

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Samantha Wilson, City Planner
Date: October 11, 2022
RE: Ordinance 750, Second Reading – Municipal Code Appraisal Requirement for Lease Renewals

During the October 6, 2022 council meeting Ordinance 750 passed its first reading without comment.

In May 2018, Ordinance 710 was submitted and passed to allow multiple means for starting and renewing leases. The change to Section 16.02.140B outlines the alternative means of adjusting rent. However, due to language in Sections 16.02.030 C and 16.02.030 O2, there are still barriers to effectively establishing a minimum rental value when a lease is started or renewed without a recent appraisal.

Ordinance 750 remedies the remaining language in the municipal code. The ordinance is attached.

Recommendation: The council should pass second reading of Ordinance 750 and approve the changes to the municipal code.

CITY OF CRAIG
ORDINANCE NO. 750

AN ORDINANCE AMENDING TITLE 16, CRAIG MUNICIPAL CODE,
SECTION 16.02.030 C MINIMUM RENT AND SECTION 16.02.140 O2
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.

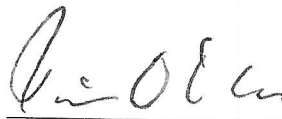
Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application of other persons or circumstances shall not be affected thereby.

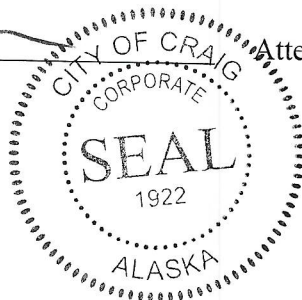
Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance amends Section 16.02.030 C and Section 16.02.030 O2 of the Craig Municipal Code by deleting the items shown with strikethrough text and surrounded by square brackets () and by adding the items, as follows:

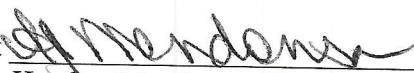
- C. (~~Appraisal~~) **Non-public, For-Profit Use**. With the exception of the public uses described in subsection (B) of this section, no land shall be leased, or a renewal lease issued therefore, unless the land has been **either assessed or appraised** at its fair market value within 12 months prior to the date fixed for the beginning of the term of the lease or renewal date. **The Consumer Price Index may also be used to determine an adjusted rental rate from a pre-existing value.**
2. Such lease shall be for an annual rent equal to a percentage of the (~~appraised~~) value of the land which is then charged for new leases, and shall be subject to adjustment on every fifth anniversary.

Passed and approved on October 20, 2022.


Mayor Tim O'Connor



Attest


Heather Mendonsa, City Clerk