



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda - Final Ports and Harbor Commission

Monday, October 1, 2018

7:00 PM

Council Chambers

Regular Meeting

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC BUSINESS FROM THE FLOOR

IV. NEW BUSINESS

1. [Discussion Item: Maintain Sublease Rates at the Valdez Pioneer Field Airport Terminal Building, Resolution 10-60 Naming Sublease Rates and Fees](#)
2. [Discussion Item: Lease Amendment No. 3 of a Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 square foot Portion of USS 495 Tidelands](#)
3. [Discussion Item: Lease Amendment No. 3 for a Lease with Peter Pan Seafoods, Inc. for a 39,376 square foot Portion of USS 495 Tidelands.](#)

V. REPORTS

1. [Ports & Harbor Staff Report](#)
2. [Harbor Expansion Construction Report](#)

VI. COMMISSION BUSINESS FROM THE FLOOR

VII. ADJOURNMENT



Agenda Statement

File #: 18-0334 **Version:** 1

Type: Discussion Item **Status:** Agenda Ready

File created: 9/26/2018 **In control:** Ports and Harbor Commission

On agenda: 10/1/2018 **Final action:**

Title: Discussion Item: Maintain Sublease Rates at the Valdez Pioneer Field Airport Terminal Building, Resolution 10-60 Naming Sublease Rates and Fees

Sponsors:

Indexes:

Code sections:

Attachments: [Airport Rate Worksheet 2018-2019](#)
[Airport Space Use 2018-2019](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Discussion Item: Maintain Sublease Rates at the Valdez Pioneer Field Airport Terminal Building, Resolution 10-60 Naming Sublease Rates and Fees

SUBMITTED BY: Jenessa Ables, Port Operations Manager

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Discussion item only.

SUMMARY STATEMENT:

In 2010 City Council approved Resolution No. 10-60, increasing the Airport rental rate 5% per year for the 3-year period of 2011, 2012, and 2013. There has not been a rate increase since 2013. The Ports & Harbor Commission has continued to review the Airport rental rate each year and elected to hold rates due to ongoing construction projects, and most recently, City wide space use analysis and long-term planning efforts.

In 2017, the Ports & Harbor Commission unanimously approved a recommendation to City Council to increase the Airport rental rate to \$1.90 per square foot with determining factors as follows:

- Proposed incremental increase remains within or above local per square foot rental range, non-competitive.

- Increased State of Alaska rental rate, effective September 1, 2017.
- Increased utility costs.
- Substantial upgrades completed at the Airport since last rate increase:

Airport Roof Replacement

Airport Door Replacement

Airport ADA Restroom and Waterline Upgrades

Addition of free public wireless internet throughout terminal building

Addition of standard television service in waiting areas

Installation of upgraded Public Announcement System for aviation use tenants

This recommendation to approve an increase to Airport rental rates *failed to gain approval* by City Council on September 5, 2017.

Based on Port Staff understanding of current City Council goals and priorities, **we have opted to recommend that the Airport rental rate be held at \$1.81 per square foot until up for review in 2019.** This is in large part due to the amount of real estate that City Departments are currently occupying in the Airport terminal building which translates to some cost-savings for the City.



Agenda Statement

File #: 18-0335 **Version:** 1

Type: Discussion Item **Status:** Agenda Ready

File created: 9/28/2018 **In control:** Ports and Harbor Commission

On agenda: 10/1/2018 **Final action:**

Title: Discussion Item: Lease Amendment No. 3 of a Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 square foot Portion of USS 495 Tidelands

Sponsors:

Indexes:

Code sections:

Attachments: [Original Silver Bay Lease](#)
[Letter of Intention to Renew](#)
[Silver Bay Lease Area](#)
[Silver Bay Lease Amendment](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Discussion Item: Lease Amendment No. 3 of the Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 square foot Portion of USS 495 Tidelands

SUBMITTED BY: Nicole LeRoy, Planning Technician

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

File and save

SUMMARY STATEMENT:

On November 6, 2002, the City of Valdez entered into a lease for Parcel 4, a 23,797.5 square foot portion of USS 495 Tidelands, with Sea Hawk Seafoods, Inc. for twelve years, commencing on December 1, 2001 and ending on the last day of November, 2013 with six, five-year renewal options.

Resolution #09-39, dated August 12, 2009, authorized consent to assignment of leasehold interest for the lease from Sea Hawk Seafoods, Inc. to PS Acquisitions. PS Acquisitions was renamed

Northern Reach Seafoods. On February 1, 2010, Resolution #10-05 authorized consent to the assignment of the Lease from Northern Reach Seafoods to Silver Bay Seafoods, LLC.

Resolution #13-59 authorized the City Manager or designee to negotiate lease renewal option one of six five-year options, commencing on December 1, 2013 and ending the last day of November 2018.

Silver Bay Seafoods, LLC approached Community Development staff with intention to exercise the second of six, five-year renewal options. The Lease is scheduled to expire on the last day of November, 2018 with five five-year renewal options remaining.

