

NON-CODE ORDINANCE

Sponsored By: Borough Manager

Introduced: 03/27/18

Public Hearing: 04/03/18

Public Hearing Continued to 04/17/18: 04/03/18

Public Hearing: 04/17/18

Amended: 04/17/18

Adopted: 04/17/18

**MATANUSKA-SUSITNA BOROUGH  
ORDINANCE SERIAL NO. 18-019**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE BOROUGH MANAGER TO ENTER INTO A LEASE AT PORT MACKENZIE WITH ERIC OIEN, DENALI TIMBER, LLC, FOR A PERIOD OF FIVE YEARS AND LIMITED EXCLUSIVE COMMODITY FRANCHISE.

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WHEREAS, the Borough was approached by Denali Timber Management, LLC, for a lay-down space to store and ship logs from Port MacKenzie; and

WHEREAS, the Manager has reached an agreement, in principle, with Denali Timber Management on key contract elements to include:

- 1) A lease area containing eight (8) acres dockside;
- 2) A term of five (5) years;
- 3) An exclusive franchise to export logs to Pacific Rim countries in Asia;
- 4) A condition that allows the MSB to relocate Denali Timber Management should the Borough want the use of the lease space at Port MacKenzie; and

WHEREAS, the total annual revenue generated by Denali Timber Management's operation is estimated to be \$960,000:

- 1) Estimated revenue of \$334,500 generated by lease of eight acres;

2) Estimated revenue of \$446,500 generated by wharfage fees;

3) Estimated revenue of \$158,000 generated by dockage fees; and

WHEREAS, MSB 18.02.010, requires Assembly approval of the substance of all leases in the Port District.

BE IT ENACTED:

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

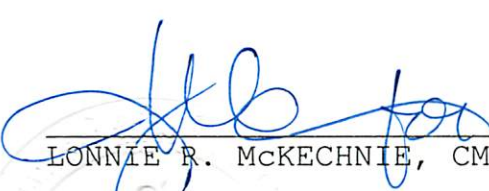
Section 2. Approval. The Matanuska-Susitna Borough Assembly approves and authorizes the Manager to enter into a lease agreement with Eric Oien, Denali Timber Management, LLC.

Section 3. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this  
17 day of April, 2018.

  
VERN HALTER, Borough Mayor

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

VOTE:

YES: Beck, Leonard, Mayfield, Doty, and Kowalke

NO: Sykes and McKee

