

Proposed by:	Administration
Attorney Review:	11/06/2023
First Reading:	11/16/2023
Second Reading:	12/07/2023
Vote:	6 Aye 0 Nay 0 Absent

**MUNICIPALITY OF SKAGWAY, ALASKA  
ORDINANCE NO. 23-25**

**AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AUTHORIZING THE MUNICIPALITY OF SKAGWAY TO LEASE PROPERTY TO ELECTRONIC DESIGN & DEVELOPMENT, INC., DBA SKAGWAY NETWORK CABLE TV.**

**WHEREAS**, the Municipality of Skagway received a request from Patty Campbell, authorized representative of Electronic Design & Development, Inc. dba Skagway Network Cable TV (ED&D) to lease 4,533 square feet of municipal property; and

**WHEREAS**, ED&D currently holds a lease to this property that expires on December 31, 2023; and

**WHEREAS**, the 4,533-square-foot leased area is further described as:

- 2,371 square feet of the Third Avenue right-of-way west of Alaska Street; and
- 2,162 square feet of the north portion of Block 31, Lot 1;

**WHEREAS**, the following improvements are situated on the property: 1) five cable antennae; and 2) a 16' x 12' equipment building; and

**WHEREAS**, pursuant to SMC 16.02.010(C), the borough assembly has determined that there is benefit to the residents and businesses of the community in keeping the cost of utilities offered to the public at minimum. The borough assembly may, at its sole discretion, offer adjusted lease rates for municipally owned lands used for the delivery of utilities to local subscribers of utilities as defined in Section 16.01.030(I). The lease amount for such lands shall be fifty percent (50%) of market rent; and

**WHEREAS, according to an appraisal report dated November 3, 2023 by Horan & Company LLC, market rent is initially \$7,343, and 50-percent of the market rent is \$3,671.50;**

**Section 1. Classification.** This is a non-code ordinance.

**Section 2. Purpose.** To enter into a lease of approximately 4,533 square feet of municipal property to ED&D, for the purpose of providing cable television services.

**Section 3. General Terms and Conditions of New Lease with ED&D.**

A new Lease with Electronic Design & Development, Inc. will contain the following general terms and conditions:

MUNICIPALITY OF SKAGWAY, ALASKA

ORDINANCE NO. 23-25

Page 2 of 3

- a) The leased premises is approximately 4,533-square-feet further described as:
  - 2,371 square feet of the Third Avenue right-of-way west of Alaska Street; and
  - 2,162 square feet of the north portion of Block 31, Lot 1;
- b) The following improvements are situated on the property: 1) five cable antennae; and 2) a 16' x 12' equipment building;
- c) The initial lease term would be for five (5) years beginning on January 1, 2024 and expiring on December 31, 2028, with the option of two additional 5-year renewal terms;
- d) If ED&D shall holdover after the expiration of the lease term, such tenancy shall be from month-to-month;
- e) Annual rent for the initial 5-year term shall be 50% of market rent, or \$3,671.50, determined in accordance with SMC 16.02.010 plus applicable sales tax, prorated and paid in advance, **and will be adjusted prior to each renewal term** in accordance with Skagway Municipal Code 16.03.160(B);
- f) Any and all buildings, fixtures, and improvements constructed or installed on the Property by ED&D during the lease term shall remain the property of Electronic Design & Development, Inc. except as otherwise provided in the Lease;
- g) Electronic Design & Development, Inc. is responsible for keeping the leased property and all buildings and improvement thereon in good condition and repair during the lease term, ordinary wear and tear excepted;
- h) Prior to the expiration of the Lease term Electronic Design & Development, Inc. may remove machinery, building, improvements, fixtures, and equipment constructed or installed by Electronic Design & Development, Inc. during the Lease term on the leased property;
- i) Any buildings, improvements, fixtures, machinery, equipment, or other items of real or personal property constructed or installed by Electronic Design & Development, Inc. on the leased property during the Lease Term, which are not removed prior to expiration of the Lease, shall become the property of the Municipality, unless the Municipality requires Electronic Design & Development, Inc. to remove the same.

The Lease shall include other provisions of a general nature typical in ground leases as related to default, default remedies, defend and indemnification, insurance, hazardous waste, payment of taxes, payment of utilities, notices, and similar general provisions.

**Section 4. Effective Date.** This ordinance shall become effective immediately upon adoption.

**NOW, THEREFORE BE IT ORDAINED BY THE ASSEMBLY OF THE MUNICIPALITY OF SKAGWAY, ALASKA** that the Municipality of Skagway shall lease to **Electronic Design & Development, Inc dba Skagway Network Cable TV**, 4,533 square feet of municipal property according an appraisal report dated November 3, 2023 by Horan & Company LLC (Exhibit A), for a term of five (5) years with options for two 5-year renewal terms, beginning on January 1, 2024; and

**BE IT FURTHER ORDAINED** that for the initial 5-year term of the lease, ED&D shall be charged 50% of market rent, or \$3,671.50, determined in accordance with SMC 16.02.010 plus applicable sales

MUNICIPALITY OF SKAGWAY, ALASKA

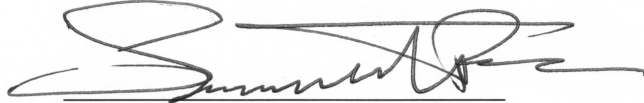
ORDINANCE NO. 23-25

Page 3 of 3

tax and will be adjusted prior to each renewal term in accordance with Skagway Municipal Code **16.03.160(B)**; and

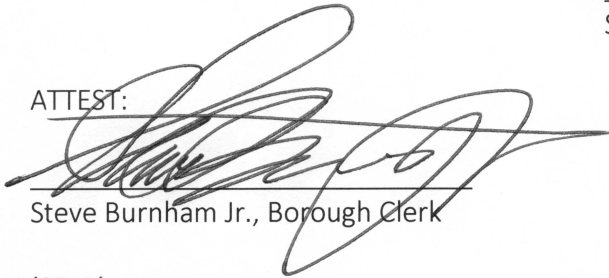
**BE IT FURTHER ORDAINED** that the Borough Manager is authorized to negotiate lease terms in accordance with SMC 16.03.130 that are reasonably consistent with the foregoing and to execute the lease with terms as defined above.

**PASSED AND APPROVED** by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 7th day of December, 2023.



Sam Bass, Mayor

ATTEST:



Steve Burnham Jr., Borough Clerk

(SEAL)

