

Sponsor: Don Pierce and Julie McDonald

CITY OF CRAIG  
ORDINANCE NO. 710

AN ORDINANCE AMENDING TITLE 16, CRAIG MUNICIPAL CODE,  
SECTION 16.02.140, TERMS AND CONDITIONS OF LEASES

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CRAIG, ALASKA:

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application of other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance amends Section 16.02.140 B of the Craig Municipal Code by deleting the items shown with strikethrough text and surrounded by square brackets (~~[strikethrough]~~) and by adding the **bold underlined** items, as follows:

B. Adjustment of Rent. The annual rent payable pursuant to any lease becomes subject to adjustment by the council on the fifth anniversary of the date of the lease and at each five-year interval thereafter. **The City may adjust the rent annually if the assessment method or consumer price index method of adjustment is used.**

1. **At the City's sole discretion** the adjusted annual rent will be computed **using one of the following methods:**

a. **Appraisal**. The adjusted annual rent [~~shall~~] **may** be computed at that percentage of the fair market value of the land as set by the lease, inclusive of any improvements thereon made by the city, but exclusive of any portion of value created by expenditures by lessee, except that the value of any improvements credited against rentals shall be included in the value. Such fair market value shall be determined by an appraisal made by the city assessor and reviewed and approved by the council. The lessee may obtain council reconsideration of the council's prior approval of the assessor's figure for market value by giving written notice of request for reconsideration within 10 days after the council's original decision, and by thereafter presenting an alternative appraisal, prepared by a Member of the Appraisal Institute (MAI) within 90 days after the council's original decision.

b. **Assessment**. **The adjusted annual rent may be computed at that percentage of the assessed value of the land as set by the lease, inclusive of any improvements thereon made by the city, but exclusive of any portion of value created by**

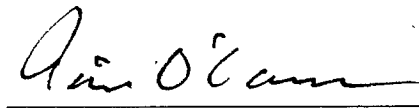
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expenditures by lessee, except that the value of any improvements credited against rentals shall be included in the value. Such assessed value shall be determined by the most recent annual tax assessment roll submitted by the city assessor and approved by the council. The lessee may obtain council reconsideration of the assessed value of the property by protesting the assessed value placed on the rental property as outlined in CMC 3.04.060.

c. Consumer Price Index. The adjusted annual rent may be computed by using the rental rate set in the original or renewed lease or the rental rate as set during any regular adjustment, plus the change in the Anchorage Consumer Price Index during the adjustment interval.

2. The lessee may obtain council reconsideration of the method of annual or five year interval rent adjustment by giving written notice of request for reconsideration within 10 days after the council's original decision on the rental rate adjustment. The council shall, upon presentation of the lessee's evidence, within 30 days decide the final market value to be used in adjusting the rent. The new rental amount shall be effective at the beginning of the five-year or annual interval to which it applies.

Passed and approved on June 7th, 2018.

  
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Mayor Tim O'Connor



  
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Kassi Mackie, City Clerk