



Agenda Statement

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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: 1. Old Town Lease Application, 2. Exhibit A, 3. Harris 2003 LUP, 4. Harris 2009 LUP

Date	Ver.	Action By	Action	Result
11/9/2018	1	Ports and Harbor Commission	approved	Pass

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.