

**ORDINANCE NO. 6346**

**AN ORDINANCE AUTHORIZING THE LEASE OF THE LOG CABIN LOCATED  
AT 550 1ST AVENUE TO ALASKA UNIVERSAL PRODUCTIONS, INC.**

**WHEREAS**, Fairbanks City Charter Section 8.3 and Fairbanks General Code (FGC) Section 70-56 allow for the lease of real property made under the authority of an ordinance; and

**WHEREAS**, the City of Fairbanks owns the log cabin and surrounding property located at 550 1st Avenue; and

**WHEREAS**, the City of Fairbanks conducted an extensive Request for Information (RFI) public process soliciting proposals to activate the space; and

**WHEREAS**, Alaska Universal Productions, Inc. (AUP) proposed "the establishment of a year-round café, coffee shop, and gift boutique operating seven days a week, designed to serve both Fairbanks residents and the region's vibrant tourism community;" and

**WHEREAS**, AUP further proposed to "activate the full potential of the property, utilizing the outdoor concrete areas, sidewalks, and green spaces for community programming, as well as occasional public and private events;" and

**WHEREAS**, AUP currently operates catering and dining services with an existing alcohol license and intends to renovate the property to establish an indoor/outdoor café that may include opportunities for responsible alcohol service; and

**WHEREAS**, the City of Fairbanks intends to lease the property located at 550 1st Avenue to AUP for the establishment of a year-round café, coffee shop, and gift boutique.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:**

**SECTION 1.** A lease instrument, substantially in the form shown in attached Exhibit A, is hereby authorized by Council for the purposes stated herein, providing a term of 4 years.

**SECTION 2.** Pursuant to FGC Sec. 70-56, the lease must not be executed until a minimum of 30 days following the effective date of this ordinance.

**SECTION 3.** The effective date of this ordinance is six days after adoption.

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**Mindy O'Neall, City Mayor**

Clerk's Note: The City Council directed that any lease authorized by this ordinance must prohibit the service of alcohol on the premises.

AYES: Therrien  
NAYS: Cleworth, Marney, Ringstad, Sprinkle, Tidwell  
ABSENT: None  
ADOPTED: May 11, 2026

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Danyielle Snider, MMC, City Clerk

\_\_\_\_\_  
Thomas A. Chard II, City Attorney

FAILED

**CITY OF FAIRBANKS**  
**FISCAL NOTE**

**I. REQUEST:**

Ordinance or Resolution No: 6346

Abbreviated Title: ORDINANCE AUTHORIZING LEASE TO ALASKA UNIVERSAL PRODUCTIONS

Department(s): GENERAL

Does the adoption of this ordinance or resolution authorize:

- 1) additional costs beyond the current adopted budget?      Yes \_\_\_\_\_ No   x
- 2) additional support or maintenance costs?                      Yes \_\_\_\_\_ No   x    
     If yes, what is the estimate?   see below
- 3) additional positions beyond the current adopted budget?      Yes \_\_\_\_\_ No   x    
     If yes, how many positions? \_\_\_\_\_  
     If yes, type of positions? \_\_\_\_\_ (F - Full Time, P - Part Time, T - Temporary)

**II. FINANCIAL DETAIL:**

EXPENDITURES:	ANNUAL
<b>TOTAL</b>	<b>\$ -</b>

FUNDING SOURCE:	ANNUAL
GENERAL FUND (RENT REVENUE)	\$ 30,000
<b>TOTAL</b>	<b>\$ 30,000</b>

The City of Fairbanks will lease the log cabin on 550 1st Avenue and surrounding area to Alaska Universal Productions for four years. The rent will be \$2,500 per month with an option to waive up to \$30,000 for mutually agreed upon renovations.

