

Mayor

David Allison

Council Members

- Tom Bailer
- Cathy Sherman
- Kasey Kinsman
- Wendy Ranney
- David Zastrow
- Kristin Smith
- Ken Jones

City Manager

Samantha Greenwood

City Clerk

Susan Bourgeois

Deputy City Clerk

Colette Gilmour

**Regular City Council Meeting
November 6, 2024 @ 7:00pm
Cordova Center Comm Rooms**

A. Call to order

B. Invocation, 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 David Allison, Council members Tom Bailer, Cathy Sherman, Kasey Kinsman, Wendy Ranney, David Zastrow, Kristin Smith, and Ken Jones

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

E. Disclosures of Conflicts of Interest and Ex Parte Communication

- conflicts as defined in Cordova Municipal Code 3.10.010 should be declared, then Mayor rules on whether member should be recused, Council can appeal the Mayor’s ruling
- 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
2. Audience comments regarding agenda items..... (3 minutes per speaker)
3. Chairpersons and Representatives of Boards and Commissions (Hospital Board, School Board, etal)
4. Student Council Report – vacant

G. Approval of Consent Calendar - none

H. Approval of Minutes - none

I. Consideration of Bids/Proposals/Contracts – none

J. Reports of Officers

5. Mayor’s Report
6. City Manager’s Report
7. City Clerk’s Report: a. notice of upcoming board & commission vacancies..... (page 1)

K. Correspondence..... (see primer for description page 2)

8. 10-16-24 Public notice for 2025 Shore Fisheries Lease extensions..... (page 3)
9. 10-29-24 DoT AMHS summer 2025 schedule public review period notice..... (page 9)

L. Ordinances and Resolutions

10. Substitute Ordinance 1221..... (roll call vote)(page 10)

An ordinance of the Council of the City of Cordova, Alaska enacting Chapter 5.01 “disbursement and investment of city funds”; amending and renaming Chapter 5.04 “warrants” to “signature requirements” and clarifying the signature process on city fund disbursements; amending, renumbering, and renaming Chapter 5.44 “Cordova general reserve fund” to Chapter 5.02 “Cordova permanent fund (general reserve fund)”; repealing Chapter 5.40 “sales tax” and enacting Chapter 5.10 “sales tax” to adopt a registration process for sellers; update the sales tax return, implementation, enforcement, protest, and collection procedures; remove the sales tax exemptions for travel agencies, professional services commissions and fees, and recreational



flights; to clarify the exemption for nonprofit entities and expressly exclude rentals from the exemption; and to require purchasers to file a refund application for the sales tax exemption on construction materials and services and limit the exemption to properties with at least one dwelling unit– 2nd reading

- 11. Ordinance 1223..... (voice vote)(page 40)
An ordinance of the Council of the City of Cordova, Alaska establishing economic development property tax exemptions related to commercial and residential development in the city and setting forth criteria for such exemptions in a standardized application form – 1st reading
- 12. Ordinance 1224..... (voice vote)(page 56)
An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager to enter into a Lease with Option to Purchase with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition #2 – 1st reading
- 13. Resolution 11-24-34..... (voice vote)(page 80)
A resolution of the Council of the City of Cordova, Alaska, in support of Alaska's salmon hatchery program and in opposition to proposal 78 which will be before the Alaska Board of Fisheries at the December 10-16, 2024, meeting

M. Unfinished Business - none

N. New & Miscellaneous Business

- 14. Pending Agenda, CIP List, Calendar, Elected & Appointed Officials lists..... (page 84)

O. Audience Participation

P. Council Comments

Q. Executive Session

- 15. Recommendations from City Manager regarding CEC land disposal negotiations, a subject which is a matter the immediate knowledge of which would clearly have an adverse effect upon the finances of the government
(executive session materials provided to Council under separate cover)

The City Council is permitted to enter 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

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 907-424-6200 for assistance. full City Council agendas and packets available online at www.cityofcordova.net

Regular Meetings of the Cordova City Council are live streamed on the City's YouTube or are available there for viewing or audio-only by the next business day

The background of the slide features a field of green tulips with long stems and pointed buds, set against a light green background. The tulips are scattered across the entire page, creating a decorative border and background.

**Mayor Allison and Cordova City Council are soliciting interest
for upcoming City Board and Commission vacancies**

Library Board – 1 seat, Planning Commission – 2 seats,

Harbor Commission – 2 seats,

Parks & Recreation Commission – 2 seats,

Historic Preservation Commission – 2 seats

all vacancies have terms through November 2027

applications available on the City website

deadline to apply for these appointments is November 26, 2024

email cityclerk@cityofcordova.net or call 907-424-6248

appointments will be made at a City Council meeting in Dec 2024

Council Packet Correspondence Primer: Communicating with Your Elected Cordova Officials

This primer provides an overview of City of Cordova policies regarding the submission of correspondence to the City Clerk's office for distribution to City Council. These policies are general in nature and do not preempt the application of relevant laws to correspondence distribution. To the extent you have questions regarding the distribution of specific correspondence, please contact the City Clerk's office.

What gets published in Council packets as Correspondence?

- Letters, emails, cards, or other written or electronic mail addressed to City Council, any individual member of City Council or the Mayor, regardless of whether or not the sender has requested inclusion of the correspondence in a City Council packet.
- Letters, emails, cards, or other written or electronic mail written by the Mayor, individual City Council members in their capacity as elected officials, or the Council as a body
- Letters, emails, cards, or other written or electronic mail by agencies/entities that are pertinent to Council and the citizens of Cordova (e.g. population determination, full value determination, open comment periods for projects/leases in and around Cordova, etc.)
- Only correspondence received by the Clerk's Office on or before noon on the Wednesday before a regular Council meeting is eligible for inclusion in the packet for that meeting. Correspondence eligible for inclusion received after that date and time will be included in the next regularly scheduled Council meeting packet. (See CMC 3.12.035).

What does not get published in Council packets as Correspondence?

- Letters, emails, cards, or other written or electronic mail that are disparaging to individuals or entities
- Letters, emails, cards, or other written or electronic mail that have been sent anonymously
- Letters, emails, cards, or other written or electronic mail that contain confidential information or information that would warrant a constitutional violation of privacy or could potentially violate an individual's or an entity's constitutional rights.

More information about items not subject to publication:

- Correspondence that is not subject to publication in a Council packet will, however, be forwarded to the Mayor and City Council members with notification that the communication will not be included in the Council packet and the reasons for the exclusion.
- The City will attempt to contact the writer of the correspondence to inform them that the City has determined not to publish what they have sent. Notifications will be sent to the return address on the communication if one has been provided. (the best way to ensure the City is able to reach the writer is if the correspondence has been emailed through the City Clerk cityclerk@cityofcordova.net)
- A person who submits a communication that is not subject to publication in a Council packet, may still attend a meeting and read the communication during audience comments (if it is about an agenda item) or during audience participation, if it is not about an agenda item. Oral comments during a Council meeting will not be monitored or limited for content unless the comments made incite or promote violence against a person or entity. The City is not responsible or liable for the comments, thoughts, and/or opinions expressed by individuals during the public comment period at a Council meeting.

Suggestions concerning correspondence:

- Correspondence intended for all Council members should be emailed to the City Clerk at cityclerk@cityofcordova.net, hand-delivered or sent via U.S. mail to the Clerk's office. Correspondence should be clearly addressed to "Cordova City Council." Unless clearly stated otherwise, the City Clerk will presume that all correspondence addressed to City Council is intended for inclusion in the packet.

From: [Wolfe, Meghan M \(DNR\)](#)
To: [Wolfe, Meghan M \(DNR\)](#)
Cc: [Dufault, Kate O \(DNR\)](#)
Subject: Public Notice for 2025 Shore Fishery Lease Extensions
Date: Wednesday, October 16, 2024 2:25:49 PM
Attachments: [Public Notice of 2025 Shore Fishery Lease Extensions.pdf](#)
[11 AAC 64 Protest Regulation.pdf](#)

Good afternoon,

The Department of Natural Resources, Division of Mining, Land and Water, Shore Fishery Leasing Program is evaluating whether to issue 10-year shore fishery lease extensions for shore fishery leases expiring between January 1, 2025, and December 31, 2025. We are offering you the opportunity to review the enclosed 2025 List of Extensions. This list can also be accessed by visiting the Shore Fishery Leasing Program website at: <https://dnr.alaska.gov/mlw/shore/> and clicking on the Public Notice of 2025 Shore Fishery Lease Extensions link, or by visiting the State's Online Public Notice website at <http://dnr.alaska.gov/commis/pic/pubnotfrm>.

Protests and comments regarding a lease extension must be submitted in writing and directed to the Regional Manager of the Southcentral Region Land Office, Division of Mining, Land and Water at 550 W 7th Ave, Suite 900C, Anchorage, AK 99501-3577. Written comments will be accepted between **October 17, 2024, and December 2, 2024**.

Please feel free to reach out via phone or email with any additional questions.

Thank you,

Meghan Wolfe

Natural Resource Specialist
Shore Fishery Leasing Program
Division of Mining, Land and Water
Alaska Department of Natural Resources
*550 W. 7th Ave, Suite 900C
Anchorage, AK 99501*

Phone: 907-269-8132 | **Email:** meghan.wolfe@alaska.gov

Southcentral Regional Office Front Desk: 907-269-8503

Website: <https://dnr.alaska.gov/mlw/shore/>

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
550 W 7th Ave, Suite 900C
Anchorage, AK 99501-3577**

**Public and Agency Notice
2025 Shore Fishery Lease Extensions**

The Shore Fishery Leasing Program within the Department of Natural Resources is considering the extension of Shore Fishery Leases expiring in **2025**. The public is welcome to review and comment on the proposed actions. Written comments will be accepted between **October 17, 2024, and December 2, 2024**. Only those who submit timely written comments may appeal a decision.

This public notice includes the following lease extensions:

Alaska Peninsula

Northern District:

ADL 232026 Mobeck, Ernest H. Jr.

Southeastern District:

ADL 66777 Verg-in, Rhy S.
ADL 66778 Foster, Andrew R.
ADL 225146 Foster, Jack R. III
ADL 24738 Bruneau, Jon A.
ADL 210869 Gundersen, Wayne K.
ADL 231943 Kalmakoff, Artemie Jr.

Bristol Bay

Egegik District:

ADL 225370 Williams, Deven
ADL 233630 Munro, Mark S.
ADL 225626 Downey, Conor
ADL 231928 Rice, Kim S.
ADL 226022 Schleizer, Jason
ADL 226627 Vetsch, Tammy I.

Naknek-Kvichak District:

ADL 75659 Tupuola, Jodie
ADL 226152 Mcreaken, Corbin
ADL 234021 Stewardson, Joseph
ADL 22742 Grossi, Agostino E.
ADL 226130 Hammond, Heidi L.
ADL 232024 Anelon, Mary M.
ADL 231966 Mack, Benjamin
ADL 202948 Jones, Sylvester A.
ADL 229320 Nelson, Dylan C.
ADL 209588 Weckerle, George J.

ADL 209589	Monsen, Paula
ADL 226178	Westlund, Carter M.
ADL 201666	Hoffman, Ronald V.
ADL 200722	Schmidt, Kevin A.
ADL 224806	Mundorf, Earl J.
ADL 226290	Mundorf, George L.
ADL 226547	Heinzer, Mark
ADL 231222	Mundorf, Earl J.
ADL 24461	Reynolds, Denise Kraun
ADL 26614	Zimin, Karissa G.
ADL 229053	Gross, Kenneth H.
ADL 229059	Phelps, Logan J.
ADL 229060	Phelps, Brooke
ADL 221597	Millar, Diane
ADL 22829	Savo, Alex W.
ADL 22830	Willson, Dillon
ADL 201627	Moore, Elizabeth J.
ADL 202761	Hakkinen, Jared J.
ADL 228797	Scott, Christian

Nushagak District:

ADL 228824	Ball, Fred
ADL 228825	O'Connor, Christine
ADL 210913	Oxentenko, Jo L.
ADL 210931	Heyano, Edward Roy
ADL 210916	Ingram, June
ADL 231818	Ball, Justin E.
ADL 231819	Ball, Gerald C.
ADL 228759	Dowie, Amber R.
ADL 231938	Myers, Kathleen A.
ADL 210925	Wetter, Diane K.
ADL 210907	Backford, Ida M.
ADL 210924	Torrison, Scott
ADL 26611	Zortman, Alexander
ADL 226448	Owens, Luke
ADL 211179	Lundgrin, David
ADL 211180	Reynolds, Joel D.
ADL 211181	Rasco, Jeff S.
ADL 211182	Lundgrin, Rachel R.
ADL 225989	Cerf, Mathew
ADL 210911	Cronen, Kathleen M.
ADL 210919	Snyder, Michelle I.
ADL 234298	Shade, Tyler
ADL 229169	Beebe, Stanley
ADL 231777	Seibold, Robert

Ugashik District:

ADL 25340	Enright, Maurice K.
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Cook Inlet

Central Cook Inlet:

ADL 231583	Jackson, Leah M.
ADL 23512	Renner, Tyrell D.
ADL 23816	Schmidt, David M.
ADL 23842	Wichers, David J.
ADL 23513	Renner, Tyrell D.
ADL 23515	Williamson, Tom
ADL 24371	Bunker, Travis L.
ADL 231899	Coleman, Victoria A.
ADL 24411	Johnson, Gregory
ADL 25726	Keener, Timothy B.
ADL 25727	Keener, Marilyn K.
ADL 23958	Blanchard, Horace J.
ADL 23994	Koski, Brian J.
ADL 25701	Koski, Keary L.
ADL 57056	Brandt, Christine L.
ADL 23781	Letzring, Matthew G.
ADL 23789	Petersen, Wayne Bryan
ADL 23790	Sheridan, Philip R.
ADL 24434	Every, Michael T.
ADL 22686	Peters, Christine M.
ADL 23825	Bailey, John J.
ADL 25953	Bailey, James E.
ADL 26518	Leman, Loren D.
ADL 52735	Parker, Christopher
ADL 27022	Hollier, Gary L.
ADL 26597	See, Anthony B.
ADL 27069	Leman, Joseph A.
ADL 27071	Leman, Carolyn B.
ADL 27072	Leman, Carolyn B.
ADL 226606	Stassel, Steven
ADL 71526	Johnson, Arnold
ADL 71527	Johnson Deiman, Sharon
ADL 226427	Markham, Michael D.

Northern Cook Inlet:

ADL 24300	Thistle, Levi
ADL 24356	Barksdale, Marilyn T.
ADL 24357	Barksdale, Kevin J.
ADL 24318	Jorgensen, James T.
ADL 23406	Duclos, Jack B.
ADL 223873	Lorentz, Patrick J.

Southern Cook Inlet:

ADL 225141	Barnett, Anne
ADL 228002	Quijance, Helen L.
ADL 232009	Langvardt, Brad

Kodiak

Alitak Bay District:

ADL 228282 Falls, Duane Jacob Jr.
ADL 226698 Macey, George H. III

Uganik Bay District:

ADL 226172 Nelson, Ricky D.

Prince William Sound

Eshamy District:

ADL 232010 Jenkins, Forest R.

Protests and Comments regarding a lease extension must be submitted in writing and directed to the Regional Manager of the Southcentral Regional Land Office of the Division of Mining, Land and Water at 550 W 7th Ave, Suite 900C, Anchorage, AK 99501-3577. A protest must clearly state the nature and purpose of the protest in accordance with 11 AAC 64.450 and be submitted to both the applicant and the Department of Natural Resources by certified or registered mail no later than **December 2, 2024**. Protests postmarked after this date will not be accepted. If you need further information on any of these leases, please contact one of the shore fishery leasing staff listed below:

Meghan Wolfe

Natural Resource Specialist
(907) 269-8132

Email: meghan.wolfe@alaska.gov

Kate Dufault

Natural Resource Manager
(907) 269-8116

Email: kate.dufault@alaska.gov

Individuals with audio impairments that have questions concerning this application may call Relay Alaska at 711 or 1-800-770-8973 for assistance at no cost.

DNR reserves the right to waive technical defects in this publication.

Sincerely,

The Shore Fishery Leasing Team

11 AAC 64.450. Protest.

(a) A person may protest an application for or the location of a shore fishery lease site by mailing a statement of protest to the applicant and to the director. The protest may be filed from the time a site has been staked until the last date for filing a protest, as determined and published in writing by the department. The postmark date of the statement of protest constitutes the date of protest. If a protest is filed, the director will not issue a lease until resolution of the protest.

(b) A statement of protest must be in writing, must be signed by the protester, and must contain

(1) the protester's name and mailing address;

(2) the protester's limited entry permit number or interim-use salmon setnet permit, if any;

(3) the applicant's name and address as shown on the staking sign;

(4) a brief statement of reasons why the protester believes that the lease site location is invalid or that the protester is more qualified to fish at the lease site; affidavits may be included to support the reasons set out in the statement; and

(5) a brief statement of the relief requested, which may be either denial of the lease site location, or a determination that the protester is more qualified to fish from the lease site and more entitled to lease the site than is the applicant.

(c) The applicant shall prepare a brief written response rebutting the protester's statement. The applicant shall mail the response to the protester and to the director within 30 days after receiving the statement of protest. Affidavits may be included to support the facts set out in the response.

(d) The director will base a decision resolving a protest on the criteria contained in AS 38.05.082 and on the protest, response, supporting affidavits, and hearing, if one is conducted. The decision constitutes the final departmental action unless it is appealed.

Ryan Anderson, P.E.
Commissioner



Department of Transportation
and Public Facilities

www.DOT.Alaska.Gov

Juneau, Alaska

STATE OF ALASKA

PRESS RELEASE

FOR IMMEDIATE RELEASE: October 29, 2024

CONTACT: Sam Dapcevich, (907) 465-4503, sam.dapcevich@alaska.gov

DOT&PF Seeks Public Review of Summer 2025 Ferry Schedule

(JUNEAU, Alaska) – The Alaska Marine Highway System (AMHS) 2025 Summer Schedule is now available for review and public comment. The Summer Schedule covers sailings from May 1, 2025, through September 30, 2025. The schedule and supporting documentation can be found here: https://dot.alaska.gov/amhs/doc/summer_considerations_2025.pdf

The public is encouraged to provide written comments by November 12, 2024. Comments may be emailed to dot.amhs.comments@alaska.gov, or faxed to 907-228-6873.

Two virtual public meetings are scheduled for November 12, 2024 to hear additional comments and consider schedule adjustments. Here are details about how to participate in both virtual meetings:

For Southeast Alaska:

When: November 12, 2024 10:30 AM AKDT

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/81562507831>

By phone: (253) 215-8782

Webinar ID: 815 6250 7831

International numbers available: <https://us06web.zoom.us/j/81562507831>

For Southwest and Southcentral Alaska (PWS):

When: November 12, 2024 11:30 AM AKDT

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/84032925235>

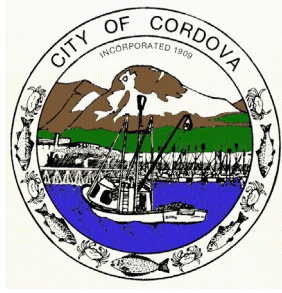
By phone: (253) 215-8782

Webinar ID: 840 3292 5235

International numbers available: <https://us06web.zoom.us/j/84032925235>

The November 12, 2024 meetings will be held at the Alaska Marine Highway's Ketchikan Central Office, 7037 North Tongass Highway, for participants wishing to attend in person.

