



## Legislation Text

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**File #:** 17-0311, **Version:** 1

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**ITEM TITLE:**

Approval of Tideland Lease with Lynden for Approximately 4 Acres of ATS 564

**SUBMITTED BY:** Lisa Von Bargaen

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Approve Tideland Lease with Lynden for Approximately 4 Acres of ATS 564.

**SUMMARY STATEMENT:**

In October of last year Lynden submitted a request to lease a portion of Alaska Tideland Survey 564. The purpose of the request is to "...More firmly anchor the Lynden/Wilson Brothers business in Valdez for the long term, and allow for yard expansion. It will benefit the seafood processors by ensuring their cargo continues to move through Valdez in the event of labor disruption or other problem at the city dock. Lynden is happy with service at the city dock and [has] no plans to build a competing dock, and doing so absent an emergency would not be cost effective."

Like the VFDA lease, this lease request has taken so long to process for a number of reasons. First, VFDA, who has another adjacent lease in this area has also requested an additional tideland lease for moorage of net pens. Second, it took some time to determine what lease area was needed by both parties. Third, it was discovered this land is zoned Conservation even though everything around it is zoned Light Industrial. Finally, there were some concerns raised by an adjacent property owner. Given all those issues, other workload and being short staffed, a perfect storm of delay surrounded this lease request. Finally we are moving forward.

It will be necessary for Lynden to narrow down a more specific use of the area and boundary delineations. Depending on what Lynden's plans are there will be permitting required, including Flood Plain Development Permit, Corps of Engineers Wetlands Permit or Structure in Navigable Waters Permit, etc.

Rezoning this property to Light Industrial is going to take some additional time. Staff had hoped to run everything concurrently but the rezone is going to lag behind action on the leases by a couple of weeks. We are conducting some due diligence regarding environmental concerns raised by an adjacent property owner. The lease will be contingent upon approval of a zoning change by the

Commission and Council.

Pending the zoning change, this lease is in conformance with the Comprehensive Plan as follows:

**Goal - Economic Development:** Encourage the development of a broad-based economy in Valdez.

**Objective** - Strive to maintain, restore, develop, or enhance the natural biological productivity of Port Valdez, and anadromous fish streams and lakes in the area.

**Objective** - Strive to create an atmosphere in the community that is conducive to commercial and industrial development.

**Goal - Land Use:** Provide a community land use pattern that is compatible with existing land use patterns in the community, which is physically safe, environmentally sensitive, and consistent with the provisions and requirements of the Valdez Coastal Management Program.

**Objective** - Provide for the adequate separation of incompatible land uses.

**Objective** - Prohibition of the location/construction of structures in hazardous or environmentally sensitive areas.

**Objective** - Provide development standards for lands that require special physical or environmental attention before they can be safely used or developed.

**Objective** - Reserve shoreline areas for water-dependent uses and activities; water-related uses and activities; and uses and activities, which are neither water-dependent or water-related or for which there is no feasible and prudent inland alternative to meet the need for the use or activity.

**Goal - Industrial Land Use:** Provide for industrial land uses so that they limit impacts on adjacent land uses and the environment, and yet have safe and convenient access to the major transportation facilities they require.

However, there is one Objective to which this lease request may be in contradiction:

**Objective** - Encourage expanded use of the existing port facilities.

Tideland leases may be up to 21 years initially with a maximum of six, five-year renewal options. The lease rental rate will be based on 10% of the appraised value. That value is amended every five years based on a new appraisal.

As this is a tideland lease, the Ports & Harbor Commission will need to take action on the item. The next Ports & Harbor Commission meeting is scheduled for May 15<sup>th</sup>. This will put lease approval by the Council at the first meeting in June, unless the Council holds a special meeting where this item can be added to the agenda. Once the lease is approved by resolution, the resolution must be posted for 30 days prior to the lease becoming effective.