

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Samantha Wilson, City Planner  
Date: October 11, 2022  
RE: Ordinance 751, Second Reading – Authorization for City Administrator to negotiate a below market value lease of City Owned Property to Island Daycare

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The first reading passed with one comment during the October 6<sup>th</sup> City Council meeting. Councilmember McDonald expressed interest in investigating whether both interested parties, Island Daycare and Tlingit & Haida Head Start, could cooperatively lease the property in question.

Venessa Richter applied to lease the Craig Child Care Center (CCCC) building for the purpose of operating a daycare. Venessa intends to provide daycare services primarily to children between the ages of 3 months and 5 years with potential to expand services once the new daycare becomes established.

Craig Municipal Code 16.02.030 (B) allows the city to approve a lease below the minimum 8% of market value. Island Daycare has been registered as a non-profit and in consideration of the public benefit the daycare service will provide, it may be considered for this below market lease.

Approval of this ordinance allows the City Administrator to negotiate the terms of the lease with Island Daycare. As is standard with leases of city owned property, the final terms of the lease will be brought back to the council for final approval.

Recommendation: Pass the second reading of Ordinance 751 and approve it to begin the lease negotiation process.

**CITY OF CRAIG  
ORDINANCE No. 751**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH ISLAND DAYCARE, THE TERMS OF A LEASE OF CITY-OWNED PROPERTY IDENTIFIED AS "SCHOOL RESERVE", BLOCK 15, USS 1430

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

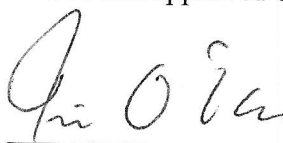
Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

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

Section 4. Action. This ordinance authorizes the City Administrator to negotiate a below market value lease of city-owned property to Island Daycare for the purpose of providing child care services. Daycare building and all appurtenances thereof located on a portion of the lot identified as "School Reserve", Block 15, USS 1430 as shown on the plat of USS 1430 dated May 20, 1922. Final terms of the lease are subject to the approval of the Craig city council.

The City Administrator is under no obligation to negotiate amendments to the lease of the property described above, and the City Council is under no obligation to approve any lease negotiated by the City Administrator with Island Daycare.

Passed and approved on October 20, 2022.

  
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Mayor Tim O'Connor

Attest   
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Heather Mendonsa, City Clerk