Prepared by Finance Department:                                      Initial   mb                                        Date   4/27/2026

LEASE – REAL PROPERTY

Exhibit “A” to Ordinance No. 6346

This Lease, made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2026, by and between the City of Fairbanks, whose address is 800 Cushman Street, Fairbanks, Alaska 99701, referred to as “Lessor,” and Alaska Universal Productions, Inc., Revel Event Services, whose address is 2760 Phillips Field Road, Fairbanks, Alaska 99709, hereinafter referred to as “Lessee.”

1. **Authority**. The Mayor of the City of Fairbanks is authorized and directed to enter into this Lease by City Ordinance No. 6346, passed and approved by the City Council on \_\_\_\_\_, 2026.

2. **Leased Premises**. For and consideration of the rents to be paid and the covenants to be performed by Lessee hereunder, and for the terms set forth herein, Lessor hereby leases to Lessee 550 First Avenue, Fairbanks, Alaska 99701, more formerly known as:

Lots One (1) and Two (2) Block Four (4), TOWNSITE OF FAIRBANKS, according to the official survey of said Townsite, known as the L.S. Robe Map of 1909, reproduced by Karl Theile, US Surveyor General in 1922, containing 11,000 square feet, more or less, and the improvements thereon.

All according to the Records of the Fairbanks Recording District, 4th Judicial District, State of Alaska, and as generally depicted on “Lease Attachment 1 of 1”.

3. **Use**. Lessee has the right to use the Leased Premises for indoor and outdoor dining, alcohol consumption, a gift boutique, and other hospitality-related activities. Lessee shall comply with all regulations, ordinances, codes, and laws applicable to the use and occupancy of the Leased Premises and shall obtain at its sole expense all permits and licenses necessary to the lawful conduct of its business.

4. **Existing Improvements.** The Leased Premises are currently improved with a facility of log construction containing approximately 1,900 square feet, plus basement and accessory features.

5. **Title.** Lessor warrants and represents to Lessee that Lessor has full right and lawful authority to enter into this Lease, that Lessor has good and marketable title to the Leased Premises, and that the Leased Premises are free and clear of all tenancies, liens, easements, restrictions, conditions, reservations, and other encumbrances, except for those of record in the above recording district, and applicable building, use, and zoning ordinances pertaining to the Leased Premises or otherwise disclosed to Lessee.

6. **Term.** The initial term of this Lease will be four years beginning \_\_\_\_\_, 2026, and ending at midnight \_\_\_\_\_, 2030.

7. **Option to Renew.** Upon expiration of the initial term of this Lease, the City may, at its sole discretion, grant an option to renew for up to an additional four years.

8. **Rent.** In addition to the obligations set forth under Section 12 below, and in consideration of the community purposes of the Leased Premises, Lessee shall pay to Lessor Two Thousand Five Hundred Dollars (\$2,500.00) per month, payable in advance for each month of the Lease, with rent payments due on the first of each month for so long as the Lease is in effect. Up to \$30,000 of rent can be waived by the Mayor in exchange for mutually agreed upon renovations to the property. The failure of Lessor to insist upon full and prompt payment of any installment of the rent does not waive Lessor's right to full and prompt payment of that installment or any other installments.

9. **Taxes.** Lessor is a municipality of the State of Alaska and therefore exempt from property taxes. If taxes are levied against the property by a government body, any such taxes must be paid by Lessee, as and when due, so long as Lessor remains the owner of record.

10. **Lessor's Right of Entry onto the Premises.**

(a) Lessor or its agents have the right to enter the Leased Premises, and must be provided with the means to enter, at all times upon reasonable advance notice in order to examine it for the purposes of determining compliance with this Lease and to inspect or repair the separate electrical meter, water meter, and water pumps owned by the City, which are located in the basement of the premises and which serve the adjoining Golden Heart Plaza and water fountain.

(b) If the Lessee business model includes using the property for private events, the Lessor may use the site for an event without paying a fee for the space. Any other fees such as labor, catering, or material costs for Lessor's event will be paid for by the Lessor at the Lessee's normal rates. The time and date of the Lessor's event will be at a mutually agreed upon.