AMHS takes care to design the schedule to accommodate coastal communities' special events to the greatest extent practicable. In addition to other comments, the public is encouraged to submit special event information. The department will work to contract supplemental service, if needed, to cover service disruptions.



AGENDA ITEM # 10
Regular Meeting Date: 11/06/24
CITY COUNCIL COMMUNICATION FORM

FROM: Susan Bourgeois, City Clerk
DATE: 10/30/24
ITEM: Substitute Ordinance 1221 – sales tax
NEXT STEP: Roll Call Vote adopts the ordinance on second reading

ORDINANCE RESOLUTION
 MOTION INFORMATION

I. REQUEST OR ISSUE: adoption of Substitute Ordinance 1221

II. RECOMMENDED ACTION: Motion/second to amend as suggested by the City Attorney and staff as specified in the attached memo. Motion/second to adopt as amended, then roll call vote to adopt Substitute Ordinance 1221.

III. BACKGROUND: City Council has conducted many work sessions with the City Attorneys and staff in order to overhaul and clean-up property tax and sales tax code. Substitute Ordinance 1221 is a part of that and will accomplish reorganization of Title 5 and provide a lot of clarity in some of the associated chapter titles. The ordinance also repeals and reenacts the Sales tax chapter, to locate it more appropriately within the title The reenactment also accomplishes more clarity in the interpretation and administration of sales tax exemptions. If adopted the ordinance will be effective January 1, 2025. The City Attorney is working with staff to prepare FAQs, specific worksheets, and an updated and more comprehensive sales tax return form that will be shared with businesses and consumers in Cordova for the clear interpretation of specific sales tax exemptions. Examples of such worksheets were shared at the work sessions, “understanding bundled transactions”, “understanding the City’s tax cap”, “understanding what is taxed and when, transportation in the city” and “understanding construction materials and services tax break”. These are being honed and others may be added.
The 10/2/24 and 10/23/24 regular city council meeting packets have additional memos and backup materials but in tonight’s packet only this memo, the attorney’s memo, and the draft ordinance for second reading and final adoption are included.

IV. LEGAL ISSUES: City Attorney has written and reviewed the ordinance. She has determined that if Council amends the ordinance as suggested on her memo following this memo it does not require another first reading, the amendments do not constitute substantial changes to the ordinance, they only clarify language.

MEMORANDUM

**TO: CORDOVA CITY COUNCIL
CORDOVA CITY MANAGER
CORDOVA CITY CLERK**

**FROM: HOLLY C. WELLS
JESSICA SPUHLER**

**RE: PROPOSED AMENDMENT TO ORDINANCE 1221(S) ADDING “SINGLE
ITEM” DEFINITION AND IDENTIFYING EACH GALLON OF FUEL AS
A SEPARATE “SINGLE ITEM” FOR SALES TAX COMPUTATION**

CLIENT: CITY OF CORDOVA, ALASKA

FILE NO.: 401777.310

DATE: OCTOBER 30, 2024

Two suggested amendments to Substitute Ordinance 1221 are explained in the following. A council member may move to amend the ordinance with both suggestions in one amendment.

The Cordova City Council expressed support for the addition of a definition for “single item” into Cordova Municipal Code Chapter 5.10. Unfortunately, due to an oversight by legal counsel, a definition for “single item” was not incorporated into Substitute Ordinance 1221 despite Council’s support of such addition. Accordingly, if a City Council member wishes to amend Substitute Ordinance 1221 to add a “single item” definition, I recommend the following motion:

at the top of page 12 of the ordinance:

I move to amend Cordova Municipal Code Section 5.10.030 “Definitions” to add the following definition:

“Single item” means an item sold in a single sale consisting of integrated and interdependent component parts affixed or fitted to one another in such a manner as to produce a functional whole. Services shall only be considered part of the functional whole if the services are necessary to create the functional whole and the services are not sold by the seller as a separate service. When a single type of good is sold by volume, the lowest unit of measurement available for sale by the seller shall be used to determine the amount of the good that constitutes a single item unless otherwise provided in this definition or this chapter. For example, if the smallest volume of gravel available from a seller is a cubic yard of gravel, each cubic yard of gravel constitutes a single item. Each gallon of fuel constitutes a single item.

and in the middle of page 13 of the ordinance:

I move to amend substitute ordinance 1221, Section 5.10.080 “Maximum tax per transaction-the tax cap” by deleting the stricken through language and adding the bold and underlined as follows:

5.10.080 Maximum tax per transaction-the tax cap.

- A. *Maximum Tax on a Single Item or Single Transaction of a Service.* Except as otherwise provided in this section, only the first \$5,000.00 of the sales price of a single item or single transaction for a service shall be subject to sales tax. This maximum tax per single transaction ~~may be referred to as the “tax cap” or, when applied to~~ **for** a service **may be referred to as**, “the single service tax cap” or when applied to an item, “the single item tax cap.”

In addition to the language previously presented to City Council in the “Clarifying the City’s Tax Cap” worksheet, this definition clarifies how “single items” are defined when goods that are the same product are sold in different volumes. The change to 5.10.080 clarifies that there are only 2 types of capped sales/purchases, “single item” and “single transaction for a service”.

**CITY OF CORDOVA, ALASKA
SUBSTITUTE ORDINANCE 1221**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA ENACTING CHAPTER 5.01 “DISBURSEMENT AND INVESTMENT OF CITY FUNDS”; AMENDING AND RENAMING CHAPTER 5.04 “WARRANTS” TO “SIGNATURE REQUIREMENTS” AND CLARIFYING THE SIGNATURE PROCESS ON CITY FUND DISBURSEMENTS; AMENDING, RENUMBERING, AND RENAMING CHAPTER 5.44 “CORDOVA GENERAL RESERVE FUND” TO CHAPTER 5.02 “CORDOVA PERMANENT FUND (GENERAL RESERVE FUND)”; REPEALING CHAPTER 5.40 “SALES TAX” AND ENACTING CHAPTER 5.10 “SALES TAX” TO ADOPT A REGISTRATION PROCESS FOR SELLERS; UPDATE THE SALES TAX RETURN, IMPLEMENTATION, ENFORCEMENT, PROTEST, AND COLLECTION PROCEDURES; REMOVE THE SALES TAX EXEMPTIONS FOR TRAVEL AGENCIES, PROFESSIONAL SERVICES COMMISSIONS AND FEES, AND RECREATIONAL FLIGHTS; TO CLARIFY THE EXEMPTION FOR NONPROFIT ENTITIES AND EXPRESSLY EXCLUDE RENTALS FROM THE EXEMPTION; AND TO REQUIRE PURCHASERS TO FILE A REFUND APPLICATION FOR THE SALES TAX EXEMPTION ON CONSTRUCTION MATERIALS AND SERVICES AND LIMIT THE EXEMPTION TO PROPERTIES WITH AT LEAST ONE DWELLING UNIT

WHEREAS, the City of Cordova has not substantively revised many of its Cordova Municipal Code Title 5 “Revenue and Finance” provisions in over 30 years; and

WHEREAS, the City has experienced numerous requests regarding interpretation and scope of Title 5 “Revenue and Finance” in the last few years and determined it was in the City’s best interest to revise this title to ensure clear provisions governing the City’s tax regime; and

WHEREAS, City Council has reviewed the exemptions afforded buyers in the City and determined that exemptions for travel agencies, certain recreational flights, and commissions, rates, and fees for professional services are not justified by City policies and objectives; and

WHEREAS, it is in the City’s best interest to preserve the exemption on “construction materials and services” to incentivize housing development within the City while updating the Code to require purchasers to file a refund application for sales tax payments on “construction materials and services”; and

WHEREAS, the refund application process for purchasers claiming the construction materials and services exemption ensures that this exemption is only applied to qualifying purchases and assists the City in understanding the cost of this exemption to the City for future consideration by Council; and

WHEREAS, the adoption of a registration process that incorporates registration for sales tax collection into the business license application process provides the City a way to identify sellers in Cordova and the nature of their sales,

NOW, THEREFORE, be it ordained by the Council of the City of Cordova, Alaska,

Section 1. Removal of Cordova Municipal Code Title 5 Chapter 5.12 “Purchases”, Chapter 5.14 “Sale of City Personal Property”, Chapter 5.16 “Tidelands”, Chapter 5.22 “Disposal of Real Property”, Chapter 5.23 “Acquisition of Real Property”, Chapter 5.24 “Abandoned Property”, Chapter 5.28 “Use of City

Equipment”, and Chapter 5.29 “Local Hire for Public Improvements” from Title 5 “Revenue and Finance” and relocation of the chapters into Title 7 “City Property” is being proposed by Ordinance 1222.

Section 2. The Cordova Code of Ordinances of Cordova, Alaska Title 5 “Revenue and Finance” is renumbered and re-titled as follows:

TITLE 5 “REVENUE AND FINANCE”

Chapters

5.01 Disbursement and Investment of City Funds

5.02 Cordova Permanent Fund (General Reserve Fund)

5.04 Warrants **Signature** Requirements

5.05 Property Tax

5.06 Property Tax Exemptions and Deferrals

5.07 Property Tax Exemption and Deferral Criteria 5.12 Purchases

5.14 Sale of Personal Property

5.16 Tidelands 5.22 Disposal of Real Property

5.23 Acquisition of Real Property

5.24 Abandoned Property

5.28 Use of City Equipment

5.29 Local Hire for Public Improvement

5.40 **10** Sales Tax

5.41 **15** Raw Fish Tax

5.35 Signature Requirements

5.38 Biennial Motor Vehicle Registration Tax

5.32 **40** Special Assessment Districts for Local Improvements

5.08 **45** Business with Persons Indebted to the City

5.44 Cordova General Reserve Fund

Section 3. Title 5 of the Cordova Code of Ordinances of Cordova, Alaska is hereby amended by adding a chapter, to be numbered Chapter 5.01, which said chapter reads as follows:

Chapter 5.01 DISBURSEMENT AND INVESTMENT OF CITY FUNDS.

5.01.010 Disbursement of City Funds.

5.01.020 Investment of City Funds.

5.01.010 Disbursement of City Funds.

The City Manager may adopt policies for the disbursement of funds subject to approval by City Council and in compliance with Article V of the City Charter.

5.01.020 Investment of City Funds.

The City Manager may adopt policies for the investment of funds subject to approval by City Council and in compliance with Article V of the City Charter.

Section 4. Chapter 5.44 of the Cordova Code of Ordinances, Alaska is hereby amended to read as follows:

Chapter 5.445.02 CORDOVA GENERAL RESERVE FUND-PERMANENT FUND (GENERAL RESERVE FUND)

Sections

5.4402.010 Cordova Permanent Fund(General Reserve Fund)-Established.

5.4402.020 Cordova Permanent Fund-Purpose.

5.4402.030 Deposits to the Cordova Permanent Fund.

5.4402.040 Management of Cordova Permanent Fund.

5.4402.050 Cordova Permanent Fund-Income and Distribution.

5.4402.060 Cordova Permanent Fund-Principal.

5.4402.010 Cordova Permanent Fund (general reserve fund) Established.

There is established as a separate fund within the finances of the City a fund to be known as the Cordova Permanent Fund or the Cordova General Reserve Fund.~~general reserve fund~~ (hereinafter referred to as “the ~~fund~~” or the “~~city permanent fFund~~”). The Cordova Permanent~~general reserve fFund~~ shall be administered in accordance with the provisions of this Chapter **and Section 5-22 of the City Charter.**

5.4402.020 Purpose.

The purpose for establishment of the Cordova Permanent ~~fFund~~ is to provide a continuing source of funding for the capital and operating expenses of the City. ~~The~~ City Council may not consider any revenue from the Cordova Permanent ~~fFund~~ as anticipated revenues for the purpose of funding operating expenses when approving the budget. The establishment of the Cordova Permanent ~~fFund~~ is intended to assist in minimizing the tax burden to the citizens of Cordova, and preserve in trust assets of the ~~eCity~~ for the benefit of present and future generations of Cordova residents.

5.4402.030 Deposits to the Cordova Permanent ~~Ffund~~.

~~The~~ City Council may, from time to time, make deposits to the Cordova Permanent ~~Ffund~~ in the same manner as it makes other appropriations. Any funds received by the City from any source may be deposited into the Cordova Permanent ~~Ffund~~; provided, however, it shall be the policy of ~~the~~ Council that any windfall funds from legal settlements received by the ~~Ceity~~ shall be deposited into the Cordova Permanent ~~Ffund~~ to fulfill the purpose as set forth in Section 5.0244.020 **of this Chapter.**

5.4402.040 Management of Cordova Permanent ~~fFund~~.

An investment policy consistent with the Prudent Investor Act shall be adopted by ~~the~~ ~~Ceity~~ ~~Ce~~ouncil by resolution, and may be amended as necessary by resolution. The ~~Ceity~~ ~~T~~reasurer shall follow the investment policy adopted by the Council for investment and management of amounts in the Cordova Permanent ~~fFund~~.

5.4402.050 Cordova Permanent Fund-Income and distribution.

- A. In conjunction with the audit of the City’s financial statements each year, the City Treasurer shall prepare a report for ~~the~~ City Council which shows, as of the last day of the preceding fiscal year, the nature of each outstanding investment, including the purchase date, purchase price, and estimated net yield rate at the time of purchase, and the income earned from each investment from the initial date of purchase to the date of the report. The report shall be delivered to ~~the~~ Council in conjunction with the audited financial statements.
- B. In conjunction with audit of the City’s financial statements each year, the net income of the Cordova Permanent ~~Ffund~~ shall be determined as of the last day of the preceding fiscal year in accordance with this section and utilizing generally accepted accounting principles. The City Treasurer shall

report such determination to the City Council in conjunction with delivery of the audited financial statements.

- C. For the purposes of determining the net income of the **Cordova Permanent Fund**, "net income" means the total income yielded from investment of the principal of the **Cordova Permanent Fund** for the preceding fiscal year, less any amounts needed;
1. To reimburse the **Cordova Permanent Fund** principal in the event a transaction results in an actual dollar loss in principal;
 2. To offset any reduction in ~~fund~~ **the principal of the Cordova Permanent Fund** due to administrative costs;
 3. To offset any depletive effect of inflation on the ~~fund~~ **principal of the Cordova Permanent Fund** during the fiscal year, as may be determined by a nationally recognized inflation index.
- D. The net income of the **Cordova Permanent Fund** is unrestricted general income of the Ccity.

5.4402.060 Cordova Permanent Fund-Principal.

- A. **The Cordova Permanent** Fund principal may be appropriated only by ordinance. A public hearing shall be held on the introduction and first reading of such ordinance. The procedure for passage of any such ordinance shall be governed by subsection B of this section.
- B. No ordinance to appropriate principal from the **Cordova Permanent Fund** shall be passed, except upon the favorable roll call of all seven City Council Members, or six City Council Members and the Mayor, the results of which shall be entered in the minutes of the meeting. The Mayor shall be allowed to vote only if exactly six of the City Council Members vote in favor of any such appropriation.

Section 5. Chapter 5.04 of the Cordova Code of Ordinances, Alaska is hereby amended to read as follows:

Chapter 5.04 ~~WARRANTS SIGNATURE REQUIREMENTS~~

Sections

5.04.010 Signature requirements.

5.04.020 Facsimile signature.

5.04.010 - Signature requirements.

Every warrant or other order for disbursement of money by the City shall be signed by at least two signers employed by the City and designated by City Council. City Council shall adopt a resolution identifying at least five designated signers for purposes of this section. The resolution shall include the City Manager as one of the five designated signers. ~~Every warrant or other order for disbursement of money shall be signed by both the city manager and the city clerk, or in the absence of either the city manager or city clerk, the public works director. The mayor and city council members shall by resolution be authorized to sign said warrant or other order for the disbursement of money in the event that both the city manager and city clerk are unavailable; but under no circumstances shall the mayor or city council members sign a warrant or other order for the disbursement of money on behalf of both the city manager and city clerk.~~

5.04.020 - Facsimile signature.

Nothing in this Chapter shall be construed to prohibit the use of facsimile or electronic signatures of officers authorized in Section 5.04.010 to sign warrants or other orders for the disbursement of money.

Section 6. Chapter 5.40 of the Cordova Code of Ordinances of Cordova, Alaska is hereby repealed.

Section 7. The Cordova Code of Ordinances of Cordova, Alaska is hereby amended by adding Title 5, Chapter 5.10, which said chapter reads as follows:

Chapter 5.10 SALES TAX

Sections

- 5.10.010 Purpose and intent.
- 5.10.020 Interpretation and general presumptions of taxability.
- 5.10.030 Definitions.
- 5.10.040 Supplemental definitions.
- 5.10.050 Imposition—Rate.
- 5.10.060 Alaska Uniform Remote Seller Sales Tax Code—adopted.
- 5.10.070 Title to collected sales tax.
- 5.10.080 Maximum tax per transaction-the tax cap.
- 5.10.085 Bundled transactions.
- 5.10.090 Person-based exemptions.
- 5.10.100 Product-based exemptions.
- 5.10.110 Wholesale/Manufacturer/Resale Exemptions and limitations of exemptions.
- 5.10.120 Rules applicable to particular businesses or occupations.
- 5.10.130 Payment and collection.
- 5.10.140 Sales tax collection-registration requirement.
- 5.10.170 Business operation injunction-failure to file or pay taxes.
- 5.10.180 Protests.
- 5.10.185 Protest of tax by buyer.
- 5.10.190 Limit of liability.
- 5.10.200 Tax receipts.
- 5.10.210 Exemption application and exemption authorization card.
- 5.10.220 Revocation of exemption status.
- 5.10.230 Refunds.
- 5.10.240 Construction materials and services exemption and refund.
- 5.10.270 Disposition of proceeds.
- 5.10.280 Tax return—Payment to City.
- 5.10.290 Record keeping and investigation.
- 5.10.300 Estimated tax.
- 5.10.310 Recovery of taxes—Delinquency date.
- 5.10.315 Penalties and interest for late filing.
- 5.10.320 Lien.
- 5.10.325 Violations.
- 5.10.330 Penalty for violations.
- 5.10.340 Repayment plans.
- 5.10.350 Additional regulations enacted when.
- 5.10.360 Delinquent sales tax roll confidentiality.

5.10.010 Purpose and intent.

It is the purpose of the tax levied under this Chapter to raise revenues. To that end, the scope of the tax levied shall be broadly interpreted, and exemptions shall be allowed only when falling clearly within an exemption as defined or incorporated in this Chapter.

5.10.020 Interpretation and general presumptions of taxability.

- A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person engaging in business in the City are subject to sales tax.
- B. The application of the tax to be collected under this Chapter shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax to be collected under this Chapter shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this Chapter.
- D. For purposes of this Chapter, except as expressly provided otherwise in this Chapter, the sales price or purchase price of property is based on the date the property or product was sold or the date the service rendered was received.
- E. Remote sales, marketplace facilitators and remote sellers must comply with the provisions of the Remote Sellers Tax Code and all other applicable provisions in this Chapter.

5.10.030 Definitions.

When used in this Chapter, unless expressly defined otherwise for purposes of a specific section, the following words and phrases shall have the meanings set forth in this section:

"Alcoholic beverage" shall have the meaning given in section 6.12.010 of this Code.

"Bundled transaction" means the retail sale of two or more products, except real property and services to real property, where 1) the products are otherwise "distinct and identifiable" and 2) the products are sold for one non-itemized price. For purposes of this definition, a "bundled transaction" does not include the sale of any products in which the "sales price" varies, or is negotiable, based on the selection by the purchaser of the products included in the transaction.

- A. As used in this definition, "distinct and identifiable" does not include:
 - 1. Packaging-such as containers, boxes, sacks, bags, and bottles-or other materials-such as wrapping, labels, tags, and instruction guides-that accompany the "retail sale" of the products and are incidental or immaterial to the "retail sale" thereof; or
 - 2. A product provided free of charge with the required purchase of another product. A product is "provided free of charge" if the "sales price" of the product purchased does not vary depending on the inclusion of the product "provided free of charge."
- B. As used in this definition, the term "one non-itemized price" does not include a price that is separately identified by product on binding sales or other supporting sales-related documentation made available to the customer in paper or electronic form including, but not limited to, an invoice, bill of sale, receipt, contract, service agreement, lease agreement, periodic notice of rates and services, rate card, or price list.
- C. A transaction that otherwise meets the definition of a "bundled transaction" as defined above, is not a "bundled transaction" if it is:
 - 1. The "retail sale" of tangible personal property and a service where the tangible personal property is essential to the use of the service, and is provided exclusively in connection with the service, and the true object of the transaction is the service; or
 - 2. The "retail sale" of services where one service is provided that is essential to the use or receipt of a second service and the first service is provided exclusively in connection with the second service and the true object of the transaction is the second service; or

3. A transaction that includes taxable products and nontaxable products and the “purchase price” or “sales price” of the taxable products is de minimus.

"Business" means and includes all activities or acts, personal, professional or corporate, engaged in or caused to be engaged in, including but not limited to receipts from advertising services, construction, process or manufacturing and the sale of any goods or services upon which sales tax is required to be paid under this Chapter. The giving or supplying of services as an employee and the furnishing of property, services, substances or things, by persons who do not hold themselves out as regularly engaging in such transactions, does not constitute business within the meaning of this Chapter.

"Buyer" or “purchaser” means a person to whom a sale of property or product is made or to whom a service is furnished.

"Casual, occasional or isolated sales or services" means a sale made or service provided by a person who is not engaged in a business as further defined in Section 5.10.100 of this Chapter. Sales or services meeting the Threshold Criteria for taxation under the Remote Sellers Tax Code does not fall within the definition of "casual, occasional or isolated sales or services."

"Cigarette" means a roll for smoking of any size or shape, made wholly or partly of tobacco, whether the tobacco is flavored, adulterated, or mixed with another ingredient, if the wrapper or cover of the roll is made of paper or a material other than tobacco.

“Commission” means the Alaska Remote Sales Tax Commission established by agreement between local government taxing jurisdictions within Alaska.

“Commission rate” means the percentage or fixed payment associated with a certain amount of a sale or service. It includes fees paid for services rendered in selling real property and fees charged for finding potential employees for a person.

“Construction materials and services” means items that become a permanent part of the structure being constructed and services rendered in constructing the permanent part of the structure. It does not include personal property that can be removed or replaced in a structure without impairing the integrity of the structure. Personal property that can be removed or replaced in a structure without impairing the integrity of the structure includes all property that is not typically required to obtain a certificate of occupancy for the structure, The City will maintain a policy document that lists personal property and services that do and do not fit within the definition of “construction materials and services”. “Services” as used in this definition includes only services performed by contractors and service providers properly licensed by the State of Alaska in the relevant trade and in full compliance with any and all applicable licensing requirements under this Code, Alaska Statute, and applicable regulations. “Construction materials and services” do not include construction materials and services for construction of accessory buildings except accessory buildings that are constructed for use as a residence. “Accessory buildings” include, but are not limited to sheds and greenhouses.

"Delivered electronically" means delivered to the purchaser by means other than tangible storage media.

“Delivery network company” means a business that facilitates, through the use of an Internet website or mobile application, the delivery of products or services.

“Digital good” means any product delivered electronically (whether downloaded, streamed or subscribed to). A digital good generally takes the form of a license to use or store in a digital or electronic format. Digital goods are generally intangible property for purposes of this Chapter.

“Digital service” means any service delivered electronically that uses one or more software applications. Digital service includes any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service, provided the service is delivered electronically.

“Entity-based exemption” or “person-based exemption” means an exemption based on who purchases the product or who sells the product. An exemption that is available to all individuals shall not be considered an entity-based exemption or a person-based exemption.

“Finance Director” means the City Treasurer or an individual designated to serve as the Finance Director by the City Manager. Except as otherwise prohibited by this Code or the City Charter, the designee may be an employee of the City, an accountant or other person who is not an employee of the City, a certified public accounting firm or other person.

“Goods,” “fixtures,” “investment securities,” “general intangibles,” “accounts,” “chattel paper,” “documents,” “instruments” and “money” and their singulars have the meanings given the terms by the Alaska Uniform Commercial Code, AS 45.01 *et seq.*, as amended.

"Goods for resale" means:

- A. The sale of goods by a manufacturer, wholesaler or distributor to a retail vendor; sales to a wholesale or retail dealer who deals in the property sold, for the purpose of resale by the dealer.
- B. Sales of personal property as raw material to a person engaged in manufacturing components for sale, where the property sold is consumed in the manufacturing process of, or becomes an ingredient or component part of, a product manufactured for sale by the manufacturer.
- C. Sale of personal property as construction material to a licensed building contractor where the property sold becomes part of the permanent structure.

"Local sale" or "local sales" means a sale or sales by a seller with a physical presence in Cordova where the point of delivery is a location within Cordova.

“Marijuana” shall have the meaning given in section 8.40.020 of this Code.

“Marijuana concentrate” shall have the meaning given in section 8.40.020 of this Code.

"Marijuana products" shall have the meaning given in section 8.40.020 of this Code.

“Marketplace” means a physical or electronic place, platform or forum, including a store, booth, Internet website, catalog or dedicated sales software application where productions or services are offered for sale.

"Marketplace facilitator" means a person that contracts with marketplace sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the marketplace

seller's property, product or services through a physical or electronic marketplace operated by the person, and engages:

- A. Directly or indirectly, through one or more affiliated persons in any of the following:
 - 1. Transmitting or otherwise communicating the offer or acceptance between the buyer and marketplace seller;
 - 2. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and marketplace sellers together;
 - 3. Providing a virtual currency that buyers are allowed or required to use to purchase products from the marketplace seller; or
 - 4. Software development or research and development activities related to any of the activities described in Subsection B of this definition, if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person; and
- B. In any of the following activities with respect to the seller's products:
 - 1. Payment processing services;
 - 2. Fulfillment or storage services;
 - 3. Listing products for sale;
 - 4. Setting prices;
 - 5. Branding sales as those of the marketplace facilitator;
 - 6. Order taking;
 - 7. Advertising or promotion; or
 - 8. Providing customer service or accepting or assisting with returns or exchanges.

"Marketplace seller" means a person that makes retail sales through any physical or electronic marketplace that is operated by a marketplace facilitator.

"Monthly" means occurring once per calendar month.

"Person" means an individual, partnership, cooperative, association, joint venture, society, corporation, estate trust, business, receiver, or any entity, group or combination of any such persons acting as a unit.

"Physical presence in Cordova" means a seller who establishes any one or more of the following within the boundaries of Cordova:

- A. Has any office, distribution or sales house, warehouse, storefront or any other place of business within the boundaries of Cordova
- B. Solicits business or receiving orders through any employee, agent, salesman, or other representative within the boundaries of Cordova or engages in activities in Alaska that are significantly associated with the seller's ability to establish or maintain a market for its product in Cordova
- C. Provides services through an employee, agent, salesman or other representative or holds inventory within the boundaries of Cordova
- D. Rents or leases property located within the boundaries of Cordova

A seller that establishes a physical presence in Cordova in any calendar year will be deemed to have a physical presence within Cordova for the following calendar year.

"Point of delivery" means the location at which property or product is delivered or service rendered.

- A. When the product is not received or paid for by the purchaser at a business location of a remote seller in Cordova, the sale is considered delivered to the location where receipt by the purchaser (or the purchaser's recipient designated as such by the purchaser) occurs, including the location

indicated by instructions for delivery as supplied by the purchaser (or recipient) and as known to the seller.

- B. When the product is received or paid for by a purchaser who is physically present at a business location of a Remote Seller in Cordova, the sale is considered to have been made in Cordova if the purchaser is present in Cordova, even if delivery of the product takes place in another member jurisdiction of the Commission as that term is defined in the Remote Sellers Tax Code. Such sales are reported and tax remitted directly to the City.
- C. When a service is not received by the purchaser at a business location of a remote seller, the service is considered delivered to the location where the purchaser receives the service.
- D. For products or services transferred electronically, or other sales where the remote seller or marketplace facilitator lacks a delivery address for the purchaser, the remote seller or marketplace facilitator shall consider the point of delivery of the sale to be the billing address of the buyer.

“Product-based exemptions” means an exemption based on the description of the product and not based on who purchases the product or how the purchaser intends to use the product.

“Professional services” means services, including but not limited to, services performed by architects, attorneys-at-law, certified public accountants, dentists, engineers, land surveyors, surgeons, veterinarians, and practitioners of the healing arts (the arts and sciences dealing with the prevention, diagnosis, treatment, and cure or alleviation of human physical or mental ailments, conditions, diseases, pain or infirmities) and such occupations that require a professional license under Alaska Statute.

"Property" and “product” and “good” mean both tangible and intangible property. "Tangible" property means an item that can be seen, weighed, measured, felt or touched, or that is in any other manner perceptible to the senses. "Intangible" property is anything that is not physical in nature (i.e.: intellectual property, brand recognition, goodwill, trade, copyright and patents).

“Quarter” means trimonthly periods of a calendar year; January-March, April-June, July-September, and October-December.

"Receive or receipt" means:

- A. Taking possession of property;
- B. Making first use of services; or
- C. Taking possession or making first use of digital goods, whichever comes first.

The terms “receive” and “receipt” do not include temporary possession by a shipping company on behalf of the purchaser.

“Recreational flight” means any flight that takes off from Cordova and returns to Cordova without landing in any other taxing jurisdiction unless that flight is solely for emergency medical transport, military transport, government operations or ancillary to a use otherwise exempt from sales tax under this Code.

"Remote sales" means sales of goods, services or bundled transactions by a remote seller or marketplace facilitator.

"Remote seller" means a seller or marketplace facilitator making sales of goods, services or bundled transactions for delivery within Cordova without having a physical presence in Cordova.

"Remote Sellers Tax Code" means the Alaska Uniform Remote Sellers Sales Tax Code as adopted and amended by The Alaska Remote Seller Sales Tax Commission.

"Rental" means any transfer of the right to use or occupy property for consideration.

"Resale" means to sell again and is limited to items which are resold per se or are physically present in a final product which is sold and is subject to tax at the time of final sale. The item must be easily and readily identifiable in the final product.

"Resale of services" means sales of intermediate services to a business where the charge for which will be passed directly by that business to a specific buyer.

"Sale" or "retail sale" means any transfer of property or product or any provision of service(s) for consideration for any purpose other than for resale.

"Sales price" or "purchase price" means the total amount of consideration, including cash, credit, property, products, and services, for which property, products, services or bundled transactions are sold, leased, or rented, valued in money, whether received in money or otherwise, without any deduction for the following:

- A. The seller's cost of the property or product sold;
- B. The cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
- C. Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
- D. Delivery charges;
- E. Installation charges; and
- F. Credit for any trade-in, as determined by State law.

"Seller" means a person making sales of property, products or services or a marketplace facilitator facilitating sales on behalf of a seller, excluding services rendered by employees for their employer, but including services for remuneration for which an Alaska Business License and/or City business license is required.

"Services" means all services of every manner and description, which are performed or furnished for compensation, and delivered in-person, electronically or otherwise within the boundaries of Cordova, including but not limited to:

- A. Professional services;
- B. Services in which a sale of property or product may be involved, including property or products made to order;
- C. Utilities and utility services not constituting a sale of property or products, including but not limited to sewer, water, solid waste collection or disposal, electrical, telephone services and repair, natural gas, cable or satellite television, and Internet services;
- D. The sale of transportation services;
- E. Services rendered for compensation by any person who furnishes any such services in the course of that person's trade, business, or occupation;
- F. Advertising, maintenance, recreation, amusement, and craftsman services
- G. Digital services
- H. Rentals of real and personal property

"Special annual public events" means those events which are annually scheduled and open to the public.

"Taxing jurisdiction" means another jurisdiction that imposes a sales tax.

"Tobacco product" means:

- A. A cigar;
- B. A cheroot;
- C. A stogie;
- D. A perique;
- E. Snuff and snuff flour;
- F. Smoking tobacco, including granulated, plug-cut, crimp-cut, ready-rubbed, and any form of tobacco suitable for smoking in a pipe or cigarette;
- G. Chewing tobacco, including cavendish, twist, plug, scrap, and tobacco suitable for chewing; or
- H. another article or product made of tobacco or a tobacco substitute or otherwise containing nicotine that is expected or intended for human consumption, but not including a tobacco substitute prescribed a licensed physician or a product that has been approved by the United States Food and Drug Administration for sale as a tobacco use cessation or harm reduction product or for other medical purposes and which is being marketed and sold solely for that approved purpose; or
- I. Any noncombustible device that provides a vapor of liquid nicotine to the use or relies on vaporization of any liquid or solid nicotine, including devices manufactured as e-cigarettes, e-cigars, e-pipes, or any other product name.

"Transferred electronically" means obtained by the purchaser by means other than tangible storage media.

"Transient lodging services" or "public accommodation services" means providing, for consideration, members of the public with temporary or transient sleeping accommodations and related services for a period of less than 30 consecutive days in any building or facility, including room or house rentals, hotels, motels, lodges, tourist homes, houses or courts, lodging houses, resorts, campgrounds, inns, rooming houses, boarding houses, bunkhouses, bed and breakfasts, trailer houses or motels, apartment hotels, and any other facility in which rooms, beds or sleeping facilities or space are furnished for consideration.

"Travel agency services" means arranging or booking for a commission, fee or other consideration, vacation or travel packages, rental car, tours or other travel reservations or accommodations, tickets for domestic or foreign travel by air, ship, rail, bus or other medium of transportation, or hotel or other lodging accommodations.

5.10.040 Supplemental definitions.

Supplemental definitions in the Remote Sellers Tax Code shall apply to this Chapter so long as they are not in conflict with or contrary to the definitions set forth in this Chapter.

5.10.050 Imposition—Rate.

- A. To the fullest extent permitted by law, a sales tax is hereby levied and assessed on all retail sales and all services, including rentals, within the City unless specifically exempted from taxation under this Chapter.
- B. The tax rate added to the sale price shall be:

1. 13 percent on transient lodging
 2. 13 percent on motor vehicle rentals, excluding watercraft
 3. 13 percent on sales of marijuana, marijuana concentrates, and marijuana products
 4. 13 percent on sales of cigarettes and other tobacco products
 5. 13 percent on sales of alcoholic beverages
 6. Seven percent for all other local and remote sales and services equal to or more than .20 cents.
- C. The applicable tax rate shall be added to the sales price. The tax rate shall be added based on the date the property or product was sold or the date the service rendered was received.

5.10.060 Alaska Uniform Remote Seller Sales Tax Code—adopted.

- A. The City adopts the Alaska Uniform Remote Seller Sales Tax Code of the Alaska Remote Seller Sales Tax Commission and any future amendments to that code. The Alaska Uniform Remote Seller Sales Tax Code may be referred to as the “Remote Sellers Tax Code” throughout this Chapter.
- B. In the event of conflict between the provisions of this Chapter and the Remote Sellers Tax Code, the provisions of this Chapter shall govern unless otherwise required by law.
- C. Provisions of this Chapter shall be interpreted to be consistent with provisions in the Remote Sellers Tax Code.

5.10.070 Title to collected sales tax.

Notwithstanding provisions regarding title in the Remote Sellers Tax Code, upon collection by the seller, title to sales tax vests in the City. The seller holds collected sales tax in trust for the City and is accountable to the City for that tax. Upon collection by the remote seller or marketplace facilitator, title to collected City sales tax vests in the Commission in trust for the City.

5.10.080 Maximum tax per transaction-the tax cap.

- A. *Maximum Tax on a Single Item or Single Transaction of a Service.* Except as otherwise provided in this section, only the first \$5,000.00 of the sales price of a single item or single transaction for a service shall be subject to sales tax. This maximum tax per single transaction may be referred to as the “tax cap” or, when applied to a service, “the single service tax cap” or when applied to an item, “the single item tax cap.”
- B. *Extended Services and Deliveries.* Payment for services to be rendered or personal property to be delivered over a period of more than one month shall be treated as separate transactions occurring one each month over the period of time that the service is rendered or property delivered. The purchase price shall be allocated pro rata to each month in which the service is rendered or the property delivered with the tax cap applied to the first \$5,000 of each monthly transaction and subject to taxation until the service is no longer performed or the property is fully delivered.
- C. *Rentals rendered over more than a month.* Except as otherwise provided in this Chapter, the payment of rent, whether for real or personal property that is for more than one month shall be treated as a separate transaction each month the property is rented with the tax cap applied to the first \$5,000.00 of each monthly transaction until the end of the rental term.
- D. *Rentals rendered over less than one month.* Except as otherwise provided in this Chapter, the payment of rent, whether for real or personal property, that is for less than one month shall be treated as a separate transaction each day the property is rented with the tax cap applied to the first \$5,000 of each nightly transaction subject to taxation.

5.10.085 Bundled transactions.

- A. If the sales price of a bundled transaction is attributable to both products or services that are taxable and products or services that are nontaxable, the portion of the sales price attributable to the nontaxable products may be subject to tax unless the seller can identify the nontaxable portion by reasonable and verifiable standards using its books or records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes.
- B. Except as otherwise authorized in this Chapter, a bundled transaction does not qualify for exemption under Cordova's single item tax cap or single service tax cap and thus the full sale price of the bundled transaction shall be subject to tax unless the following conditions are met:
 - 1. The seller separates the respective portions of a bundle for purposes of applying the tax cap to each respective portion; and
 - 2. The seller identifies the sales price attributed to each portion by reasonable and verifiable standards using its books or records that are kept in the regular course of business for other purposes, including, but not limited to, non-tax purposes, on the sales tax return containing the sale for which the tax cap was applied.

