

**CITY OF VALDEZ**  
**APPLICATION FOR LEASE OF CITY OWNED LAND**

**Application Fee: \$50.00 (Non-refundable)**

**FEE WAIVED FOR 2017 PER RES# 12-72**

**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 & Economic Development Department located in City Hall along with the Application fee.

A deposit of \$3,000 will be required prior to the City initiating any required appraisal or land survey. The deposit will be used to offset the cost of the appraisal and land survey. If additional funds are necessary, the applicant will be billed as part of the lease. If there is a balance, it will be applied to the first year's lease payment. This deposit will be the cumulative amount of any required appraisal, land survey or Phase I environmental analysis according to the following schedule:

- |   |         |
|---|---------|
| * If a survey and/or appraisal are required:                        | \$3,000 |
| * If a Phase I Environmental Analysis only is required:             | \$3,000 |
| * If a survey or appraisal and Environmental Analysis are required: | \$5,000 |
| (Required on all industrial land)                                   |         |

**1. Name of Individual Completing Application Form:**

Name: Erik Haltness Phone: 831-0067  
Daytime/ Message

Mailing Address: PO Box 2989 Valdez, AK 99686

**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 \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address \_\_\_\_\_

Relationship to other applicant(s) \_\_\_\_\_

b) Organization's name Haltness Equipment LLC  
Address PO Box 2989 Valdez, AK  
Primary Contact: Erik Haltness  
Title: Manager  
Daytime Phone #: 831-0067

3. TYPE OF ORGANIZATION: (Check one)

Individuals _____	Business Corporation <u>X</u>
General Partnership _____	Non-Profit Corporation _____
Limited Partnership _____	Non-Profit Association _____
Other _____	

If non-profit, has IRS Tax Exempt Status been obtained? Yes \_\_\_\_\_ No X  
If yes, attach letter of determination.

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 \_\_\_\_\_ Range \_\_\_\_\_ Section \_\_\_\_\_ Meridian \_\_\_\_\_

Lot/ Block/ Tract/ Subd. Parcel 2 Tract A Plat # 2007-7

Other Description Lot 800 ASLS 79-116

Tax # \_\_\_\_\_ No. of Acres 20

5. DESCRIBE PROPOSAL. ATTACH 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).

Haltness Equipment would like to trade existing gravel lease parcels for a new

Storage only lease on lot 800

6. WHAT IS THE TERM OF THE LEASE DESIRED?

Now until October 2022 - Expiration of current lease

7. IF THE REQUEST FOR A LEASE AT LESS THAN FAIR MARKET VALUE, PROVIDE JUSTIFICATION.

\$3000.00 per year

Same rate as currently paying.

8. PLEASE STATE WHY YOU BELIEVE IT WOULD BE IN THE "BEST INTEREST OF THE CITY" TO APPROVE YOUR PROPOSAL AND PROCESS YOUR APPLICATION.

We currently own property in  
downtown core area. If a lease cannot be  
obtained for an economical <sup>rate</sup> items will be  
moved to downtown property for storage

9. CURRENT STATUS OF LAND. DESCRIBE ANY EXISTING IMPROVEMENTS, PROVIDE PHOTOGRAPHS IF POSSIBLE.

We are currently occupying land  
on a temporary basis and would like to  
avoid financial burden of moving again.

10. HAS APPLICANT PREVIOUSLY PURCHASED OR LEASED CITY LAND OR RESOURCES? X YES        NO. IF YES, PROVIDE LEGAL DESCRIPTION, TYPE OR PURCHASE OR LEASE, AND STATUS.

Current gravel lease

11. IF APPLICANT IS A BUSINESS OPERATION, LIST PRESENT BUSINESS ACTIVITIES.



Haltness Equipment LLC 32 years  
ATM Properties Inc

12. IF REQUIRED, ARE YOU PREPARED TO SPEND FUNDS FOR THE FOLLOWING:

YES

NO

<u>      </u>	<u>  X  </u>	a) Performance bond
<u>      </u>	<u>  X  </u>	b) Damage deposit
<u>  X  </u>	<u>      </u>	c) General liability insurance
<u>  X  </u>	<u>      </u>	d) Worker's compensation insurance
<u>      </u>	<u>  X  </u>	e) Survey and platting
<u>      </u>	<u>      </u>	f) Appraisal fee
<u>      </u>	<u>  X  </u>	g) Closing fees, which may include title insurance, document preparation, escrow closing, and recording
<u>  X  </u>	<u>      </u>	h) Any federal, state and local permits required
<u>  X  </u>	<u>      </u>	i) Maintenance costs (present or future)

13. LIST THREE (3) CREDIT OR BUSINESS REFERENCES:

Name

Address

Phone #

<u>City of Valdez</u>	<u>835 4313</u>
<u>Harris Sand &amp; Gravel</u>	<u>835-4756</u>
<u>Crowley Petroleum</u>	<u>835-4558</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 JUDGEMENT OF LIEN?        YES   X   NO IF YES, EXPLAIN:

COMPLETE THE FOLLOWING APPLICANT QUALIFICATION STATEMENT  
FOR EACH INDIVIDUAL APPLICANT OR ORGANIZATION.  
ATTACH ADDITIONAL STATEMENTS IF NEEDED.

**APPLICANT QUALIFICATION STATEMENT**

I, Erik Haltness  
(Individual Name)

I, \_\_\_\_\_  
(Individual Name)

I, Erik Haltness On Behalf of Haltness Equipment LLC  
(Representative's Name) (Organization's Name)

PO 2989 Valdez, AK 99606  
(Address)

Valdez AK 99686  
(City, State) (Zip)

do hereby swear and affirm for myself as applicant or as representative for the  
organization noted above that:

The Applicant is a citizen of the United States, over the age of nineteen;  
and

If a group, association or corporation, is authorized to conduct business  
Under the laws of the State of Alaska; and

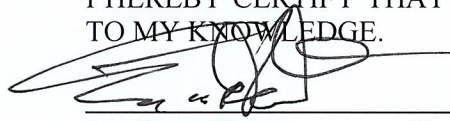
Has not failed to pay a deposit or payment due the City in relation to  
City-owned real property in the previous five (5) years; and

Is not currently in breach or default on any contract or lease for real  
Property transactions in which the City has an interest; and

Has not failed to perform under or is not in default of a contract with the  
City; and

Is not delinquent in any tax payment to the City.

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE  
TO MY KNOWLEDGE.

  
Applicant Signature Date

\_\_\_\_\_  
Applicant Signature Date

Erik Haltness  
Print Name

\_\_\_\_\_  
Print Name

Comdev/data/forms/LandLease&SalesForms/AppforLeaseofCityLand

**From:** Lisa Von Bargaen [lvonbargaen@ci.valdez.ak.us](mailto:lvonbargaen@ci.valdez.ak.us)  
**Subject:** RE: Gravel Lease Discussion  
**Date:** July 7, 2017 at 10:43 AM  
**To:** Erik Haltness [erik@haltness.com](mailto:erik@haltness.com)

Thank you so much Erik for your kind words. See you on one of my trips home. Lisa

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**From:** Erik Haltness [<mailto:erik@haltness.com>]  
**Sent:** Monday, July 03, 2017 9:08 AM  
**To:** Lisa Von Bargaen  
**Subject:** Re: Gravel Lease Discussion

Lisa,

I am traveling back to Valdez today, we have been at our place in E. Washington for the past week and kind of "off the grid". I will reach out to Annmarie this week.

Best of luck to you on your future endeavors. I am disappointed to see you leave Valdez, I think the "City of Valdez" and the community of Valdez as a whole are taking a huge loss from your departure. However, I'm sure this must be a great new opportunity for you personally and professionally and that I get, and wholeheartedly support.

I look forward to seeing you on your return visits to Valdez or wherever our paths may cross.

Sincerely

Erik Haltness

Sent from my iPhone

On Jun 27, 2017, at 2:36 PM, Lisa Von Bargaen <[lvonbargaen@ci.valdez.ak.us](mailto:lvonbargaen@ci.valdez.ak.us)> wrote:

Hi Erik,

The City has begun an aggressive flood mitigation program for all three of the major rivers in the community. This includes rethinking the way gravel extraction is handled in and adjacent to the rivers. We would like to have a discussion with you about your current lease along the Valdez Glacier Stream. As you may know I am leaving the City of Valdez on July 7<sup>th</sup> to take another position out of town. AnnMarie Lain will assume of the role of Community Development Director upon my departure. She will be your primary contact on this matter moving forward. I wanted to reach out to you via email to put the two of you together as it is quite likely a meeting is not possible prior to my departure. I have copied AnnMarie on this email and I hope that you will contact her about an appropriate time the two of you can meet to discuss this subject.

On another note, it have been my pleasure to work with you over the years. Hopefully I will have the opportunity to run into you from time to time when I am back to visit my family. Take care. Lisa



# **Haltness Equipment LLC Gravel Lease Timeline**

The purpose of this document is to show the some history and describe the events that have led Haltness Equipment LLC to appeal to the City of Valdez for special consideration on our application for lease or possible parcel swap for our current lease.

## **September 1990**

Johnson Sand & Gravel assigns City of Valdez gravel lease of 126 acres to Haltness Equipment with City of Valdez consent.

## **November 1992**

City reduces gravel lease to 50 acres and signs lease to Haltness for 20 years.

## **November 2002**

Harris Sand & Gravel assigns 10 acre City gravel lease to Haltness , increasing Haltness lease to 60 acres

## **October 2012**

City renews lease with Haltness for 10 year period expiring October 2022

## **June 2017**

City of Valdez planning department contacts Haltness Equipment about an aggressive flood mitigation program and the future of gravel leases on the Glacier Stream. At that time the Glacier Stream was quickly eroding sections of the current gravel lease and was threatening the road and landfill.

Upon meeting with the City, Haltness Equipment LLC conveyed to city personnel that we were no longer extracting (pit run) gravel from the property and we're only removing gravel that was previously processed and stockpiled in the uplands. It was also stated at that time that Haltness Equipment LLC had no intention of doing gravel extraction in the future but would like to keep the lease through its expiration in 2022 for storage of left over construction materials and equipment from the gravel extraction business and our predecessors left over equipment. (Johnson Sand & Gravel who was in business in Valdez from the 40s until the late 80s).

The City personnel felt comfortable with my response at that time and no other contact about this subject took place.

## **2017-2018**

Glacier Stream continued to erode the areas used for storage to the point where materials and equipment was moved several times to keep it out of the flowing river.

## **October 2018**

Due to ongoing flooding and erosion Haltness Equipment decided to do a major clean up and reorganization of the area being used. During this time we hauled several truck loads of scrap and materials to the dump and consolidated what was left in a newly cleared area to the north of original storage site.

## **Haltness Equipment LLC Gravel Lease Timeline**

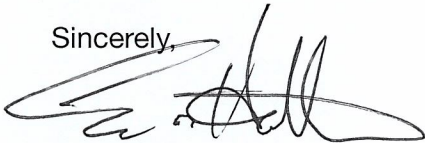
**June 2019**

Due to major flooding and erosion threatening all stored equipment and materials we approached the City for help with a solution to ongoing threat of Glacier Stream flooding and erosion of current lease. At that time we obtained a temporary land use permit for the land parcel we are proposing for a swap and staged all of our materials and equipment we plan on storing into the future.

In conclusion, Haltness Equipment LLC would like to appeal to the Planning Department, the Planning & Zoning Commission and the City Council for a policy exception in this case. We understand that the code does not address some of the issues we are requesting here, however we believe it is in the best interest of all parties involved to make this swap and continue to allow us to lease only Parcel 800 as a storage only lease at comparable rate for 20 acres for the remainder of the original lease term (through October 2022). We have spent several days moving equipment and materials due to the encroaching river. At some point it will become uneconomical to continue these moves with leased property and we may be forced to relocate all of these items to our owned property in Downtown Valdez. With the current push towards downtown beautification that seems counterproductive.

Thank you for your thoughtful consideration on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erik Haltness', with a stylized, flowing script.

Erik Haltness  
Haltness Equipment LLC  
Haltness Construction Inc.  
ATM Properties LLC



Erik

JOHNSON SAND & GRAVEL, INC.

BOX 5  
VALDEZ, ALASKA 99606  
PHONE 835-4513

September 7, 1990

City of Valdez  
P.O. Box 307  
Valdez, AK 99686

Attn: David Dengel

Dear Mr. Dengel,

The City of Valdez has consented to Johnson Sand & Gravel, Inc. assigning to Haltness Equipment Co., their gravel lease with the City of Valdez, described as follows:

All of the W.1/2, N.E.1/4, and that portion of the N.W.1/4 of Section 1, Township 9 south, Range 6 West, Copper River Meridian, State of Alaska, lying southeasterly of the Valdez Glacier Quarry Haul Road, State of Alaska F.U.P. No. 24401, as recorded on Page 271 in Book 50, records of the Valdez Recording District.

Less that certain 10 acre parcel of land designated as Preference Sale and the adjoining properties in the said N.W.1/4 lying southerly and adjacent to the south line of said parcel.

Subject to easements, restrictions, and reservations of record, if any.

And equals 126 acres, more or less.

Johnson Sand & Gravel, Inc. is assigning these lease rights to Erik A. Haltness, Haltness Equipment Co.

Lease Assignment  
September 7, 1990  
Page 2

JOHNSON SAND & GRAVEL, INC.

DATED: 9-7-90

By: Joyce J. Johnson  
Joyce J. Johnson, President

LESSEE:

HALTNESS EQUIPMENT CO.

DATED: 9-7-90

By: Erik A. Haltness  
Erik A. Haltness, Owner

LESSOR:

CITY OF VALDEZ

DATED: 9-11-90

By: Lynn Chrystal  
Lynn Chrystal, Mayor

DATED: 9-11-90

Attest: Jeanne Donald  
Jeanne Donald, City Clerk

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 7th day of September, 1990, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared JOYCE J. JOHNSON, known to me and to me know to be the President of JOHNSON SAND & GRAVEL, INC. and know to me to be the individual named in and who executed the foregoing document and she acknowledged to me that she was authorized to execute the foregoing document on behalf of JOHNSON SAND & GRAVEL, INC. by authority granted her by JOHNSON SAND & GRAVEL, INC. for the uses and purposes therein set forth.

Sherelynn Caldwell  
Notary Public in and for Alaska  
My Commission expires: 10-27-90





## MEMORANDUM OF LEASE FOR RECORDATION

KNOW ALL MEN BY THESE PRESENTS:

CITY OF VALDEZ, ALASKA, a municipal corporation, has leased to **Haltness Construction, Inc.** that land situated in the Valdez Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

**Lots 1, 2 and 3 and Lots 1 and 3, Block 4, Gravel Lease Subdivision,** recorded in the Valdez Recording District as Plat No. 92-5

and

NESS SURVEY, recorded in the Valdez Recording District as Plat 80-8

The term of this lease is ten (10) years commencing on October 5, 2012 and expiring October 4, 2022.

This notice is intended to simply make a matter of public record the execution of such lease dated October 25, 2012, and is not intended to set forth all of the terms and conditions therefore for which reference must be made to the complete lease instrument in the hands of the Lessor and/or the Lessee.

LESSOR:

CITY OF VALDEZ, ALASKA

By: David C. Cobb

David C. Cobb, Mayor

Attest: Sheri L. Pierce

Sheri L. Pierce, MMC, City Clerk

LESSEE:

HALTNESS CONSTRUCTION, INC.

By: Erik Haltness

Erik Haltness

Title President

STATE OF ALASKA )  
VALDEZ RECORDING DISTRICT )ss.  
THIRD JUDICIAL DISTRICT )

Upon Recording Return to:  
City of Valdez-CEDD  
P.O. Box 307  
Valdez, Alaska 99686

THIS IS TO CERTIFY that on this 20<sup>TH</sup> day of November, 2012 before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Erik Haltness know to me and to me be known to be the individual named in and who executed the foregoing document, and he acknowledged to me that he executed the foregoing document as his free and voluntary act for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first hereinabove written.

Notary Public  
**JANINE VADEBONCOEUR**  
State of Alaska

My Commission Expires September 26, 2013

Janine Vadeboncoeur  
Notary Public in and for the State of Alaska  
My Commission Expires: 09-26-2013

**Alaska Department of Commerce, Community, and Economic Development**

Division of Corporations, Business and Professional Licensing

P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

**HALTNESS EQUIPMENT LLC**

PO BOX 2989 VALDEZ AK 99686

owned by

HALTNESS EQUIPMENT LLC

is licensed by the department to conduct business for the period

October 31, 2018 through December 31, 2020  
for the following line of business:

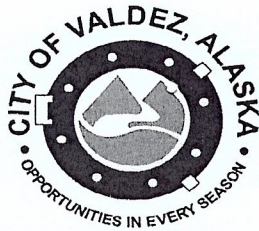
53 - Real Estate, Rental and Leasing

This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location.  
It is not transferable or assignable.

Mike Navarre





**CITY OF VALDEZ, ALASKA  
BUSINESS REGISTRATION #135**

This is to certify that

**Haltness Equipment LLC**

NAME OF BUSINESS

**Haltness Equipment LLC**

OWNER

PO Box 2989  
Valdez AK 99686

ADDRESS

is a registered business in compliance with Section 5.04 of the Valdez City Code.

Business Registrar  
City of Valdez, Alaska

**12/31/2019**

Expiration Date

\*\*\*\*\*

NOTE: BUSINESS REGISTRATIONS are required to be renewed yearly.