

CITY OF VALDEZ, ALASKA

RESOLUTION #25-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AUTHORIZING A GRAVEL EXTRACTION LEASE WITH KNIK CONSTRUCTION CO., INC, FOR A PORTION OF PARCEL E 1, Tract A, ASLS 79-116, PLAT 2002-12 AND TRACT C-1, ASLS 79-116, PLAT 2002-13

WHEREAS, Parcel E 1, Tract A, ASLS 79-116, Plat 2002-12 has been utilized for gravel extraction by Harris Sand and Gravel for the past 23 years and Tract C-1, ASLS 79-116, Plat 2002-13 has been used to support the gravel extraction on Parcel E 1; and

WHEREAS, these parcels are no longer being used by Harris Sand and Gravel and are now available; and

WHEREAS, Knik Construction Co., Inc has applied for a gravel lease on this property; and

WHEREAS, Chapter 4.08 of the Valdez Municipal Code provides for the lease of lands owned by the City of Valdez; and

WHEREAS, the Planning and Zoning Commission, at their November 12, 2025, meeting recommended that the city council approve the request to authorize a gravel extraction lease with Knik Construction Co., Inc. on a portion of Parcel E 1, Tract A, ASLS 79-116, Plat 2002-12 and Tract C-1, ASLS 79-116, Plat 2002-13;

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

Section 1. The City Manager or their designee is authorized to negotiate a new gravel lease for a portion of Parcel E 1, Tract A, ASLS 79-116, Plat 2002-12 and Tract C-1, ASLS 79-116, Plat 2002-13 with Knik Construction Co., Inc.

Section 2. The term of this lease will be five years.

Section 3. The initial rental rate will be a minimum rent of three thousand dollars (\$3,000.00) paid annually. Gravel removed by the Lessee during that calendar year will then be credited against the rent payment at the established per cubic-yard price. Upon the removal of \$3,000 worth of gravel, Lessee shall then make payments for gravel removed at the established cubic-yard price.

Section 4. A Phase I Environmental Site Assessment will be completed at the termination of this lease. Knik Construction Co., Inc will be responsible for reimbursing the City for the cost of the Assessment.

Section 5. Upon approval of this lease, a volumetric survey will be done on the property to determine existing contours and quantity of stockpiled material prior to establishment of the lease agreement. Knik Construction Co., Inc will be responsible for reimbursing the City for the cost of the survey.

Section 6. Gravel extraction shall be limited to Parcel E 1 unless a conditional use permit for material resource extraction is approved for Tract C-1.

Section 7. Any storage of imported material or storage of equipment that is not actively being used in the gravel extraction is prohibited without a separate land lease.

Section 8. The lessee shall be responsible for the restoration of the land and removal or reversion of improvements upon termination of lease, as required by VMC 4.08.260.

Section 9. The lease shall not be effective until after public notice is provided pursuant to VMC 4.08.160.

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

CITY OF VALDEZ, ALASKA



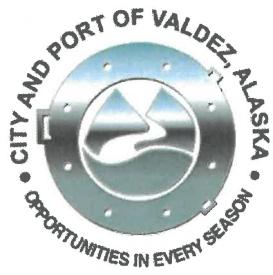
Dennis Fleming, Mayor

ATTEST:



Sheri L. Pierce, MMC, City Clerk





CITY OF VALDEZ APPLICATION FOR GRAVEL LEASE

Application Fee: \$50.00 (Fee waived per Resolution #12-02)

This form is to be completed by an individual or an organization proposing to lease City-owned land. Complete in full and to the best of your knowledge. Please explain any omissions and use additional pages where appropriate. If requested, proprietary and financial information of applicants that is so marked will be kept confidential.

The completed application shall be returned to the Valdez Community Development Department located in City Hall.

1. Name of Individual Completing Application Form:

Name: Troy Gray Phone: 907-245-1865
Daytime/ Message

Mailing Address: 6520 Kulis Dr. Anchorage, AK 99502

2. If other individual(s) or an organization(s) will be a party to this application, indicate below. Attach additional pages as needed:

a) Name Dan Hall Phone: 907-245-1865

Mailing Address 6520 Kulis Dr. Anchorage, AK 99502

Relationship to other applicant(s) associate

b) Organization's name Knik Construction Co., Inc.

