



Agenda Statement

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Title: Approval of Recommendation to City Council to Authorize Lease with IN Properties, LLC for a 3,720 Square Foot Portion of Lot 2, Block 2, Mineral Creek Subdivision (Barney Meyring Park Strip) Adjacent to Lot 12, Block 15, Mineral Creek Subdivision

Sponsors:

Indexes:

Code sections:

Attachments: 1. Cottonwood Lease GIS Area, 2. Recorded Lease Survey 2008-10, 3. Cottonwood Lease Application, 4. Staff Comments, 5. Former Cottonwood Lease

Date	Ver.	Action By	Action	Result
10/10/2018	1	Planning and Zoning Commission	approved	Pass

ITEM TITLE:

Approval of Recommendation to City Council to Authorize Lease with IN Properties, LLC for a 3,720 Square Foot Portion of Lot 2, Block 2, Mineral Creek Subdivision (Barney Meyring Park Strip) Adjacent to Lot 12, Block 15, Mineral Creek 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 Authorize Lease with IN Properties, LLC for a 3,720 Square Foot Portion of Lot 2, Block 2, Mineral Creek Subdivision (Barney Meyring Park Strip Adjacent to Lot 12, Block 15, Mineral Creek Subdivision

SUMMARY STATEMENT:

In 1976, Cottonwood Manor was constructed with an approved parking plan for 20 spaces. At the time, the requirement for multi-family dwellings was one space per dwelling unit and our records indicate there are 20 apartment units in Cottonwood Manor. Per this requirement, only 20 parking spaces were required by code at the time of construction. Current parking code requires 1.5 spaces per dwelling unit (VMC 17.48.100 A 2) and if the building were constructed today, 30 parking spaces would be required.

The original 1976 parking plan for 20 spaces included 5 spaces at the rear of the building. However, due to snow removal issues and access required by the International Fire Code for fire apparatus, those spaces are no longer usable. This brings the total number of parking spaces for the building to 15. In August 1990, tenants of Cottonwood Manor filed an official complaint with the city regarding insufficient parking. The limited number of spaces resulted in tenants parking in the cul-de-sac which impeded the city's snow removal and street cleaning.

The city has worked with the various owners of Cottonwood Manor throughout the past 18 years to resolve the limited parking issue. Formerly, the problem was solved by Summit Properties, LLC, former owner of Cottonwood Manor, leasing land from the University of Alaska. However, in spring 2008, Prince William Sound College declined to renew the lease agreement as they were planning to construct additional storage for their own facility at the site.

City staff met with Public Works to develop an alternative parking option for residents and determined that a small area of the Barney Meyring Park Strip on the side of Cottonwood Manor could be used as additional parking if it was approved by the Parks and Recreation Commission, Planning and Zoning Commission, and City Council.

An original lease request from Summit Properties, LLC went before the Parks and Recreation Commission on April 16th, 2008 and the Commission voted to recommend approval of the lease with the condition that parking barriers would be placed to clearly define the area. On April 23rd, 2008 the Planning and Zoning Commission voted to recommend approval of the lease request. On May 19th, 2008 City Council approved the lease and an agreement was executed.

On September 15th, 2008, City Council approved the assignment of leasehold interest from Summit Properties, LLC dba Cottonwood Manor to Mr. Douglas Galipeau.

Mr. Galipeau's lease expired on May 31st, 2018 and has been in "holdover" status since, subject to all terms and conditions on a month-to-month basis. Mr. Galipeau is selling Cottonwood Manor and wishes to revoke his rights to lease additional parking adjacent to his property. Community Development staff consulted with the City Attorney and it was determined that the existing lease did not need to be terminated in order to move forward with a new lease with the new owner of Cottonwood Manor. The approval of this new lease would render the City's agreement with Mr. Galipeau null and void. **To clarify, this agenda item represents the approval to recommend a new lease for additional parking at Cottonwood Manor and not a lease renewal.**

Mr. Larry Innes, representative from IN Properties, LLC is in the process of purchasing Cottonwood Manor from Mr. Galipeau and approached Community Development staff with a request to lease the additional parking area adjacent to Cottonwood Manor.

