not currently aware of any conditions, reservations, limitations, provisions, or terms imposed upon the premises of the Wasilla Airport in any grant, loan, lease, permit, patent, deed or any other conveyance to the Lessor from the United States or the State of Alaska that would unduly interfere with or prohibit the activities contemplated by the Tenant.

However, there may be future circumstances that impose certain restrictions or limitations upon the use of the airport facilities. To deal with that possibility, the parties agree as follows:

This lease is made by the lessor and accepted by the tenant conditioned upon and subject to any conditions, reservations, limitations, provisions, or terms imposed upon the premises of the Wasilla Municipal Airfield, as contained in any grant (including any monetary grant or loan), lease, permit, patent, deed, or any other conveyance to the Lessor of the Property, from the United States, or the State of Alaska, including their agencies. In the event that any such condition, reservation, limitation, provision or term shall prevent, without fault of

Section 2.9 Signs

The Tenant may erect one sign, securely mounted on the building, not to exceed twenty-five (25) square feet in size bearing the Tenant's trade name and business description, providing the sign meets all municipal sign ordinance requirements. No freestanding signs are permitted. The Tenant shall not, without Lessor's written consent, place any additional signs on the Property. At the termination of this lease, all signs shall be removed by the Tenant at Tenant's expense.

Section 2.10 Improvements and Alterations

- (a) Prior to commencing construction, renovation, enlargement, demolition, or modification of leasehold improvements now or hereafter existing on the Property, Tenant shall submit plans and specifications for such work to the Lessor for approval. Work shall not be commenced until such approval is obtained from the Lessor. All construction shall be in accordance with the approved plans and specifications. The Lessor's approval of plans and specifications submitted to him by Tenant shall not constitute the assumption of any liability by Lessor for compliance or conformity with applicable building codes, land use regulations, development and City, Borough, State and Federal laws, ordinances and regulations, or for their accuracy, and Tenant shall be solely responsible for such plans, and specifications. The Lessor may subsequently direct the Tenant to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations or standards, City, Borough, State or Federal laws, ordinances, standards or regulations.
- (b) Tenant shall obtain all necessary licenses and permits to accomplish any of the work described in Section 2.10(a). Nothing in this lease shall limit or restrict the City, Borough, or State of Alaska in the exercise of its police power, authority to enforce building, fire and other safety codes, laws, ordinances or regulations.
- (c) Any contract or agreement for labor, services, materials or supplies to be furnished in connection with construction or alteration of any improvement to the Property shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone against the Lessor or upon or against the Property or the improvements. Before the commencement of any work, Tenant shall deliver to Lessor either an executed duplicate original of the contract or a written waiver by the architect, engineer, contractor, material man, mechanic, person or corporation named in the contract of all right of lien which may exist or be created upon or against the Property, or the improvements to be constructed or altered, or any interest of Lessor. Tenant hereby warrants to Lessor that the Property and all improvements shall be free and remain free of all liens, claims and encumbrances and agrees to indemnify, defend and hold harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees, with respect thereto. If any lien or notice of lien on account of the alleged debt of Tenant or lien or notice of lien by any party engaged by Tenant or Tenant's contractor to work on the Property shall be filed against the Property or improvements, Tenant shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise.
- (d) No work described in Section 2.10(a) whose estimated cost exceeds \$100,000

operations of the Airport.

ARTICLE III

TAXES, INDEMNIFICATION AND INSURANCE

Section 3.1 Taxes, Assessments and Utilities

Tenant shall pay when due all taxes, assessments and charges upon the Property and upon buildings, improvements and property thereon, that are assessed or charged at any time during the term. Upon request, the Tenant shall furnish official receipts from the appropriate taxing authorities or other proof satisfactory to the Lessor evidencing payment to the Lessor for Lessor's inspection. Tenant shall pay and be responsible for all charges for gas, electricity, water, light, heat, power, garbage, solid waste, and other utility services used on or supplied to the Property.

Section 3.2 Indemnification

The Tenant shall defend, save and hold the Lessor harmless from any and all claims, demands, suits or liability, including all attorneys' fees arising from any and all loss, damage to property or injury to persons occurring in connection with the occupancy of the property or operations under this lease. This indemnification agreement includes claims alleging acts or omissions by the Lessor or its agents, which are claimed to have contributed to the loss or damage. However, Tenant shall not be responsible for any damage or claim arising from the sole negligence or willful misconduct of the Lessor or its agents.

Section 3.3 Insurance

The Tenant shall obtain and maintain throughout the period of performance of this lease insurance in the following minimum requirements:

A. Workers, Compensation Insurance, covering all employees of the Tenant, in statutory limits, to include any of the obligations assumed by the Tenant under this Lease.

B. Commercial Automobile Liability Insurance, whether Owned, Hired, or Non-Owned; liability limits of not less than \$500,000.00 Combined Single Limit or Liability per Accident/Unlimited Annual Aggregate including Uninsured/Underinsured Motorist, with minimum limits as follows:

\$500,000.00	Bodily Injury Limit Per Person
\$500,000.00	Bodily Injury Limit Per Accident
\$500,000.00	Property Damage Per Accident

C. Premises Liability in the Amount of

\$1,000,000.00	Combined Single Limit of Liability per Occurrence
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The Policy shall be endorsed to include the City of Wasilla as an additional insured, with a minimum of thirty (30) days notice of cancellation to the City of Wasilla. Prior

ARTICLE V

DEFAULT AND ENFORCEMENT

Section 5.1 Default Defined

Each of the following shall be deemed a default by the Tenant and a breach of this lease:

- (a) Failure to pay the rent provided herein, or any part thereof, for a period of ten (10) days after it is due.
- (c) Failure to provide and maintain in effect insurance in compliance with Section 3.3.
- (d) Failure to do, observe, keep and perform any other term, covenant, condition, agreement or provision contained in this lease for a period of thirty (30) days after written notice of such failure is sent by Lessor, or, in the case of a default not reasonably susceptible of being cured within thirty (30) days (which does not include any default which may be cured by the payment of money), failure to commence promptly and proceed diligently and in good faith to cure within a total of sixty (60) days after the sending of the notice.
- (e) The abandonment of the premises by the Tenant, the making by the Tenant of a general assignment for the benefit of creditors, or the appointment of a permanent or temporary receiver for the Tenant's property, which is not vacated or set aside within thirty (30) days of the sending of written notice of such event by Lessor.

Section 5.2 Lessor Remedies on Default

In the event of any default by the Tenant, the Lessor may:

- (a) Terminate this lease in accordance with Section 5.3, below,
- (b) Reenter the Property without terminating the lease in accordance with Section 5.4, below,
- (c) Perform any act required hereunder to be performed by the Tenant and recover the cost thereof as provided in Section 5.5, below,
- (d) Recover damages in accordance with Section 5.6, below, and,
- (e) Obtain any other remedy provided at law or in equity, including but not limited to, injunctive relief.

The remedies given to Lessor in this lease are cumulative and may be exercised in any combination without regard to the consistency thereof.

Section 5.3 Termination

In the event of default by the Tenant, Lessor may send a written notice to the Tenant stating that the Lessor elects to terminate this lease upon a specified date not less than thirty (30)

balance of the term remaining, if Lessor had not terminated, including, but not limited to, a reasonable allowance for vacancies;

- (d) In the event of reentry by the Lessor pursuant to Section 5.4, above, either before or without termination thereafter, an amount equal to the amount of all rent provided by this lease less the next rent, if any, collected by the Lessor on reletting the premises allowing for all actual expenses of the Lessor which amount shall be due and payable by the Tenant; and
- (e) All reasonable attorneys' fees and costs incurred by Lessor in any proceeding to enforce this lease or exercise any remedy hereunder.

Section 5.7 Right of Access

The Lessor shall have the right to enter upon the Property during reasonable hours for any purpose. The Lessor also reserves the right of access and the right to abate any nuisances or hazardous conditions on the premises without notice when in the Lessor's good faith judgement an emergency exists.

Section 5.8 Lessor's Failure to Enforce and Nonwaiver

No failure by the Lessor to insist upon the strict performance of any term, condition or covenant of this lease or to exercise any right or remedy available on a breach thereof, and no acceptance of full or partial rentals during the continuance of any such breach shall constitute a waiver of any such breach or any such term, condition or covenant. No term, condition or covenant of this lease required to be performed by the Tenant, and no breach thereof, shall be waived, altered or modified, except by written instrument executed by the Lessor. No waiver of any breach shall effect or alter any term, condition or covenant of this lease, and each such term, condition or covenant shall continue in full force and effect with respect to any other then existing or subsequent default or breach. Any other or subsequent default or breach may be enforced by Lessor as provided in this lease.

ARTICLE VI

GENERAL COVENANTS

Section 6.1 Condition and Status of Premises

Tenant acknowledges that Tenant has examined the Property and accepts same in its present condition without any representation or warranty, express or implied in fact or by law, by the Lessor as to the title, nature, condition or usability of the premises for the purposes set forth in this lease, all of these warranties being hereby expressly disclaimed by Lessor.

Section 6.7 Holdover

In the event the Tenant shall hold over after the expiration or termination of this lease for any cause whatsoever, such holding over shall be deemed a tenancy from month to month only, at the same rental per month and upon the same provisions set forth in this lease. The lessor may terminate this holdover tenancy Tenant written prior notice of at least thirty (30) days. Such holding over period shall include any time employed by the Tenant to remove any buildings, structures or improvements permitted by this lease.

Section 6.8 Right-of-Way Easement

Lessor shall have the right to designate or grant right-of-way or utility easements across the Property without compensation to Tenant, provided that Tenant shall be entitled to compensation for the taking or destruction of any Tenant's improvements and provided further that the Tenant, at his option, may terminate this lease or may demand a rental adjustment to reflect any reduction in value of the Property.

Section 6.9 Notices

Any notices required to be sent in accordance with the terms of this lease, including legal process, shall be sent in writing by registered or certified mail, to the parties at the following addresses unless otherwise notified in writing and deemed to be received when so sent:

Lessor's Address: City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654

Tenant's Address: DAVE GLENN
DBA GRASSHOPPER AVIATION
P.O. BOX 3223
PALMER, AK 99645

Section 6.10 Rights or Remedies

No right or remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other right or remedy, but is intended to be in addition to any right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

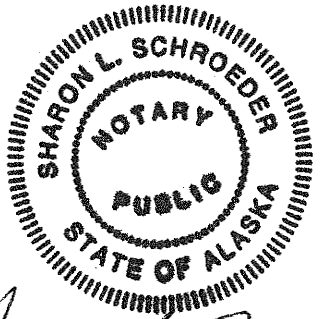
Section 6.11 Successors in Interest

This lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

Section 6.12 Applicable Law and Forum

This lease and the respective rights and obligations of the parties shall be construed and interpreted in accordance with the laws of the State of Alaska. Any civil action concerning this lease shall be brought in an appropriate Alaska State Court in the Third Judicial District.

Section 6.13 Recordation of Lease



Sharon L. Schroeder
Notary Public in and for Alaska
My Commission Expires: August 15, 2001

TENANT

By: Dave Glenn

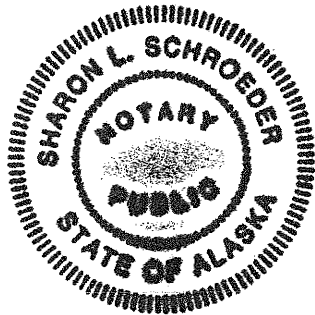
Title: Owner/lessor

Date: 08/29/00

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 29th day of August, 1999, before the undersigned Notary Public for the State of Alaska, duly commissioned and sworn, personally appeared Dave Glenn, known to me to be the individual described in and who executed the within and foregoing Lease on behalf of tenant and acknowledged to me that he signed the same in the name of and for and on behalf of the tenant, freely and voluntarily and by tenant's authority for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.



Sharon L. Schroeder
Notary Public in and for Alaska
My Commission Expires: August 15, 2001