

Sponsor(s): City Manager
Introduction Date: 9/21/2021
Adoption Date: 9/21/2021

**CITY OF WHITTIER, ALASKA
RESOLUTION #33-2021**

A RESOLUTION OF THE CITY OF WHITTIER, ALASKA APPROVING THE ASSIGNMENT OF THE LEASE BETWEEN THE CITY OF WHITTIER AND YOUNG S. AND KYUNG YOO SUBJECT TO AND CONDITIONAL UPON AMENDMENTS TO THE LEASE, APPROVING THE ESSENTIAL TERMS OF THE ASSIGNMENT TO AND AMENDMENT OF THE LEASE WITH TATITLEK SOUND HOLDINGS LLC AND THE ESSENTIAL TERMS OF THE AMENDED AND RESTATED LEASE WITH TATITLEK SOUND HOLDINGS LLC, AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS WITH THE PARTIES INCORPORATING THE ESSENTIAL TERMS APPROVED IN THIS RESOLUTION

WHEREAS, the City of Whittier ("City") and Young S. and Kyung Yoo entered into a lease Lots 6 & 7 Harbor Triangle, Whittier Recording District, Third Judicial District, State of Alaska (the "leasehold premises") on or about March 12, 2007, which was recorded in the Anchorage Recording District on January 4, 2008 as instrument number 2008-000316-0 (the "Current Lease"); and

WHEREAS, Tatitlek Sound Holdings LLC ("Tatitlek") has expressed interest in the assignment of the Current Lease to it and has provided the City with information demonstrating that Tatitlek is in good standing, a request for assignment, and a proposed business plan, and Tatitlek intends to use the leasehold premises in for commercial/retail uses that are different than those approved by the Current Lease and for a term in excess of twenty (20) years;

WHEREAS, the change in use for the leasehold premises requires consent from the City;

WHEREAS, under Whittier Municipal Code (WMC) Section 3.36.320(A), the Council may approve leases in excess of twenty (20) years if it determines from the purpose of the lease or the nature of the improvements which may be placed thereon that a longer term would benefit the City;

WHEREAS, the City Administration has engaged in preliminary negotiations with Tatitlek to increase the yearly Rent Rate, and to provide for adjustments consistent with the requirements of the WMC, and to negotiate other terms favorable to the City that are not included in the Current Lease;

WHEREAS, in light of the proposed business and development goals expressed by Tatitlek in its business plan, the City Manager and Administration support the proposed

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assignment and amendments to the Current Lease, and City Council agrees with the proposed change(s) in use as being beneficial to the commercial/retail development of the City;

WHEREAS, the City Council has determined that the nature of the lease as a ground lease, the significant improvements proposed by Tatitlek, along with the amendments to the lease agreed to by Tatitlek, a longer-term lease will provide a benefit the City;

WHEREAS, the City Manager is seeking approval of the essential terms of an assignment and amendment to the Current Lease, in substantially the form presented to City Council in connection with its consideration of this Resolution.

NOW, THEREFORE, the Whittier City Council resolves;

Section 1. Whittier City Council hereby approves the assignment of the Current Lease to Tatitlek, subject to and conditional upon the following essential terms:

Term A: The Current Lease shall be amended in accordance with terms and conditions set forth in the Amended and Restated Lease, with the same essential terms as presented to Council.

Term B. Tatitlek shall make improvements to the leasehold premises consistent with those described in its business plan, the construction schedule incorporated into the amended lease, and construction plans to be approved by the City professional staff.

Term C. Rent for the leasehold premises shall be increased immediately increased to \$6,930 per year (or \$577.50 per month), plus applicable sales tax, but subject to adjustment as provided in the amended lease.

Section 2. City Council's approval of the assignment of the Current Lease is subject to and conditional upon the adoption of the essential terms in Section 1 of this Resolution.

Section 3. The form of the proposed amended and restated lease presented to City Council is hereby approved, the City Council having concluded from the purpose of the amended and restated lease and/or the nature of the improvements to be placed on the leasehold premises that a longer term would benefit the City. The City Manager has authority to execute the assignment and amended and restated lease on such terms and conditions as presented to City Council.

Section 4. This resolution shall be effective immediately upon adoption.

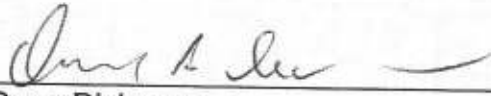
PASSED AND APPROVED by a duly constituted quorum of the Whittier City

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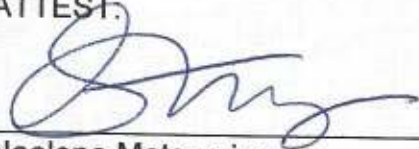
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Council on this 21 day of September, 2021.


Dave Dickason
MAYOR

ATTEST.


Naelene Matsumiya
CITY CLERK

Ayes: 6
Nays: 0
Absent: 1
Abstain: 0