



RESOLUTION 2020-04
A Resolution of the City of Delta Junction to Lease
the Visitor Center and “Triangle” Property
to the Delta Farm Bureau

WHEREAS, the Visitor Center and the Triangle property are located at the northern terminus of the Alaska Highway. The City of Delta Junction (“City”) wishes the site to be used to provide tourist information, accessible public restrooms and other tourism services, and to be open to the general public during the main tourism season, and to encourage growth and health in the Delta area; and

WHEREAS, the Delta Farm Bureau (“the Bureau”) is a nonprofit organization that has submitted a proposal for operation of the Visitor Center that has been reviewed, compared to other proposals and accepted by the City, and

WHEREAS, the City Council finds that such a lease would be in the public interest to the citizens of the City and the greater Deltana region; and

WHEREAS, City Ordinance §5.15.070 authorizes the City to enter into leases of real property for less than fair rental value; and

WHEREAS, the City is authorized under City Ordinance §5.15.040 to negotiate leases where the fair rental value is less than \$24,000.00 per year and the term is less than five years; and

WHEREAS, the City Council finds that the City is not likely to be able to economically provide the services and that restrictions on use of the property in this lease render the fair market value to be less than \$24,000 per year, and that the

provision that either party may terminate the lease at any time with or without cause with a six (6) month prior notice, which effectively limits the lease term to less than five (5) years; and

WHEREAS, the City's formal procedures for disposition of property by sale or lease may be waived if the City Council finds that a particular disposition will be in the public interest; and

WHEREAS, the City and the Bureau have negotiated a mutually acceptable lease that meets the requirements of City ordinances and the needs of both parties.

NOW, THEREFORE, THE CITY COUNCIL RESOLVES THAT:

1. The City agrees to enter into a lease of the Delta Visitor Center and Triangle premises with the Delta Farm Bureau on substantially the terms and conditions described in the attached lease.
2. The Mayor is authorized to execute the lease on behalf of the City.
3. This resolution shall take effect immediately upon adoption.

ADOPTED by the City Council of the City of Delta Junction, Alaska this 18th day of February 2020, by an affirmative vote of ____ in favor and ____ opposed.

CITY OF DELTA JUNCTION, ALASKA

JW Musgrove, Mayor

ATTEST

Pat White, City Clerk

City of Delta Junction and Delta Farm Bureau

LEASE OF PROPERTY

Lessor: City of Delta Junction, PO Box 229, Delta Junction, Alaska 99737

Lessee: Delta Farm Bureau, PO Box 327, Delta Junction, Alaska 99737

Preamble: The City of Delta Junction constructed the Visitor Center Building with grant funds in 1985 and in 2017, obtained title to the underlying real property from the State of Alaska. The purpose of the building is to encourage tourism to the Delta area, with specific emphasis as the “End of the Alaska Highway”. The City lacks expertise in tourism and staff to operate and maintain the premises. The Delta Farm Bureau is a not-for-profit civic organization, with abilities of organization, sharing of information and management.

In order to keep the Visitor Center in operation, and to show the agricultural aspect of the Delta area, it is now considered by both Parties to be a good and proper time to formalize a relationship.

A.) Leased area: Delta Junction Visitor Center, including all structures and property, real and personal located at the junction of the Alaska Highway and the Richardson Highway known as “The Triangle” (NOT including the Sullivan Road House and Farmer's Market properties). This lease is non-assignable, nor subject to subletting.

B.) Lease term: Five (5) years, terminable by either party without cause with six (6) month written notice – February 18, 2020 / December 31, 2024, with two possible five (5) year renewals, with the agreement of both parties.

C.) Payment: Five hundred dollars (\$500.00) per year and other good and valuable consideration, due January 2 of each year.

D.) Terms:

1. Delta Farm Bureau shall, at its own expense, maintain comprehensive damage and liability insurance on the structures, grounds and personal property thereon in the amount of \$2,000,000.00 with the City named as an additional insured, and the City to receive prior notice of impending cancellation. Flood insurance is not required.
2. Delta Farm Bureau shall, at its own expense, maintain the premises, normal wear and tear NOT excepted, including normal maintenance, all utilities, and garbage and other expenses of the site. In the event the Delta Farm Bureau encounters significant deterioration or damage of the premises that is clearly not the fault of

the Delta Farm Bureau and is not covered by insurance, the Bureau may request financial assistance of the City. A request under this lease for financial aid for repairs shall not be considered a breach of contract by the Delta Farm Bureau, nor shall a refusal by the City to provide such aid be considered a breach by the City. In the event of a disagreement between the parties over repair and maintenance responsibilities the sole obligation of either party to the other is non-monetary and limited to termination of this lease.

3. The Delta Farm Bureau shall give the City prior notice of any proposed major repairs or other proposed major changes to the property and contents and exhibits, and shall allow no liens to attach to the premises.
4. The Delta Farm Bureau shall be allowed to sell merchandise on the property; either its own or on consignment.
5. The Delta Farm Bureau shall utilize the premises and property to encourage economic growth and health of the Delta area, to provide knowledge of local agricultural efforts, and provide tourist information, public restrooms and other tourism services as it may see fit.
6. The Delta Farm Bureau shall have the Visitor Center open to the public during the main tourism season from Memorial Day weekend to Labor Day Weekend each year. The operating season may only be changed by mutual agreement of the Bureau and the City.
7. The Delta Farm Bureau may utilize the premises for storage of its own items and records but not to interfere with tourism access or usage during the tourist season.
8. The Delta Farm Bureau shall keep the upstairs viewing and exhibit area available to the public when the Center is open, unless precluded by insurance expense or other regulation such as handicap access rules, at which point the Bureau will give notice to the City regarding the cause of change.
9. The building has exhibits and displays owned by both the City and on loan by individuals. The Delta Farm Bureau shall keep an accurate inventory of all such exhibits and displays and their ownership. No exhibit or display shall be removed from the building or modified without attempting to contact the owner of the exhibit or display. The owner of any item on display shall have the right to ask for its removal and return at any time. The mural painted on the wall in the stairwell is not to be damaged or removed without express permission of the City. The City will assist in returning to the owners the items and displays currently in the Visitor Center that the Delta Farm Bureau does not wish to retain.
10. The Delta Farm Bureau shall provide the City of Delta Junction with keys to all

the facilities at the Triangle and shall allow access by the City to all of the premises at any time, without prior notice by the City. The City shall not inspect any Farm Bureau books or records on the premises or Bureau-stored items without prior request by the City. The City shall keep their set of keys at City Hall and keep a record of who uses the keys and when. The use of keys shall be restricted to official City use. If, for any reason, locks and keys must be changed, the Bureau shall provide the City with a key for the new lock.

11. The City shall continue to do water testing up to three (3) times per year at the Visitor Center, at City expense.

12. The Delta Farm Bureau shall annually provide the City with its adopted budget, the previous year end overall balance statement and the profit and loss for the premises.

E) Termination: Either Party may terminate this Lease for any reason, with or without cause, by giving at least six (6) calendar months prior written notice of termination, with the exception that the City has the option to cancel this lease at any time if the required insurance lapses.

F) Holdover: If for any reason the Delta Farm Bureau remains in possession of the premises, beyond the possible end date of this lease (December 31, 2034), the lease shall continue, on a month to month basis, until either party gives the other a notice of termination effective at the end of the calendar month ending at least thirty (30) days after the date the notice of termination is either delivered to the other party or the date of postmark thereof, whichever is the earlier.

City of Delta Junction, Alaska
By its Mayor, JW Musgrove

Date:

Delta Farm Bureau
By its President, Matthew Bates

Date: