

CITY OF VALDEZ, ALASKA

CITY COUNCIL AGENDA STATEMENT

MEETING DATE: 8/3/2015

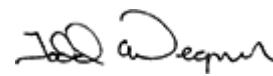
ITEM TITLE:

Resolution #15-34

SUBMITTED BY: Diane Kinney

Ports and Harbor

Director

CITY MANAGER:

**FISCAL
NOTES:**

**Expenditure
Required:**
\$0

**Unencumbered
Balance:**
\$0

Funding Source:
N/A

EXHIBITS ATTACHED:

Resolution ☒ Ordinance ☐ Other: Letter from Appraisal Company of Alaska

RECOMMENDATION:

Approve Resolution #15-34 Naming the Rates and Fees for Port Permits, Agreements, and Charges and Repealing Resolution 12-22 Formerly Naming Such Rates and Fees.

SUMMARY STATEMENT:

The attached Resolution addresses several rate changes to Port fees and will bring all the current Communications Site Agreements into a standard contract period and rate.

The Port currently has three Communications Site Agreements: AT&T Mobility Corporation, Copper Valley Telephone Cooperative, and The Alaska Wireless Network, LLC. All three agreements will expire on September 30, 2015.

Previously Communications Site Agreements were set at a rate which included a 3% annual increase. Because of this annual increase and a set starting rate, over the years, long term users ended up paying more for their site agreement than new users. Ports & Harbor Commissioners determined this was unfair to long term users, so as agreement terms ended, new terms were included to bring all three Communications Site Agreements to the same expiration date to align the agreements in terms of rates and expiration dates.

Port staff requested market information from Appraisal Company of Alaska to set the fair market rental rate for the new agreements. Their letter is attached for your review. Reappraisals are completed every five years per Valdez Municipal Code.

The Stevedoring Services Permit rate has been increased to reflect the current permit rate for 2016. There is an annual 3% rate increase built into the permit. The current permit with North Star Terminal & Stevedore Company will expire on August 31, 2016.

One new rate has been added to the Resolution for the new propane heaters that were purchased for the Kelsey Plaza. This fee is to offset the cost of refilling the propane tanks. Due to City events and City sponsored events at the plaza, we are not generating a lot of money on the rentals, so this fee will help re-coup the expense of the propane for non-City events. Kelsey Plaza rental revenues for the last several years have been:

2011 - \$350 - 12 events – (6 City events or City sponsored - \$0 revenue)
2012 - \$120 - 8 events – (6 City events or City sponsored - \$0 revenue)
2013 - \$190 - 10 events – (7 City events or City sponsored - \$0 revenue)
2014 - \$420 - 11 events – (8 City events or City sponsored - \$0 revenue)

The Ports & Harbor Commission reviewed the rates at their July 21st meeting and approved this recommendation to Council.

The Port's tariff rates are currently being reviewed by staff and comparisons with other ports are being gathered. Results from the RFP study by the McDowell Group, Inc. for Market Analysis and Long Range Planning for the Port of Valdez are expected mid-August and any recommendations as a result of that study will be incorporated in the tariff review.

Administration recommends approval of this Resolution.

CITY OF VALDEZ, ALASKA

RESOLUTION #15-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, NAMING THE RATES AND FEES FOR PORT PERMITS, AGREEMENTS, AND CHARGES AND REPEALING RESOLUTION 12-22 FORMERLY NAMING SUCH RATES AND FEES

WHEREAS, the City of Valdez has established section 11.05 of the Valdez Municipal Code governing the use of the City's Port Facilities; and

WHEREAS, the City issues a variety of permits and agreements for use of the Port Facilities; and

WHEREAS, Resolution No. 99-19 established the fee for Port Vendors and Resolution No. 02-73 Set a Rate for Communication Site Use Agreements; and

WHEREAS Resolution No. 03-09 established a Waterfront Commercial Work Permit; and Waterfront Commercial Work Permit Policies and Procedures; and

WHEREAS Resolution No. 03-12 established a Waterfront Commercial Work Permit fee and named all Port Facility fees and repealed all previous resolutions establishing various fees; and

WHEREAS Resolution No. 09-15 repealed Resolution No. 03-09 establishing a Waterfront Commercial Work Permit and Waterfront Commercial Work Permit Policies and Procedures; and

WHEREAS Resolution No. 10-19 established fees for the use of the John Thomas Kelsey Municipal Dock uplands and named all Port Facility fees and repealed all previous resolutions establishing various fees; and

WHEREAS, cruise ships no longer call at the Valdez Container Terminal and Port Vendors no longer require access to the facility; and

WHEREAS, Resolution No. 12-22 eliminated the Port Vendor Permit fee; and

WHEREAS, the City Council has determined that adjustments in rates and fees are necessary in order to provide for adequate funding for Port operations.

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

Section 1. Resolution No.12-22 is hereby repealed.

Section 2. The following rates for Port Permits, Agreements, and charges provided by the City of Valdez are hereby established:

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| 1. Stevedoring Services Permit | \$5,000.00 6,922.00 annually |
| 2. Special Use Permit | Approved by Council on an individual basis |
| 3. Building Lease Agreement | 10% of Fair Market Value |
| 4. Communications Site Agreement | \$750 800.00 per month |
| 5. Special Use Agreement | Approved by Council on an individual basis |
| 6. John Thomas Kelsey Municipal Dock Uplands Fees: | |
| A. Rental for Plaza or Parking Lot | \$50 per 6 hour period
\$150 per 24 hour period |
| B. Rental for Plaza or Parking Lot Commercial Rate | \$20 per hour
\$300 per 24 hour period |
| C. Damage/Cleaning Deposit | \$75 |
| D. Electricity Charge | \$20 per 24 hour period |
| E. Use of Propane Heaters | \$22 per Heater |

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 3rd day of August, 2015.

CITY OF VALDEZ, ALASKA

Larry Weaver, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk