



Legislation Text

File #: 18-0417, **Version:** 1

ITEM TITLE:

Approval of Recommendation to City Council to Authorize a Lease with the Valdez Emergency Assistance and Food Bank for a Portion of Tract D, USS 447

SUBMITTED BY: Nicole LeRoy, Community Development Planning Technician

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve recommendation to City Council to authorize a lease with the Valdez Emergency Assistance and Food Bank for a Portion of Tract D, USS 447

SUMMARY STATEMENT:

In June 1997, the City of Valdez approved a Use Agreement with the Valdez Emergency Assistance & Food Bank (Food Bank) for a Portion of Tract D, USS 447. In 2002, the agreement was amended to add a term of five years and allow the Food Bank to apply for an extension to the term every five years. In 2007, the City approved a second amendment to extend the lease for an additional five years commencing June 1, 2007 and terminating May 31, 2012. In 2012, the Use Agreement was amended a third time to extend the lease from June 1, 2012 through May 31, 2017. The lease expired on May 31, 2017 and was not renewed and does not contain a holdover provision.

Community Development staff approached the Valdez Food Bank to correct the expired lease and the Food Bank expressed interest in continuing to lease the property.

Since 1997, the Food Bank has leased this portion of Tract D, USS 447 for the amount of \$1/year and the Food Bank desires to maintain this lease rate.

Per Valdez Municipal Code Section 4.08.030 - Fair rental value to be used for leases - Exceptions, "the city may lease city lands for less than the fair rental value to any state or federal agency or political subdivision, a public utility, a nonprofit organization, or to a new industry on terms advantageous to the public welfare of the city if the council, by motion passed by not less than six councilmen, determines the lease to be in the best interest of the public."

Due to the requested continuation of discounted rent, the approval of this lease requires an

affirmative vote of not less than six City Council members.

It should be noted that the original agreement between the City and the Food Bank was a "Use Agreement." Use Agreements 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 resolution will remedy this violation and allow Staff to execute a new lease agreement with the Food Bank.

The term of lease shall be for five years, commencing June 1, 2017 and terminating on May 31, 2022 with five, five-year options to renew. The use of site will be for the maintenance and operation of the Valdez Food Bank facility.

Pending Council approval of this lease, Community Development staff will work with the City Attorney and the Valdez Food Bank to execute a new lease agreement.