



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda - Final Ports and Harbor Commission

Friday, November 9, 2018

7:00 PM

Council Chambers

Regular Meeting (Moved from 11/5/18)

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. ROLL CALL

III. PUBLIC BUSINESS FROM THE FLOOR

IV. NEW BUSINESS

1. [Approval of Recommendation to City Council to Approve a Lease with Harris Sand & Gravel for a 45,000 Square Foot Portion of Blocks 7 & 8, Valdez Townsite](#)
2. [Approval of Recommendation to City Council to Approve a Lease with Silver Bay Seafoods, LLC for Tract E, Harbor Subdivision](#)

V. REPORTS

1. [November 2018 Staff Report](#)

VI. COMMISSION BUSINESS FROM THE FLOOR

VII. ADJOURNMENT



Agenda Statement

File #: 18-0394 **Version:** 1

Type: New Business **Status:** Agenda Ready

File created: 10/25/2018 **In control:** Ports and Harbor Commission

On agenda: 11/9/2018 **Final action:**

Title: Approval of Recommendation to City Council to Approve a Lease with Harris Sand & Gravel for a 45,000 Square Foot Portion of Blocks 7 & 8, Valdez Townsite

Sponsors:

Indexes:

Code sections:

Attachments: [Old Town Lease Application](#)
[Exhibit A](#)
[Harris 2003 LUP](#)
[Harris 2009 LUP](#)

| Date | Ver. | Action By | Action | Result |
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ITEM TITLE:

Approval of Recommendation to City Council to Approve a Lease with Harris Sand & Gravel for a 45,000 Square Foot Portion of Blocks 7 & 8, Valdez Townsite

SUBMITTED BY: Nicole LeRoy, Community Development Planning Technician

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approval of Recommendation to City Council to Approve a Lease with Harris Sand & Gravel for a 45,000 Square Foot Portion of Blocks 7 & 8, Valdez Townsite

SUMMARY STATEMENT:

On June 17, 2003 the City of Valdez approved a Land Use Permit with Harris Sand & Gravel for a 45,000 square foot portion of Blocks 7 & 8 Valdez Townsite. The purpose of the permit was to authorize use of City land for Harris to complete the refurbishing of the Harris tugboat and to do maintenance work on his barge. The original term of the agreement was two years. Council approved amendments to extend the lease for one year periods in 2005, 2006, and 2007. A new Land Use Permit for the site was approved in 2009 for a one year period and was extended in 2010, 2011, 2012, 2013 and finally in 2014 for a two year period terminating on June 30, 2016. The permit has

been expired since June 30, 2016 and there is no holdover provision in the agreement. However, Harris has been continually using the land for marine repair. In light of this, Staff feels it is prudent to retroactively execute a new agreement commencing July 1, 2016 through the last day of June 2020 to bring Harris's land use into compliance. Staff contacted Mr. Bill Harris with regard to this expired permit and Mr. Harris submitted an application to lease City property which is attached.

It should be noted that the original agreement between the City and Harris was a "Land Use Permit." Land Use Permits were used by former Staff in place of leases for some parcels. However, they are not a legal mechanism within Valdez Municipal Code to authorize use of City land. Council approval of this lease will remedy this violation and allow Staff to execute a new lease agreement with Harris Sand & Gravel.

The original 2003 Land Use Permit required soil testing to be completed at the commencement and termination of each term. The second 2009 Land Use Permit agreement, contained a section stating "Permittee shall have the soil in the Permit area tested prior to locating any personal property on the property and the soil will be tested at the expiration of the Permit. A Phase I ESA will be conducted as soon as the snow is gone this spring and at the termination of the Permit. The ground will be covered with any approved environmentally safe cover when sand blasting to prevent any contamination of the soil." In addition, the lease required proof of environmental bonding to be maintained for the length of the Land Use Permit. Staff has record of diesel range organics (DRO), residual range organics (RRO), and lead testing completed in 2007, 2014 and 2016, however, we do not have record of a Phase I Environmental Site Assessment being done.

Staff recommends keeping these conditions in place for the new agreement due to the relatively high risk of contamination at the site. Pending Council approval of this lease, Staff will work with the City Attorney and Harris Sand & Gravel to execute a new lease agreement.



