Mayor
Clay Koplin

Council Members
Tom Bailer
Cathy Sherman
Jeff Guard
Melina Meyer
Anne Schaefer
David Allison
David Glasen

City Manager
Helen Howarth

City Clerk
Susan Bourgeois

Deputy Clerk
Tina Hammer

Student Council
summer vacation

Regular City Council Meeting
June 3, 2020 @ 7:00 pm
Cordova Center Community Rooms
Agenda

1910 Postcard Cordova, Alaska

A. Call to order

B. Invocation and pledge of allegiance
I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

C. Roll call
Mayor Clay Koplin, Council members Tom Bailer, Cathy Sherman, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison and David Glasen

D. Approval of Regular Agenda……..... **(voice vote)**

E. Disclosures of Conflicts of Interest and Ex Parte Communications

- conflicts as defined in 3.10.010 https://library.municode.com/ak/cordova/codes/code_of_ordinances should be declared, then Mayor rules on whether member should be recused, Council can overrule
- ex parte should be declared here, the content of the ex parte should be explained when the item comes before Council, ex parte does not recuse a member, it is required that ex parte is declared and explained

F. Communications by and Petitions from Visitors
1. Guest Speakers
a. Incident Management Team, COVID-19 Update
2. Audience comments regarding agenda items……..……..…….. **(3 minutes per speaker)**
3. Chairpersons and Representatives of Boards and Commissions **(CCMCA BoD, School Board Rep)**
4. *summer vacation*-Student Council Representative Report

G. Approval of Consent Calendar
4a. Per Charter Section 2-8 and Cordova Municipal Code 3.12.022, recordation of excused absence of the following: Council member Bailer from the 05/20/2020 Regular Meeting

H. Approval of Minutes
5. Minutes of the 05-20-2020 Regular Council Meeting…….…….…… **(page 1)**

I. Consideration of Bids - none

J. Reports of Officers
6. Mayor's Report
7. City Manager's Report
9. City Clerk's Report

K. Correspondence
10. 05-26-20 Email from K. Laird……..… **(page 6)**

L. Ordinances and Resolutions
11. Ordinance 1188……..…. **(voice vote)(page 7)**
An ordinance of the Council of the City of Cordova, Alaska, amending Cordova Municipal Code Section 5.40.030 to update language regarding sales tax exemptions and adding CMC 5.40.025 to identify classes of buyers exempt from

city sales tax and to exempt sales, services, and rentals to federally recognized tribal entities from City sales tax – 1st reading

12. Resolution 06-20-24…….. **(roll call vote)(page 13)**
A resolution of the Council of the City of Cordova, Alaska, setting the mill rate for the 2020 tax year

M. Unfinished Business

13. City land disposal to Sheridan Joyce…….…… **(voice vote)(page 17)**
previously approved by Resolution 02-20-09 later rescinded on May 20, 2020 (see item **15**. executive session) motion may be made after the executive session

N. New & Miscellaneous Business

14. Pending Agenda, Calendar and Elected & Appointed Officials lists…..……..... **(page 29)**

O. Audience Participation

P. Council Comments

Q. Executive Session

15. Recommendations from City Manager regarding Sheridan Joyce land disposal negotiations, a subject which is a matter the immediate knowledge of which would clearly have an adverse effect upon City finances

City Council is permitted to enter into an executive session if an explicit motion is made to do so calling out the subject to be discussed and if that subject falls into one of the 4 categories noted below. Therefore, even if specific agenda items are not listed under the Executive Session header on the agenda, any item on the agenda may trigger discussion on that item that is appropriate for or legally requires an executive session. In the event executive session is appropriate or required, Council may make a motion to enter executive session right during debate on that agenda item or could move to do so later in the meeting.

R. Adjournment

Public Call-in number 907-253-6202, each call is placed on hold, then calls will ring through in the order received, please stay on the phone until you've been addressed or thanked by the Chair or Council, then hang up, comments limited to 3 minutes

Executive Sessions per Cordova Municipal Code 3.14.030

- **subjects which may be considered are:** (1) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) matters which by law, municipal charter or code are required to be confidential; (4) matters involving consideration of governmental records that by law are not subject to public disclosure.
- **subjects may not be considered in the executive session except those mentioned in the motion calling for the executive session, unless they are auxiliary to the main question**
- **action may not be taken in an executive session except to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations**

if you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.
full City Council agendas and packets available online at www.cityofcordova.net

Regular City Council Meeting
May 20, 2020 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes

A. Call to order
Mayor Clay Koplin called the Council Regular Meeting to order at 7:00 pm on May 20, 2020, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance
Mayor Koplin led the audience in the Pledge of Allegiance.

C. Roll call
Present for roll call was ***Mayor Clay Koplin.*** Council members ***Cathy Sherman, Jeff Guard, Melina Meyer, Anne Schaefer David Allison*** and ***David Glasen*** were present via teleconference. Council member ***Tom Bailer*** was absent. Also present were City Manager ***Helen Howarth*** and City Clerk ***Susan Bourgeois***.

D. Approval of Regular Agenda
Hearing no objection to the regular agenda as amended by adding agenda item 22a. COVID-19 discussion, ***Mayor Koplin*** declared it approved.

E. Disclosures of Conflicts of Interest and ex parte communications
Council member ***Sherman*** said she received a text from **Tim Joyce**, **Sheridan Joyce's** father but she did not respond. ***Glasen*** said he was contacted by **Sheridan Joyce** and he said he should not talk to him about the item and suggested he call in for the meeting.

F. Communications by and Petitions from Visitors
1. Guest speaker

a. Incident Management Team, Covid-19 update – ***Dr. Hannah Sanders***, Medical Team lead for the IMT emergency response reported that the Governor is looking ahead to entering Phase 3 and 4 on Friday but she and the med team would like to take some time to evaluate how Phase 2 works in our community and we will observe how the opening up affects the rest of the state. If things continue to look good, we do anticipate being able to move forward with a reopen plan. They would like to work with local businesses to assist in their plans so we can all learn how to get back to work with the Corona virus in our midst and adjust to the new normal. ***Chief Mike Hicks***, Deputy of the ICT said the IMT discussed this today as well and they want to see how this works in the larger populations – we are in good shape now, our plans are in place and it would be wise to watch and see how this goes with the rest of the state now. The Medical Team has the ball on this one, they are the ones we are relying on as the experts.

2. Audience comments regarding agenda items:
Kristin Carpenter commented on the proposed land purchase, she expressed a concern about the drainage from that property which would go right into Odiak Pond; she'd ask that be considered in any sale.
Cathy Renfeldt representing the Cordova Chamber of Commerce said she is encouraging businesses to have a good plan in place and be prepared for reopening. She thinks most are erring on the side of caution about reopening. As far as face coverings she asked for an amendment so it coincides with the phase of reopening we are in.
Sheridan Joyce of 1001 Pipe Street spoke against item 22 the rescission of Resolution 02-20-09. He was never in agreement to the terms of the lease that Council approved via Resolution 02-20-09. He suggested the Council have another executive session to consider his new proposal. He is in favor of $.71/sf not $2.00/sf.
Wendy Ranney of 2500 Orca Rd. spoke about item 14 a letter from Alan and Katie Roemhildt, she thought it was very well-written. She is of the opinion that we should let the state take the lead and align with them.
Katrina Hoffman of 301 South Second Street spoke in support of Cordova Powersports.
Tim Joyce owns a home at 1001 Pipe Street and spoke about agenda item 22, he opined there was a flawed process for determining land value and he also thought it appeared on the agenda incorrectly and the public might not have been aware of what was being discussed.
Matt Adams of 103 Fisherman's Ave spoke in support of Cordova Powersports.
Barb Jewell spoke in reference to item 21; she spoke in support of the full request of the School District.
Chris Bolin of 607 Birch Street spoke in support of Sheridan Joyce and Cordova Powersports.

3. Chairpersons and Representatives of Boards and Commissions

DRAFT

Dr. Hannah Sanders, CCMCA CEO was present via teleconference and reported: 1) the hospital continues to prepare for and adjust to the emergency pandemic – it has been an excellent opportunity to collaborate and work with NVE and the Ilanka Clinic; 2) they have been busy looking for funding and grant opportunities – federal sources have been sought to prepare for the emergency response – ***Derek Price*** is our new CFO, joined us last week, will be very helpful in this arena.
Council questions: ***Meyer*** thanked ***Dr. Sanders*** for coming on in that position and for the CFO, important step forward for CCMC.
Alex Russin, Superintendent reported: 1) today was the last day of school – acknowledged the families, parents, students and teachers for adjusting so quickly and getting through the year; 2) as far as facility use, the schools are going to take a pretty conservative approach; the buildings will remain closed to the public; 3) there will be some summer services for those with IEPs – there will be food service at least through July, maybe into August; 4) they still have plans to open for the 2020-2021 year – things may change – Alaska's Smart Start for Public Schools is being worked on between the Department of Education and DHSS and school districts across the state.
4. Student Council representative – was not present

G. Approval of Consent Calendar - none

H. Approval of Minutes
5. Minutes of the 04-13-2020 Council Public Hearing
6. Minutes of the 05-06-2020 Regular Council Meeting
Mayor Koplin asked Council if there were any additions or deletions or comments on the minutes, hearing none, he declared that with no objection, the minutes were approved.

