



CITY OF WASILLA

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COUNCIL MEMORANDUM

NO. 97-71

TO: Wasilla City Council Members

Thru: Sarah H. Palin, Mayor *SP*

Thru: Dan Kelly, Acting Planning Commission Chair *DK*

From: Tim Krug, City Planner *TK*

Date: August 20, 1997

Subject: Service Oil and Gas Lease of Lot 3 at New Wasilla Airport

In accordance with WMC § 7.16.120 (B) the Wasilla Planning Commission (WPC) has considered and recommends approval for the lease of Lot 3 of the New Wasilla Airport Lease Lots 1-9, Plat 92-39 to Service Oil and Gas. It is also the recommendation of the Administration to approve this Lease.

The lease has been reviewed by the Law Office of Richard Deuser for comment and conformance with the Wasilla Municipal Code.

This lease has been forwarded for approval to the Airport Manager, Mr. Bill Harvey, the Public Works Department Deputy Director. His comments and approval are attached.

Per Council Memorandum 97-42 two proposals were received and the Council authorized the Administration to negotiate with Service Oil & Gas, Inc. to provide fuel service at the new Wasilla Airport. We are requesting Council approval in accordance with WMC § 7.16.120(B)(4) accepting the Lease with Service Oil and Gas, Inc., as attached.

Results of the final negotiations have been prepared in the form of the Lease as attached. Along with the Lease, Service Oil and Gas, Inc. will be issued a Purchase Order and will receive loan disbursements according to the schedule of progress disbursements as provided in the Promissory Note. The amount of the Purchase Order will be considered to be a no interest loan and will be repaid according to the promissory note (Exhibit C) as attached to the Lease.

*Pulled from Agenda -
Never introduced
to Council*

We are requesting that this Lease be approved as expeditiously as possible to be able to install the fuel tanks prior to the ground freezing.

Recommended Motion

Should the Council agree with the recommendations of the WPC and the Administration, the following motion is appropriate:

Move to approve the Lease as presented in accordance with WMC § 7.16.120(B)(4) with Service Oil and Gas, Inc. and the City of Wasilla for Lot 3 of the New Wasilla Airport Lease Lots 1-9, Plat 92-39. Furthermore, loan at no interest to Service Oil & Gas \$70,000.00, repayable at 5 cents per every gallon sold.

ATTACH: 8/19/97 City of Wasilla, Public Works Memorandum
6/04/97 Council Memorandum
Draft Purchase Order No. 7128