



Legislation Text

File #: RES 18-0032, **Version:** 1

ITEM TITLE:

Resolution #18-32 Authorizing Lease Amendment No. 3 for a Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 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 #18-32 Authorizing Lease Amendment No. 3 for a Lease with Silver Bay Seafoods, LLC for Parcel 4, a 23,797.5 Square Foot Portion of USS 495 Tidelands

SUMMARY STATEMENT:

On November 6, 2002, the City of Valdez entered into a lease for Parcel 4, a 23,797.5 square foot portion of USS 495 Tidelands, with Sea Hawk Seafoods, Inc. for twelve years. This lease commenced on December 1, 2001 and ended on the last day of November, 2013 with six, five-year renewal options.

Resolution #09-39, dated August 12, 2009, authorized a consent to assignment of leasehold interest for the lease from Sea Hawk Seafoods, Inc. to PS Acquisitions. PS Acquisitions was renamed Northern Reach Seafoods. On February 1, 2010, Resolution #10-05 authorized consent to the assignment of the lease from Northern Reach Seafoods to Silver Bay Seafoods, LLC.

Resolution #13-59 authorized the City Manager or designee to negotiate lease renewal option one of six five-year options, commencing on December 1, 2013 and ending the last day of November 2018.

Silver Bay Seafoods, LLC approached community development staff with the intention to exercise the second of six, five-year renewal options. The lease is scheduled to expire on the last day of November, 2018 with five, five-year renewal options remaining.

Valdez Municipal Code 4.08.100 states that the LESSEE “shall be required to pay for any and all survey, appraisal or other costs incurred in connection with the application and lease process.”

Paragraph 1.05 of the lease states there is no appraisal fee to be paid by the Lessee under the lease. This is in violation of Valdez Municipal Code 4.08.100 which requires the Lessee to bear such costs.

Approval of this resolution will authorize the City Manager or her designee to negotiate said lease renewal exercising renewal option number two of six five-year options for the period commencing December 1, 2018 and ending the last day of November 2023. It will also amend Paragraph 1.05 of the lease to require the Lessee to pay for appraisals required under the lease for the purposes of determining fair rental value. All other terms, covenants, and conditions of said lease, and amendments, shall remain in full force and effect.

Pending Council approval of this resolution, community development staff will work with the city attorney and Silver Bay Seafoods to execute Lease Amendment No. 3 detailing the terms above.