5.10.090 Person-based exemptions.

Sales and services by the following persons are exempt from the tax levied under this Chapter only in accordance with the exemptions, and limitations on such exemptions, provided for in this Chapter:

- A. *Credit unions.* Sales to or by federally chartered credit unions or credit unions organized under AS 06.45 are exempt.
- B. *The U.S. Postal Service.* Sales by the U.S. postal service are exempt.
- C. *Governments.* Except as otherwise provided in this section, gross receipts or proceeds derived from sales to the United States Government, the State, a political subdivision of the State or any political department of the United States Government, the State or a political subdivision of the State are exempt.
 - 1. This exemption shall not apply to the sale of materials and supplies to contractors for the manufacture or production of property or rendering of services for sale to governments or government units on a contract bid award. In this case, the contractor shall be deemed the buyer and subject to the payment of the tax.
 - 2. A sale or rental to an employee of the State, its political subdivisions, or the federal government is exempt only when the government employee provides proof that the sale is for government business by paying for the sale with a government voucher, purchase order, check, credit card, or warrant, or providing other verifiable documentation to the seller to allow the seller to readily determine that the sale is for government business exempt under this subsection.
- D. *Federally Recognized Tribal Entities.* A sale or rental by or to a federally recognized tribe, but only when the tribal employee provides proof that the sale is for tribal government business and pays for the sale with a tribal voucher, purchase order, check, credit card, or warrant, or providing other verifiable documentation to the seller to allow the seller to readily determine that the sale is for tribal government business.

5.10.100 Product-based exemptions.

The following sales and services are exempt from the tax levied under this Chapter only in accordance with the exemptions, and limitations on such exemptions, provided for in this Chapter:

- A. *Casual and isolated sales, services or rentals.* Proceeds from casual, occasional or isolated sales which are easily identified as the sale of tangible personal property or goods at such functions as moving, garage, yard, food and bake sales, markets or fairs, the sale of private vehicles when the seller is not a dealer in used vehicles or services such as babysitting or house-sitting provided the seller does not regularly engage in the business of selling such goods or services or rentals are exempt, except that:
1. The sale of goods and services occurring for more than 10 days in a calendar year, whether or not these days are consecutive, are not exempt;
 2. Sale of goods and services made through a dealer, broker, agent or consignee are not exempt;
 3. The rental of personal tangible property for more than 60 days in a calendar year, whether or not those days are consecutive, is not exempt;
 4. Sales or rentals made pursuant to a business license or by sellers representing themselves to be in the business of making sales, rentals or services are not exempt; and
 5. The rental of real estate is not exempt.
- B. *Banking.* The following fees, sales and services charged by banks, savings and loan associations, credit unions, and investment banks are exempt:
1. Fees for the sale, exchange or transfer of currency, stocks, bonds, and other securities;
 2. The principal amount of loans, the interest charged for loaning money, escrow collection services, and any fees associated with the loaning of money
 3. Services associated with the sale, exchange or transfer of currency, stocks, bonds, and other securities;
 4. Pass-through charges on loan transactions which includes sales tax; and
 5. Sale of insurance policies, bonds of guaranty and fidelity and the commission on these sales (AS 21.09.210(f); 21.79.130, 21.80.130).
- C. *Transportation.*
1. *Commercial flights.* The sale of passenger seat tickets by a commercial airline is exempt. Recreational flights are not exempt, unless otherwise exempted by AS 29.45.820.
 3. *Vehicles for hire.* The lease or rental of vehicles is not exempt.
- D. *Interstate commerce, wharfage, and shipping.*
1. *Fish Shipments.* Gross receipts or proceeds derived from servicing, freezing, storing, handling or wharfing of fisheries commodities awaiting shipment or in the process of being shipped;
 2. *Shipping.* 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.
- E. *Charitable and Public assistance.*
1. *Nonprofit organizations.* A sale of goods or services to any nonprofit entity that, at the time of sale, can produce a sales tax exemption card and that has a duly authorized federal tax-exempt status pursuant to IRS Regulations, Section 501(c)(3), (4) or (19) is exempt; provided, that any income from the exempt sale is also exempt from federal taxation. This exemption does not apply to the rental of real property, personal property or space by or to nonprofit entities that otherwise qualify for an exemption under this subsection. Such rentals remain subject to sales tax under this Chapter.
 2. *Public Assistance.* Purchases made with food coupons, food stamps, or other type of certificate issued under 7 USC Sections 2011 through 2025 (“Food Stamp Act”) or other certificates issued under 42 USC Section 1786 (“Special Supplemental Food Program for Women, Infants and Children”) are exempt.

3. *Home heating oil.* Home heating oil purchased for use in a dwelling is exempt so long as at least 50 percent of the floorspace of the dwellings is used as a residence and not for commercial or business activities.

F. *Medical care.*

1. *Medical professional services.* Professional services of a person in the field of medicine, integrated medicine or the healing arts and sciences, including therapy, counseling, surgery, veterinary care, dentistry, optometry, and chiropractic care are exempt.
2. *Assisted living.* Assisted living services provided in accordance with an assisted living plan and in an assisted living home licensed by the State are exempt.
3. *Medical equipment.* Fees for supplies, equipment, and services provided by a hospital, medical clinic, assisted living facility or dental clinic for patient treatment including laboratory and x-ray services are exempt.
4. *Prescription drugs.* Gross receipts or proceeds of the retail sale of prescription drugs are exempt.
5. *Medical Facility Meals.* Sales of food at hospital cafeterias and lunchrooms which are operated primarily for staff and patients and which are not operated for the purpose of sale to the general public for profit;

G. *Cemetery goods and services.* Sale of cemetery plots, caskets, funeral and burial related items and the services by a funeral home.

H. *Dues.* Dues or fees to clubs, labor unions or fraternal organizations solely for the privilege of membership.

I. *School.*

1. *Student Activities.* Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;
2. *Student sales.* 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;
3. *School Sales and services.* 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;
4. *School cafeteria sales.* Sales of food at an educational facility provided primarily for staff and/or students, and which is not operated for the purpose of sale to the general public for profit.
5. *Childcare services.* Proceeds from contract services provided by a state-licensed child care contractor or from contract services provided by a person for the purpose of taking temporary care of minors for another person.

J. *Required exemptions.* Sales, rentals or services which the city is prohibited from taxing by the Constitution or statutes of the United States or the state of Alaska.

5.10.110. Wholesale/Resale/Manufacturer Exemptions and limitations of exemptions.

A. The following transactions are exempt from sales tax so long as the buyer presents to the seller at the time of the sale transaction a valid exemption card issued under Section 5.10.210 of this Chapter and meets the requirements of this section:

1. *Wholesale/Resale.* Sales to a wholesale or retail dealer in the property sold, for the purpose of resale by the dealer located or making sales inside the city and registered with a city business license where the subsequent sale is subject to the City sales tax.

2. *Manufacturer.* Sales of raw material to a manufacturer located or making sales inside the city and registered with a city business license, which raw material becomes an ingredient or component part of a manufactured product or a container of that manufactured product, or is consumed in the manufacturing process.
- B. 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 a sales tax exemption under this section. Proof of certification must be available upon request.
 - C. *Construction resale.* Services that are provided by a subcontractor to a contractor for a third party are considered services for resale and are exempt from taxation.
 - D. *Limitation for Bundled Transaction.* Goods, wares or merchandise that are provided as part of a bundled transaction and are not offered for sale as separate and individual items do not constitute a resale and are not exempt under this section as a resale, wholesale or manufactured product. For example, the goods, wares, and merchandise that make up a bed and breakfast stay or a fishing or hunting charter service are not exempt under this section.

5.10.120 Rules applicable to particular businesses or occupations.

- A. *Commission rates and fees.*
 1. Commission rates and fees on sales of real property located in the City are subject to sales tax, regardless of the location of the person to whom the commission is payable.
 2. Commission rates and fees received as a result of professional services performed within the City, including travel agency services, are subject to sales tax regardless of the location of the person to whom the commission rate or fee is payable when the subject of the services occurred within the City.
- B. *Coin-operated machines.* An amount equal to the gross receipts from each coin-operated machine that the seller operates in the City shall be subject to sales tax.

5.10.130 Payment and collection.

- A. It shall be the duty of each seller making sales taxable under this Chapter to collect the taxes imposed by this Chapter from the buyer at the time of each sale, or with respect to a credit transaction, at the time of collection, and to hold those taxes in trust for the City. Failure by the seller to collect the tax shall not affect the seller’s responsibility for payment of the tax to the City.
- B. When a sale is made and services are rendered or the product is delivered but payment for the services or product is made over time, the applicable sales tax shall be collected on each payment but the sales tax shall be calculated at the sales tax rate in effect at the time the sale was made and any applicable tax cap shall be applied at the time of the sale. If the service or delivery will not be completed within one month from the date of payment, payments shall be made and the sales tax cap applied in compliance with Section 5.10.080(B) of this Chapter.

5.10.140 Sales tax collection-registration requirement.

- A. No person may engage in any taxable transactions within the City without first procuring a sales tax collection certificate from the City through and as part of the business license application process under Title 6 of this Code.
- B. A new business shall apply for a sales tax collection certificate concurrently with the new business license application that must be obtained before commencing business.
- C. Sales tax collection certificates shall expire at the same time as the establishment’s business license and must be renewed concurrently.

- D. Where the application or City records indicate that applicant is currently in violation of filing and/or remittance requirements of the City's sales tax provisions, the City Manager or the City Manager's designee may deny the application for a sales tax certificate until the applicant enters into binding agreement setting out a method by which full compliance will be attained.
- E. The sales tax collection certificate of any seller will be suspended when such seller fails to pay delinquent taxes, penalties and interest within 30 days after the postmark date of the notice of delinquency.

5.10.170 Business operation injunction-failure to file and pay.

In addition to all other rights and remedies available to the City under law, a proceeding requesting the issuance of an injunction prohibiting a business from continuing to conduct business within the City may be filed by the City in the Superior Court 30 days after providing notice either by hand delivery or by regular mail to any business which has failed to file a sales tax return or has failed to pay the sales taxes due.

5.10.180 Protests.

- A. If a seller wishes to dispute a finding of the City involving taxable sales, sales taxes or penalties or interest, the seller must file a written protest with the City Clerk within 30 calendar days of the date of the written notice of the City's findings. The protest must set forth:
 1. The seller's justification for reducing or altering the taxes, penalties or interest due; or
 2. The seller's reasons for challenging the City's findings.
- B. In processing the protest, the City Manager, or the City Manager's designee, may hold an informal meeting with the seller either on its own or upon request of the seller and may also require the seller to submit to an audit, if one was not previously conducted or a more formal audit, if an estimation audit was previously performed.
- C. The City Manager shall make a final written determination on the seller's protest and mail a copy of the determination to the seller.
- D. If a written protest is not filed within 30 days of the date of the written notice of the City Manager's findings, then the findings shall be final, due and payable to the City.

5.10.185 Protest of tax by buyer.

- A. If a seller adds the tax levied under this Chapter to the selling price, service charge or rent in a transaction that the buyer believes is exempt from taxation under this Chapter, the buyer may remit the tax to the seller with a statement that the tax is paid under protest, and requesting that the seller mark any receipt, invoice or other evidence of the sale to indicate that the tax is paid under protest. A buyer who fails to remit the tax at the time of the sale with a statement that the tax is paid under protest waives the right to protest the tax or otherwise to challenge the imposition of the tax. The seller shall include with the seller's sales tax return for the tax reporting period in which the protested tax was paid a copy of the receipt, invoice or other evidence of the sale marked to reflect the payment of the tax under protest. The seller shall pay the protested tax to the City with any other sales tax that is due for the reporting period.
- B. A buyer who has remitted sales tax under protest in accordance with subsection A of this section shall file with the Finance Director a statement of protest on a form provided by the Finance Director accompanied by a copy of the receipt or invoice for the sale no more than 30 days after the date of the sale. The buyer shall state on the form the terms of the sale, the amount of the sale, the goods, rental or services purchased, the location from which the seller fulfilled the order, and all other information necessary to support the exemption of the transaction from taxation. A buyer who fails

to make a timely filing of a completed statement of protest waives the right to protest the tax or otherwise to challenge the imposition of the tax.

- C. A buyer who files a statement of protest under subsection B of this section bears the burden of proving that a transaction is exempt from taxation. In addition, the Finance Director may investigate the facts related to the claim of exemption. The Finance Director shall issue a written decision, stating the reasons for granting or denying the protest. The ruling will be mailed to the buyer and the seller at the addresses given on the protest.
- D. If a protest is granted, the City shall refund the protested tax amount to the buyer upon receipt of protested tax from the seller.
- E. If a protest is denied, the buyer may appeal the denial by filing an appeal to the City Manager, and providing a copy of the appeal to the Finance Director, within 30 days after the date of mailing of the notice of denial. The decision of the City Manager shall be the final decision of the City on the protest.

5.10.190 Limit of liability.

- A. Questions regarding the applicability of this Code, its interpretation, forms or any other matter relating to sales taxes shall be submitted in writing to the Finance Director. Oral statements are not binding on the City. Only written interpretations, properly requested, may be relied upon. The authority granted to the Finance Director shall not create an obligation or duty requiring the Finance Director to take any action to protect or notify any seller or buyer within the City regarding their tax rights. The City assumes no liability for loss or damage caused by individual interpretation and application of this Code or forms related to it.
- B. *Electronic Transactions.* To the extent that the City sends and accepts electronic records and electronic signatures, those electronic records and electronic signatures are governed by the Uniform Electronic Transactions Act, AS 09.080.010 et seq.

5.10.200 Tax receipts.

- A. The seller shall, whenever feasible, separately state the tax to the buyer on each taxable transaction. When not feasible to state separately, the seller shall prominently display a sign indicating the imposition of the tax.
- F. *Exempt Sales.* If any part of the sale is exempt, it must be shown on the sales receipt. Exempt sales can only be made upon showing of a valid exemption card or certificate. For each such sale, the seller shall:
 1. Record the date of the sale; and
 2. Record the exempt card/certificate number presented (when applicable); and
 3. Record the expiration date for the exempt card/certificate presented (when applicable); and
 4. Record the name of the person making the exempt sale; and
 5. Record the name of the entity/business claiming the exemption; and
 6. Record the receipt number for the sale.

5.10.210 Exemption application and exemption authorization card.

- A. Any person claiming an exemption under this Chapter shall apply to the City for an exemption authorization card on a form provided by the Finance Director within one month of operating or conducting business or sales or performing services within the City in the first year in which sales are made, and thereafter shall apply by December 15th of each year for the following calendar year. Numbered exemption authorization cards will be issued by the City. The exemption authorization card must be shown to all sellers or the number must be recorded on a list provided by the City for all sales and must be recorded at the time of sale by the seller. The exemption is valid only for those

items that are purchased for resale as described under Section 5.10.110 or are purchased by agencies and organizations that are exempted by City, state or federal law. Any person that believes an attempt to purchase unauthorized items as tax exempt is being made at that person's place of business may refuse to accept the exemption card.

- B. Purchasers of "construction materials and services" are not eligible for an exemption card for such purchases.
- C. Exemption cards may not be assigned or transferred.

5.10.220 Revocation of exemption status.

- A. The City Manager may revoke any exemption authorization, card or other authority to obtain an exemption if the person holding the exemption has been found to have used the exemption authorization card to obtain an exemption to which the holder or any other person is not entitled. The burden of proving an exemption shall be on the person claiming an exemption.
- B. Upon a determination by the City Manager that an exemption holder has misused or permitted another to misuse the sales tax exemption authorization issued to the holder, the City Manager may revoke the sales tax exemption authorization of such person by sending written notice via certified mail to the exemption holder. Before sending a notice of revocation under this chapter, the City Manager shall send a written notice of violation via certified mail to the exemption holder advising the holder of the violation and the potential for revocation. Upon written request filed with the Finance Director by the holder, the City Manager shall meet with the holder to discuss the alleged violations. If the City Manager determines a violation of this Chapter has occurred by the holder, the City Manager shall revoke the exemption card. If an exemption holder does not respond to a notice of violation issued under this section within 30 calendar days of receipt of a notice of violation, the exemption card shall be revoked.
- C. The revocation shall be permanent unless the City Manager provides for a shorter period in the revocation order.

5.10.230 Refunds.

- A. A claim for a refund of a payment of sales tax which is made more than six months from the date on which the tax was paid or became due and payable is forever barred, except for a refund for "construction materials and services" as set forth in this Chapter.
- B. A claim for refund of payment shall be made by filing a request for refund with the City Manager on a form provided by the Finance Director, specifying the date the tax was imposed, the amount of refund claimed, and the basis upon which the claim for refund is made. The decision of the City Manager shall be the final decision of the City.
- C. Any appeal of the City's decision must be filed in the superior court for the state of Alaska in Cordova within 30 days of the final decision of the City Manager in accordance with the Alaska Rules of Appellate Procedure. Failure to file an appeal within the time period waives any claims to a sales tax refund.

5.10.240 Construction materials and services exemption and refund.

- A. Except as limited by this section, a purchaser who obtains a building permit for a construction project may apply for a refund for sales tax paid to the City above \$350 on purchases of "construction materials and services" for construction of a building that contains at least one dwelling unit.

- B. The total time period eligible for refund of sales tax under this section is two years. The years need not be consecutive. A separate application for refund must be submitted for each year.
- C. An exemption under this section requires the purchaser to pay sales tax as otherwise required under this Chapter and submit a request for refund under this section. If no application for refund is filed or the purchaser is not eligible for a refund under the requirements of this section, sales tax on “construction materials and services” shall be due and owing without exemption.
- D. A purchaser seeking a refund for “construction materials and services” shall file a complete “construction materials and services” tax refund application with the Finance Director no later than October 1st for sales tax paid in the prior year. The application must include:
 - 1. Identification of the construction project for which the application is filed and the building permit number for that specific project
 - 2. A copy of the building permit issued for that specific construction project
 - 3. Proof of \$350 in sales tax paid to the City for “construction materials and services” on the specified construction project for that year
 - 4. Itemized receipts showing sales tax paid to the City for all purchases of construction materials and services for which the purchaser is seeking a refund with the building permit number included on each of the receipts.
 - 5. A signed statement attesting to the use of the purchased materials and services for the specified construction project.
- D. Once an application is filed, the City will notify the applicant that it has received the application and indicate whether or not it is complete. If it is not complete, the City will notify the applicant of the missing information. If incomplete, the applicant will have 30 days to update the application. Incomplete applications that are not completed within 30 days from the date of notification will be rejected.
- E. Once an application has been deemed complete, the City Manager shall review the application and issue a written decision granting or denying it. Refunds will be issued no more than one year from the date awarded. If denied, the written decision must include the reasons for denial. The City Manager’s decision is final.

5.10.270 Disposition of proceeds.

- A. The revenue received by the City under this Chapter shall be first applied by the Finance Director in accordance with the provisions of any outstanding bond or other evidence of indebtedness secured by a pledge of such revenue and consistent with the ordinances creating the same.
- B. Sales tax revenue received by the City which is not obligated as security for the payment of bonded indebtedness of the City shall be deposited in the general fund of the City.

5.10.280 Tax return—Payment to City.

- A. Every seller required by this Chapter to collect sales tax shall file a tax return each quarter. A tax return shall be filed on or before the last day of the month of the month immediately following the end of the quarter. A tax return must be filed for each quarter. Every seller shall pay the tax due for each quarter at the time the tax return is due for that quarter.
- B. The tax return shall include, but not be limited to, the following information:
 - 1. Gross sales
 - 2. The amount of gross sales claimed exempt or nontaxable and the basis of each exemption
 - 3. Computation of taxes to be remitted
 - 3. The amount of sales tax credits accruing as a result of uncollectible accounts receivable

4. The amount of all taxable sales and services for the preceding quarter and amount of tax on those sales and services
 5. Any other information required on the form.
- C. Every person holding a City business license must file a sales tax return form even if there is no reported gross revenue for that period of time.
 - D. Each tax return filed with the City shall be signed by an authorized and responsible individual who shall attest to the completeness and the accuracy of the information contained in the tax return. Tax returns shall be filed with the Finance Director.
 - E. The preparer of a sales tax return shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases. Documentation for exempted sales must include the number of the exemption authorization card presented by the buyer at the time of purchase; the date of purchase; the name of the person making the purchase; the organization making purchase; the total amount of the purchase; and the amount of sales tax exempted. This documentation shall be made available to the City upon request. Failure to provide this documentation may invalidate that portion of the claim of exemption for which no documentation is provided.
 - F. The City Manager may require that a seller or any person performing services make out a return on a monthly basis and file the return on the last day of each calendar month if the seller has been in business for less than 12 consecutive calendar months, or if a seller has been late in filing sales tax returns or transmitting sales taxes collected two or more times within the preceding two-year period.

5.10.290 Record keeping and investigation.

- A. It shall be the duty of every seller engaged or continuing in business in the City to keep and preserve suitable records of all sales made, and such other books or accounts as may be necessary to determine the amount of tax for collection for which the seller is liable, including records of the gross daily sales, together with invoices of purchases and sales, bills of lading, bills of sale or other pertinent records and documents that are relevant to the accuracy of a tax return. In the event the seller allows an exemption pursuant to this Chapter, the seller shall reserve a copy of the bill of sale therefor. It shall be the duty of every such seller to keep and preserve for a period of three years from the date of filing any return, all such books, invoices and other records as may be necessary, all of which shall be subject to examination by the city treasurer or any authorized employee or agent thereof who is engaged in checking or auditing the records of any seller required to make a return under the provisions of this Chapter.
- B. For the purpose of ascertaining the correctness of a return, or for the purpose of determining the amount of tax collected or which should have been collected, the Finance Director, or the Finance Director's duly authorized agent, may hold investigations and hearings concerning any matters covered by this Chapter, and may examine any relevant books, papers, records or memoranda of any seller, or may require the attendance of any seller, or officer or employee of seller.
- C. City Council shall have the power to issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda under this Chapter.

5.10.300 Estimated tax.

- A. In the event the City is unable to ascertain taxes due under this Chapter due to the failure of the seller to keep accurate books, allow inspection or file a return, the City may make an estimate of the tax due based on any evidence in its possession.
- B. Sales taxes may also be estimated, based on any information available, whenever the City has reasonable cause to believe that any information on a sales tax return is not accurate.

- C. A seller's tax liability under this Chapter may be determined and assessed for a period of three years after the date the return was filed or due to be filed with the City. No civil action for the collection of such tax may be commenced after the expiration of the three-year period except an action for taxes, penalties and interest due from those filing periods that are the subject of a written demand or assessment made within the three-year period, unless the seller waives the protection of this section.
- D. The City shall notify the seller, in writing, that the City has estimated the amount of sales tax that is due from the seller. The City shall serve the notice on the seller by delivering the notice to the seller's place of business, or by mailing the notice by certified mail, return receipt requested, to the seller's last known mailing address. A seller who refuses the certified mail will be considered to have accepted the certified mail for purposes of service.
- E. The City's estimate of the amount of sales tax that is due from a seller shall become a final determination of the amount that is due unless the seller, within 30 calendar days after service of notice of the estimated tax:
 - 1. Files a complete and accurate sales tax return for the delinquent periods supported by satisfactory records and accompanied by a full remittance of all taxes, interest, penalties, costs, and other charges due; or
 - 2. Files a written notice with the City appealing the estimated tax amount.
- F. Arguments or reasons for failure to timely file a return and remit taxes collected shall not be considered a valid basis or grounds for granting an appeal. The basis and grounds for granting an appeal of an assessment issued by the City are:
 - 1. The identity of the seller is in error;
 - 2. The amount of the debt is erroneous due to a clerical error (and the nature and extent of the error is specified in the request for appeal); or
 - 3. The seller disputes the denial of exemption(s) for certain sales.
- G. The amount of sales tax finally determined to be due under this section shall bear interest and penalty from the date that the sales tax originally was due, plus an additional civil penalty of 50 dollars for each calendar month or partial month for which the amount of sales tax that is due has been determined.

5.10.310 Recovery of taxes—Delinquency date.

- A. Taxes due but not paid may be recovered by the City by an action at law against the buyer. Taxes collected by the seller but not transmitted to the City or which should have been collected by the seller but were not may be recovered by an action at law against the seller, and sales tax returns shall be prima facie proof of tax collected but not transmitted.
- B. Taxes shall be considered delinquent if not received by the City Manager or the City Manager's designee by the due date for transmission of the seller's tax return for each quarter as required by Section 5.10.280 of this Code.

5.10.315 Penalties and Interest for late filing.

- A. Late filing fee. A seller who has made sales in the City, and who thereafter fails to file a sales tax return, as required by this Chapter, shall incur a late filing fee of 50 dollars for each month, or fraction thereof, that the return is late. Fees under this subsection shall not exceed 150 dollars per return.
- B. Late payment penalty. A seller who has collected taxes and who thereafter fails to transmit the collected taxes, as required by this Chapter, shall incur a civil penalty of five percent of the taxes

for each month of delinquency, or any fraction thereof, from the time between the date the taxes should have been transmitted and the date they were transmitted, but not to exceed a total of 20 percent of the amount of the taxes due to be transmitted. The penalty does not bear interest.

- C. Interest on delinquent taxes. Delinquent sales tax bear interest at the rate of 15% per annum until paid from the date of delinquency until paid for sellers and from the date of sale until paid for buyers.
- D. Fees, penalties and interest shall be assessed and collected in the same manner as the tax is assessed and collected, and applied first to fees, penalties, and interest, and second to past due sales tax.
- E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing of no return.
- F. A penalty assessed under this section for the delinquent remittance of sales tax or failure to file a sales tax return may be waived by the City Manager upon written application of the taxpayer accompanied by a payment of all delinquent sales tax, interest and penalty otherwise owed to the City, within 45 calendar days after the date of delinquency. A seller may not be granted more than one waiver of penalty under this subsection in any one calendar year. The City Manager shall report any waivers of penalty to City Council in writing.

5.10.320 Lien.

- A. The tax, penalty and interest, as imposed by this Chapter, together with all administrative and legal costs incurred, shall constitute a lien in favor of the City upon all the seller's real and personal property. The lien arises upon delinquency, and continues until the liability for the amount is satisfied, or the property is sold at a foreclosure sale. The lien has priority as allowed by AS 29.45.650(e).
- B. The City may cause a sales tax lien to be filed and recorded against all real and personal property of a seller where the seller has:
 - 1. Failed to file sales tax returns for two consecutive filing periods required by this Chapter;
 - 2. Failed within 60 days of the end of the filing period from which taxes were due to either (a) remit all amounts due or (b) to enter into a secured payment agreement authorized and approved by the City Manager
- C. Before filing a sale tax lien, the City shall cause a written notice of intent to file to be mailed to the last known address of the delinquent seller.

5.10.325 Violations.

- A. A seller that fails to file a sales tax return or remit sales tax when due, or to comply with exemption requirements under this chapter, in addition to any other liability imposed by this Code, shall pay to the City all costs incurred by the City to determine the amount of the seller's liability to collect the sales tax, including, without limitation, reviewing and auditing the seller's business records, collection agency fees, and actual reasonable attorney's fees.
- B. A person who causes or permits a corporation of which the person is an officer or director, a limited liability company of which the person is a member or manager, or a partnership of which the person is a partner, to fail to collect sales tax or to remit sales to the City as required by this Chapter shall be liable to the City for the amount that should have been collected or remitted plus any applicable interest and penalty.
- C. Notwithstanding any other provision of law, and whether or not the City may bring a declaratory judgment action against a seller believed to meet the criteria to establish that the obligation to remit sales tax is applicable and valid under local, state, and federal law. The action shall be brought in the judicial district of Cordova.

- D. In addition to all other remedies available, the City may bring a civil action to:
 - 1. Enjoin a violation of this Chapter. On application for injunctive relief and a finding of a violation or threatened violation, the superior court shall enjoin the violation.
 - 2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or after estimating the amount of sales tax due.
 - 3. Foreclose a recorded sales tax lien as provided by law.
- E. All remedies are cumulative and are in addition to those existing at law or equity.

5.10.330 Penalty for violations.

- A. A buyer or seller who knowingly or negligently submits false information in a document filed with the City under this Chapter is subject to a penalty of \$500.
- B. A seller who knowingly or negligently submits false information in a document filed with the City pursuant to this Chapter is subject to a penalty of \$500.
- C. A seller who knowingly or negligently falsifies or conceals information related to its business activities with the City is subject to a penalty of \$500.
- D. A person who knowingly or negligently provides false information when applying for an exemption is subject to a penalty of \$500.
- E. A seller who fails or refuses to produce requested records or to allow inspection of their books and records shall pay to the City a penalty equal to three times any deficiency found or estimated by the City with a minimum penalty of \$500.
- F. A seller who falsifies or misrepresents any record filed with the City is guilty of an infraction and subject to a penalty of \$500 per record.
- G. Misuse of an exemption card is a violation and subject to a penalty of \$50 per incident of misuse.
- H. Except as otherwise provided, each act or omission in violation of this Chapter, and each day in which the act or omission occurs, is a separate violation of this Chapter.
- I. Nothing in this Chapter shall be construed as preventing the City from filing and maintaining an action at law to recover any taxes, penalties, interest, and/or fees due from any seller. The City may also recover attorney's fees in any action against a delinquent seller.

5.10.340 Repayment plans.

- A. The City may agree to enter into a repayment plan with a delinquent seller. No repayment plan shall be valid unless agreed to by both parties in writing.
- B. A seller shall not be eligible to enter into a repayment plan with the City if the seller has defaulted on a repayment plan in the previous two calendar years.
- C. The repayment plan shall include a secured promissory note that substantially complies with the following terms:
 - 1. The seller agrees to pay a minimum of ten percent down payment on the tax, interest and penalty amount due. The down payment shall be applied first to penalty, then to accumulated interest, and then to the tax owed.
 - 2. The seller agrees to pay the balance of the tax, penalty, and interest owed in monthly installments over a period not to exceed two years.
 - 3. Interest at a rate of 15 percent per year shall accrue on the principal sum due. Interest shall not apply to penalties owed or to interest accrued at the time the repayment plan is executed or accruing during the term of the repayment plan.
 - 4. If the seller is a corporation or a limited liability entity, the seller agrees to provide a personal guarantee of the obligations under the repayment plan.
 - 5. The seller agrees to pay all future tax bills in accordance with the provisions of this Chapter.

6. The seller agrees to provide a security interest in the form of a sales tax lien for the entire unpaid balance of the promissory note to be recorded by the city at the time the repayment plan is signed. The seller shall be responsible for the cost of recording the tax lien.
- D. If a seller fails to pay two or more payments in accordance with the terms of the repayment plan agreement, the seller shall be in default and the entire amount owed at the time of default shall become immediately due. The City will send the seller a notice of default. The City may immediately foreclose on the sales tax lien or take any other remedy available under the law.

5.10.350 Additional regulations.

Council may promulgate by resolution regulations as may be found necessary from time to time to carry out the purpose of this Chapter.

5.10.360 Delinquent sales tax roll confidentiality.

- A. During the third week of June of each year, the City Manager shall publish a notice with the names of those sales tax accounts that are delinquent for the quarter ending March 31st; and successively in September, those sales tax accounts that are delinquent for the second quarter ending June 30th; in December, those sales tax accounts that are delinquent for the third quarter ending September 30th; in March, those sales tax accounts that have become due and delinquent for the fourth quarter ending December 31st. The City Manager shall include in the notice the names of those sales tax accounts which remain delinquent from any preceding quarter. For the purposes of determining delinquency for publication, an account shall be considered delinquent if the account is delinquent as defined by Section 5.10.310 of this Code and no agreement has been reached by the seller with the city for other means of payment. The publication of such delinquent sales tax accounts shall not be considered a disclosure within the provisions of this section.
1. All returns filed with the City for the purpose of complying with the terms of this Chapter, all data obtained for such returns, and all books, papers, record or memoranda obtained under the provisions of this section are declared to be confidential, and shall be exempt from inspection of all persons except the City Treasurer, City Manager and City Attorney, or any authorized employee thereof; provided, however, the City Manager may present to the City Council in executive session any return or data obtained therefrom; provided, the purpose of such presentation is informational or concerning legal action against the person whose return or tax remittance is in question.
 2. All returns referred to in this Chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection, except as provided otherwise in this section; provided, however, nothing in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, of a copy of any return or report filed by him or her, nor to prohibit the publication of notices provided for in this section.
- B. The use of tax returns in a criminal or civil action brought to enforce the terms of this Chapter against any person shall not be deemed a violation of this section, and the City, in the prosecution of any such action, may allege, prove and produce any return theretofore filed by and on behalf of any such defendant, including any data obtained from any such return or returns, other provisions of this Chapter to the contrary notwithstanding.

Section 6. Chapter 5.45 “Self-Insurance Trust Fund” of the Cordova Code of Ordinances of Cordova, Alaska is hereby repealed.

Section 7. Section 1.28 of the Cordova Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

CODE REF	CODE TITLE	FINE PER DAY
<u>5.10.330(A)</u>	Buyer or seller knowingly or negligently submitting false information in a document filed with the City	<u>\$500.00</u>
<u>5.10.330(B)</u>	Seller who knowingly or negligently submits false information in a document filed with the City	<u>\$500.00</u>
<u>5.10.330(C)</u>	Seller knowingly or negligently falsifies or conceals information related to its business activities with the City	<u>\$500.00</u>
<u>5.10.330(D)</u>	Person knowingly or negligently provides false information when applying for an exemption	<u>\$500.00</u>
<u>5.10.330(F)</u>	Seller falsifies or misrepresents any record filed with the City	<u>\$500.00</u>
<u>5.10.330(G)</u>	Misuse of an exemption card	<u>\$50.00</u> <u>per misuse</u>

Section 8. This ordinance shall be effective January 1, 2025, conditional upon the passage and approval of Ordinance No. 2022 and in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska.

1st reading of Ordinance 1221: October 2, 2024
 After substantial amendment on 10/2/24, this became Substitute Ordinance 1221
 1st reading of Substitute Ordinance 1221: October 23, 2024
 2nd reading and public hearing of Substitute Ordinance 1221: November 6, 2024

PASSED AND APPROVED THIS _____ DAY OF _____, 2024.

 David Allison, Mayor

ATTEST:

 Susan Bourgeois, CMC, City Clerk

MEMORANDUM

**TO: CORDOVA CITY COUNCIL
CORDOVA CITY MANAGER
CORDOVA CITY CLERK**

**FROM: JESSICA J. SPUHLER
HOLLY C. WELLS**

**RE: ORDINANCE 1223: AN ORDINANCE OF THE COUNCIL OF THE CITY
OF CORDOVA, ALASKA, ESTABLISHIING ECONOMIC
DEVELOPMENT PROPERTY TAX EXEMPTIONS RELATED TO
COMMERCIAL AND RESIDENTIAL DEVELOPMENT IN THE CITY AND
SETTING FORTH CRITERIA FOR SUCH EXEMPTIONS IN A
STANDARDIZED APPLICATION FORM.**

CLIENT: CITY OF CORDOVA

FILE NO.: 401777.291

DATE: OCTOBER 31, 2024

On August 7, 2024, the City of Cordova City Council (“Council”) passed Ordinance 1217, adopting new Chapters 5.06 and 5.07 of the Cordova Municipal Code (“CMC”), establishing property tax exemptions and deferrals, as well as exemption application processes. Before and after passage of Ordinance 1217, the Council has held multiple work sessions identifying the scope and criteria to be associated with an economic development property tax exemption (“EDE”).

Council has determined that development of all forms of housing: single family, multifamily, and affordable housing, should be incentivized through the EDE. Additionally, commercial development, particularly mixed-use development, should also be targeted by the EDE. Finally, the rehabilitation of aged and blighted properties should also be eligible for exemption.

Ordinance 1223 adopts a standard application form to be used by the City to offer and assess eligibility for six EDE categories: 1) Single Family Residential; 2) Affordable Housing; 3) Multifamily Residential; 4) Mixed-Use Development; 5) Commercial Development; and 6) Rehabilitation. The criteria of each category are the product of discussion and general direction by Council, but should be the subject of further consideration upon introduction.

Council has spent time discussing moral hazards and unintended consequences that may be associated with the offering of these exemptions. In order to guard against certain concerns of Council:

- 1) All exemptions speak only to the exemption of value assessed on improvements; none provides an exemption associated with the value of raw land in Cordova.
- 2) None of the exemptions transfer with the sale of the property.
- 3) All exemptions require that developers utilize inspections per the Codes adopted by the State Fire Marshal pertaining to commercial and residential building, at the developer's cost.

EDE will be applied for per the process now outlined in CMC 5.06.020. An "Annual Report" which will also be adopted with the Application and is attached to the Ordinance as part of Exhibit A. The page entitled "City Assessor's Use Only" is meant to collect information to inform the City's future use or amendment of the EDE.

This particular EDE Application sunsets after three years, per the terms of Ordinance 1223, per the recommendation of Council and City Administration, to ensure that the City continues to consider and reevaluate the needs of the City of Cordova and target EDE criteria appropriately and effectively.

**CITY OF CORDOVA, ALASKA
ORDINANCE 1223**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA ESTABLISHING ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS RELATED TO COMMERCIAL AND RESIDENTIAL DEVELOPMENT IN THE CITY AND SETTING FORTH CRITERIA FOR SUCH EXEMPTIONS IN A STANDARDIZED APPLICATION FORM.

