

Introduced by: Mayor
Date: 08/15/17
Action: Adopted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2017-053**

A RESOLUTION APPROVING A SOLE-SOURCE CONTRACT IN THE AMOUNT OF \$135,000, HALF TO BE PAID BY THE KENAI PENINSULA BOROUGH ASSESSING DEPARTMENT AND HALF TO BE PAID BY ANDEAVOR (FORMERLY TESORO), TO DUFF & PHELPS, LLC FOR AN APPRAISAL OF THE ANDEAVOR KENAI REFINERY

- WHEREAS,** the Kenai Peninsula Borough entered into a settlement agreement with Tesoro Alaska Company (now Andeavor Companies, Inc.) on April 1, 2012 concerning the borough's valuations of Tesoro's refinery property near Nikiski for the purpose of assessing ad valorem property taxes; and
- WHEREAS,** the settlement agreement specified how the Tesoro (now Andeavor) refinery property would be valued for ad valorem property taxes for the years 2013 through and including 2017, with both parties agreeing that the valuations under the settlement agreement represented the market value of the refinery property; and
- WHEREAS,** in the past, Tesoro and the borough have been involved in disputes over such valuations, requiring the commitment of extensive resources by both parties; and
- WHEREAS,** the settlement agreement between the borough and Tesoro is now expired, and both parties would like to pursue a new settlement agreement for 2018 and future years; and
- WHEREAS,** in order to establish a benchmark value as the basis of a new settlement agreement, the borough and Andeavor have agreed to share the cost of an appraisal; and
- WHEREAS,** the number of appraisal firms possessing the specialized expertise for the complex appraisal of a refinery is very limited; and
- WHEREAS,** the borough and Andeavor have identified Duff & Phelps, LLC as a firm possessing the specialized expertise and being willing and able to complete the appraisal; and
- WHEREAS,** Duff & Phelps, LLC is already familiar with the Andeavor refinery and has previously demonstrated its specialized expertise through its appraisal of the refinery in 2011; and

WHEREAS, KPB 5.28.280(B) requires assembly approval of purchases without competition costing more than \$40,000;

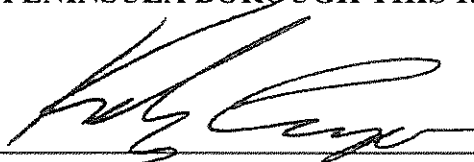
NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That granting this sole-source award is in the best interests of the Kenai Peninsula Borough.

SECTION 2. That the assembly approves a sole-source contract to Duff & Phelps, LLC in the amount of \$135,000, with half to be paid by the Borough and half by Andeavor, for the services noted in this resolution.

SECTION 3. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 15TH DAY OF AUGUST, 2017.

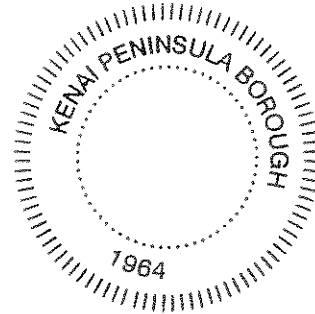


Kelly Cooper, Assembly President

ATTEST:



John Blankenship, MMC, Borough Clerk



Yes: Bagley, Carpenter, Dunne, Fischer, Hibbert, Ogle, Schaefer, Welles, Cooper
No: None
Absent: None