



Agenda Statement

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Title: Approval of Recommendation to Council to Sell by Negotiation a 100 Acre Parcel of City Owned Land Within ASLS 79-116 to Rydor Enterprises

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Attachments: 1. 19-01 Rydor Negotiated sale app 10-2-2018, 2. VMC 4.04.070-Negotiated Sale of City owned property, 3. Rydor Survey Diagram_20181031, 4. ASLS 79-116 Tract A #2007-20, 5. Res 07-20 Neg sale COV land to Rydor, 6. Valdez Comprehensive Plan 12_07 Update

Date	Ver.	Action By	Action	Result
2/13/2019	1	Planning and Zoning Commission		

ITEM TITLE:

Approval of Recommendation to Council to Sell by Negotiation a 100 Acre Parcel of City Owned Land Within ASLS 79-116 to Rydor Enterprises

SUBMITTED BY: Paul Nylund - Senior Planner / GIS Technician

FISCAL NOTES:

Expenditure Required: N/A
Unencumbered Balance: N/A
Funding Source: N/A

RECOMMENDATION:

In order to approve this recommendation to City Council, the Planning & Zoning Commission should determine whether or not a sale by auction or bid for this parcel is in the public's best interest. If the Commission decides that a public sale is not in the public interest, they should approve a recommendation to Council to approve this negotiated sale request. Otherwise, no such approval is advised.

SUMMARY STATEMENT:

Rydor Enterprises LLC has submitted an application for Purchase of city owned land (sale by negotiation) for 100 acres of City of Valdez owned land located in Township 8S, Range 5W, Copper River Meridian. Also described as ASLS 79-116.

The reason for this purchase that was given in their application was that "this 100 acres would

expand both the residential and commercial possibilities of the mountain recreation facility”.

The applicant intends to pay the appraised fair market value for the property, and they state that it would be in the best interest of the city to approve their proposal because they “currently own 100 acre parcel and this would ensure that along with COV input and involvement the vision would remain. Along with access to the current land.”

REQUIREMENTS FOR NEGOTIATED SALE

VMC 4.04.070 (attached) states that “should the city council decide that the disposal of real property or any interest therein at **public sale is not in the public interest**, the city council may authorize the city manager to negotiate a sale of such real property or interest therein and shall prescribe the terms therefor. Such authority shall be provided by resolution, passed by not less than **six affirmative votes of the city council**.

Background / History of Project

The 100 acres requested for purchase in this application are located adjacent to Rydor Enterprises land which was purchased from The City of Valdez in 2007(see attached survey diagram), via Resolution #07-20. The stated purpose of this purchase in 2007 was to help Rydor Enterprises “obtain a lease or land purchase of adjacent land from the State of Alaska Department of Natural Resources for future development of a year-round mountain recreation facility.” In the 12 years since this land sale, there is no documentation of any such agreement between the State and Rydor Enterprises concerning DNR land for a facility of this nature that has been presented to the planning department.

Planning Considerations

While this agenda item is mainly concerned with the determination whether or not the negotiated sale of this property is in the public interest, there are other associated aspects of this proposed project that should be considered before transferring public land into private hands. No master plan has been developed or adopted for this area, and it is not addressed in the current comprehensive plan. These plans help to determine how and where city resources should be directed, and while the sale/purchase of this property in itself will not require many city resources, there are many issues with the access to these parcels that could potentially require city investment through design/construction or maintenance costs.

The proposed development of residential and commercial properties on the land that has been selected for purchase by Rydor Enterprises is not in alignment with the current comprehensive plan currently utilized by the City of Valdez. The development philosophy reflected in the Valdez Comprehensive Plan is one of growth within and adjacent to existing infrastructure in order to “maximize its investment in, and use of, the existing utilities before it takes on any additional or unnecessary expenditures for such.”

The Valdez Comprehensive Plan, section 2.5.1.1 Residential Land Use, states; “the city will encourage “in-filling” in residential areas presently served by existing utility services as a means to maximize its investment in, and use of, the existing utilities before it takes on any additional or unnecessary expenditures for such.”

The Valdez Comprehensive Plan, section 2.5.1.2 Commercial Land Use, states; “The suggested commercial/business land use planning component suggests the major retail, office, governmental, and tourist accommodations continue to be limited to and concentrated in the Central Business District/ Boat Harbor area.”

The access routes that have been proposed for this property would require infrastructure improvements costing in the millions of dollars for either a bridge crossing the Valdez Glacier Stream, or improving the existing Alpetco road bed to city standards. Rydor Enterprises has put forth ideas for where these access routes are to be, but there have been no formal geotechnical investigations or road/bridge design studies to determine if these locations are indeed the proper or best places for these routes. There are also flood concerns that exist in this area due to the shifting nature of the channels of the Valdez Glacier Stream, and this needs to be considered in determining access routes and development requirements.

The City of Valdez has not made any promises regarding the design or development of any infrastructure to increase access to the private property in this area, and to do so would be in conflict with the comprehensive plan. The applicants are not specifically asking for City support in this regard, but their project will require very significant investment in improving and maintaining physical access. By agreeing to sell them additional land, and the fact that the City is the primary owner of the surrounding property, there is a possibility that the City will end up being more financially and administratively involved in this process than currently anticipated. Such obligations should be considered and avoided as this type of development/expansion away from the currently existing city infrastructure is not in accordance with the current comprehensive plan, and would be hard pressed to make its way on to the already long list of needed capital improvement projects that the city is currently working to accomplish.

ASLS 79-116 contains large swaths of City owned land, and supports a wide variety of established uses, including outdoor recreation (trails, glacier lake, river, etc...), shooting range, and municipal landfill. All of this area is zoned HI (Heavy Industrial), and many of the existing uses are not permitted in this zoning district, and are seen as non-compatible by planning standards. Staff recommends the development of an area master plan to identify all existing uses and needs, and a zoning map change that reflects this. The City of Valdez is currently in the process of updating its comprehensive plan, and there is a possibility that this area will be addressed in the new document and this could provide more direction on what the community would like to see happen with the public land within ASLS 79-116.

Staff Summary

The approval of this land sale rests heavily on whether or not the City Council agrees that the disposal of this property via a public sale (i.e. auction or sealed bid) is not in the public interest. When looking at a negotiated sale, we have to consider if the property would be useable or desirable to anyone else, or if it is appropriate for the transaction to only be discussed between the City and the applicant. In this case, staff sees no reason why this 100 acre parcel of land would not be of interest to another party if it becomes available for purchase. The applicant did not satisfactorily spell out in the negotiated sale application why this land should be offered to them exclusively, and the type of development that they propose in the location that has been chosen, is not consistent with the

current City of Valdez Comprehensive Plan.

If the Commission decides that a public sale is not in the public interest after hearing directly from the applicants and discussing it at the Planning and Zoning Commission public meeting, they should approve a recommendation to Council to approve this negotiated sale request. Otherwise, no such approval is advised.