11. **Sublease and Assignment.** Lessee may not assign its rights or obligations under this Lease without prior written approval of the Lessor, which approval is at Lessor's sole discretion but will not be unreasonably withheld. If this Lease is assigned or if the Leased Premises or any part thereof is sublet or occupied by anyone other than Lessee, Lessor may, after default by Lessee, collect rent from the assignee, sublessee, or occupant and apply the net amount collected to the rent herein reserved.

12. **Operational Expenses.** Lessee shall keep the Leased Premises, the access thereto, and the site and structural improvements thereon in a clean, safe, and well-maintained order, free from depreciated conditions, at all times during the term of this Lease. Lessee shall pay, or cause to be paid, all operational expenses, including utilities, supplies and routine building and grounds

maintenance, together with janitorial services and refuse collection. Lessor shall be responsible for major mechanical or electrical repairs and extraordinary replacements to the Leased Premises excluding any additions or renovations made by Lessee which shall be the responsibility of the Lessee.

13. **Improvements, Alterations, Fixtures.** Lessee may, at its sole cost and expense, install equipment and fixtures on the Leased Premises or improvements to the Leased Premises, which installations or improvements must first be approved in writing by the City Engineer, provided further that Lessee will, at all times, hold Lessor harmless against any expense, claim, or injury arising out of any installation, alteration, addition, or improvement commenced or carried out on the Leased Premises by Lessee, its assigns, or agents.

14. **Encumbrances.** Lessee shall not encumber the Premises, or allow the Premises to be encumbered, with liens of any nature, including but not limited to mortgages, mechanic or materialmen liens, or use the Leased Premises as collateral to secure debt, without the prior written approval of Lessor, which approval will be at the sole discretion of Lessor. Any lien against the Leased Premises will be subordinate to this Lease, which will hold priority in title.

15. **Insurance.**

(a) At all times during the Lease term, Lessee shall maintain in full force and effect Workers Compensation Insurance as required by the laws of the State of Alaska.

(b) As a condition precedent to the Lessee's taking and retaining possession under the Lease, Lessee must secure, maintain, and file with Lessor proper evidence of the following types of insurance:

General Liability:  
Each Occurrence: \$1,000,000  
Damage to Rented Premises: \$100,000  
Medical Expense – Any One Person: \$10,000

Personal and Advertising Injury: \$1,000,000  
General Aggregate: \$2,000,000  
Products and Completed Operation Aggregate: \$2,000,000

Lessee shall obtain, and deposit with Lessor, certificates of insurance covering the respective insurances set forth above prior to commencement of the term of this Lease. Liability insurance must name Lessor as an “additional insured” regarding the Leased Premises. All required insurance must be obtained and maintained from insurance companies licensed to do business in the State of Alaska. Lessee shall not do anything on the Leased Premises or bring or keep anything in or about the Leased Premises that will cause a cancellation of any insurance covering the Leased Premises. The policies may not be cancelled or materially altered unless, at least 30 days prior, written notice of such cancellation or material change is provided to the Lessor and the Lessor, in its sole discretion, approves of the new or modified policy protections. Lessee shall provide Lessor with evidence satisfactory to Lessor that premiums for such insurances are paid when due. Lessor reserves the right to pay any insurance premiums not timely paid by Lessee and to recover that cost from Lessee pursuant to Paragraph 23 of this Lease.

(c) Optional Insurance – Contents: Lessee acknowledges that Lessor’s “all risk” insurance covering the structure does not cover Lessee’s effects or contents, and that Lessor is not liable for loss or damage to Lessee’s effects or contents. Lessee may, at its own expense, purchase and maintain renters’ insurance for such effects or contents.

16. **Indemnity.**

(a) Lessee will indemnify, defend, and hold Lessor harmless from and against any and all losses, claims, costs (including reasonable attorney’s fees), suits, and judgments arising from:

(1) any acts or omissions done, caused, or authorized by Lessee, its employees, agents, assigns, or sublessees arising upon the Leased Premises or otherwise pertaining to this Lease; or

(2) Lessee's failure to perform any covenant required to be performed by the Lessee under this Lease; or

(3) any environmental liability for conditions or contamination caused by Lessee arising out of Lessee's occupancy, use, or alteration of the Leased Premises.