Address 6520 Kulis Dr. Anchorage, AK 99502

Primary Contact: Troy Gray

Title: Construction Coordinator & Business Development Manager

Daytime Phone #: 907-545-0578

3. Type of Organization: (Check one)

Individuals _____
General Partnership _____
Limited Partnership _____
Other _____

Business Corporation
 Non-Profit Corporation
 Non-Profit Association

If non-profit, has IRS Tax Exempt Status been obtained? Yes _____ No _____
If yes, attach letter of determination. n/a

Note: Please submit, as appropriate, the following items with this application:

1. Current Alaska business license;
2. Designation of signatory authority to act for organization of other individuals;
3. Certificate and articles of incorporation;
4. Partnership agreement and amendments;
5. Charter/by-laws for non-profits;
6. Most recent annual financial statement;

4. Legal Description affected by application:

Located in Township 8S Range 6W Section, 36 Meridian Copper River

Lot/ Block/ Tract/ Subd. Tract C-1 & Parcel E1 Tract A Plat # 2002-12

Reference attached Maps

Other Description Harris Airport Pit

Tax # _____ No. of Acres Total 35.7 Ac. (21.3 Ac. of E1, 14.4 ac. C-1)

5. Describe proposal. Attach a narrative for further description and a site plan (the description should include the use; value and nature of improvements to be constructed; the type of construction; and, the estimated dates for construction to commence and be completed).

Knik is applying for the gravel lease to the non depleted area of the existing Harris Airport Pit City Gravel Lease.

6. What is the term of the lease desired?

20 years

7. If the request for a lease is at less than fair market value, provide justification. request existing rates
8. Please state why you believe it would be in the "Best interest of the City" to approve your proposal and process your application.

Knik Construction will provide continuity as the local gravel supply operator as HSG winds down operations.

9. Current status of land. Describe any existing improvements, provide photographs if possible.
Gravel pit with crusher, screen and asphalt plants. Knik intends to upgrade asphalt plant. We will continue to responsibly develop the property to provide local aggregate needs.

10. Has applicant previously purchased or leased City land or resources: () Yes (x) No
If yes, provide legal description, type or purchase or lease, and status.

11. If applicant is a business operation, list present business activities:

Statewide Heavy Civil Contractor. We operate multiple gravel and asphalt production operations throughout the state.

12. If required, are you prepared to spend funds for the following:

YES	NO
x	a) Performance bond
	b) Damage deposit [will file AK DNR Reclamation Plan & bond for assurance]
x	c) General liability insurance
x	d) Worker's compensation insurance
x	e) Survey and platting
	f) Appraisal fee
	g) Closing fees, which may include title insurance, document preparation, escrow closing, and recording
x	h) Any federal, state and local permits required
	i) Maintenance costs (present or future)
	n/a

13. List three (3) credit or business references:

Name	Address	Phone #
<u>See attached</u>		

14. Has applicant or affiliated entity, ever filed a petition for bankruptcy, been adjudged bankrupt or made an assignment for the benefit of creditors?

no

15. Is applicant, or affiliated entity, now in default on any obligation to, or subject to any unsatisfied judgment of lien? () Yes () No If yes, please explain:

no



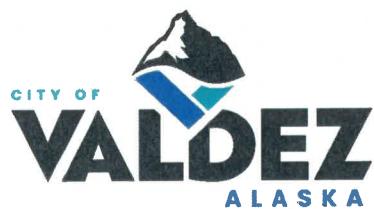
C:\Users\tgray\OneDrive - Lynden, Inc\Troy\HSG exhibits\HSG Exhibits.dwg PLOTTED: 8/11/2025 10:13:03 AM

Requested Lease Limits —————

**KNIK
CONSTRUCTION**

City of Valdez Gravel Pit Lease

DRAWN BY: TG	DATE: 8/08/2025	FIELD BOOK: N/A
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0 375 750 1,500
Feet

Date: 11/4/2025

Author: Community Development Department

Legend

Parcel C-1

Proposed Lease Portion of Parcel E 1