



Agenda Statement

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Title: Approval of Recommendation to City Council to Authorize a Gravel Lease for Mega Trucking, LLC on a Portion of Tract A, ASLS 79-11 (2651 Richardson Highway)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Mega Trucking Gravel Lease Application, 2. CUP 2002 Mega Trucking Application, 3. 2651 Richardson Highway Area, 4. RES 92-16

Date	Ver.	Action By	Action	Result
6/10/2020	1	Planning and Zoning Commission	approved	Pass
6/10/2020	1	Planning and Zoning Commission	approved as amended	Pass

ITEM TITLE:

Approval of Recommendation to City Council to Authorize a Gravel Lease for Mega Trucking, LLC on a Portion of Tract A, ASLS 79-11 (2651 Richardson Highway)

SUBMITTED BY: Kate Huber, Planning Director

FISCAL NOTES:

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

RECOMMENDATION:

The Commission recommendation will be reported to City Council for consideration during their discussion regarding approval of the gravel lease application from Mega Trucking, LLC on a Portion of Tract A, ASLS 79-116 (2651 Richardson Highway).

SUMMARY STATEMENT:

On May 26, 2020, the Planning Department received an applications from Jesse Passin on behalf of Mega Trucking, LLC for a gravel lease on a 73.681 acre portion of Tract A, ASLS 79-116 (2651 Richardson Highway). The proposed site for gravel extraction is located South of Airport Road and North of Glacier Haul Dump road, adjacent to an existing gravel extraction operation.

Tract A covers a large area of over 1,000 acres. It was a municipal entitlement selection made by the

City and was officially conveyed from the State of Alaska in 1992. The tract is zoned for heavy industrial uses. Per, VMC 17.38.040J, natural resource extraction requires a conditional use permit.

Lease Area Information

Property Owner: City of Valdez

Access: Airport Road and Glacier Haul Dump Road

Current uses: Natural resource extraction, vacant land, storage

Zoning District: Heavy industrial

The H-I (heavy industrial) district is intended for industrial development, including heavy manufacturing, shipping terminals, natural resource extraction and other processes or operations which involve one or more of the following: employs large numbers of workers, heavy truck traffic, significant environmental effects or large-volume public water or sewer service or storage of hazardous materials under a conditional use permit. Commercial and retail uses are generally not allowed in the H-I district. Residential uses other than accessory uses listed in Section 17.38.030 are prohibited.

Adjacent Zoning Districts: Heavy industrial, light industrial

On April 22, 2020 the Planning & Zoning Commission voted to approve a conditional use permit for Mega Trucking, LLC for gravel extraction at the proposed lease site. The commission approved this conditional use permit without an expiration. The following conditions were included:

1. The applicant must secure an approved gravel lease with the City of Valdez for gravel extraction at the site.
2. The applicant must maintain a minimum 200-foot separation between Glacier Haul Road and any gravel extraction.
3. The applicant is required to include a 60-foot buffer zone around extraction areas on all sides.
4. Per VMC 17.06.070 (B), any conditional use shall be conditioned upon the privilege granted being utilized within 12 months after the effective date of approval.

During the conditional use permit review process, Planning Department staff did not recommend approval of the conditional use permit due to the preference for gravel extraction to occur in the City's rivers, instead of in upland areas. Upon completion of the Comprehensive Plan, staff would like to pursue a gravel management plan to identify upland areas within the City that are appropriate for gravel extraction.

The Valdez Glacier Lake and Stream are subject to an annual outburst flooding event due to the upper ice-dammed glacier lake. Without further study of the hydrology in this area, as well as the trend of Valdez Glacier stream to migrate towards Glacier Haul Road, staff believes that new gravel extraction operations should not be established in this area until a gravel management plan can be developed to identify the uplands areas best suited for gravel extraction, while taking into account public health and safety.

When the Planning & Zoning Commission approved CUP #20-02, they included the recommended minimum 200-foot separation between Glacier Haul Road and the extraction area.

Lease Application

Mr. Passin is requesting a 20-year gravel extraction lease on a 73.681 acre portion of Tract A, ASLS 79-116. The attached application and exhibits include a narrative describing the request. The CUP application is also included for more detail on the type of extraction approved by through the conditional use permit process. Areas identified for future asphalt and concrete production are shown on the site plan, however these activities will require additional approval for inclusion in the lease. The leasee may bring forward that request for approval from Council, upon development of a detailed

plan. If the Council moves forward with an approval of this gravel lease application, staff recommends the inclusion of the following lease conditions:

Recommended Lease Conditions

1. Phase 1 Environmental Assessment to determine the baseline condition of the land prior to execution of the lease agreement. The Planning Department requires such an assessment prior to the execution of every land lease.
2. Restoration of the land and removal or reversion of improvements upon termination of lease, as required by VMC 4.08.260.
3. 60-foot buffer zone around extraction areas on all sides. (Required by CUP #20-02.)
4. 200-foot separation between Glacier Haul Road and any gravel extraction. (Required by CUP #20-02.)
5. Lease term of 5 years. Staff recommends that lease be issued for a maximum of 5 years with an additional 5 year renewal option. The 2005 City of Valdez Property Management policies and procedures states that "leases of City land should not be for greater than five (5) years, unless it is in the public interest for the City to enter into a longer-term agreement."
6. Annual minimum payment of \$3,000 with a charge of \$0.60/cubic yard for every cubic yard of gravel extracted over 5,000 cubic yards each year. This minimum follow the format of past gravel leases. The rate of \$0.60/cubic yard of material was set by City Council resolution in 1992. See attached resolution 92-16 for more detail. The applicant plans to extract between 10,000-20,000 cubic yards of material annually. No work depth specifics have been provided. A further condition could be considered regarding work depth or material extracted annually.
7. Public notice, as required per VMC 4.08.160, no lease shall be effective until public notice, as provided in this chapter, shall have been given for at least 20 days. If approved by City Council, the lease resolution will be published in the KVAK online newsletter for two weeks. It will also be posted on the official City bulletin board and in two other public places in the City for 30 days prior to the effective date of the lease.

Gravel is a valuable resource, crucial for development and construction projects in the Valdez area. Staff has heard from members of the public, as well as Commissioners that they would like to see alternative sources of local gravel available for sale. Staff hopes that through our ongoing planning processes including the Comprehensive Plan revision and a future gravel management plan, we can provide the Commission and Council with additional data to assist with future decisions related to gravel extraction.