The original lease agreement between Summit Properties, LLC is attached for your reference. It should be noted that original lease document between Summit Properties, LLC and the City mandated 13 development requirements as a condition of the lease. However, 4 conditions are not relevant to the current situation and have been removed from the list below. Staff recommends the

following 9 development requirements from the original lease to remain as a condition of the new lease:

1. Parking area must be one lane deep with a 12' access aisle.
2. 15 spaces must be required in new parking area.
3. Parking spaces must be north of the light pole and dumpster to allow for snow removal into park strip.
4. Cottonwood Manor is responsible for snow removal within the leased area.
5. Cottonwood Manor is responsible for providing the City with a \$1 million general liability insurance naming the City of Valdez as an additional insured per the lease agreement.
6. Spaces must be clearly marked with additional flagging during the winter months.
7. Spaces are to be assigned to tenants and clearly marked as private parking.
8. Barriers need to be installed at the west and north end of the parking spaces to prevent vehicles from driving onto the park strip or through the park strip to the next cul-de-sac.
9. Parking spaces shall be used for parking operational and licensed vehicles only. No snow machines, 4-wheelers, boats, campers, non-running or unlicensed vehicles or storage containers can be parked on the lease area.

Community Development staff inspected the proposed lease area for compliance with these original development requirements and found the spaces remain unmarked, and there are no barriers to delineate the leased area. **In accordance with these findings, staff recommends that all of the above development requirements be a condition of the new lease.**

Comments from Parks and Recreation Maintenance Supervisor Marcie Robertson and Public Works Director Rob Comstock are attached. They request two conditions: 1) that concrete parking pins be set to define the lease boundary, and 2) that the site be graded appropriately for proper drainage.

Community Development staff recommends the approval of this lease as off-street parking requirements must be within 400 feet of an accessible entrance to the building, which greatly limits the option for parking at a different site (VMC 17.48.100 G.) The lack of sufficient parking for Cottonwood Manor without this lease presents a violation to the Valdez Municipal Code and a safety issue as it creates congestion on the street and forces residents to park within the cul-de-sac.

To summarize, Staff recommends the approval of this lease request with the original nine conditions in addition to Ms. Robertson and Mr. Comstock's request for proper grading and parking pin placement and are outlined as follows:

1. Parking area must be one lane deep with a 12' access aisle.
2. 15 spaces must be required in the parking area.
3. Parking spaces must be north of the light pole and dumpster to allow for snow removal into park strip.
4. Cottonwood Manor is responsible for snow removal within the leased area.
5. Cottonwood Manor is responsible for providing the City with a \$1 million general liability insurance naming the City of Valdez as an additional insured.
6. Spaces must be clearly marked with additional flagging during the winter months.
7. Spaces are to be assigned to tenants and clearly marked as private parking.
8. Barriers need to be installed at the west and north end of the parking spaces to prevent vehicles from driving onto the park strip or through the park strip to the next cul-de-sac.
9. Parking spaces shall be used for parking operational and licensed vehicles only. No snow machines, 4-wheelers, boats, campers, non-running or unlicensed vehicles or storage containers can be parked on the lease area.
10. The site should be graded for proper drainage (new requirement per Parks and Recreation and Public Works)

In the interest of the health, safety, and welfare of Cottonwood Manor tenants and the general public, staff recommends the lease be approved with the above 10 conditions, and that the conditions be enforced.

Pending Council approval of this lease, Community Development staff will order an appraisal for the purposes of determining fair rental value. The property is to be appraised for the purposes of determining fair rental value every five years per Valdez Municipal Code 4.08.150. Pursuant to Valdez

Municipal Code 4.08.100, IN Properties, LLC will be responsible for appraisal, survey and other costs associated with the lease process throughout the duration of the agreement. Following Council approval of this lease, Community Development staff will work with the City Attorney and IN Properties, LLC to execute a new lease agreement.