WHEREAS, the City of Cordova recently amended its Cordova Municipal Code Title 5 “Revenue and Finance” provisions to address changes to its property and sales tax regimes; and

WHEREAS, the City adopted a revised Section 5.07.060 reflecting recent legislative changes to the State’s economic development exemption, found at AS 29.45.050; and

WHEREAS, City Council has met in multiple work sessions to discuss the parameters of appropriate economic development exemptions within the definitions provided by state statute, focusing on economic development exemption criteria incentivizing the development and redevelopment of housing within the City of Cordova.

NOW, THEREFORE, be it ordained by the Council of the City of Cordova, Alaska,

Section 1. The City Council approves as to form and substance the Economic Development Exemption Application attached as Exhibit A to this ordinance, setting forth the City of Cordova’s economic development criteria as required by statute.

Section 2. Effective Date. If one or more referendum petitions with signatures are properly filed within one (1) month after the passage and publication of this ordinance, the ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient or, if any such petition is found legal and sufficient, until the ordinance is approved in an election by a majority of the qualified voters, voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect thirty (30) days after its passage and publication. 2025 shall be the first year for which applicants may seek exemptions under CMC 5.07.060.

Section 3. Sunset Provision. The Economic Development Exemption Application is repealed on December 31, 2027, unless extended beyond that date by Ordinance.

1st reading: November 6, 2024.

2nd reading and public hearing: _____, 2024.

PASSED AND APPROVED THIS _____ DAY OF _____, 2024.

David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

**CITY OF CORDOVA, ALASKA
ECONOMIC DEVELOPMENT PROPERTY
TAX EXEMPTION APPLICATION**

File two originals of this Application for any and each property for which you are seeking an economic development property tax exemption or deferral. The Application must be filed with the City Clerk no later than January 15 of the year the exemption is desired to take effect.

GUIDELINES AND CRITERIA FOR ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS

GENERAL INFORMATION

The State of Alaska revised the definition of economic development under Title 29 of the Alaska Statutes in 2022. Previously, the economic development exemption was limited to certain specific criteria related to businesses and their economic impact. The revised statute expanded local government's ability to legislate at the local level the scope and criteria of economic development exemptions enacted by local ordinance.

The Cordova City Council met multiple times in 2023 and 2024 to identify the economic development criteria set forth in this application, which has been adopted by ordinance, pursuant to the requirements of AS 29.45.050(m). City Council ultimately determined that this application would include economic development criteria associated with the development and redevelopment of real property in Cordova, primarily to incentivize much needed additional housing for residents.

This Application sunsets on December 31, 2027, requiring the Cordova City Council to at that time either adopt the same criteria by ordinance or identify new criteria to address community needs for economic development.

REFERENCES

CMC 5.06.020 Applications – Initial Review:

- A. Applications for exemptions and deferrals must be submitted by January 15 of the year in which they are sought, unless a different application deadline is specified in Chapter 5.07 of this code. The City will not consider the granting of any tax exemption or deferral under Chapter 5.07 until the applicant submits a full and complete application and provides such additional information as may be requested by the City Clerk, assessor, and City Council. The assessor may make an independent investigation of the application or property in making a determination under this section. The City Clerk shall notify the applicant, in writing, of the City Clerk's completeness determination on the application for exemption.
- B. The City Clerk may prepare a standard application form that upon completion will provide adequate and sufficient information to determine whether any tax exemption or deferral should be granted. The accuracy of the information provided in the application must be verified by oath of the applicant or an authorized officer of the applicant.
- C. If the applicant fails or refuses to provide information required or requested by the City within the time period established by the City, the exemption shall be denied.
- D. An applicant delinquent in the registration for, filing of a return, or payment of, any City property or sales tax, City special assessment, or City utility bill may not be granted an exemption and/or deferral under this section.
- E. Any person requesting a tax exemption or deferral pursuant to this Chapter and Chapter 5.07 shall pay to the City an initial application fee which must be submitted at the same time the application form is submitted. Application fees shall be set forth in the City's fee schedule.
- F. If any person knowingly makes any false representations in any submission to the City related to an initial application for or review of a tax exemption or deferral under this Chapter or Chapter 5.07, that person shall be punishable by a fine as set forth in Chapter 1.28. Any misstatement of or error in fact may render an application null and void and may be cause for the revocation of any tax exemption or deferral adopted in reliance on such information.
- G. Exemptions claimed under Section 5.07.010 are governed by the process and timeline mandated by the State as set forth in that section.

CMC 5.07.060 Economic Development Property Exemption

- A. The assessed value of property used for economic development, as defined in this Chapter, may be exempt from City property taxes or receive a deferral from City property taxes under the conditions listed in this section.
- B. "Property used for economic development" as used in this section, means that part of real or personal property, as determined by the assessor, that is being developed or redeveloped in a manner intended to result in an outcome that causes an increase in, or avoids a decrease of, economic activity, gross domestic product, or the City tax base in such a manner that City Council has determined an exemption or deferral from property tax is in the best interest of the Cordova community.
- C. Property used for economic development may be:
 1. Exempted from property taxes on up to one hundred percent of the assessed value of the property for a period determined by City Council and adopted by ordinance;
 2. Deferred from payment of taxes for a period determined by City Council and adopted by ordinance; or
 3. Deferred from payment of property taxes until substantial completion of construction if a property owner is in the process of developing or building property used for economic development but has not yet completed construction on such property.
- D. City Council shall approve the economic development exemption and deferral application form, and any substantive changes to that application, by ordinance. The application shall specify the specific types of land use that causes an increase in or avoids a decrease of economic activity, gross domestic product, or City tax base in such a manner that an exemption or deferral from property tax is in the best interest of the Cordova community. The application shall specify the terms and

conditions of an exemption or deferral. The approved application form and any changes to the form shall be published at least 30 days before taking effect. Except as otherwise provided in this section, an application under this section shall be processed in the same manner as all applications under this Chapter and Chapter 5.06.

- E. In addition to the application requirements and specifications adopted in the application itself or otherwise specified in this Chapter or Chapter 5.06, an applicant seeking a construction deferral must also submit a development plan to be approved by the city assessor. Upon construction of the economic development property satisfactory to the City, the City may change deferral under this subsection into an exemption which shall not exceed the remainder of the five-year period from the date the deferral was approved.
- F. If the property to be used for economic development is not developed or created within the time specified in the application, the City may immediately terminate the deferral and take any other action permitted by law including, but not limited to, collecting all property taxes accrued on the property during the construction deferral, collecting penalties and interest on the taxes owed from the date such taxes would have been due if no deferral had been granted, and attaching a tax lien to the property.

EXEMPTIONS

REQUIREMENTS

- 1) The economic development property tax exemptions outlined here apply only to improvements to real property. The exemptions do not apply to the value of land on which the development or redevelopment is to be located.
- 2) The exemptions under no circumstances transfer following sale of the real property for which an exemption has been granted.
- 3) All development that is granted an exemption per the terms set forth below and entails construction must be subject to inspection as required by the Codes adopted by the authority having jurisdiction (the State Fire Marshal) at the cost of the Applicant.

Single-Family Residential

The Single-Family Residential Exemption is an eight-year exemption from the property taxes owed on the first one hundred fifty thousand dollars of the assessed value of improvements for the construction of single-family homes to include standalone homes and townhomes. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

OR

The Single-Family Residential Exemption is a five-year exemption of 100 percent of the taxes owed on the assessed value of improvements for the construction of single-family homes to include standalone homes and townhomes. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Affordable Housing

The Affordable Housing Exemption is an exemption of 100 percent of the property taxes owed on the assessed value of the improvements under the circumstances and for the durations detailed below. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Maximum Eight-Year Exemption	Maximum Twelve-Year Exemption	Maximum Fifteen-Year Exemption
Multifamily housing of any kind (duplex, triplex, condominiums, apartments) offered for rent at market rates for duration of exemption. No requirement to establish below market rate rents.	Multifamily housing consisting of four units or more, with at least 25 percent of units offered for rent as affordable units for duration of exemption.	Multifamily housing consisting of four units or more, with at least 25 percent of units providing three bedrooms or more, offered for rent as affordable units for duration of exemption.

Multifamily Residential

The Multifamily Residential Exemption is an exemption of 100 percent of the property taxes owed on the assessed value of improvements under the circumstances and for the durations detailed below. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Five-Year Exemption	Eight-Year Exemption	Twelve-Year Exemption
Construction of one or more duplexes or provision/installation of a new construction trailer home in an existing trailer home park. In either instance, the property must be some combination of owner-occupied, and/or offered on a	Construction of multifamily housing of fourplexes to eightplexes. Seventy-five percent of units must be owner-occupied, or offered on a long-term rental basis (minimum 12-month lease) for the duration of the exemption.	Construction of multifamily housing in excess of eight units, to include condominiums and apartments. Seventy-five percent of units must be some combination of owner-occupied and offered on a long-term rental basis

long-term rental basis (minimum 12-month lease) for the duration of the exemption.		(minimum 12-month lease) for the duration of the exemption.
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Mixed-Use Development

The Mixed-Use Development Exemption is an exemption of 100 percent of the property taxes owed on the assessed value of improvements for the construction of mixed-use development for a period of fifteen years. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Commercial Development

The Commercial Development Exemption is an exemption of 100 percent of the property taxes owed on the assessed value of improvements for new commercial or industrial construction for a period of ten years. If granted, the exemption goes into effect upon substantial completion of the development for which the exemption is sought.

Rehabilitation

The Rehabilitation Exemption is an exemption of 100 percent of the property taxes owed on the assessed value of improvements to blighted commercial or residential properties. The exemption requires the redevelopment of a parcel, in the form of either significant upgrades or full replacement of existing blighted improvements. The Rehabilitation Exemption can be applied for prior to January 15 of the year in which construction is meant to encourage the redevelopment of blighted properties in the City. If the proposed development is not completed upon the timeline set forth in the Applicant’s application, the one-year exemption shall be revoked, and all taxes previously waived per the exemption will become due immediately.

DEFINITIONS

The following definitions pertain only for purposes of obtaining the property tax exemptions contained herein. They are not applicable to any land use or zoning determinations made by the city under the Cordova Municipal Code.

“**Affordable Units**”: Units offered at rent or sales prices associated with the U.S. Department of Housing and Urban Development’s “low income” designation (currently rent affordable for families earning 80 percent of Area Median Income (“AMI”).

“**Blighted Property**”: Commercial or residential property that meets one of the following requirements: (1) within the last five years, has been the subject of an order by the City or other government agency requiring environmental remediation of the property or requiring the property to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances, or regulations; or (2) has a structure on it built more than 25 years ago.

“**Commercial Construction**”: Any non-residential development appropriate for commercially zoned areas within the City.

“**Industrial Construction**”: Any non-residential development appropriate for industrially zoned areas within the City.

“**Mixed-Use Development**”: Construction resulting in both residential and commercial spaces within the same development, and maintaining a commercial use at street level.

“**Substantial Completion**”: The point in time at which the property may be occupied for its intended purpose per final inspection.

PROCEDURES FOR ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTION

Any Applicant requesting an Economic Development Property Tax Exemption must first submit two (2) original applications with appropriate attachments to the City Clerk. Please submit your application to the following address:

City of Cordova
 PO Box 1210
 Cordova, Alaska 99574
 Attn: City Clerk

Upon submittal of the application, the City Clerk or designee shall review, and within ten (10) days of submission, notify the Applicant of any facial deficiencies.

OFFICIAL USE ONLY

Application #: _____

Date Received: _____

ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTION
Cordova Municipal Code Section 5.07.060

NOTICE: Application is to be filed with the City Clerk no later than January 15 of the year the exemption is desired to take effect.

SECTION 1 – APPLICANT NAME AND MAILING ADDRESS

Name of Applicant:

Type of Applicant: Individual Sole Proprietorship Partnership Corporation Other (explain)

Current Mailing Address:

Phone:

Email:

SECTION 2 – PROPERTY OWNER

Full Legal Name of the Owner of the Property:

Title:

Phone:

Email Address:

SECTION 3 – CONTACT PERSON

Contact Person for this Application:

Title:

Phone:

Email Address:

SECTION 4 – EXACT LOCATION FOR WHICH EXEMPTION IS SOUGHT

Legal description of property for which this application is filed:

Property Parcel Identification Number(s):

Street Address of this property

SECTION 5 – PLANNED CONSTRUCTION

Please describe the nature of the planned development at the Property, per the exemption guidelines above:

SECTION 6 – COMMENCEMENT OF CONSTRUCTION

Date you began, or will begin, construction at this location:

SECTION 7 – PLANNED COMPLETION

Date you plan to complete construction and/or qualify for a certificate of occupancy:

SECTION 8 – TYPE OF DEVELOPMENT

Type of Development: Condominiums/Townhomes Single-Family Home Mixed-Use Residential/Commercial
Commercial Rehabilitation

Units:

Description of improvements to real property for which exemption is requested:

SECTION 9 – LENGTH AND AMOUNT OF EXEMPTION

Note: Applicant may request an exemption for the term and amount described in detail above. All exemptions pertain to the assessed value of all qualifying improvements to real property – no exemption shall be granted for land. Length and amount of exemption approved is at the sole discretion of the Cordova City Council.

Exemption sought:

Total number of years that applicant requests exemption:

SECTION 10 – OTHER CONSIDERATIONS FOR EXEMPTION DETERMINATION

Amount of total capital investment in the development or redevelopment of the Property:

Commitment to local procurement and local hiring:

List any products or services that are critical to your business that are not available locally or regionally:

Commitment to increasing the availability of affordable housing:

SECTION 11 – RECORDS AND CERTIFICATES

All inspection records and certificates obtained for the development or redevelopment of the Property are described here, and provided by Applicant as Attachment 1 to this Application:

SECTION 12 – OCCUPANCY

All listings, leases, and occupancy reports showing how Applicant qualifies for exemptions requiring proof of occupancy shall be provided by Applicant as Attachment 2 to this Application.

CONTINUING PERFORMANCE:

EVIDENCE OF SATISFACTION OF ONGOING EXEMPTION CRITERIA SET FORTH IN THIS APPLICATION MUST BE PROVIDED IN THE ANNUAL REPORT FORM TO MAINTAIN THE PROPERTY TAX EXEMPTION. FAILURE TO DEMONSTRATE ONGOING SATISFCATION OF THE EXEMPTION CRITERIA ON AN ANNUAL BASIS WILL RESULT IN THE REVOCATION OF THE EXEMPTION AND ALL BACK TAXES FROM THE TIME OF QUALIFICATION COMING DUE AND PAYABLE.

DATE OF APPLICATION:

I hereby request the adoption of an ordinance granting an economic development property tax exemption on the above property. In addition to the information included herein (including attachments, if any), I agree to furnish such other information as the City Council, City Clerk, or the City Assessor may request in regard to the exemption requested herein. I hereby certify that the information stated in this economic development property tax exemption application is true, correct and complete to the best of my knowledge and belief, including any attached statements, schedules, etc. (If prepared by someone other than the Property Owner, the owner’s declaration is based on all information of which he/she has any knowledge.)

Owner Name and Title:

Signature:

Type or Print Name:

Date:

PREPARER/AUTHORIZED AGENT – Name and Address:

Telephone:

E-mail:

Signature:

Type or Print Name:

Date:

State of Alaska

On this, the _____ day of _____, 20___, before me a notary public, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposed therein contained.

In witness hereof, I hereunto set my hand and official seal.

Notary Public

(Stamp/Seal)

CITY ASSESSOR'S USE ONLY

Total revenue available to the city for the current fiscal year from ad valorem tax sources: \$

Revenue lost to the City for the current fiscal year by virtue of all economic development property tax exemptions previously granted: \$

Estimate of the revenue which would be lost to the City during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation:
\$

Estimate of the taxable value lost to the City if the exemption applied for was granted:

Improvements to real property: \$

I have determined that the stated use of the Property listed above meets the definition, as defined by Cordova Municipal Code 5.07.060, of economic development, namely the development or redevelopment of real property intended to result in an outcome that causes an increase in, or avoids a decrease of, economic activity, gross domestic product, or the City tax base in such a manner that City Council has determined, per the guidelines set forth herein, that an exemption or deferral from property tax is in the best interest of the Cordova community. The exemption falls under the classification of:

Single-Family Residential _____ Affordable Housing _____ Multifamily Residential _____

Mixed-Use Development _____ Commercial Development _____ Rehabilitation _____

Last year for which exemption may be applied:

Signature, City Assessor:

Date:

**ECONOMIC DEVELOPMENT PROPERTY TAX
EXEMPTION
ANNUAL REPORT**

**FOR USE BY PARTIES RECEIVING ECONOMIC DEVELOPMENT
PROPERTY TAX
EXEMPTIONS GRANTED FROM THE
CITY OF CORDOVA, ALASKA**

The recipient of an economic development property tax exemption shall complete and submit this report to the City Clerk on or before January 15 of each year for which the exemption is in effect.

The recipient of an economic development property tax exemption shall complete and submit this report to the City Clerk on or before January 15 of each year for which the exemption is in effect.

Please submit both a hard copy and electronic copy to the following addresses:

City of Cordova
PO Box 1210
Cordova, Alaska 99574
Attn: City Clerk

cityclerk@cityofcordova.net

OFFICIAL USE ONLY

Report #: _____

Date Received: _____

FOR EXEMPTION PERIOD: January 1, _____ to December 31, _____

SECTION 1 – APPLICANT NAME AND MAILING ADDRESS

Name and Business Mailing Address:

Phone:

Email:

SECTION 2 – PROPERTY OWNER

Full Legal Name of the Property Owner:

Title:

Phone:

Email Address:

SECTION 3 – EXACT LOCATION OF PROPERTY

Legal description of property for which this application is filed:

Property Parcel Identification Number(s):

Street Address of this property:

SECTION 5 – REAL PROPERTY

Description of improvements to real property for which exemption was received:

Date of commencement of construction of improvements:

Date of completion of construction of improvements:

SECTION 6 – OCCUPANCY

All listings, leases, and occupancy reports showing how Applicant continues to qualify for exemptions requiring proof of occupancy or offering shall be provided by Applicant as Attachment 1 to this Annual Report.

SECTION 7 – DATE OF ANNUAL REPORT

I agree to furnish such other information as the Cordova City Council, City Clerk, or City Assessor may request in regard to the economic development property tax exemption granted. I hereby certify that the information stated in this Annual Report is true, correct and complete to the best of my knowledge and belief, including any attached statements, schedules, etc. (If prepared by someone other than the Property Owner, the owner’s declaration is based on all information of which he/she has any knowledge.)