Lessee agrees to reimburse Lessor for all necessary expenses, reasonable attorney's fees, and costs incurred in any non-judicial or judicial enforcement of any part of the foregoing indemnity provision.

(b) Lessor will defend and hold Lessee harmless from and against all losses, claims, costs (including reasonable attorney's fees), suits, and judgments arising from any environmental liability for conditions or contamination not caused by Lessee or arising out of Lessee's occupancy, use, or alternation of the Leased Premises.

Lessor agrees to reimburse Lessee for any and all necessary expenses, reasonable attorney's fees, and costs incurred in any non-judicial or judicial enforcement of any part of the foregoing indemnity provision.

17. **Condemnation.** If the Leased Premises, or any part thereof, are taken by eminent domain, at Lessor's option, this Lease will (a) expire on the date when the Leased Premises is taken, and the rent will be apportioned as of that date; or (b) continue in full force and effect if the Premises remains suitable for Lessee's intended use.

18. **Abandonment.** Should Lessee vacate or abandon the Leased Premises or be dispossessed by process of law, such abandonment, vacation, or dispossession terminates the Lease.

19. **Default and Remedies.**

(a) If Lessee is adjudged insolvent or makes an assignment for the benefit of creditors, or if a receiver or other liquidating officer of Lessee is appointed, or a petition for relief is filed by

or against Lessee in bankruptcy, or other dissolution or insolvency proceedings are commenced by or against Lessee, or if Lessee commits waste to or abandons the Premises, or if Lessee breaches any agreement, promise, duty, or covenant under this Lease, then Lessee will be deemed in default on this Lease.

(b) In the event that Lessee defaults in the payment of any amount or performance of any material covenant or condition to be paid or performed on the part of Lessee, and has not cured such default within 30 days after receipt of Lessor's notice of default, Lessor, in addition to all other remedies provided by law or otherwise, has the following rights:

- (1) To terminate this Lease and all rights of Lessee under it;
- (2) To enter the Premises and re-let the Premises; or
- (3) To recover from Lessee such damages attributable to its default, from the date of such breach to the date of the expiration of the lease.

Re-entry or re-letting of part or all of the Premises as herein provided is not to be deemed a termination of this Lease unless expressly declared so by Lessor. If this Lease is deemed terminated, Lessee's liability survives, and Lessee is liable for damages for the remainder of the term which exists at the termination date.

(c) In the event that Lessor defaults in the performance of any covenant or condition to be performed on the part of Lessor and Lessor has not cured such default within 30 days after receiving Lessee's notice of default, Lessee, in addition to all other remedies provided by law or otherwise, has the following rights:

- (1) To terminate this Lease and all rights of Lessor under it; or
- (2) To recover from Lessor such damages attributable to its default from the date of such breach to the date of the expiration of the lease term.

If this Lease is deemed terminated, Lessor's liability survives, and Lessor is liable for damages for the remainder of the term which exists at the termination date.

20. **Default.** Before a party can declare the other party in default, it must provide written notice of the specific obligation that the other has failed to perform and give that party 30 days in which to perform. It will not be considered a default if the required obligation cannot reasonably be performed within such 30-day period and if the other party is diligently trying to remedy the nonperformance.

21. **Holdover by Lessee.** Should Lessee, without Lessor's consent, hold over and remain in possession of any portion of the Premises after the expiration of the term of this Lease, such holdover will not be deemed or construed to be a renewal or extension of this Lease as to that area, and Lessor may take such legal steps as may be required to remove Lessee from that portion of the Premises held over by Lessee. Alternatively, and at Lessor's option, such holdover may operate to create a month-to-month tenancy as to the area in question, which may be terminated by Lessor at the end of any month upon 30 days prior written notice.

22. **All Obligations of Lessee Considered Additional Rent.** All taxes, charges, costs, and expenses which Lessee is required to pay, together with all interest and penalties that may accrue in the event of Lessee's failure to pay such amounts, and all damages, costs, and expenses which Lessor may incur by reason of any default of Lessee or failure on Lessee's part to comply with the terms of this Lease, will be deemed to be additional rent and, in the event of nonpayment by Lessee, Lessor has all the rights and remedies as to those amounts that Lessor has for the nonpayment of basic rent.

23. **Lessor's Right to Perform Lessee's Obligations.** If Lessee is in default hereunder, Lessor may cure such default on behalf of Lessee, in which event Lessee shall reimburse Lessor

for all reasonable sums paid to affect such cure, including reasonable attorney's fees. In order to collect such reimbursements, Lessor has all remedies available under this Lease for a default in the payment of rent.

24. **Late Charges.** Lessee acknowledges that late payment of rent or other sums due will cause Lessor to incur costs not contemplated by this Lease, the exact amount which will be difficult to ascertain. Accordingly, if Lessee fails to pay rent when due, or fails to pay other sums due under this Lease within 10 business days of receiving written notice that such sums are past due, then Lessee shall pay Lessor a late charge equal to 5% of the past due amount for each month the amount is past due, plus attorney's fees incurred by Lessor by reason of Lessee's failure to pay rent or other sums due under this Lease. The parties agree that such late charges represent a fair and reasonable estimate of the cost Lessor will incur by reason of the late payment by Lessee. Acceptance of such late charges by the Lessor will neither constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any other rights and remedies hereunder.

25. **Waste and Hazardous Substances.** Lessee shall not commit waste of or waste upon the Premises of whatever nature. Lessee shall defend, indemnify, and hold Lessor harmless from any and all costs, claims, or liabilities arising from or related to release, escape, or presence of any hazardous materials, waste, or toxic or regulated substances arising from or reasonably attributable to Lessee's use and occupancy of the Premises, all or any of which must be paid and satisfied by Lessee. Lessee's indemnification survives the termination of this Lease.

26. **Surrender of Premises.** On the last day of the term of this Lease, or as otherwise provided in this Lease, or as extended by Lessor in writing, Lessee shall quit and peaceably surrender the Premises to Lessor, leaving same in a neat, clean condition.

27. **Notices.** Any notice required by this Lease must be in writing and sent by certified or registered mail, postage prepaid, addressed to the party at the address shown above or such other address as the party may furnish to the other in writing. Any notice mailed in accordance with the preceding sentence will be deemed to have been given at the time it is received. Upon agreement of the parties, notice may be given by electronic means.

28. **Waiver.** No delay or omission by either party in exercising any right or power accruing upon any noncompliance or default by the other party impairs any such right or power or can be construed to be a waiver of such right or power. Subject to the provisions of this paragraph, every such right and power may be exercised at any time during the continuance of such default. A waiver by either of the parties of any of the covenants and agreements to be performed by the other will not be construed to be a waiver of any succeeding breach or of any other covenants or agreements.

29. **Choice of Law.** The provisions of this Lease and all questions arising concerning this Lease will be determined and resolved in accordance with the laws of the State of Alaska.

30. **Entire Agreement, Severability, Etc.** This Lease contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms, or conditions are deemed merged in this Lease. This Lease can be changed only in a written document signed by both parties. If any provision of this Lease is declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect. This Lease is binding upon the parties hereto and their legal representatives, successors, and assigns.

**LESSOR:**

**CITY OF FAIRBANKS**

By: \_\_\_\_\_  
Mindy O’Neill, Mayor

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Thomas Chard, City Attorney

**ATTEST:**

By: \_\_\_\_\_  
D. Danyielle Snider, City Clerk

**(SEAL)**

**LESSEE:**

**Alaska Universal Productions, Inc.**

By: \_\_\_\_\_  
Jonathan Huff, CEO/President