



Legislation Text

File #: RES 17-0027, **Version:** 1

ITEM TITLE:

#17- 27 Authorizing a Tideland Lease with Valdez Terminal, LLC 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 Resolution #17-27 Authorizing a Tideland Lease with Valdez Terminal, LLC for Approximately 4 Acres of ATS 564

SUMMARY STATEMENT:

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.

Lynden has requested the area for yard expansion. Depending on what Lynden's full plans are there may be permitting required.

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 number of weeks. Staff is 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. An appraisal will be conducted once the property has been surveyed. The lease area will need to be surveyed to determine property boundaries and lease area. Once the appraised value is determined the initial lease rental rate will remain in place for the first five years of the lease. That value is amended every five years based on a new appraisal.

Both the Planning & Zoning (May 10th) and Ports & Harbor (May 15th) Commissions took action and approved recommendations to approve this lease. Council must approve this lease via resolution (attached). Once the lease is approved by resolution, the resolution must be posted for 30 days prior to the lease becoming effective. As a reminder, an ordinance changing the zoning from Conservation to Light Industrial must also be approved by the P&Z Commission and Council. This lease will not become effective until after that occurs. It will also take quite some time for the property to be surveyed, platted, recorded; and then the appraisal completed. The cost of the survey and appraisal are paid for by the prospective lessee.

Lynden has no firm plans as to when yard expansion work will begin. The lease is being put in place now to allow for plenty of lead time on their project planning so site control is fully established.