Owner Name and Title:

Signature:

Type or Print Name:

Date:

PREPARER/AUTHORIZED AGENT – Name and Address:

Telephone:

E-mail:

Signature:

Type or Print Name:

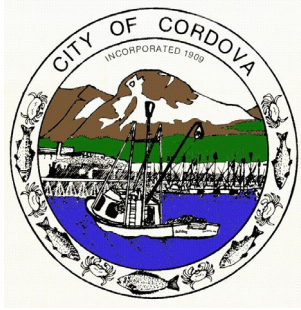
Date:

State of Alaska

On this, the _____ day of _____, 20___, before me a notary public, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposed therein contained.

In witness hereof, I hereunto set my hand and official seal.

(Stamp/Seal)



AGENDA ITEM # 12
City Council Meeting Date: 11/6/24
CITY COUNCIL COMMUNICATION FORM

FROM: Kevin Johnson, Public Works Director / Acting City Planner
DATE: 10/30/24
ITEM: Ordinance 1224 - Lease with Option to Purchase Lot 4A, Block 5, North Fill Development Park Addition #2, First Reading
NEXT STEP: Adoption of Ordinance 1224

ORDINANCE INFORMATION
 RESOLUTION MOTION

I. REQUEST OR ISSUE: Requested Actions: Decision on Ordinance 1224
Legal Description: Lot 4A, Block 5, North Fill Development Park
Lot Area: Approximate Area = 8,267 SF
Zoning: Waterfront Industrial
Attachments: Ordinance 1224, Lease Agreement and Exhibits

II. RECOMMENDED ACTION / NEXT STEP: Staff suggest the following motion: “I move to adopt Ordinance 1224.”

III. FISCAL IMPACTS: Applicant will pay \$2,000 per month in lease payments. These payments will count towards the purchase price of the property if the proposed development is completed within five (5) years from the date of the execution of the lease. Applicant will also pay possessory interest property tax during the term of the lease.

IV. BACKGROUND INFORMATION: A letter of interest was received in the fall of 2023 from Paul and Linda Kelly requesting to purchase Lot 4A, Block 5, North Fill Development Park Addn #2, colloquially known as “the impound lot”. The letter of interest was taken through the land disposal process and ultimately following a Request for Proposals process the Kelly’s proposal was chosen.

The Kelly's have proposed to build a two-story storage unit facility totaling 7,200 square feet, with the value of the improvements equaling \$750,000. Additionally, they will potentially include at least one apartment unit.

Attached for the City Council's consideration is the negotiated Lease with Option to Purchase. Lessor will be able to exercise their option to purchase only once the proposed development has been substantially completed.

As part of the sale of this land staff is preparing to publish a Request for Proposals to construct a new secured impound lot at the baler facility. The sale of the current impound lot will be used to offset the costs of the new impound lot. The proposed impound lot has already gotten approval from the Alaska Department of Natural Resources as the city leases the land where the baler is located from the State.

V. LEGAL ISSUES: The lease has been reviewed by the City's legal counsel and has been given the okay.

VI. SUMMARY AND ALTERNATIVES: City Council could choose to not approve the lease agreement as presented, direct staff to amend the lease agreement, or choose not to lease the property at all.

**CITY OF CORDOVA, ALASKA
ORDINANCE 1224**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CITY MANAGER TO ENTER INTO A LEASE WITH OPTION TO
PURCHASE WITH PAUL AND LINDA KELLY, DOING BUSINESS AS BAYSIDE STORAGE,
FOR PROPERTY DESCRIBED AS LOT 4A, NORTH FILL DEVELOPMENT PARK
ADDITION #2**

WHEREAS, it is in the City of Cordova's interest to enter into a lease, with an option to purchase of Lot 4A, North Fill Development Park Addition #2 ("Property") with Paul and Linda Kelly doing business as Bayside Storage, for the purposes specified in the lease agreement (Attached as Exhibit A); and

WHEREAS, Paul and Linda Kelly have proposed to develop the lot with a two story, 7,200 square foot storage unit facility; and

WHEREAS, the value of the proposed development is said to be \$750,000, and

WHEREAS, the City sees a need for continued development in the Waterfront Industrial Zone in which this property is located, and

WHEREAS, the proposed development is of need to the community and will benefit both those residing in Cordova as well as those that do business in Cordova, specifically the fishing fleet; and

WHEREAS, the development of this property and its transfer to private ownership will further benefit the City by increasing both sales and property tax collection.

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

Section 1. The City Manager is authorized and directed to enter into a Lease with Option to Purchase the Property with Paul and Linda Kelly doing business as Bayside Storage in accordance with the terms in the Lease as attached as Exhibit A to this ordinance. The form and content of the Lease with Option to Purchase now before this meeting is in all respects authorized, approved and confirmed by this ordinance, and the City Manager hereby is authorized, empowered and directed to execute and deliver the Lease with Option to Purchase reflecting the terms in the Lease on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 2. The disposal of the property interest authorized by this ordinance is subject to the requirements of City Charter Section 5-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or

insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

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

1st reading: November 6, 2024

2nd reading and public hearing: _____

PASSED AND APPROVED THIS ____ DAY OF _____, 2024.

David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

DRAFT

**CITY OF CORDOVA
Cordova, Alaska**

LEASE WITH OPTION TO PURCHASE

This LEASE WITH OPTION TO PURCHASE (“Lease”) is made by and between the CITY OF CORDOVA, a municipal corporation organized and existing under the laws of the State of Alaska (the “City”), and Paul Kelly and Linda Kelly, doing business as Bayside Storage (“Lessee”).

RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska and legally described as Lot 4A, North Fill Development Park Addition #2, filed under the official plat thereof, Plat # 2001-10, Records of the Cordova Recording District, Third Judicial District, State of Alaska, and also known by Assessor’s Parcel No. 02-060-128 (referred to hereinafter as the “Premises”);

WHEREAS, Lessee desires to lease the Property from the City (the “Premises”) from the City and the City desires to lease the Premises to Lessee, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the Premises and the parties’ mutual covenants, it is agreed as follows:

1. LEASE OF PREMISES

Subject to the terms and conditions set forth herein, the City leases to Lessee, and Lessee leases from the City, the Premises, as described above and illustrated in Exhibit A, attached and incorporated into this Lease.

2. LEASE TERM

The Lease Term will be (10) years, commencing on November XX, 2024, (the “Commencement Date”) and terminating at 11:59 p.m. on November XX, 2034, unless earlier terminated in accordance with the terms of this Lease (sometimes hereinafter referred to as the “Lease Term”). The Lease does not provide a lease renewal option.

3. RENT

A. Base Rent. The annual rent for the first five years of the Lease Term will be Twenty-Four Thousand Dollars and Zero Cents (\$24,000), payable in monthly installments of Two Thousand Dollars and Zero Cents (\$2,000) (“Base Rent”). Base Rent is due on the first day of each calendar month during the Lease Term. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without

notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

B. Additional Charges. In addition to the Base Rent, Lessee acknowledges and agrees that Lessee is obligated to pay and will pay, before delinquency and without reimbursement, all costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including, without limitation, those costs, expenses, and obligations identified in Section 8 and all other sums, costs, expenses, taxes, and other payments that Lessee assumes or agrees to pay under the provisions of this Lease (collectively the "Additional Charges").

Without limiting in any way Lessee's payment obligations, the City will have the right, but not the obligation, at all times during the Lease Term, to pay any charges levied or imposed upon the Premises that remain unpaid after they have become due and payable, and that remain unpaid after reasonable written notice to Lessee. The amount paid by the City, plus the City's expenses, shall be Additional Charges due from Lessee to the City, with interest thereon at the rate of ten percent (10%) per annum from the date of payment thereof by the City until repayment thereof by Lessee.

C. Late Fee. Rent not paid within ten (10) days of the due date shall be assessed a late charge of ten percent (10%) of the delinquent amount; the charge shall be considered liquidated damages and shall be due and payable as Additional Charges. In the event the late charge assessment above exceeds the maximum amount allowable by law, the amount assessed will be adjusted to the maximum amount allowable by law.

D. Adjustment of Base Rent. Beginning on the fifth anniversary of the Commencement Date, Base Rent shall be adjusted annually by the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. Annual Base Rent adjustments will be equal to the percentage change between the then-current CPI-U and the CPI-U published for the same month during the previous year, except the first Base Rent adjustment, which will occur on the fifth anniversary of the Commencement Date, will be equal to the percentage increase in the CPI-U from the commencement date of this lease to the then-current year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Subject to the terms and conditions of this Lease, Lessee's use of the Premises is limited to constructing and maintaining the project detailed in the site development plan (Attachment B), and using the constructed buildings and structures as well as the undeveloped land only as specified in the development plan. The Lessee shall give prior written notice to the City of any proposed changes to the site development plan that are in furtherance of its authorized uses, and such changes are

subject to City review and approval not to be unreasonably withheld or delayed. Lessee shall not leave the Premises unoccupied or vacant without the City's prior written consent. Inspections. The City and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or work necessary for the safety or preservation of the Premises. Except in the event of an emergency, the City will give 48-hours' advance written notice of its intent to inspect the Premises. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents

B. Compliance with Laws. Lessee shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses, and other authorizations. Lessee shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation of any insurance policy covering the Premises. Lessee shall not cause or permit any Hazardous Material (as defined in Section 10.B of this Lease) to be brought upon, kept, or used in, on, or about the Premises except for such Hazardous Material as is necessary to conduct Lessee's authorized uses of the Premises. Any such Hazardous Material brought upon, kept, or used in, on, or about the Premises shall be used, kept, stored, and disposed of in a manner that complies with all environmental laws and regulations applicable to Hazardous Material. Lessee shall not cause or allow the release or discharge of any other materials or substances that are known to pose a hazard to the environment or human health.

C. Lessee's Acceptance of Premises. The Premises was previously used as an impound and storage yard by the City, and on or before the Commencement Date of this Lease the City removed all vehicles, Connex storage container(s), pilings and other debris and brush. Lessee represents, warrants and acknowledge that it has inspected the Premises to its complete satisfaction and is familiar with its condition, and that the City makes no representations or warranties, express or implied, with respect thereto, including, but not limited to, the condition of the Premises (including environmental condition) or its suitability or fitness for any use Lessee may make of the Premises. Lessee accepts the Premises AS IS, WHERE IS, CONDITION WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent, or employee of the City relating to or in furtherance of the Lease or the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, are suitable or usable for any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute 9.65.070, or any amendment thereto.

5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. Development Plan. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an amendment to the Lease, requiring the written consent of both parties in accordance with Section 22.B. This Lease does not confer any approval from the Cordova Planning Commission regarding the site development plan or substitute for any approval process required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the site development plan complies with all city code requirements and procedures and must still submit a plan for approval by the Planning Commission as required by Cordova Municipal Code 18.33.130.

B. Substantial Completion. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B by November X, 2029, which is Five (5) years after the Lease's Commencement Date. As used in this Lease, the term "substantially complete" shall mean the stage of construction when the building(s), whose footprint is outlined in the site development plan, including its structure, façade, windows, roof, heating, and lighting, are sufficiently complete so that Lessee can occupy and use the building and install or cause the installation of all equipment required for the contemplated use thereof, AND Lessee has provided to the City certificates of inspection from certified inspectors showing that the following inspections have been performed and that construction meets the codes adopted by the City in Cordova Municipal Code Title 16. The following inspections are the minimum required: 1) Foundation Inspection, 2) Framing Inspection, 3) HVAC / Mechanical Inspection, 4) Electrical Inspection, 5) Plumbing Inspection, 4) Fire / Life Safety Inspection, 5) Final / Certificate of Occupancy Inspection. Certificates of inspections and the listed of required corrections in the case of a failed inspection, shall be provided to City within five (5) days of receiving each inspection certificate or correction list. If Lessee fails to substantially complete the construction of the project set forth in the site development plan by November X, 2029, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 13.

6. REPRESENTATIONS AND WARRANTIES

Lessee represents and warrants to the City that Lessee is not delinquent in the payment of any obligation to the City, and that Lessee has not previously breached or defaulted in the performance of a material contractual or legal obligation to the City, which breach or default has not been remedied or cured.

7. ASSIGNMENTS AND SUBLETTING; SUBORDINATION

Lessee shall not assign or otherwise transfer this Lease or any interest herein or sublet the Premises or any portion thereof, or permit the occupancy of any part of the Premises by any other person or entity, without the prior written consent of the City, which consent may be withheld in the City's absolute discretion. This Lease is subject and subordinate to any mortgages or trust deeds now and hereafter made against the

Premises by the City and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security thereof, provided that, and as a condition thereto, City shall deliver to Lessee from the holder thereof a subordination non-disturbance and attornment agreement in a commercial reasonable form.

8. OPERATIONS, MAINTENANCE, UTILITIES, TAXES, & ASSESSMENTS

Lessee shall, at Lessee's sole cost and expense, be solely responsible for: (i) maintaining and repairing the Premises and shall not commit or allow any waste upon the Premises; (ii) obtaining any and all permits and approvals necessary for Lessee's use of the Premises; (iii) all utilities and services needed for Lessee's use of the Premises; (iv) all taxes and assessments levied against the Premises, and Lessee agrees to pay all such taxes and assessments when due, including, but not limited to, all utility bills and special assessments levied and unpaid as of the Commencement Date or hereafter levied for public improvements; (v) all licenses, excise fees, and occupation taxes with respect to the business and activities conducted on the Premises; (vi) all real property taxes, personal property taxes, and sales taxes related to the Premises or Lessee's use or occupancy thereof; and (vii) any taxes on the leasehold interest created under this Lease.

9. LIENS

Lessee will suffer no lien or other encumbrance to attach to the Premises, including, without limitation, mechanic's or materialman's liens, sales tax liens under Cordova Municipal Code 5.40.125, or property tax liens under Cordova Municipal Code 5.36.260. The Lease Term, the City may enter the Premises at reasonable times, with or without prior notice, to post notice(s) of non-responsibility on the Premises. If the City posts any notice of non-responsibility on the Premises, Lessee will ensure that the notice is maintained in a conspicuous place.

10. INDEMNIFICATION

A. **General Indemnification.** Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) resulting from, arising out of, or related to Lessee's occupation or use of the Premises or the occupation or use of the Premises by Lessee's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, or invitees, including, but not limited, to all claims and demands arising out of any labor performed, materials furnished, or obligations incurred in connection with any improvements, repairs, or alterations constructed or made on the Premises and the cost of defending against such claims, including reasonable attorneys' fees. In the event that such a lien is recorded against the Premises, Lessee shall, at Lessee's sole expense within ninety (90) days after being served with written notice thereof, protect the City against said lien by filing a lien release bond or causing the release of such lien.

B. Environmental Release and Indemnification. The City makes no representation or warranty regarding the presence or absence of any Hazardous Material (as hereafter defined) on the Premises. Lessee releases the City and its authorized representatives, agents, officers, and employees from any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the Lease Term, that result from the use, keeping, storage, or disposal of Hazardous Material in, on, or about the Premises by Lessee, or that arise out of or result from Lessee's occupancy or use of the Premises or the use or occupancy of the Premises by Lessee's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives. This release includes, without limitation, any and all costs incurred due to any investigation of the Premises or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, or by law or regulation. Lessee agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material generated, kept, or brought on the Premises by Lessee, its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees, or authorized representatives.

Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to: (i) the presence, disposal, release, or threatened release of any such Hazardous Material on or from the Premises, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Lessee or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives.

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is otherwise regulated by any federal, state, or local law or regulation, as now in force or as may be amended from time to time, relating to the protection of human health or the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to the same. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" under any law or regulation.

11. INSURANCE

Lessee shall procure and maintain, at Lessee's sole cost and expense, the following policies of insurance with a reputable insurance company or companies satisfactory to the City:

A. Commercial General Liability. Commercial general liability insurance in respect of the Premises and the conduct of Lessee's business and operations, naming the City as an additional insured, with minimum limits of liability of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate;

B. Property Insurance. Property insurance, insuring against loss or damage by fire and such other risks as are customarily included in the broad form of extended coverage, in an amount of coverage not less than the replacement value of the improvements on the Premises, if any, and on such commercially reasonable terms and consistent with the customary commercial coverages in the city of Cordova;

C. Personal Property Insurance. Personal property insurance covering Lessee's trade fixtures, furnishings, equipment, and other items of personal property, as soon as such items are located on the Premises; and

D. Workers' Compensation Insurance. Workers' compensation insurance and other insurance as required by law.

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term, Lessee shall provide the City with proof of the insurance required by this Section 11, except where noted above.

12. OWNERSHIP AND REMOVAL OF THE FACILITIES

Unless Lessee exercises its Option (defined in Section 21) (in which case all improvements made by Lessee shall continue to be owned by Lessee), the facilities on the Premises are and shall remain the property of Lessee until the expiration or earlier termination of this Lease. Upon expiration or earlier termination of this Lease, at the option of the City, title to and ownership of the facilities shall automatically pass to, vest in, and belong to the City without further action on the part of either party other than the City's exercise of its option, and without cost or charge to the City. Lessee shall execute and deliver such instruments to the City as the City may reasonably request to reflect the termination of Lessee's interest in this Lease and the facilities and the City's title to and ownership thereof.

In the event that the City does not exercise its option provided in the immediately preceding paragraph, upon expiration or earlier termination of this Lease, Lessee shall remove from the Premises, at Lessee's sole expense, all of the facilities or the portion thereof that the City designates must be removed. In such event, Lessee shall repair any damage to the Premises caused by the removal and return the Premises as near as

possible to its original condition as existed on the Commencement Date. All facilities which are not promptly removed by Lessee pursuant to the City's request and in any event within thirty (30) days of the date of expiration or termination of this Lease may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for such expenses.

Notwithstanding any provision to the contrary in this Lease, all petroleum, fuel, or chemical storage tanks installed in or on the Premises during the Lease Term will remain Lessee's property and upon expiration or earlier termination of this Lease, Lessee shall remove these items and all contaminated soil and other material from the Premises, at Lessee's sole expense.

13. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following shall constitute a default and a breach of this Lease by the Lessee:

i. The failure to make payment when due of any Base Rent, Additional Charges, or of any other sum herein specified to be paid by the Lessee if such failure is not cured within ten (10) days after written notice has been given to Lessee;

ii. The failure to pay any taxes or assessments due from the Lessee to the City and in any way related to this Lease, the Premises, any improvements, or the Lessee's activities or business conducted thereon, including, but not limited to, any real property, personal property, or sales tax if such failure is not cured within thirty (30) days after written notice has been given to Lessee;

iii. Lessee's failure to substantially complete the site development plan, including the timely submission of certificates of inspection from certified inspectors as required by Section 5;

iv. An assignment for the benefit of Lessee's creditors or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee a bankrupt; or for extending the time for payment, adjustment, or satisfaction of Lessee's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency, unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated, or otherwise permanently stated or terminated within thirty (30) days after the assignment, filing, or other initial event;

v. The appointment of a receiver or a debtor-in-possession to take possession of the Premises (or any portion thereof); Lessee's interest in the leasehold estate (or any portion thereof); or Lessee's operations on the Premises (or any portion thereof), by reason of Lessee's insolvency;

vi. The abandonment or vacation of the Premises continues for a period of three (3) months of any consecutive four (4) month period during the Lease Term;

notwithstanding the foregoing, leaving the Premises vacant pending development of improvements shall not be deemed abandonment;

vii. Execution, levy, or attachment on Lessee's interest in this Lease or the Premises, or any portion thereof;

viii. The breach or violation of any statutes, laws, regulations, rules, or ordinances of any kind applicable to Lessee's use or occupancy of the Premises if such breach or violation continues for a period of thirty (30) days or longer; or

ix. The failure to observe or perform any covenant, promise, agreement, obligation, or condition set forth in this Lease, other than the payment of rent, if such failure is not cured within thirty (30) days after written notice has been given to Lessee, or if the default is of a nature that it cannot be cured within thirty (30) days, then a cure is commenced within thirty (30) days and diligently prosecuted until completion, weather and *force majeure* permitting. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Lessee perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly elects so in the notice.

