



Legislation Text

File #: 18-0334, **Version:** 1

ITEM TITLE:

Discussion Item: Maintain Sublease Rates at the Valdez Pioneer Field Airport Terminal Building,
Resolution 10-60 Naming Sublease Rates and Fees

SUBMITTED BY: Jenessa Ables, Port Operations Manager

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Discussion item only.

SUMMARY STATEMENT:

In 2010 City Council approved Resolution No. 10-60, increasing the Airport rental rate 5% per year for the 3-year period of 2011, 2012, and 2013. There has not been a rate increase since 2013. The Ports & Harbor Commission has continued to review the Airport rental rate each year and elected to hold rates due to ongoing construction projects, and most recently, City wide space use analysis and long-term planning efforts.

In 2017, the Ports & Harbor Commission unanimously approved a recommendation to City Council to increase the Airport rental rate to \$1.90 per square foot with determining factors as follows:

- Proposed incremental increase remains within or above local per square foot rental range, non-competitive.
- Increased State of Alaska rental rate, effective September 1, 2017.
- Increased utility costs.
- Substantial upgrades completed at the Airport since last rate increase:

Airport Roof Replacement

Airport Door Replacement

Airport ADA Restroom and Waterline Upgrades

Addition of free public wireless internet throughout terminal building

Addition of standard television service in waiting areas

Installation of upgraded Public Announcement System for aviation use tenants

This recommendation to approve an increase to Airport rental rates *failed to gain approval* by City Council on September 5, 2017.

Based on Port Staff understanding of current City Council goals and priorities, **we have opted to recommend that the Airport rental rate be held at \$1.81 per square foot until up for review in 2019.** This is in large part due to the amount of real estate that City Departments are currently occupying in the Airport terminal building which translates to some cost-savings for the City.