



## Legislation Text

---

**File #:** RES 21-0019, **Version:** 1

---

**ITEM TITLE:**

#21-19 - Authorizing a Lease and Management Agreement with the Valdez Museum and Historical Archive Association, Incorporated for the Museum and Museum Annex

**SUBMITTED BY:** Nicole LeRoy, Planning Technician

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Approve Resolution #21-19 authorizing a lease and management agreement for the museum and museum annex to the Valdez Museum & Historical Archive Association, Incorporated.

**SUMMARY STATEMENT:**

The Valdez Museum & Historical Archive (VMHA) entered into a lease and management agreement (LMA) with the City of Valdez on September 3, 1996. The term of the original lease was for five years with four, five-year automatic renewal options at an annual rental rate of \$10.00. The initial lease was from January 1, 1997 to January 1, 2002. The first automatic extension was from 2002-2007, the second from 2007-2012 and the third from 2012-2017. The fourth, and final, renewal term spanned from January 1, 2017 through January 1, 2021.

Since January 1, 2021, the Museum's LMA has been in holdover, subject to all terms and conditions on a month to month basis while City staff has worked with the museum to review and negotiate lease and collections management terms.

VMHA initiated the request to continue leasing the property for five successive periods of five years with the attached lease application. The initial term of this lease would be retroactive from January 1, 2021 - December 31, 2026. Rather than pursuing automatic renewal options as in the prior agreement, staff consulted with the City Attorney who recommended that the new lease be brought back for consideration by Council at the end of each five-year term.

VMHA has requested to continue leasing the property for \$10 annually, as they have done in the past. Per Valdez Municipal Code Section 4.08.030 - Fair rental value to be used for leases - Exceptions, "the city may lease city lands for less than the fair rental value to any state or federal agency or political subdivision, a public utility, a nonprofit organization, or to a new industry on terms advantageous to the public welfare of the city if the council, by motion passed by not less than six

councilmen, determines the lease to be in the best interest of the public.” Due to the requested discounted rent, the approval of this lease requires an affirmative vote of not less than six City Council members.

City staff, City Attorney, and VMHA Director Patricia Relay and the Museum Board of Directors reviewed the existing lease and management agreement and agreed upon the attached proposed draft agreement.

Planning staff consulted Capital Facilities Director Nate Duval on the proposed maintenance responsibility changes in section 3.3 of the agreement, who confirmed that the Museum’s requested change was an accurate reflection of their current maintenance practice and had no concerns with the change.

With the exception of the removal of the automatic renewal option, the maintenance responsibility changes in section 3.3, and added specificity of insurance requirements to reflect the existing insurance policies the Museum holds, the new LMA is proposed to remain largely unchanged from the prior agreement. During negotiations, City staff and Valdez Museum and Historical Archive agreed to revisit the insurance sections of the agreement with a possible amendment at a later date. Staff will also work with the Museum to determine if the included audit requirements are necessary and structured appropriately. If a change is required, this would also be addressed as a future amendment.

Following Council approval of this lease and management agreement, Planning staff and Administration will work with VMHA and the City Attorney to execute a new lease and management agreement.