

CITY OF VALDEZ, ALASKA

RESOLUTION #23-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AUTHORIZING LEASE AMENDMENT NO. 1 TO THE LEASE AGREEMENT WITH THE VALDEZ MEDICAL CLINIC, LLC FOR A 4,137 SQUARE FOOT PORTION OF THE MARY KEVIN GILSON MEDICAL CENTER

WHEREAS, the City of Valdez is the owner of the Mary K. Gilson Medical Center; and

WHEREAS, the Valdez City Council approved a new lease agreement with the Valdez Medical Clinic, LLC for continued use of a 4,137 square foot portion of the Mary K. Gilson Medical Center via Resolution #20-35 on June 16th, 2020 ("Lease"); and

WHEREAS, the Lease was approved with a lease rate of \$1.96 per square foot, amounting to \$97,308.48 annually; and

WHEREAS, Valdez Municipal Code 4.09.030 (A) requires building leases to be authorized by resolution and authorizes the City Manager to negotiate lease rates unless otherwise stated in the resolution; and

WHEREAS, Valdez Municipal Code 4.09.030 (B) states that "the city shall consider the public interest in establishing lease rates for city buildings"; and

WHEREAS, reducing the lease rate serves the public interest by facilitating the provision of reliable high-quality medical services and the retention of skilled physicians practicing medicine in the City of Valdez; and

WHEREAS, the City Manager and Valdez Medical Clinic, LLC engaged in negotiations to propose establishing a new lease rate of \$1.00 annually for the Lease, effective for the remaining term of the Lease, which expires June 30, 2025.

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

Section 1. The Valdez City Council authorizes the City Manager to amend the Lease with the Valdez Medical Clinic, LLC for a 4,137 square foot portion of the Mary K. Gilson Medical Center as provided herein.

Section 2. The Lease shall be amended to reflect a reduced lease rate of \$1.00 per year.

Section 3. The Lease shall be amended to prohibit subletting or assignment of the Lease without prior written approval of the City.

Section 4. The City Manager is authorized to negotiate additional amendments to the Lease as necessary to effectuate the purpose of the reduction in the lease rate.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 21st day of February, 2023.

CITY OF VALDEZ, ALASKA

Sharon Scheidt, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk