



## Agenda Statement

**File #:** RES 18-0030 **Version:** 1  
**Type:** Resolution **Status:** Passed  
**File created:** 9/13/2018 **In control:** City Council  
**On agenda:** 9/18/2018 **Final action:** 9/18/2018  
**Title:** #18-30 - Authorizing Lease Amendment No. 2 for a Lease with Crowley Fuels, LLC for an 8,400 Square Foot Portion of USS 495 Tidelands

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. #18-30 - Authorizing Lease Amendment #1 Crowley Fuels, LLC, 2. Crowley Fuels Lease Amendment No.pdf, 3. City of Valdez - Original Max and Betty Wells - Tidelands Lease 12.11.01, 4. Letter of Request for Lease extension (Wells)

| Date      | Ver. | Action By    | Action   | Result |
|-----------|------|--------------|----------|--------|
| 9/18/2018 | 1    | City Council | approved | Pass   |

### **ITEM TITLE:**

#18-30 - Authorizing Lease Amendment No. 2 for a Lease with Crowley Fuels, LLC for an 8,400 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:**

Approve Resolution #18-30 authorizing lease amendment No. 2 for a lease with Crowley Fuels, LLC for an 8,400 square foot portion of USS 495 Tidelands

### **SUMMARY STATEMENT:**

The City of Valdez entered into a lease for an 8,400 square foot portion of USS 495 Tidelands, with Max and Betty Wells in 2001 for seventeen years, commencing on December 1, 2001 and ending the last day of November, 2018 with an additional six, five -year options to renew.

On September 18, 2018 Valdez City Council approved assignment of leasehold interest from the Estate of Betty J. Wells to Crowley Fuels, LLC. The lease is set to expire the last day of November,

2018 with an additional six, five-year options to renew. Crowley Fuels, LLC has approached Community Development staff with intention to exercise the first of six, five-year renewal options commencing on December 1, 2018 and ending 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 with Crowley Fuels states there is no appraisal fee. This is in violation of Valdez Municipal Code 4.08.100 which requires that the Lessee pays such costs. Staff is seeking to correct this discrepancy with this amendment.

Approval of this resolution will amend the lease to authorize the City Manager or her designee to negotiate said lease renewal exercising lease renewal option number one of six. It will also amend Paragraph 1.05 of the lease to require the Lessee to pay for appraisals 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.

Following Council approval of this resolution, Community Development staff will work with the City Attorney and Crowley Fuels, LLC to execute Lease Amendment No. 2.