I. Consideration of Bids - none

J. Reports of Officers
7. Mayor's Report – ***Mayor Koplin*** said that DoT will start construction work this year – Whished Rd – small crew will be in first or second week of June to work on that. Orca Road resurfacing will be out to bid in the next week or two, August – September timeframe. He continues to work as a PIO with the IMT.
8. Manager's Report - City Manager ***Helen Howarth*** thanked the ICT that has been working hard for several months to get to this point – a community with one case and the fleet is here and fishing and we still have a functioning town. The plans are in place and we are prepared to respond to whatever may come up. NVE had given us Harbor Cams and those are now visible in the Harbor and she thanked NVE for that. State has accelerated their opening up and they will be basically at 100% open starting Friday. We are firmly committed to Phase 2 and we are moving toward a reopening of Cordova – we acknowledge the financial and economic hardships of families and the City and we are getting there. CARES money from the federal government has been sent to the state and $3.4 million has been allocated to the City of Cordova. The State also just approved a $290 million small business loan program.
Questions: ***Allison*** asked what our plan is for opening parks. ***Howarth*** said that the State has very specific protocols in place for parks and playgrounds and so we have work to do to our public facilities before they can meet those protocols, so we are working toward that. ***Glasen*** commented that he's seen ***Molly*** and ***Abby*** handing out masks in the harbor and it's positive and visible and it's making a difference, he appreciates it. ***Schaefer*** asked if the CARES money can be used for small business loans or grants from the City. ***Howarth*** said we are still hearing the parameters of what we can and cannot do. She said there will be Council opportunity to weigh in on those expenditures.
9. City Clerk's Report – ***Bourgeois*** appreciated the work of the Deputy Clerk who prepared the agenda item tonight certifying the property tax roll and next time Council will set the mill rate. ***Schaefer*** asked about the upcoming fall election – she wondered if we want to explore vote by mail options. ***Bourgeois*** said that the State Division of Elections runs the November state and federal election but the City doesn't have another local election until March 2021. She'll stay in touch with the Clerk's across the state to see how they handle theirs, many of them run a fall election as well, in October.
10. Staff Reports
  a. First Quarter 2020 Museum Report, **Mimi Briggs**, Museum Director
  b. First Quarter 2020 Cordova Center Report, **Mimi Briggs**

K. Correspondence
11. 05-04-2020 Census Email
12. 05-06-2020 Email from L. Ronnegard
13. 05-06-2020 Letter from A. Horton

DRAFT

14. 05-07-2020 Letter from A. & K. Roemhildt
15. 05-12-2020 Agency review period for ADL233622 aquatic farmsite lease Sheep Bay – including development plan
16. 05-12-2020 Agency review period for ADL233624 aquatic farmsite lease Sheep Bay – including development plan
17. 05-12-2020 Agency review period for ADL233625 aquatic farmsite lease Sheep Bay – including development plan
18. 05-13-2020 Letter from S and W. Ranney
19. 05-15-2020 Public Review period through June 15, 2020 for ADL233596
20. 05-15-2020 Emails from W. Deaton

Allison commented on the agency review letters – he said he'd defer to the fishermen on that. He commented that the ***Roemhildt*** letter was very detailed and in depth – he appreciates all the letters written by citizens. ***Sherman*** echoed that comment – she reads all the correspondence and it is very helpful to read and she appreciates the time it takes to write these letters.

L. Ordinances and Resolutions

21. Resolution 05-20-21 A resolution of the Council of the City of Cordova, Alaska, establishing the level of local funding and approving the budget of the Cordova Public School District for its fiscal year ending June 30, 2021

M/Allison S/Schaefer to approve Resolution 05-20-21 A resolution of the Council of the City of Cordova, Alaska, establishing the level of local funding and approving the budget of the Cordova Public School District for its fiscal year ending June 30, 2021.

Allison said this resolution does not contain the additional $70,000 and the little extra they asked for as in-kind. He supports this because we can adjust that later, he said we have heard several years in a row that this is needed so their fund balance doesn't drop and then each year we see that somehow it winds up remaining the same. ***Mayor Koplin*** stated for the record that the amount in the resolution is $1,876,000 consisting of $1,750,000 in cash contribution and $126,000 of in-kind contribution which in total would be the local contribution of the entire budget of $6,802,888. ***Schaefer*** said she is also in support of the motion as in the packet. We will know more when we do the City's budget come fall after we know more how the City is looking revenue wise in 2020. ***Glasen*** said he supports this as revenues for us will surely be down this year. ***Sherman*** asked if ***Superintendent Russin*** could respond to what the additional $70,000 was needed for. ***Russin*** replied that part of that would help fund an additional teacher at the elementary school as they are anticipating an incoming kindergarten of 40 students. They have also been lacking a full time PE/Health teacher at the High School and they are striving to get that filled.

Vote on the motion: 6 yeas, 0 nays, 1 absent. Sherman-yes; Guard-yes; Glasen-yes; Meyer-yes; Bailer-absent; Schaefer-yes and Allison-yes. Motion was approved.

M. Unfinished Business

22. Rescission of Resolution 02-20-09

M/Schaefer S/Sherman to rescind Resolution 02-20-09.

Schaefer asked if someone could walk us through the method used for coming up with the land value. ***Howarth*** asked City Planner ***Leif Stavig*** to respond. ***Stavig*** said that staff presented Council with figures on surrounding properties assessed values and recent sales of City property and Council arrived at a fair market value for the property of $30,000. It was clear Council direction to staff that the $30,000 fair market value was the negotiating point and if ***Mr. Joyce*** wanted to order an appraisal, Council would take the appraised value instead of the $30,000. ***Sherman*** said she would really like to be able to support a growing business in Cordova and she feels like this is a difficult site. She would like to know what her options were at this time.

Stavig and ***Bourgeois*** both relayed that as far as process, the resolution had approved a lease/option that the buyer seems to now no longer be willing to sign/agree to. Therefore, when he wrote a letter asking for a very different consideration, staff needed Council direction so the letter was brought to the last Council meeting with options such as rescind the resolution. Council did vote to bring the resolution back to this meeting to be rescinded.

Mayor Koplin said that for chronology, Council opted for direct negotiation with ***Mr. Joyce***, staff presented a comprehensive PowerPoint as to how they arrived at a value, Council considered that as a basis of value and then approved a resolution with a lease/option using that value.

Schaefer said the decision last time was to move ahead with a motion to rescind based on not wanting to set a precedent in land sales to re-negotiate an already agreed upon disposal. ***Allison*** suggested that Council might be ok with the $30,000 but rescinding the resolution might just take us back one step where he would still have the ability to get the appraisal and we could go with that value. He was of the opinion that $30,000 is the price unless an appraisal comes in with a different value, then he'd be ok with that. ***Allison*** also opined that Code gives us parameters under which we can dispose of property, we

DRAFT

can go less than fair market value for non-profits and the like, but for a regular disposal such as this, we use fair market value. There was further discussion regarding where a rescission of this resolution would take us to. It was determined that rescinding the resolution would take us back to one step previous which would be to when staff was directed to negotiate with ***Mr. Joyce***, using the same parameters that Council had given as direction for the first attempt at negotiation.
Vote on the motion to rescind: 6 yeas, 0 nays, 1 absent. Allison-yes; Meyer-yes; Sherman-yes; Guard-yes; Glasen-yes; Bailer-absent and Schaefer-yes. Motion was approved.

N. New & Miscellaneous Business

22a. Discussion of COVID-19 Emergency Response

Sherman commented that as PIO for the IMT, she wanted to reiterate that what was put out today by the IMT was what we hope to be an opportunity for the community to weigh in, the medical team to weigh in and the IMT to weigh in and allow us a little bit of breathing room just as Anchorage is doing and other communities are doing before we follow the opening up State mandates. She suggested a May 27 special meeting to discuss the next phase. ***Schaefer*** said in addition, she'd like to hear from businesses either directly or through the chamber on what their plans might be with reopening. ***Schaefer*** also asked when the seine fleet captains and crew members start arriving in town; the consensus answer was mid-June. ***Meyer*** asked for clarification on the mask rule; there seems to be confusion in town about whether it went away as we aligned with State Phase 2 – she thinks it is useful and should continue in force, she doesn't see where it has gone away. ***Howarth*** clarified that the City has not repealed the City mask rule but it is in conflict with our desire to be aligned with the State Phase 2 – it will need rewording if it is going to remain in and we will bring it to council at the next special meeting. ***Glasen*** said he believes if you are not wearing a mask you are just not being considerate of other people in the community. You could be asymptomatic and spreading it – he thinks the majority of people are wearing them/are following the rule and its appreciated. ***Allison*** said he is still confused and he thinks we should be aligned with the State; he thinks that our decisions should be based on facts not fear. ***Meyer*** said she thinks it is clear that even though we aligned with State Phase 2, our rules are aside from that and the mask rule is still in effect.

23. Certification of the 2020 Property Assessment Roll

M/Sherman S/Schaefer to certify the property tax assessment roll as presented by the City Clerk's office.
Sherman said she trusts the information provided by the Clerk's office and she thinks we are good to go.
Vote on the motion: 6 yeas, 0 nays, 1 absent. Sherman-yes; Guard-yes; Glasen-yes; Meyer-yes; Bailer-absent; Schaefer-yes and Allison-yes. Motion was approved.

24. Pending Agenda, Calendar and Elected & Appointed Officials lists

Council opted for another noon Special Meeting next week on Wednesday May 27. Also, Council would also have the Regular Meeting on June 3, there would be a resolution to set the mill rate on that date.

O. Audience Participation

Molly Mulvaney is one of the ports of entry ambassadors and she has been giving the message to people that they will not be fined for not wearing a mask, but if that changes please inform her, she doesn't want to give conflicting information to citizens.

P. Council Comments

Schaefer thanked everyone for the clarification of rules discussion.
Allison show appreciation for all the dignitaries that visited and all the staff and IMT that put extra effort into that and he still thinks the quicker we align with the state the better. He thinks it's been more acting out of fear than anything else.
Glasen said he is in favor of following state mandates too because he has spoken to some business owners and they will open when they feel comfortable opening, not necessarily on the state's timeline, he just wants to give people the ability to get back to work. He's proud of Cordova and it's a good pat on the back to have Dr. Zink recognize us as doing so well through this.
Sherman echoed ***Glasen's*** comments about being proud of Cordova, she has also seen good compliance in the harbor. She agrees that businesses are biding their time, thinking hard about plans for opening. She said ***Mr. Bailer*** isn't with us tonight but she did a little follow up with Shoreside Petroleum and several other businesses have put in handwashing stations and she is encouraging shoreside to do the same thing – she doesn't necessarily believe that the City needs to fund that, we need to support businesses but if others are doing this on their own, she doesn't see why shoreside can't do the same. She also reached out to ***Cathy Renfeldt*** at the Chamber and they discussed the PWSAC move, ***Cathy*** has been in touch with CEO, ***Tommy Sheridan*** and they are looking at bringing operations back to Cordova. Alaska Wilderness Outfitters has

DRAFT

had no cancelations, they are waiting on what the Governor's will do with the interstate travel restriction, but most of their startup isn't until later in June.
Guard said he is in favor of getting everyone in Cordova back to work as quickly as possible but we get one shot at this, we can't get this wrong we've got to protect Cordovans health – a lot is yet to come – he says move ahead with caution, take advice of the medical team, help the businesses as much as we can with CARES money, help the businesses come up with their plans, advice from med team, let's be flexible and cautious.
Meyer echo those comments from **Guard** – she is also proud of the community and we've done well, but now is not the time to release everything all at once. She is in favor of aligning with the state as far as businesses opening but she likes the idea of Cordova local rules as well, particularly the mask rule. Change our culture with messaging, distancing, handwashing, masks, etc.

Q. Adjournment
M/Glasen S/Schaefer to adjourn the meeting.
Hearing no objection ***Mayor Koplin*** adjourned the meeting at 9:18 pm.

Approved: June 3, 2020

Attest: _____
Susan Bourgeois, CMC, City Clerk

DRAFT

Susan Bourgeois

From: Kate Laird <katelaird1000@gmail.com>
Sent: Tuesday, May 26, 2020 3:59 PM
To: Tom Bailer; Cathy Sherman; Jeff Guard; Anne Schaefer; David Allison; David Glasen; Melina Meyer; Clay Koplin; Susan Bourgeois
Subject: Please delay additional reopening until 2 weeks after seining begins

Dear Mayor Koplin and City Council Members:

Please delay additional steps in reopening Cordova until at least 2 weeks after the seine crews have arrived. We have done extremely well with the two initial bursts of population this season, with only one confirmed case in Cordova.

That we have done better than the rest of the country is a reflection of our care and diligence and the ease of closing our borders, not an indication that our caution was overblown.

The case in Cordova was found after a second test and a full quarantine.
The case in Dillingham and Valdez were also found after quarantine. That these cases were found and were not allowed to go farther is a reflection of the success of strong containment measures.

Before moving ahead and lifting restrictions on Cordova, we must wait until our population stabilizes over the next few weeks.

The governor clearly allows us to take more restrictive measures than the rest of the state, and we should do so for this short time period while our population grows again, rather than risk throwing away our successes and the rest of the season in an impatient rush.

Thank you,

Kate Laird

(Cordova resident and small business owner)

Agenda Item 11
City Council Meeting Date: 6/3/2020
City Council Communication Form

FROM: **Ken Fay, Director of Finance**

DATE: **5/20/20**

ITEM: **Ordinance 1188**

ACTION: **Aligning the City's Tax Code with that of the Alaska Remote Sellers Sales Tax Commission (the "Commission").**

__X__ Ordinance _____ Motion
_____ Resolution _____ Information

I. **REQUEST OR ISSUE:** The Ordinance 1183 passed on April 1, 2020 that intended to sync the Cordova Municipal Code Section 5.40.030 did not include an exemption for federally recognized Tribal entities. In addition, there is some language changed for additional clarity.

II. **RECOMMENDED ACTION:** Adoption of Ordinance 1188.

III. **FISCAL IMPACTS:** None. While not codified, the City has not been taxing the sales of federally recognized Tribal entities so this code change is just a change to how we are practicing now.

IV. **BACKGROUND INFORMATION:** The information that the Sales Tax Code did not have an exemption for federally recognized Tribal entities was brought to the attention of the administration staff by the "Commission".

V. **CONFLICTS OR ENVIRONMENTAL ISSUES**: None

VI. **SUMMARY AND ALTERNATIVES:** This ordinance allows the city to better mirror the Remote Seller Sales Tax Code (a component of the Commission of which the City is a member) in language and spirit.

CITY OF CORDOVA, ALASKA
ORDINANCE 1188

AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, AMENDING CORDOVA MUNICIPAL CODE SECTION 5.40.030 TO UPDATE LANGUAGE REGARDING SALES TAX EXEMPTIONS AND ADDING CMC 5.40.025 TO IDENTIFY CLASSES OF BUYERS EXEMPT FROM CITY SALES TAX AND TO EXEMPT SALES, SERVICES, AND RENTALS TO FEDERALLY RECOGNIZED TRIBAL ENTITIES FROM CITY SALES TAX

WHEREAS, on April 1, 2020, the City Council passed and approved Ordinance 1183, which adopted Cordova Municipal Code Chapter 5.42 Alaska Remote Seller Sales Tax Code Including Common Definitions (the "Remote Seller Sales Tax Code"), and Amending CMC 5.40.030(F) to Repeal the Exemption for Interstate Sales Found in Cordova Municipal Code 5.40.030(F)(4); and

WHEREAS, following the adoption of Ordinance 1183, City staff communicated with the Alaska Remote Sellers Sales Tax Commission (the "Commission") and now recommends the City adopt a sales tax exemption for federally recognized tribal entities; and

WHEREAS, Cordova Municipal Code 5.40.030 has not been substantially updated in approximately a decade and exemption language warrants review and revision for clarity; and

WHEREAS, Council finds that it is in the best interests of the City to have consistency and uniformity between the Remote Seller Sales Tax Code, the Uniform Code and the City's Sales Tax Code with regard to the treatment of federally recognized Tribal entities, and to amend the City's Sales Tax Code to add an express exemption for federally recognized Tribal entities where no such express exemption exists under the current Sales Tax Code.

NOW, THERFORE, BE IT ORDAINED by the Council of the City of Cordova, Alaska that:

Section 1. Cordova Municipal Code Section 5.40.030 is amended to read as follows:

5.40.030 – Exemptions-**General**.

The following sales and services are exempt transactions and are not subject to taxation by the city:

A. Proceeds from casual, occasional or isolated sales which are easily identified as the sale of personal goods or property at such private functions as moving, garage, yard, food and bake sales, sale of private vehicles when the seller is not a dealer in used vehicles, or services such as babysitting or house-sitting. A city license is not required under this subsection A;

B. Sales of insurance and bonds of guaranty and fidelity;

C. Fees for sales and services in excess of three thousand dollars per single purchase transaction. This exemption does not apply to accumulative purchases and billed as a lump sum in excess of three thousand dollars except as provided in subsection D relating to sales of construction

[Deleted text is ~~stricken through~~; added text is **bold and underlined**]

DRAFT

materials and services. In the event of an oil spill that requires mobilization of the oil spill response vessels, this exemption is automatically suspended for ninety days on all fees for sales and services commencing on the day of the oil spill;

D. Sales of construction materials and services exceeding three thousand dollars for use in each construction project paid for by any one purchaser during any twelve consecutive month period; provided, that the purchaser has obtained a building permit from the city prior to the start of the project and all receipts for construction materials and services clearly show the building permit number. Construction materials are those items becoming a permanent part of the structure. Purchaser may pay all sales tax on such materials and services and may apply for a refund as set out in [Section 5.40.042] or may pre-pay applicable city sales tax in advance and receive an exemption card;

E. Gross receipts or proceeds derived from servicing, freezing, storing, handling or wharfing of fisheries commodities awaiting shipment or in the process of being shipped;

F. Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the state, or under the laws and the Constitution of the United States, including but not limited to:

1. Sales by the U.S. Postal Service,

2. Sales of any items purchased with food coupons, food stamps or other type of certificate issued under 7 U.S.C. Sections 2011-2025 (Food Stamp Act),

3. Purchases made under the authority of or made with any type of certificate issued pursuant to 42 U.S.C. Sections 1771-1789 (Child Nutrition Act of 1966),

~~5. Air transportation including that portion of any chartered fishing or hunting expedition which covers the cost of air transportation,~~

~~6. Gross receipts or proceeds derived from sales to the United States, state, city or any political department thereof;~~

G. Gross receipts or proceeds from the transportation (including freight and shipping charges), loading, unloading or storing of cargo from marine vessels or aircraft in foreign, interstate or intrastate commerce;

H. Services of a person licensed or certified by the state of Alaska as a doctor of medicine and surgery, a doctor of osteopathy and surgery, a doctor of veterinary medicine, a chiropractor, a dentist, a naturopath, an optometrist, an audiologist, a hospital, an occupational therapist, a physical therapist, a massage therapist or a licensed or practical nurse; provided, that the service is within the scope of the state license or certificate;

I. Services of a person licensed or certified by the state of Alaska as a psychologist or psychological associate, a clinical social worker, an alcohol and drug counselor, or a marital and family therapist;

[Deleted text is ~~stricken through~~; added text is **bold and underlined**]

DRAFT

J. Fees for supplies, equipment and services provided by a hospital, medical clinic or dental clinic for patient treatment including laboratory and x-ray services;

K. Gross receipts or proceeds of the retail sale of prescription drugs;

L. Sale of cemetery plots, caskets, funeral and burial related items and the services by a funeral home;

M. Commissions received by travel agencies for their services that are not set by and billed by the travel agencies. Service charges set by and billed by the travel agencies are not exempt from taxation under this chapter;

N. Dues or fees to clubs, labor unions or fraternal organizations;

O. Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;

P. Sales by any student organization, parent/teacher organization or booster club recognized by the school or educational organization in which it operates, which proceeds are utilized to further the purposes for which the organization was formed;

Q. Sales and services by schools or other educational organizations made in the course of their regular functions and activities, which proceeds are utilized to further the purposes for which such organization was formed;

R. Sales of food at educational and hospital cafeterias and lunchrooms which are operated primarily for staff and/or students, and which are not operated for the purpose of sale to the general public for profit;

S. Sales, services and rentals by or to religious organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of religious activity; provided, the income from the exempt transaction is also exempt from federal income taxation;

T. Sales, services and rentals by or to scouting, 4H or similar youth organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation;

U. Sales, services and rentals by or to benevolent or civic organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation and the income is donated to a charity. Such organizations shall pay the sales taxes at the time of purchase and shall apply to the city for a refund as provided in Section 5.40.040;

DRAFT

V. Proceeds from contract services provided by a state-licensed child care contractor;

W. Proceeds from contract services provided by a person for the purpose of taking temporary care of minors for another person;

X. Proceeds from products sold as wholesale sales to businesses designated by the state of Alaska as wholesalers. These include the sales of goods, wares, or merchandise to a retail dealer, manufacturer, or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if the subsequent sale is subject to the city sales tax. In this connection a retailer must stock that merchandise for resale, display the same to the public and hold himself out as regularly engaged in the business of selling such products;

Y. Proceeds from products sold for resale:

1. Sales of goods, wares or merchandise to a retail dealer, manufacturer or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if the subsequent sale is subject to the city sales tax. The product must be an item that is sold as part of the reseller's primary business and must be of such nature that it can be purchased by the general public in a transaction that is not dependent upon the purchase of another product or service,

2. Goods, wares or merchandise that can be purchased only as part of a package purchase of services, such as a bed-and-breakfast or a fishing or hunting charter and not by the general public as separate and individual items are not exempt under this chapter,

3. Food products that are purchased for resale must be purchased and sold as is or prepared in a kitchen that is DEC-certified in order to qualify for sales tax exemption. Proof of certification must be available upon request;

Z. Proceeds from services for resale: Services that are provided by a subcontractor to a contractor for a third party is considered services for resale and is exempt from taxation;

AA. Sales of real property. Rentals of real property are not exempt from taxation by the city.

AB. Commissions or fees in excess of three thousand dollars earned by brokers or agents in real estate sales transactions.

AC. Home heating oil purchased for use in a dwelling, as defined in [Section 18.08.190], for use at that location conditioned on the following:

1. That no more than fifty percent of the floorspace of the building(s) considered as dwellings be used as nonresidential use, including business activities.

2. That the dwelling be operated in compliance with all other regulations and laws.

DRAFT

3. If a fuel tank is used to supply more than one structure or area then no more than fifty percent of the floorspace and area supplied shall be nondwelling and nonresidential including business activities.

AD. Proceeds from air transportation including that portion of any chartered fishing or hunting expedition which covers the cost of air transportation.~~,~~

Section 2. Cordova Municipal Code Title 5.40 is amended to add Section 5.40.025 entitled "Exemptions-Class of buyers," to read as follows:

5.40.025-Exemptions-Class of buyers

The following classes of buyers are exempt from the provisions of this chapter:

1. **The United States, the State of Alaska, or any instrumentality or political subdivision of either, including a city.**

2. **Federally recognized tribal entities.**

Section 3. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, within ten (10) days after its passage.

1st reading: June 3, 2020
2nd reading and public hearing: _____

PASSED AND APPROVED THIS _____ DAY OF _____, 2020.

_____
Clay R. Koplin, Mayor

ATTEST:

_____
Susan Bourgeois, CMC, City Clerk

DRAFT

[Deleted text is ~~stricken through~~; added text is **bold and underlined**]

A memo from Susan Bourgeois, CMC, City Clerk

DATE: May 22, 2020

TO: Mayor and City Council, public

SUBJECT: Resolution 06-20-24

Alaska Statute 29.45.240 and Cordova Municipal Code 5.36.240 require that City Council set the 2020 Mill Rate by June 15, 2020. On May 20, 2020, Council certified the 2020 tax roll setting Cordova's total taxable value for 2020 at $238,516,445. One mill is equal to about $238k in property tax revenue (exactly $238,516.45).

Cordova Municipal Code 1.18.010 states that resolutions creating or establishing rates require public hearings which is why there is one scheduled for June 3, 2020 previous to the regular meeting where Resolution 06-20-24 will be considered by the City Council.

The resolution contains a mill rate of 11.08 which would achieve revenue of $2,642,762.21 – the closest that is greater than or equal to $2,640,957, going out only 2 decimal places, which was the revenue goal set when Council passed the 2020 budget in December of 2019.

Information attached to this memo: AS 29.45.240, CMC 5.36.240 and CMC 1.18.010. Also, a spreadsheet showing calculations that arrive at 11.08 for the mill rate, CSD and CCMC contributions as mill rate equivalents, scenarios for 0.5, 1.0 and 1.5 mill increases, and the savings from last year for homes in a few different assessed value categories.

RECOMMENDED MOTION: Move to approve Resolution 06-20-24.

REQUIRED ACTION: Majority roll call vote.

Alaska Statute:

Sec. 29.45.240. Establishment of levy and determination of rate.
(a) The power granted to a municipality to assess, levy, and collect a property tax shall be exercised by means of an ordinance. The rate of levy, the date of equalization, and the date when taxes become delinquent shall be fixed by resolution.

(b) A municipality shall annually determine the rate of levy before June 15. By July 1 the tax collector shall mail tax statements setting out the levy, dates when taxes are payable and delinquent, and penalties and interest.

Cordova Municipal Code:

5.36.240 - Amount set by resolution.

The council shall thereupon by resolution annually before June 15th fix a rate of tax levy and designate the number of mills upon each dollar of value of assessed taxable real property that shall be levied.

(Ord. 777 (part), 1996: prior code § 13.126, as amended during 1979 codification).

1.18.010 - Resolutions.

A. Resolutions are acts of council which are not required to be enacted by an ordinance, such as authorizing a municipal official to undertake certain acts and acts not being of a permanent nature. Resolutions creating or establishing rates shall require adequate public notice with one public hearing before passage. Resolutions are formal acts of council required in accordance with charter, code, state and/or federal law.

B. All resolutions are a permanent record of the city and shall bear the following:

1. The heading "City of Cordova, Alaska";
2. Serial number as "Resolution _____ ":
   a. Annually the serial number first number(s) shall denote the month; the second number(s) shall denote the year; and the third number(s) shall denote consecutive numbers indicating the total number of resolutions passed during a calendar year;
3. Resolving clause "PASSED AND APPROVED THIS _____ DAY OF _____ , _____ (YEAR)" with designated lines for the mayor and clerk's signatures;
4. Passage of a resolution may be by a majority vote of a quorum present unless specifically required by charter or code to require a majority vote of all the members of the city council.

(Ord. 723, 1994).

total taxable value	prop tax revenue in 2020 City budget
$238,516,445	$2,640,957
mill rate of:	would equal revenue of:
11.08	**$2,642,762**

if csd & ccmc contributions were from prop tax for 2020			
csd	$238,516,445	7.87	$1,876,000
ccmc	$238,516,445	2.64	$630,000
		10.51	**$2,506,000**

if csd got what they asked & ccmc needs dbl from p'tax for 2020			
csd	$238,516,445	8.21	$1,959,000
ccmc	$238,516,445	5.28	$1,260,000
		13.50	**$3,219,000**

if it is anticipated that more p'tax revenue is needed			
$238,516,445	**11.58**	**$2,762,020**	up 1/2 mill
$238,516,445	**12.08**	**$2,881,279**	up 1 mill
$238,516,445	**12.58**	**$3,000,537**	up 1.5 mills

on $238,516,445 each one mill increase equals **$238,516**

Cordova's homes average $260,000 - $280,000 in a/v including land

home's a/v	**2019 mill rate**	**2019 taxes**	
$150,000	11.81	$1,771.50	
$250,000	11.81	$2,952.50	
$300,000	11.81	$3,543.00	
$400,000	11.81	$4,724.00	
	2020 mill rate	**2020 taxes**	**savings from previous year**
$150,000	11.08	$1,662.00	$110
$250,000	11.08	$2,770.00	$183
$300,000	11.08	$3,324.00	$219
$400,000	11.08	$4,432.00	$292
mill rate decrease	0.73	or $73 less per $100,000 of a/v	

CITY OF CORDOVA, ALASKA
RESOLUTION 06-20-24

A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, SETTING THE MILL RATE FOR THE 2020 TAX YEAR

WHEREAS, Alaska Statute, Section 29.45.240 and Cordova Municipal Code 5.36.240 require that the mill levy be established by resolution annually prior to June 15 of the tax year; and

WHEREAS, in accordance with Cordova Municipal Code Section 1.18.010 A, this rate setting resolution requires a public hearing before passage; and

WHEREAS, on December 18, 2019, Council approved Resolution 12-19-56 adopting the 2020 City budget which included property tax revenue of **$2,640,957**; and

WHEREAS, on May 20, 2020, Council approved certification of the 2020 property tax roll which set Cordova's total taxable value at **$238,516,445**.