Valdez Municipal Code 4.08.100 states that the LESSEE "shall be required to pay for any and all survey, appraisal or other costs incurred in connection with the application and lease process."

Paragraph 1.05 of the Lease states there is no appraisal fee to be paid by the Lessee under the lease. This is in violation of Valdez Municipal Code 4.08.100 which requires the Lessee to bear such costs.

Staff will be bringing this item before City Council as a resolution to authorize the City Manager or her designee to negotiate said lease renewal exercising renewal option number two of six five-year options for the period commencing December 1, 2018 and ending the last day of November 2023. The amendment will also alter Paragraph 1.05 of the Lease to require the Lessee to pay for appraisals required under the lease for the purposes of determining fair rental value. All other terms, covenants, and conditions of said lease, and amendments, shall remain in full force and effect.

Pending Council approval, Community Development staff will work with the City Attorney and Silver Bay Seafoods, LLC to execute Lease Amendment No. 3 detailing the above terms.



Agenda Statement

File #: 18-0336 **Version:** 1

Type: Discussion Item **Status:** Agenda Ready

File created: 9/28/2018 **In control:** Ports and Harbor Commission

On agenda: 10/1/2018 **Final action:**

Title: Discussion Item: Lease Amendment No. 3 for a Lease with Peter Pan Seafoods, Inc. for a 39,376 square foot Portion of USS 495 Tidelands.

Sponsors:

Indexes:

Code sections:

Attachments: [Original Peter Pan Lease](#)
[Letter of Intent to Exercise Lease Renewal](#)
[Peter Pan Lease Area](#)
[Peter Pan Lease Amendment](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Discussion Item: Lease Amendment No. 3 for a Lease with Peter Pan Seafoods, Inc. for a 39,376 square foot Portion of USS 495 Tidelands.

SUBMITTED BY: Nicole LeRoy, Planning Technician

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

File and save

SUMMARY STATEMENT:

In December of 2001, the City of Valdez entered into a lease for a 39,376 square foot portion of USS 495 Tidelands, with Peter Pan Seafoods, Inc. on October 1, 2002 for twelve years, commencing on December 1, 2001 and ending on the last day of November, 2013 with six five-year renewal options.

In December of 2013, Lease Amendment No. 2 was signed and executed exercising the first of six five-year renewal options December 1, 2013 and ending the last day of November 2018.

The lease is set to expire in November of 2018 and Peter Pan Seafoods, Inc. approached Community Development staff with the intention to exercise their second of six five-year renewal options, extending the lease to the last day of November 2023.

Valdez Municipal Code 4.08.100 states that the LESSEE "shall be required to pay for any and all survey, appraisal or other costs incurred in connection with the application and lease process."

Paragraph 1.05 of the Lease states there is no appraisal fee to be paid by the Lessee under the lease. This is in violation of Valdez Municipal Code 4.08.100 which requires that the Lessee bear such costs.

Council approval will authorize the City Manager or her designee to negotiate said lease renewal exercising renewal option number two of six five-year options for the period commencing December 1, 2018 and ending the last day of November 2023. It will also amend Paragraph 1.05 of the Lease to require the Lessee to pay for appraisals required under the lease for the purposes of determining fair rental value. All other terms, covenants, and conditions of said lease, and amendments, shall remain in full force and effect.

Pending Council approval, Community Development staff will work with the City Attorney and Peter Pan Seafoods, Inc. to execute Lease Amendment No. 3 detailing the terms above.



Agenda Statement

File #: 18-0337 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 10/1/2018 **In control:** Ports and Harbor Commission

On agenda: 10/1/2018 **Final action:**

Title: Ports & Harbor Staff Report

Sponsors:

Indexes:

Code sections:

Attachments: [Ports & Harbor Staff Report](#)
[RFQ Comprehensive Waterfront Master Plan](#)
[RFQ Comprehensive Waterfront Master Plan - Addendum 1](#)
[Old Town Abandoned Equipment Letter Jim Gifford](#)
[Old Town Abandoned Equipment Sept 2018](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Ports & Harbor Staff Report

SUBMITTED BY: Jenessa Ables, Port Operations Manager

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Attached:

- Ports & Harbor Director and Staff Report
- RFQ Comprehensive Waterfront Master Plan *and Addendum 1*
- Old Town Abandoned Equipment Letter and Photos



Agenda Statement

File #: 18-0338 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 9/26/2018 **In control:** Ports and Harbor Commission

On agenda: 10/1/2018 **Final action:**

Title: Harbor Expansion Construction Report

Sponsors:

Indexes:

Code sections:

Attachments: [August Construction Report](#)

Date	Ver.	Action By	Action	Result
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ITEM TITLE:

Harbor Expansion Construction Report

SUBMITTED BY: Jenessa Ables, Port Operations Manager

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Harbor Expansion Project construction report. Capital Facilities Director to present.