

CITY OF VALDEZ, ALASKA

RESOLUTION #25-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AUTHORIZING A LEASE ASSIGNMENT AND AMENDMENT OF A LEASE OF 4380 MCKINLEY STREET, PARCEL B ATS 10, FROM HARRIS SAND AND GRAVEL TO KNIK CONSTRUCTION, CO.

WHEREAS, Harris Sand & Gravel has held a lease with the City of Valdez for Parcel B, ATS 10 for over two decades; and

WHEREAS, Harris Sand & Gravel was granted a new lease agreement for a term of 21 years for a barge loading and unloading facility effective November 23, 2022; and

WHEREAS, Harris Sand & Gravel has requested to relinquish rights to the property and transfer the lease interests to Knik Construction, Co.; and

WHEREAS, Knik Construction, Co. applied to assume the lease with all existing terms and conditions from Harris Sand & Gravel for continued operation as a barge loading and unloading facility; and

WHEREAS, 4380 McKinley Street, Parcel B ATS 10 is located within an area of significant development hazard according to the 2021 Comprehensive Plan, as well as the tsunami inundation zone; and

WHEREAS, Harris Sand & Gravel was required to sign a written acknowledgement of the hazard area at the commencement of their lease in 2022, which Knik Construction, Co. will also need to sign; and

WHEREAS, Harris Sand & Gravel was required to pay port tariffs for freight moved through the lease location, which Knik Construction, Co. will also need to do. Additionally, staff recommends section 3.09 of the lease be amended to require annual reporting of the quantity of freight moved through the leased site; and

WHEREAS, the Ports and Harbors Commission approved a recommendation to approve this lease assignment on October 20, 2025; and

WHEREAS, the Planning and Zoning Commission approved a recommendation to approve this lease assignment on November 12, 2025.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1. The City Council of the City of Valdez, Alaska authorizes a lease amendment and assignment to transfer the lease agreement with Harris Sand & Gravel for 4380 Mckinley Street, Parcel B ATS 10 to Knik Construction, Co. and authorizes the City Manager or their designee to negotiate said lease amendment.

Section 2. Section 3.09 of this Lease shall be amended to require annual reporting of the quantity of freight moved through the leased site in addition to the payment of Port tariff fees.

Section 3. Knik Construction Co. staff and contractors should only be on the site during active construction and site reclamation of the facility, during active docking of vessels, and loading and unloading of trucks and vessels.

Section 4. All local, state, and federal permitting associated with the development must be obtained, and the conditions of such approvals must be complied with throughout the duration of the lease term, including required floodplain development permits.

Section 5. Knik Construction Co. is required to sign a written acknowledgement of the hazard area.

Section 6. All other terms and conditions of this Lease and its Exhibits shall remain in full force and effect. This resolution shall be in effect immediately upon passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ,
ALASKA, this 2nd day of December, 2025.

CITY OF VALDEZ, ALASKA

Dennis Fleming, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk