

RESOLUTION NO. 4871

**A RESOLUTION APPROVING A FOUR-YEAR EXTENSION OF THE
LEASE WITH THE YUKON QUEST INTERNATIONAL, LTD., FOR LOTS
1 AND 2, BLOCK 4, FAIRBANKS TOWNSITE**

WHEREAS, by the authority of Ordinance No. 5954, effective September 13, 2014, the City of Fairbanks entered into a lease agreement with the Yukon Quest International, Ltd. (the "Quest"), for Lots 1 and 2, Block 4, Fairbanks Townsite, located on the banks of the Chena River at First Avenue and Cushman Street; and

WHEREAS, Ordinance No. 5954 approved the four-year term provided for in the "Lease – Real Property" and approved a discretionary four-year renewal term; and

WHEREAS, the Quest has occupied the property for a total of nine years and has used the property as its dog mushing sport headquarters and visitor destination; and

WHEREAS, Ordinance No. 5954 stated that the use of the property by the Quest contributed to the vitality of the Fairbanks community, attracting residents, visitors, and mushing enthusiasts; and

WHEREAS, the Quest wishes to continue leasing the property and asks the Council to approve a four-year lease extension; and

WHEREAS, it is the finding of the Council that the Quest lease continues to be in the best interest of the community; and

WHEREAS, the Administration has reviewed the Quest's occupancy of the property and recommends a four-year renewal, conditioned on the Quest's execution of the attached Memorandum of Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks City Council authorizes the Mayor to execute a four-year extension of the "Lease – Real Property" between the City of Fairbanks and the Yukon Quest International, Ltd., conditioned upon the execution by the Yukon Quest International, Ltd., of the Memorandum of Agreement attached as Exhibit A.

PASSED and APPROVED this 25th day of March 2019.

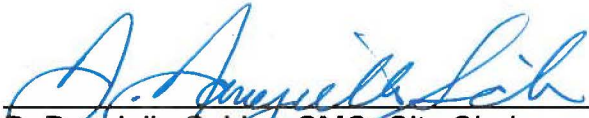


Jim Matherly, Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA
NAYS: None
ABSENT: Cleworth
APPROVED: March 25, 2019

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk



Paul Ewers, City Attorney

MEMORANDUM OF AGREEMENT
BETWEEN
CITY OF FAIRBANKS
AND
YUKON QUEST INTERNATIONAL, LTD.

Recitals

Yukon Quest International, Ltd (“the Quest”) is the lessee of real property owned by the City of Fairbanks (“the City”) located at First Avenue and Cushman Street, Lots 1 and 2, Block 4, Fairbanks Townsite.

The lease provided for a four-year initial term, which expired on October 13, 2018, and provided for a four-year option to renew at the City’s discretion.

The Quest wishes to renew the lease for an additional four years, but it is in arrears on its lease payments to the City; the Quest also owes back property taxes to the Fairbanks North Star Borough.

The City supports the efforts of the Quest and does not oppose extending the lease term but cannot do so without assurances that the Quest will bring the rent current and pay its future obligations.

The Quest informs the City that it has commitments from 2019 race sponsors that are still outstanding and that when paid will allow it to pay its obligations to the City and to the Borough.

Based upon the foregoing, the City and the Quest enter into this Memorandum of Agreement under the following terms and conditions.

Agreement Terms and Conditions

1. The City agrees to extend the current lease term for four year, until October 13, 2022.

2. As the Quest receives funds from 2019 race sponsors, it first will pay off its property tax obligation to the Fairbanks North Star Borough and must do so no later than April 15, 2019.

3. If the Quests receives funds from 2019 race sponsors sufficient to immediately bring its lease arrearage current, it must do so.

4. The lease payment will be increased from \$500 per month to \$750 per month until the lease arrearage has been satisfied, at which time the lease payment will return to \$500 per month.

City of Fairbanks

By: Jim Matherly, Mayor

Date

Yukon Quest International, Ltd.

Marti Steury, Executive Director

ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss
4TH JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____day of _____2019, before me, the undersigned, a Notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known to be the Executive Director of Yukon Quest International, Ltd., and acknowledged to me that they signed the foregoing instrument as such officer thereof, by authority of its Board of Directors, as the voluntarily act of said corporation for the uses and purposes therein mentioned.

NOTARY PUBLIC:
Commission Expires: