



Legislation Text

File #: RES 18-0029, **Version:** 1

ITEM TITLE:

#18-29 - Assignment of Leasehold Interest from the Estate of Betty J. Wells to Crowley Fuels, LLC for an 8,400 Square Foot Portion of USS 495 Tidelands

SUBMITTED BY: Nicole LeRoy, Planning Technician

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve Resolution #18-29 consenting to assignment of leasehold interest from the estate of Betty J. Wells to Crowley Fuels LLC for an 8,400 square foot portion of USS 495 Tidelands.

SUMMARY STATEMENT:

In 1997 the City of Valdez, under its management agreement with the Corps of Engineers for the Small Boat Harbor, entered into a tideland lease with Max and Betty Wells for an 8,400 square foot portion of USS 495 Tidelands. The use of the lease property was for a fueling dock within the harbor. The term of the lease was for 21 years with six, five-year extension options.

In 2001, the City became the owner of the Small Boat Harbor Tidelands. Leases previously held with the City for those tidelands while under agreement with the Corps of Engineers were re-established with Lessees. One of those leases was with Max and Betty Wells. A new lease between the City of Valdez and Max and Betty Wells was established in 2001 for the term still remaining on the original lease, 17 years. The current lease is scheduled to expire on November 30th, 2018 and contains six, five-year options to renew. Following the passing of Mr. Max Wells, Mrs. Betty J. Wells was appointed as representative of the estate. Mrs. Betty J. Wells passed away in 2007, and Mr. Jason C. Wells was named personal representative to her estate. Jason C. Wells and Crowley Fuels LLC approached Community Development staff with an application to assign the lease from the Estate of Betty Wells to Crowley Fuels LLC.

It is notable that Crowley Fuels has been subleasing from the Estate of Betty Wells since 1999. Assignment of this lease would effectively maintain the status quo of use of this site. All other terms and conditions of the lease will remain in full force and effect.

Section 7.01 of the lease document requires the consent of the Lessor (the City) for any assignment of leasehold interest. In conformance with this requirement, the attorney for the Estate of Betty J. Wells

has provided the City with an assignment document. Before this assignment document is executed, it will need to be approved by the City Attorney as to form.

On August 20th, 2018 the Ports and Harbor Commission approved a recommendation to City Council to approve the assignment of leasehold interest from the Estate of Betty J. Wells to Crowley Fuels, LLC.

On August 29th, 2018 the Planning and Zoning Commission approved a recommendation to City Council to approve the assignment of leasehold interest from the Estate of Betty J. Wells to Crowley Fuels, LLC.

Pending Council approval of this assignment, Crowley Fuels seeks to amend the lease to utilize the first of the six, five-year extension options as the lease is scheduled to expire on November 30th, 2018.