Agenda Statement

File #: 18-0395 **Version:** 1

Type: New Business **Status:** Agenda Ready

File created: 11/5/2018 **In control:** Ports and Harbor Commission

On agenda: 11/9/2018 **Final action:**

Title: Approval of Recommendation to City Council to Approve a Lease with Silver Bay Seafoods, LLC for Tract E, Harbor Subdivision

Sponsors:

Indexes:

Code sections:

Attachments: [New Silver Bay Council Resolution](#)
[Exhibit A](#)
[GIS Aerial Map](#)
[Silver Bay Lease Draft 2015 Redlines](#)

| Date | Ver. | Action By | Action | Result |
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ITEM TITLE:

Approval of Recommendation to City Council to Approve a Lease with Silver Bay Seafoods, LLC for Tract E, Harbor Subdivision

SUBMITTED BY: Nicole LeRoy, Planning Technician

FISCAL NOTES:

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

RECOMMENDATION:

Approve recommendation to City Council to approve a lease with Silver Bay Seafoods, LLC for Tract E, Harbor Subdivision

SUMMARY STATEMENT:

On September 2, 1969 the City of Valdez entered into a lease for Tract E Harbor Subdivision with Financial Land Investment Corporation, which became Sea Hawk Seafoods. The term of the original lease was for 21 years commencing July 1, 1969 and terminating June 30, 1990 with six additional five-year options to renew. Sea Hawk Seafoods sold adjacent parcels to PS, Acquisitions, LLC in 2009 and wished to assign leasehold interest for Tract E to PS Acquisitions. On August 17, 2009, City Council approved the assignment of lease from Sea Hawk Seafoods to PS Acquisitions, LLC. PS

Acquisitions, LLC wished to assign leasehold interest to Silver Bay Seafoods and City Council approved assignment of leasehold interest from PS Acquisitions to Silver Bay Seafoods on February 1, 2010.

Renewal options one through four of the original lease were exercised, with the fifth option expiring on June 30, 2010. City Council approved the fifth renewal period from July 1, 2010 through June 30, 2015. While the original lease contained six, five-year options to renew the lease was amended at this time to add an additional five, five-year options to renew. The sixth five-year renewal option was not utilized and the lease is expired as of June 30, 2015 and has been in holdover subject to all terms of conditions on a month to month basis.

Silver Bay Seafoods, LLC approached former Community Development staff with request to execute a new lease agreement with an initial term of twenty-five years, commencing July 1, 2015 and ending on June 30, 2040 with five, five- year options to renew *plus* the remaining five successive five year options to renew under the prior lease as amended in 2014. Silver Bay Seafoods is interested in securing the lease long term for the purposes of operating their fish processing plant including temporary housing in conjunction with the plant. This request has been in process since the lease expired in 2015 and is now being moved forward by current Community Development staff.

Pursuant to Valdez Municipal Code 4.08.010, the annual rental rate of the lease will be calculated as ten percent of the fair market appraised value of the Property. The Property will be reappraised for the purposes of determining fair rental value every five years (VMC 4.08.150) The Lease was appraised for the purposes of determining fair rental value in 2015 at \$585,000.00 and is due to be reappraised in 2020. Staff will reorder an appraisal at that time and the rent will be adjusted accordingly. Pending Council approval of this lease, Community Development Staff will work with the City Attorney to execute a new lease agreement.



Agenda Statement

File #: 18-0396 **Version:** 1

Type: Report **Status:** Agenda Ready

File created: 11/7/2018 **In control:** Ports and Harbor Commission

On agenda: 11/9/2018 **Final action:**

Title: November 2018 Staff Report

Sponsors:

Indexes:

Code sections:

Attachments: [November Report Final](#)
[FWP_migration_secfilings_0001193125-17-357376_pdf](#)
[LandmarkInfrastructurePartnersLP_424B2_S-4_prospectus](#)
[UEP LOI Agreement UEP_180 City of Valdez -2](#)
[UEP LOI Agreement UEP_420 City of Valdez](#)

| Date | Ver. | Action By | Action | Result |
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ITEM TITLE:

November 2018 Staff Report

SUBMITTED BY: Jeremy Talbott- Ports & Harbors Director

FISCAL NOTES:

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

RECOMMENDATION:

Receive and file

SUMMARY STATEMENT:

See attached report.