NOW, **THEREFORE BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby sets the mill rate for 2020 real property at **11.08** mills for all properties in the City of Cordova.

PASSED AND APPROVED THIS 3rd DAY OF JUNE 2020

_____
Clay R. Koplin, Mayor

ATTEST:

_____
Susan Bourgeois, CMC, City Clerk

DRAFT

AGENDA ITEM # 13
City Council Meeting Date: 6/3/20

CITY COUNCIL COMMUNICATION FORM

FROM: **Planning Staff**

DATE: **5/27/20**

ITEM: **Direction on Sheridan Joyce Negotiation**

NEXT STEP: **Provide Direction to Staff**

_____ INFORMATION
__X__ MOTION
_____ RESOLUTION
_____ ORDINANCE

I. REQUEST OR ISSUE:

Requested Actions:	Provide Direction to Staff on Negotiations
Applicant:	Cordova Powersports LLC
Area:	15,000 square feet
Zoning:	Business District
Attachments:	Location Map

II. RECOMMENDED ACTION / NEXT STEP:

Council should provide specific guidance for how staff is to proceed with negotiations:

"I move to direct staff to…"

III. FISCAL IMPACTS:

The fiscal impacts include the rent payments, development, and eventual purchase of the property. Initial deposit of $1,000 has been spent on title research of the property and legal fees associated with lease negotiations.

IV. BACKGROUND INFORMATION:

10/17/19 – Received a letter of interest from Sheridan Joyce for the property.

11/12/19 – At the Planning Commission Regular Meeting, the commission recommended City Council dispose of the property by direct negotiation. From the minutes:

> M/***Baenen*** S/***Bolin*** to recommend to City Council to dispose of a Portion of Copper River & Northwestern Company, Terminal Ground B as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with Sheridan Joyce to lease or purchase the property.
>
> ***Baenen*** said it looked like a great place for ***Joyce*** to have his shop. ***Baenen*** said the property was already being utilized by the neighbor and there was some flat area to work with. ***Bolin*** said he was the only one in town who provided the service. ***Roemhildt*** said he was in favor as it had been sitting there forever and no one took notice with the property in the past.
>
> ***Bird*** said she thought it was unfair to do direct negotiation since the property had been designated 'Not Available.' By requesting proposals, they would advertise the property so that anyone else could submit a proposal. ***Lohse*** said he was interested in what ***Joyce's*** plans to develop it were. He thought that anyone with those skills, wanting to do that type of work was valuable. ***Pegau*** said he also had concerns about doing it through direct negotiation. He said they usually request sealed proposals, as it is a check to see if there is other interest and it requires the applicant to provide more information. ***McGann*** said that he also had concerns.
>
> ***Baenen*** said he disagreed because they did it with Saddle Point Machine's property and the Science Center. ***Joyce*** is going through the proper process. ***Bird*** verified that City Council ultimately decides how to dispose of the property.
>
> > M/***Bird*** S/***Pegau*** to amend the motion to request sealed proposals to lease or purchase the property.
> > Upon voice vote, motion to amend failed 2-5.
> > Yea: ***Pegau, Bird***
> > Nay: ***McGann, Baenen, Roemhildt, Bolin, Lohse***
>
> Upon voice vote, motion passed 7-0.
> Yea: ***McGann, Pegau, Baenen, Roemhildt, Bird, Bolin, Lohse***

11/20/19 – At the City Council Regular Meeting, the council decided to negotiate directly with Sheridan Joyce. From the minutes:

> ***M/Jones/Guard*** to dispose of a portion of Copper River & Northwestern Company, Terminal Ground B as outlined in Cordova Municipal Code 5.22.060 B by 1. negotiating an agreement with the Sheridan Joyce to lease or purchase the property.
> ***Jones*** said he heard comments from the public tonight in support of this. He is pro-business and loves to see Cordova kids coming back to town to start businesses. He supports this. ***Glasen*** supports this. ***Bailer*** said he supports this, but he is concerned about the costs and wants to ensure that the applicant is aware of all of the detailed costs to this project. He asked the Planner to answer a few questions. ***Stavig*** said on a recent other

direct negotiation, we ensured that part of the process was a detailed estimate f costs before we moved forward with the lease with purchase option. ***Bailer*** wants to ensure that similar guidelines are met before we pay for attorneys, surveys, etc. He hopes this will succeed; he wants the applicant to go in with eyes wide open. ***Stavig*** said that in listening to comments, that will give staff the guidelines to use during the negotiation. ***Bailer*** is trying to prevent all of the staff work, attorney work, survey – all has a cost. ***Allison*** opined that the manager and planner have heard the concerns, the proposer is in the audience – hopefully he is aware and has financing in place –it's all part of the plan. ***Meyer*** said she doesn't like the way we go from making it available straight to direct negotiation; she may bring this up again at pending agenda. ***Schaefer*** said she is in support of direct negotiation.
Vote on the motion: 7 yeas, 0 nays. Motion was approved.

2/19/20 – At the City Council Regular Meeting, the council approved a resolution approving the lease with option to purchase with Sheridan Joyce with the following terms:

1. Ten-year lease.
2. Annual rent for first four years is $3,000; after four years it increases based on Consumer Price Index.
3. Substantial Completion of the project is required within four years.
4. Option to Purchase after Substantial Completion.
5. Purchase Price is $30,000 for first four years; after four years it increases to Fair Market Value.
6. Purchase Price is reduced by all rent paid for first four years; rent paid after four years does not go towards the Purchase Price.
7. Survey will be ordered by the city upon execution of the lease. Lessee shall reimburse survey costs, or lease is in default.

From the minutes of the meeting:

M/Schaefer S/Glasen to approve Resolution 02-20-09 a resolution of the Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten-year lease with Cordova Powersports, LLC, of an un-surveyed portion of property within Copper River & Northwestern Company, Terminal Ground B, which is approximately 75 feet by 200 feet, which includes an option to purchase
Schaefer asked a question through the Manager to staff about the process of negotiations. ***Howarth*** asked ***Sam Greenwood*** to come to the table. ***Greenwood*** said this has been to ***Planning Commission*** then Council, now back for final approval at Council. As far as the price, couple of options: could hire an appraiser which would be paid by the buyer per City Code; more often we go with assessed value which we increase by the sales ratio percent of full value per the State Assessor. Commercial appraisers are difficult to come by, are expensive and take a long time to come here. ***Greenwood*** said, in the end, Council decides the final sale price. ***Glasen*** said he thinks the price is fair.
M/Bailer S/Glasen to amend item 6 in the memo on page 38 of the packet. Amendment is to change four years to three years.
Bailer said he thinks this is what we used for Rob Brown in his purchase and he would like to see consistency. Three years of interest free loan is adequate. ***Jones*** said he is not in favor of the amendment – he thinks this lot needs substantially more dirt work than Rob Brown's lot. ***Allison*** agrees on the point of consistency. He doesn't have a problem with four years but thinks we should have a discussion about land sales and decided whether or not we should be more consistent. ***Allison*** said he will not support the amendment.
Bailer withdrew the motion – there was concurrence of the second, ***Glasen***.
Allison asked if the buyer had the option to get the property appraised; the idea being if he isn't comfortable with the price he could pay for an appraisal and see what the appraiser comes up with. ***Bailer*** stated that he thinks all of the Council wants to support this business, wants to see this happen. He opined that this is a great

deal the City is offering, and a tremendous amount of staff time has gone into this; and volunteer time, as far as Planning and Zoning meetings and Council meetings. If this was private sector, there would be considerably more fees, interest, etc. involved. ***Bailer*** said he supports this heck of a deal. ***Meyer*** said she echoes what ***Bailer*** said she agrees that lease payments going toward the purchase price is an incredible deal; staff has given good information; there has been substantial time and effort spent on this.

Council concurred to suspend the rules to allow ***Sheridan Joyce*** to the table to comment.

Joyce said he would have preferred to pay interest on a loan and buy this outright than go through this process. He said the City's insurance requirements will substantially raise his rates because he currently doesn't have commercial insurance.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

5/20/20 – At the City Council Regular Meeting, the council rescinded the resolution approving the lease. From the unapproved minutes of the meeting:

22. Rescission of Resolution 02-20-09

M/Schaefer S/Sherman to rescind Resolution 02-20-09.

Schaefer asked if someone could walk us through the method used for coming up with the land value. ***Howarth*** asked City Planner ***Leif Stavig*** to respond. ***Stavig*** said that staff presented Council with figures on surrounding properties assessed values and recent sales of City property and Council arrived at a fair market value for the property of $30,000. It was clear Council direction to staff that the $30,000 fair market value was the negotiating point and if ***Mr. Joyce*** wanted to order an appraisal, Council would take the appraised value instead of the $30,000. ***Sherman*** said she would really like to be able to support a growing business in Cordova and she feels like this is a difficult site. She would like to know what her options were at this time.

Stavig and ***Bourgeois*** both relayed that as far as process, the resolution had approved a lease/option that the buyer seems to now no longer be willing to sign/agree to. Therefore, when he wrote a letter asking for a very different consideration, staff needed Council direction so the letter was brought to the last Council meeting with options such as rescind the resolution. Council did vote to bring the resolution back to this meeting to be rescinded.

Mayor Koplin said that for chronology, Council opted for direct negotiation with ***Mr. Joyce***, staff presented a comprehensive PowerPoint as to how they arrived at a value, Council considered that as a basis of value and then approved a resolution with a lease/option using that value.

Schaefer said the decision last time was to move ahead with a motion to rescind based on not wanting to set a precedent in land sales to re-negotiate an already agreed upon disposal. ***Allison*** suggested that Council might be ok with the $30,000 but rescinding the resolution might just take us back one step where he would still have the ability to get the appraisal and we could go with that value. He was of the opinion that $30,000 is the price unless an appraisal comes in with a different value, then he'd be ok with that. ***Allison*** also opined that Code gives us parameters under which we can dispose of property, we can go less than fair market value for non-profits and the like, but for a regular disposal such as this, we use fair market value. There was further discussion regarding where a rescission of this resolution would take us to. It was determined that rescinding the resolution would take us back to one step previous which would be to when staff was directed to negotiate with ***Mr. Joyce***, using the same parameters that Council had given as direction for the first attempt at negotiation.

Vote on the motion to rescind: 6 yeas, 0 nays, 1 absent. Allison-yes; Meyer-yes; Sherman-yes; Guard-yes; Glasen-yes; Bailer-absent and Schaefer-yes. Motion was approved.

V. LEGAL ISSUES:

Changes to lease contract may need to be reviewed by legal.

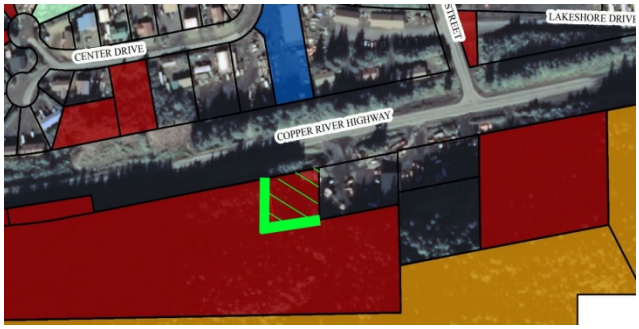
Location Map

letter of interest Oct. 2019

To the City of Cordova,

I am seeking to purchase commercial property along the Copper River highway for commercial use for my business, Cordova Powersports. Currently the business is operating out of a single car garage and a small outdoor storage area in a non-commercial zoned area. This severely limits the businesses ability to procure retailer statuses with large parts suppliers, and eliminates the possibility of becoming a dealer of off road vehicles. The business is also severely space constrained, operating with minimal to no available space for additional business during most of the summer months.

Many inquiries have been made over the last two years to private owners of commercially zoned property with no success. For that reason, I am asking the City of Cordova to designate a parcel of city owned land south of the copper river highway to the west side of, and adjacent to, Eagle Contracting's property lines as “Available”. I have marked an approximation of the desired area in green in the picture below. If this property were to be sold to Cordova Powersports, it would be used to construct a shop/showroom commercial building and a secure storage yard, solely for commercial use.



Thank you for your consideration,

Sheridan Joyce
Cordova Powersports
Box 555, Cordova AK, 99574

May 3, 2020

City of Cordova
City Council

Dear Councilmembers,

I am writing to request reconsideration of Council action regarding purchase of City land for my business, Cordova Powersports. I understand this action is not typical but being new to dealings with government entities, I was not aware action by Council would require me starting the process all over again. I am acting in good faith and would like to continue looking for a way to make my project happen.

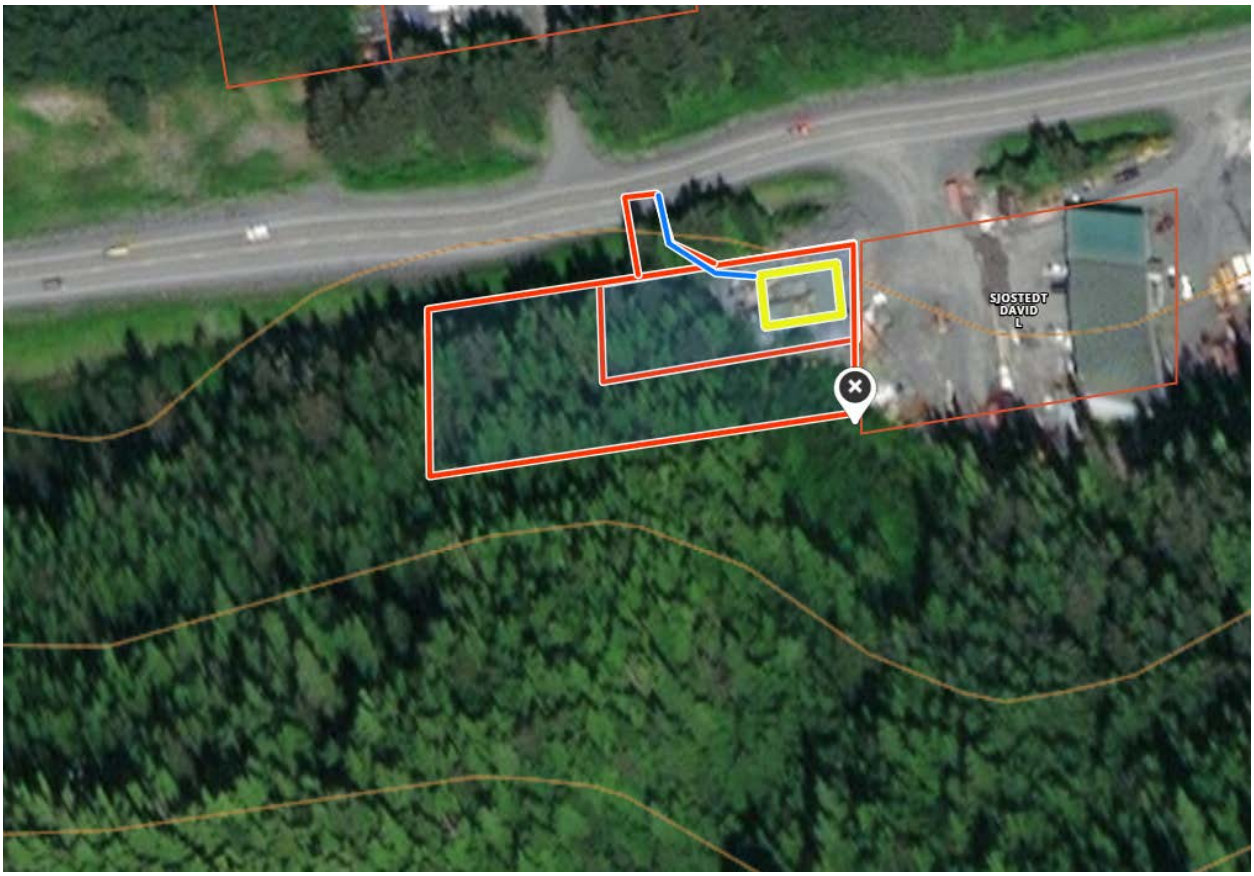
Since my first presentation and request, I have gathered more information that gives weight to my first proposal and provides justification for this reconsideration request to you. Eagle Contracting has quoted me land preparation costs of $207,000 for the 75x200ft lot due to the steep grade of the undeveloped parcel. Executing this work would bring the lot to the same condition of the surrounding leveled lots that have a FMV of $2.25-2.75 per square foot (hansen, tract A north) but **at a cost of $14 per square foot**.

Comparable nearby lots composed mostly of wooded mountainous land (tract A-1 and southern Eagle contracting lot) have a **FMV of $0.50-0.52 per square foot using the city provided formula**. Other **private property** on similar steep terrain such as alpine properties which have set precedent with valuations at around $0.77 per square ft) Keeping in mind that these lots have additions not present on the lot in question such as ready to go building pads, utilities stubbed in, driveways, and lake views.

Given this information I would respectfully ask Council reconsider my proposal with either of the two options below.

#1. Keep the lot size the same 75x200ft but reduce the base price to $12,000 reducing the actual cost to cordova powersports to ~$22,000. The city receives $0.80 per square foot, cordova powersports pays $1.47 per square foot.

#2 Keep the price the same, the city receives $30,000 and Cordova Powersports effectively pays ~$40,000, but the property is increased in size to 125x325 feet (just under 1 acre) where 325 ft borders the highway. The city would receive 0.71 per square foot, cordova powersports would be paying $0.93 per square foot and would have substantial room for long term expansion. The graveyard could still double in length before reaching the west property line. This option would be considered the preferred option



Thank you,

Sheridan Joyce

letter after May 6, 2020 spec. mtg

Dear council members,

In the last meeting many inaccurate statements were made by several council members about the land sale deal with Cordova Powersports.

Firstly I was never in agreement with the value assigned to this property. I voiced these concerns as well as concerns with the contract to staff for months ahead of the city council vote and three separate times in the comment periods during city council vote. Unfortunately despite these efforts at no point did anything in the contract ever significantly change regarding land value, not at the staff level and not at the council level.

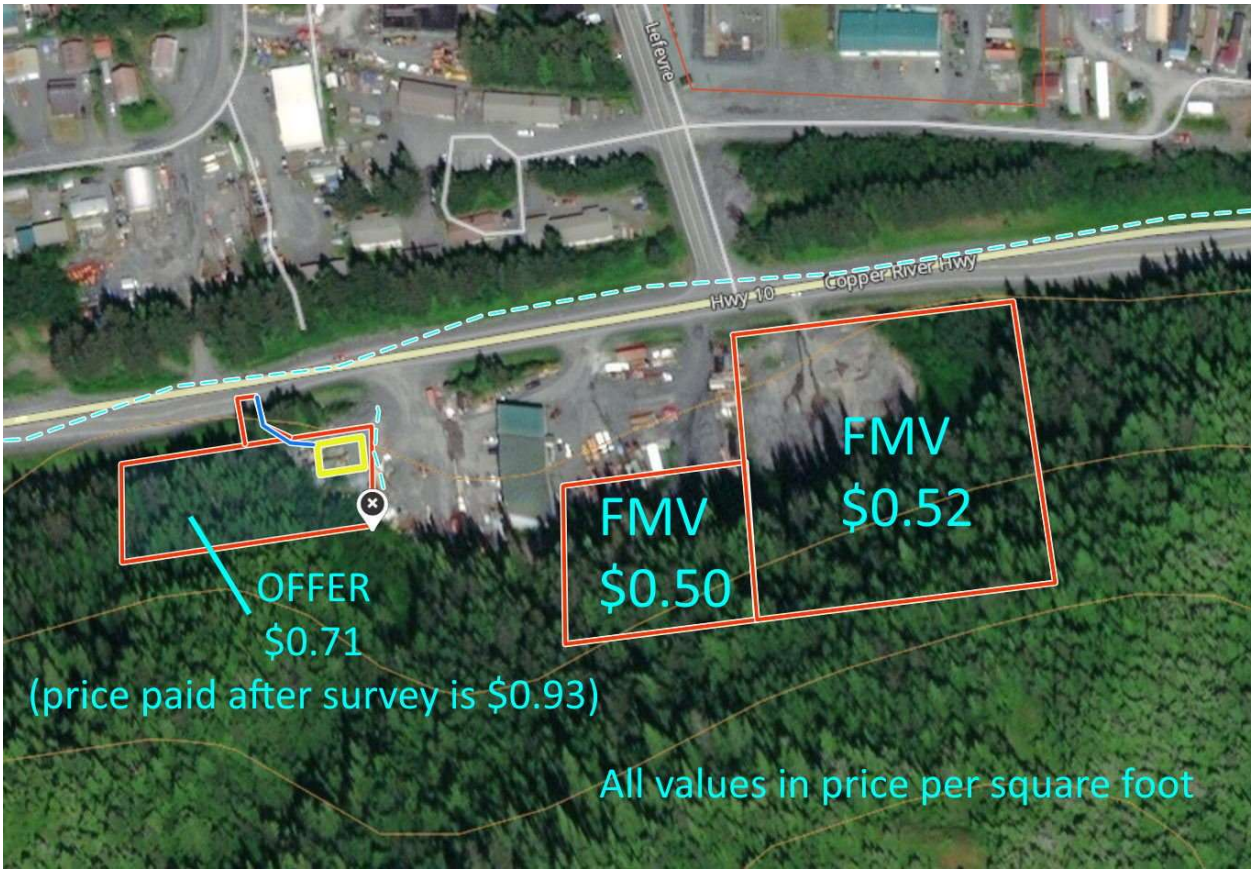
Secondly there were no new discoveries after the fact that resulted in me not signing the agreement. I continued to make it clear to the city manager that I was not interested within 3 days of its approval. It took several months to get the direction from staff that all I needed to do was write a letter to get this matter put back on the agenda. I wrote the letter within 6 hours of receiving this instruction. The high building cost associated with this type of terrain was a given from the start. The drastically cheaper fair market value assessments of surrounding properties were presented to staff numerous times before the council vote and numerous times since. Unfortunately, they did not appear to have any influence on staff until after the issue was voted on by council. An addition of an estimate by a contractor showing the costs associated with making the entire lot developable was just further evidence as to why these raw land lots are accurately assessed at the low value that they are. It was not a new discovery.

Statements by certain council member inferring that since I did not agree to sign an agreement (that I had almost no influence on at any point in the process), that I would try and change a signed agreement in the future if my building costs changed were not only inaccurate speculation, but an unnecessary attack on my character.

I insist that the council vote down or refer the motion to rescind back to staff and move to enter an executive session and direct staff to simply change the property dimensions to 125x325 ft while maintaining the rest of the agreement so that this project can move forward. I have attached documentation showing the city assed fair market values of all comparable surrounding lots, as well as a brief financial analysis of the benefits to the city of Cordova. Additionally I would like to point out that the original proposal unanimously passed by planning and zoning was more similar to these new property lines than the property lines that made it to council. Kicking this all the way back to planning and zoning is a completely needless waste of time and city resources. Remember, council has the power to sell property at any price using whatever justification they feel is warranted. If the following attachments should more than justify my offer to pay nearly double FMV when compared to all similar surrounding lots.

Thank you,
Sheridan Joyce
Cordova Powersports
Attachment 1

Price comparison between lots in similar terrain. All FMV values calculated using the city provided formula. After survey and other fees Cordova powersports would still be paying nearly double FMV. **This is comparing the offer that I made in my letter to council.** The offer that was passed by council was $2 per square foot plus approximately $10,000 in surveys and fees to be paid by me bringing the price to **$2.53**!.



Attachment 2
Cost estimate from eagle contracting for clearing of approximately ⅓ acre

ESTIMATE FOR SHERIDAN JOYCE 2-21-2020
EAGLE CONTRACTING CORP.

ESTIMATE FOR DEVELOPMENT OF CITY PROPERTY LOCATED ADJACENT TO AND DIRECTLY WEST OF EAGLE CONTRACTING PROPERTY AT MILE 1.5 COPPER RIVER HIGHWAY
LOT IS 75 WIDE X 200 LONG

Clear and grub 15,000 sq ft = $16,500

Level lot, approximatly 15,000 cy @ 12 = $180,000

36" x 40' Driveway Culvert $4200
Culvert installation and driveway construction $6500

$207,200

Attachment 3
10 year conservative financial benefit analysis for the city

	year	1	2	3	4	5	6	7	8	9	10	totals	totals combined
No property purchase	Sales tax	1200	1200	1800	1800	0	0	0	0	0	0	6000	
	Property tax	0	0	0	0	0	0	0	0	0	0	0	6000
	Land sales	0	0	0	0	0	0	0	0	0	0	0	
Private purchase	Sales tax	1200	1800	2200	3000	3500	5000	5000	5000	5000	5000	36700	
	Property tax	0	0	0	0	0	0	0	0	0	0	0	36700
	Land sales	0	0	0	0	0	0	0	0	0	0	0	
Purchase from the city	Sales tax	1200	1200	2200	3000	3500	5000	5000	5000	5000	5000	36100	
	Property tax	300	300	2500	2500	2500	2500	2500	2500	2500	2500	20600	86700
	Land sales	3000	3000	24000	0	0	0	0	0	0	0	30000	

Property tax on the first two options is zero because there would be no opportunity collecting ADDITIONAL property tax, only tax that is already being paid by someone.

This does not give any consideration to the long list of addition benefits of having this business operating in cordova

City Council of the City of Cordova, Alaska

Pending Agenda June 3, 2020 Regular Council Meeting

A.	Future agenda items - topics put on PA with no specific date for inclusion on an agenda	date item was revisited or initially put on PA
1)	Investment firms - RFP - re-check with Manager after **April 2020**	2/19/2020
2)	City land management (disposal etal) including disposition of proceeds into City funds	2/19/2020
3)	City Manager authority re: purchases/contracts and whether budgeted/unbudgeted - **after new finance director**	2/19/2020
4)	Ordinance change (Title 4) before a new CBA gets negotiated - so Council has a role in approval process	2/19/2020
5)	Council training and other boards/commission/public - staff to report back after cert of **March** election	2/19/2020
6)	Refuse - how we do it - i.e. residential vs. neighborhood dumpsters - worksession **June 2020**	2/19/2020
7)	Resolutions/actions regarding emergency as necessary possible special meetings, etc. throughout this COVID-19 emergency/disaster declaration	3/18/2020
8)	Sheridan Joyce land disposal item - in negotiations with City Manager - back when/if necessary	5/20/2020

B. Resolutions, Ordinance, other items that have been referred to staff

1) **Res 12-18-36** re E-911, will be back when a plan has been made, referred **12/19/18** — 2/19/2020
2) **Res 05-20-18** re CCMC sale committee, referred to staff at **5/6/20** — 5/6/2020

C. Upcoming Meetings, agenda items and/or events: with specific dates

1) Capital Priorities List and Resolution to come before Council quarterly: looking at it tonight **5/6/2020**

   9/2/2020 **12/2/2020** **3/3/2021** **6/2/2021**

2) Staff quarterly reports will be in the following packets:

   7/15/2020 **10/21/2020** **1/20/2021** **4/21/2021**

3) Joint City Council and School Board Meetings - twice per year, October & April

   6pm @ CHS before Sch Bd mtg **10/14/2020** 6pm before Council Mtg @ CC **4/7/2021**

4) Clerk's evaluation - each year in **Feb** or **Mar**
5) City Manager's evaluation - **October 2020** and each year in October or possibly **January 2021**

D. Council adds items to Pending Agenda in this way:

item for action	tasking which staff: Mgr/Clrk?	proposed date
1) …		
2) …		
3) …		

Mayor Koplin or the City Manager can either agree to such an item and that will automatically place it on an agenda, or a second Council member can concur with the sponsoring Council member.

City Council of the City of Cordova, Alaska

Pending Agenda June 3, 2020 Regular Council Meeting

E. Membership of existing advisory committees of Council formed by resolution:

1) Fisheries Advisory Committee:

re-auth res 01-20-04 approved Jan 15, 2020

auth res 04-03-45 approved Apr 16, 2003

1-John Williams (fisheries educ/Mar Adv Prgm) 2-Jeremy Botz (ADF&G)
3-vacant (processor rep) 4-Jim Holley (marine transportation/AML)
5-Chelsea Haisman (fish union/CDFU) 6-Tommy Sheridan (aquaculture/PWSAC)

2) Cordova Trails Committee:

re-auth res 11-18-29 app 11/7/18

auth res 11-09-65 app 12/2/09

1-Elizabeth Senear 2-Toni Godes
3-Dave Zastrow 4-Ryan Schuetze
5-Wendy Ranney 6-Michelle Hahn

3) Fisheries Development Committee:

authorizing resolution 12-16-43

reauthotrization via Res 11-19-51

approved 11/20/2019

1-Warren Chappell 2-Andy Craig 3-Bobby Linville
4-Gus Linville 5-vacant 6-Bob Smith
7- Ron Blake 8- John Whissel

F. City of Cordova appointed reps to various non-City Boards/Councils/Committees:

1) Prince William Sound Regional Citizens Advisory Council

Robert Beedle re-appointed March 2020 2 year term until March 2022
re-appointed June 2018
re-appointed March 2016
re-appointed March 2014
appointed April 2013

2) Prince William Sound Aquaculture Corporation Board of Directors

Tom Bailer re-appointed October 2018 3 year term until Sept 2021
appointed February 2017-filled a vacancy

3) Southeast Conference AMHS Reform Project Steering Committee

Mike Anderson appointed April 2016 until completion of project
Sylvia Lange alternate

June 2020

CALENDAR MONTH	JUNE
CALENDAR YEAR	2020
1ST DAY OF WEEK	SUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1	2	3 6:45 Council pub hrg 7:00 Council reg mtg CCAB	4	5	6
7	8	9 6:30 P&Z CCAB	10 12:00 Council spec mtg CCAB-tentative 6:00 Harbor Cms CCM 7:00 Sch Bd HSL	11	12	13
14 	15	16	17 5:30 CTC Board Meeting 6:45 Council pub hrg 7:00 Council reg mtg CCAB	18	19	20 SUMMER SOLSTICE
21 	22	23	24 12:00 Council spec mtg CCAB-tentative 6:00 CEC Board Meeting	25 6:00 CCMCAB HCR	26	27
28	29	30 6:00 P&R CCM	1	2	3	4
5	6					

Notes

Legend:
CCAB-Community Rms A&B
HSL-High School Library
CCA-Community Rm A
CCB-Community Rm B
CCM-Mayor's Conf Rm
CCER-Education Room
LN-Library Fireplace Nook
CRG-Copper River Gallery
HCR-CCMC Conference Room

Cncl - 1st & 3rd Wed
P&Z - 2nd Tues
SchBd, Hrb Cms - 2nd Wed
CTC - 3rd Wed
P&R - last Tues
CEC - 4th Wed
CCMCA Bd - last Thurs

July 2020

CALENDAR MONTH	JULY
CALENDAR YEAR	2020
1ST DAY OF WEEK	SUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	2	3 Independence Day Holiday- City Hall Offices Closed	4
5	6	7	8 12:00 Council spec mtg CCAB-tentative 6:00 Harbor Cms CCM 7:00 Sch Bd HSL	9	10	11
12	13	14 6:30 P&Z CCAB	15 5:30 CTC Board Meeting 6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	16	17	18
19	20	21	22 12:00 Council spec mtg CCAB-tentative 6:00 CEC Board Meeting	23 **6:00 CCMCAB HCR**	24	25
26	27	28 **6:00 P&R CCM**	29	30	31	1
2	3					

Notes

Legend:
CCAB-Community Rms A&B
HSL-High School Library
CCA-Community Rm A
CCB-Community Rm B
CCM-Mayor's Conf Rm
CCER-Education Room
LN-Library Fireplace Nook
CRG-Copper River Gallery
HCR-CCMC Conference Room

Cncl - 1st & 3rd Wed
P&Z - 2nd Tues
SchBd, Hrb Cms - 2nd Wed
CTC - 3rd Wed
P&R - last Tues
CEC - 4th Wed
CCMCA Bd - last Thurs

City of Cordova, Alaska Elected Officials
& Appointed Members of City Boards and Commissions

Mayor and City Council - Elected

seat/length of term	email	Date Elected		Term Expires
Mayor:	**Clay Koplin**	Mar 1, 2016, Mar 5, 2019		March-22
3 years	Mayor@cityofcordova.net			
Council members:				
Seat A:	**Tom Bailer**	March 5, 2019		March-22
3 years	CouncilSeatA@cityofcordova.net			
Seat B:	**Cathy Sherman**	March 3, 2020		March-23
3 years	CouncilSeatB@cityofcordova.net			
Seat C:	**Jeff Guard**	Mar 5, 2017, Mar 3, 2020		March-23
3 years	CouncilSeatC@cityofcordova.net			
Seat D:	**Melina Meyer, Vice Mayor**	March 6, 2018		March-21
3 years	CouncilSeatD@cityofcordova.net			
Seat E:	**Anne Schaefer**	Dec 6, 2017, Mar 6, 2018		March-21
3 years	CouncilSeatE@cityofcordova.net		elected by cncl	
Seat F:	**David Allison**	March 5, 2019 March 1, 2016		March-22
3 years	CouncilSeatF@cityofcordova.net			
Seat G:	**David Glasen**	March 5, 2019		March-22
3 years	CouncilSeatG@cityofcordova.net			

Cordova School District School Board - Elected

length of term		Date Elected	Term Expires
3 years	**Barb Jewell, President** bjewell@cordovasd.org	Mar 5, 2013, Mar 1, 2016, Mar 5, 2019	March-22
3 years	**Bret Bradford** bbradford@cordovasd.org	Mar 3, 2015, Mar 6, 2018	March-21
3 years	**Tammy Altermott** taltermott@cordovasd.org	Mar 5, 2013, Mar 1, 2016, Mar 5, 2019	March-22
3 years	**Peter Hoepfner** phoepfner@cordovasd.org	Mar 7, 2006, Mar 3, 2009, Mar 6, 2012, Mar 3, 2015, Mar 6, 2018	March-21
3 years	**Sheryl Glasen** saglasen@cordovasd.org	Mar 4, 2014, Mar 7, 2017, Mar 3, 2020	March-23

seat up for re-election in 2021	***vacant***
board/commission chair	
seat up for re-appt in Nov 20	

City of Cordova, Alaska Elected Officials
& Appointed Members of City Boards and Commissions

CCMC Authority - Board of Directors - Elected

length of term			Date Elected		Term Expires
3 years	Kelsey Appleton Hayden		March 3, 2020		March-23
3 years	Greg Meyer, Chair		Jul 19, 2018, Mar 5, 2019		March-22
3 years	Craig Kuntz	elected by board	March 26, 2020	up for election March-21	March-22
3 years	Linnea Ronnegard		March 6, 2018		March-21
3 years	Gary Graham		May 31, 2018, Mar 5, 2019		March-21

Library Board - Appointed

length of term		Date Appointed	Term Expires
3 years	Mary Anne Bishop, Chair	Nov '06, '10, '13, '16 & '19	November-22
3 years	Wendy Ranney	Apr '13, Nov '15, Nov '18	November-21
3years	Sherman Powell	June '18, Feb '20	November-22
3 years	Sarah Trumblee	February-18	November-20
3 years	Krysta Williams	February-18	November-20

Planning Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	Nancy Bird	Nov '16, '19	November-22
3 years	Mark Hall	Nov '19	November-22
3 years	Scott Pegau, Vice Chair	Dec '11, Dec '14, Nov '17	November-20
3 years	John Baenen	Dec '12, Dec '15, Nov '18	November-21
3 years	Tom McGann, Chair	Apr '11, Dec '11, Dec '14, Nov '17	November-20
3 years	Chris Bolin	Sep '17, Nov '18	November-21
3 years	Trae Lohse	Nov '18	November-20

seat up for re-appt in Nov 20

seat up for re-election in 2021

vacant

board/commission chair

City of Cordova, Alaska Elected Officials
& Appointed Members of City Boards and Commissions

Harbor Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	**Mike Babic**	Nov '17	November-20
3 years	**Andy Craig**	Nov '16, '19	November-22
3 years	**Max Wiese**	Mar '11, Jan '14, Nov '17	November-20
3 years	**Ken Jones**	Feb '13, Nov '16, Nov '19	November-22
3 years	**Jacob Betts, Chair**	Nov '15, '18	November-21

Parks and Recreation Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	**Wendy Ranney, Chair**	Aug '14, Nov '15, Nov '18	November-21
3 years	**Henk Kruithof**	Nov '19	November-22
3 years	**Ryan Schuetze**	Aug '18	November-21
3 years	**Kirsti Jurica**	Nov '18	November-21
3 years	**Marvin VanDenBroek**	Feb '14, Nov '16, Nov '19	November-22
3 years	**Karen Hallquist**	Nov '13, '16, '19	November-22
3 years	**Dave Zastrow**	Sept '14, Feb '15, Nov '17	November-20

Historic Preservation Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	**Cathy Sherman, Chair**	Aug '16, Nov '19	November-22
3 years	**Heather Hall**	Aug '16, Feb '20	November-22
3 years	**Sylvia Lange**	Nov '19	November-22
3 years	**John Wachtel**	Aug '16, Nov '18	November-21
3 years	**Wendy Ranney**	Nov '18	November-21
3 years	**Nancy Bird**	Nov '17, Nov '18	November-21
3 years	**Jim Casement**	Nov '17	November-20

seat up for re-election in 2021	seat up for re-appt in Nov 20
board/commission chair	*vacant*