B. Remedies. If the Lessee breaches any provision of this Lease, in addition to all other rights and remedies the City has at law or in equity, the City may do one or more of the following:

i. Distrain for rent due any of Lessee's personal property which comes into the City's possession. This remedy shall include the right of the City to dispose of Lessee's personal property in a commercially reasonable manner. Lessee agrees that compliance with the procedures set forth in the Alaska Uniform Commercial Code with respect to the sale of property shall be a commercially reasonable disposal;

ii. Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at Lessee's expense, all without service of notice or resort to legal process, which Lessee waives, and without the City becoming liable for any damage that may result unless the loss or damage is caused by the City's negligence in the removal or storage of the property. No re-entry by the City shall be deemed an acceptance of surrender of this Lease. No provision of this Lease shall be construed as an assumption by the City of a duty to re-enter and re-let the Premises upon Lessee's default. If Lessee does not immediately surrender possession of the Premises after termination by the City and upon demand by the City, the City may forthwith enter into and upon and repossess the Premises with process of law and without a breach of the peace and expel Lessee without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant;

iii. Declare this Lease terminated;

iv. Recover, whether this Lease is terminated or not, reasonable attorneys' fees and all other expenses incurred by the City by reason of the default or

breach by Lessee, less any rents received in mitigation of Tenant's default (but City is not under any duty to relet Premises);

v. Recover an amount to be due immediately upon breach equal to the sum of all Base Rent, Additional Charges, and other payments for which Lessee is obligated under the Lease;

vi. Recover the costs of performing any duty of Lessee in this Lease; or

vii. Collect any and all rents due or to become due from subtenants or other occupants of the Premises

14. SUBSIDENCE

The City shall not be responsible for any washout, subsidence, avulsion, settling, or reliction to the Premises or for any injury caused thereby to Lessee's, any sub-lessee's, or any other person's property. The City is not obligated to replace, refill, or improve any part of the Premises during Lessee's occupancy in the event of a washout, subsidence, avulsion, settling, or reliction.

15. VACATION BY LESSEE

Upon the expiration or sooner termination of this Lease, Lessee shall peaceably vacate the Premises and the Premises shall be returned to the City by Lessee together with any alterations, additions, or improvements, unless the City requests that they be removed from the Premises. Upon such vacation and surrender, Lessee shall remove from the Premises any items of personal property brought on to the Premises. Any such property not removed from the Premises within thirty (30) days of the expiration or termination of this Lease shall become the property of the City at no cost or charge to the City, and may be removed, sold, destroyed, or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for these expenses.

16. RESERVATION OF RIGHTS

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensating Lessee or any other party, including the right of ingress and egress to and from the Premises for the construction, operation, and maintenance of utilities and access, provided that Lessee shall be compensated for the taking or destruction of any improvements on the Premises, and provided further that the City's designation will not unreasonably interfere with Lessee's improvements or use of the Premises. Lessee shall be responsible for requesting a rental adjustment to reflect any reduction in the value of the Premises.

17. SIGNS

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being

obtained; provided, however, that this prohibition shall not apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies, or awnings, attached or painted by Lessee shall be removed from the Premises by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

18. HOLDING OVER

If Lessee, with the City's written consent, remains in possession of the Premises after the expiration or termination of the Lease for any cause, or after the date in any notice given by the City to Lessee terminating this Lease, such holding over shall be deemed a tenancy from month to month at the same Base Rent applicable immediately prior to such expiration or termination, subject to adjustment in accordance with Cordova Municipal Code 5.22.090.C, or such successor provision of the code then in effect, and shall be terminable on thirty (30) days' written notice given at any time by either party. All other provisions of this Lease, except those pertaining to term, rent, and purchase option, shall apply to the month-to-month tenancy. If Lessee holds over without the City's express written consent, Lessee is deemed to be a tenant at sufferance and may be removed through a forcible entry and detainer proceeding without service on Lessee of a notice to quit.

19. EMINENT DOMAIN

If the whole or any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof by a public body vested with the power of eminent domain, then the following provisions shall be operative:

A. Total Taking. If the Premises are totally taken by condemnation, this Lease shall terminate;

B. Partial Taking. If the Premises are partially taken by condemnation, then this Lease shall continue and the rent as specified in Section 3 above shall be abated in a proportion equal to the ratio that the portion of the Premises taken bears to the total Premises leased hereunder; and

C. Award. Upon condemnation, the parties shall share in the award to the extent that their interests, respectively, are depreciated, damaged, or destroyed by the condemnation.

20. COSTS

Lessee shall be liable to and shall pay the City for the fees and costs incurred by the City in connection with the negotiation, drafting, preparation, operation, and enforcement of this Lease, including, without limitation, attorneys' fees and costs incurred by the City. All outstanding fees and costs shall be paid in full no later than the time of the City's execution of this Lease.

21. BUYER'S OPTION TO PURCHASE

A. Option. The City hereby grants to Lessee an option (the "Option") to purchase the Premises upon the terms and conditions stated in this Lease.

B. Option Period. The Option will commence upon the Commencement Date of this Lease and terminate the date the Lease terminates (the "Option Period"). If Lessee fails to exercise the Option during the Option Period, neither party shall have any further rights or claims against the other party by reason of the Option.

C. Exercise of Option. To exercise the Option, Lessee must provide written notice ("Notice of Exercise of Option") to the City, delivered or mailed by certified or registered mail, return receipt requested, to the City's address set forth in Section 22.E, at least sixty (60) days prior to the date Lessee intends to exercise the Option.

D. Conditions to Exercise Option. Lessee can only exercise the Option if all of the following conditions are satisfied: (i) no default exists or is continuing under this Lease and (ii) the building as described in the site development plan attached as Exhibit B is substantially completed as defined in section 5.B including the submission of all certificates of inspection from certified inspectors.

E. Purchase Price. Lessee shall have the right to purchase the Premises for \$120,000.00 ("Purchase Price") until the fifth anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the fifth anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by the City, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before November X, 2029, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the City under this Lease. In the event that Lessee exercises the Option after November X, 2029, the Closing Payment will equal the Purchase Price, and the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

F. Closing Date. The Closing must occur on a date (the "Closing Date") mutually agreed upon by the parties, but must be within sixty (60) days after the exercise of the Option.

G. Closing. At Closing, the City shall deliver a quitclaim deed, subject to matters of record, including those matters that have arisen out of Lessee's use and occupancy of the Premises, in recordable form, transferring marketable title (subject to Lessee's reasonable approval) and Lessee shall execute and deliver to the City the Closing Payment in full, in immediately available funds. This Lease will terminate upon the Closing of Lessee's purchase of the Premises. All costs and fees (including attorneys' fees) associated with the negotiation, drafting, preparation, and enforcement of a purchase and sale agreement and related documents, the closing of the transaction, and the termination of the leasehold interest in the Premises, including, but not limited to,

environmental assessments, escrow fees, recording fees, and title insurance, will be paid by Lessee.

H. Cooperation for Consummating the Option. If Lessee exercises the Option, the City and Lessee each covenant and agree to sign, execute, and deliver, or cause to be signed, executed, and delivered, and to do or make, or cause to be done or made, upon the written request of the other party, any and all agreements, instruments, papers, deeds, acts, or things, supplemental, confirmatory, or otherwise, as may be reasonably required by either party hereto for the purpose of or in connection with consummating the Option.

I. City's Right of First Refusal. In the event Lessee exercises its Option and subsequently determines to sell or otherwise dispose of the Premises, the City shall have a continuous and exclusive right of first refusal to purchase the Premises. The parties must either include notice of the City's right of first refusal in the deed transferring the Premises to the Lessee, or execute a separate document acceptable to the City and in a recordable form ensuring the City's right of first refusal hereunder. The document must be recorded contemporaneously with the recording of the deed. The City's right of first refusal to purchase the Premises must contain the following minimum terms and conditions:

i. Lessee may accept an offer for the sale or other disposition of the Premises only if it is made subject to the City's right of first refusal herein. Upon acceptance of an offer for the sale, disposition, conveyance, or transfer from a third party (the "Purchase Offer"), Lessee will present a copy of the Purchase Offer and acceptance to the City by written notice at the address set forth in Section 22.E. The City will then have sixty (60) days to either agree to purchase the Premises on the same terms and conditions set forth in the Purchase Offer, or decline to exercise its right of first refusal. The City shall give written notice of its decision to exercise or decline to exercise its right of first refusal to Lessee at the address set forth in Section 22.E no later than sixty (60) days after being presented with a copy of the Purchase Offer.

ii. If the City declines to exercise its right of first refusal, Lessee may then sell or otherwise dispose of the Premises to the third party on the same terms and conditions set forth in the Purchase Offer. If the sale or other disposition is completed on the same terms and conditions set forth in the Purchase Offer, then any interest of the City in and to the Premises shall cease and be of no further force and effect and the City shall provide in recordable form a release of its right of first refusal at the closing of the sale to the third party. If the sale or other disposition is not completed on the terms and conditions in the Purchase Offer, then the City will continue to have its exclusive right of first refusal under the procedures outlined above in this Section, before Lessee may convey or transfer its interest in the Premises to a third party.

22. MISCELLANEOUS

A. Time Is of the Essence. Time is of the essence for this Lease and of each provision hereof.

B. Entire Agreement. This Lease represents the entire agreement between the parties with respect to the subject matter hereof, and may not be amended except in writing executed by the City and Lessee.

C. Governing Law and Venue. This Lease shall be subject to the provisions of the Cordova Municipal Code now or hereafter in effect. This Lease shall be governed by and construed in accordance with Alaska law and any action arising under this Lease shall be brought in a court of competent jurisdiction in Cordova, Alaska.

D. Relationship of Parties. Nothing in this Lease shall be deemed or construed to create the relationship of principal and agent, partnership, joint venture, or of any association between Lessee and the City. Neither the method of computation of rent, nor any other provisions contained in this Lease, nor any acts of the parties shall be deemed to create any relationship between the City and Lessee other than the relationship of lessee and lessor.

E. Notice. All notices hereunder may be hand-delivered or mailed. If mailed, they shall be sent by certified or registered mail to the following respective addresses:

TO CITY:

City of Cordova
Attn: City Manager
P.O. Box 1210
Cordova, Alaska 99574

TO LESSEE:

Paul Kelley or Linda Kelley
P.O. Box XXXX
Cordova, Alaska 99574

or to such other address as either party hereto may from time to time designate in advance in writing to the other party. Notices sent by mail shall be deemed to have been given when properly mailed. The postmark affixed by the U.S. Post Office shall be conclusive evidence of the date of mailing. If hand-delivered, notice shall be deemed to have been made at the time of delivery.

F. Captions. Captions herein are for convenience and reference and shall not be used in construing the provisions of this Lease.

G. No Waiver of Breach. No failure by the City to insist upon the strict performance of any term, covenant, or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant, or condition. No waiver of any breach shall effect or alter this Lease, but each and every term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

H. Survival. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration.

I. Partial Invalidity. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

J. Successors and Assigns. The terms, covenants, and conditions in this Lease shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the City and Lessee.

K. Estoppel Certificates. Either party shall at any time and from time to time, upon not less than ten (10) days' prior written request by the other party, execute, acknowledge, and deliver to such party a statement certifying that this Lease has not been amended and is in full force and effect (or, if there has been an amendment, that the same is in full force and effect as amended and stating the amendments), there are no defaults existing (or, if there is any claimed default, stating the nature and extent thereof); and stating the dates up to which the Base Rent and Additional Charges have been paid in advance.

L. Recordation of Lease. The parties agree that this Lease shall not be recorded, but upon the request of either party, the other party will join the requesting party in executing a memorandum of lease in a form suitable for recording, and each party agrees that such memorandum shall be prepared and recorded at the requesting party's expense.

M. Authority. Lessee represents that it has all necessary power and is duly authorized to enter into this Lease and carry out the obligations of Lessee. Lessee further represents that Lessee has the necessary power to authorize and direct the officer of Lessee whose name and signature appear at the end of this Lease to execute the Lease on Lessee's behalf.

N. Exhibits. Exhibits A and B to this Lease are specifically incorporated into the Lease.

O. No Third-Party Beneficiaries. Nothing in this Lease shall be interpreted or construed to create any rights or benefits to any parties not signatories, successors, or permitted assigns of signatories to this Lease.

P. Interpretation. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not for or against the City or Lessee as both City and Lessee have had the assistance of attorneys in drafting and reviewing this Lease.

Q. Counterparts. This Lease may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

R. Attorneys' Fees. In the event that any suit or action is brought to enforce this Lease or any term or provision hereof, the parties agree that the prevailing party shall recover all attorneys' fees, costs, and expenses incurred in connection with such suit or action to the maximum extent allowed by law.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the Commencement Date.

CITY: **CITY OF CORDOVA**

By: _____

Its: _____

LESSEE:

Paul Kelly

Linda Kelly

DRAFT

Exhibit A
Leased Premises



Exhibit B
Development Plan

**BAYSIDE
STORAGE**

Linda and Paul Kelly
182 Jim Poor Avenue
PO Box 265
Cordova, AK 99574
lindakellyak@gmail.com
907-424-3109

City of Cordova
Planning Department
P.O. Box 1210
Cordova, AK 99574

RE: Sealed Proposal for Lot 4A, Block 5, North Fill Development

Additional information:

1. Type of business-Dry, heated storage and small business operating space, with a second story of storage or an apartment or two if the city so desires.
2. Proposed square footage: approximately 3600 sq. ft. first floor and for second floor. Total 7200.
3. See provided sketch and picture of similar building to proposal.
4. Benefit to Community: Provides needed dry storage space and business operating space for fishing industry and all community members. Approximately \$5000/year in sales tax plus \$5000/year in property tax.
5. Value of improvements: \$750,000.00
6. Proposed timeline for development: Immediately

Exhibit B
Development Plan Continued

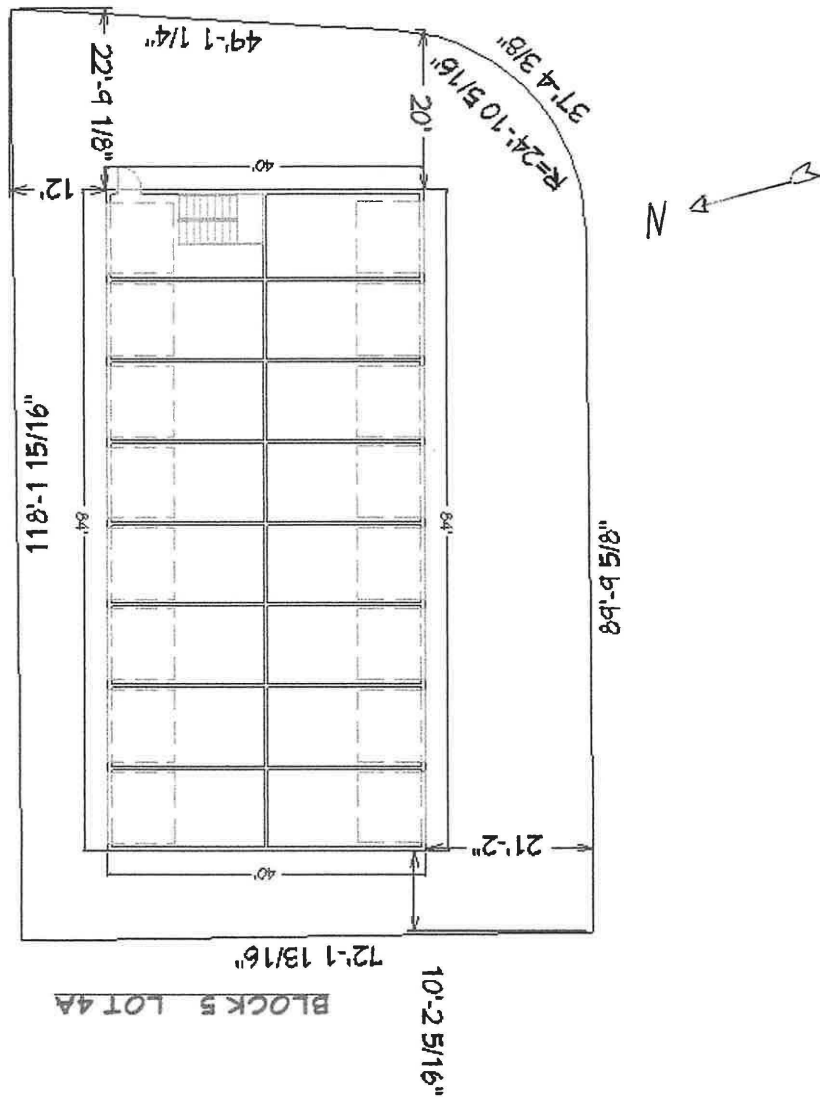


Exhibit B

Development Plan Continued





SALMON HATCHERIES FOR ALASKA

MEMORANDUM

October 30, 2024

RE: Request for Adoption of Resolution in Support of Alaska’s Salmon Hatchery Program and Opposition to Proposal 78

TO: Mayor Allison and Members of the Cordova City Council

CC: Susan Bourgeois, City Clerk, City of Cordova

FROM: Salmon Hatcheries for Alaska (SHFA)
Mike Wells, VFDA
Geoff Clark, PWSAC

SUBMITTED BY: Rachel Kallander, Kallander & Associates (Contracting Firm to SHFA)

Overview

This memorandum accompanies a resolution for consideration by the Cordova City Council to express formal support for Alaska’s salmon hatchery programs, specifically those operated by the Prince William Sound Aquaculture Corporation (PWSAC) and Valdez Fisheries Development Association (VFDA), which are crucial to Cordova’s economy, fisheries stability, and community resilience.

Reason for Resolution

Proposal 78, which will be presented at the Alaska Board of Fisheries meeting held in Cordova from December 10-16, 2024, seeks a 25% reduction in pink and chum salmon hatchery production within Prince William Sound. This proposal has raised serious concerns among local stakeholders and communities who rely on the economic, social, and ecological benefits provided by hatchery programs.

Key Concerns

- **Economic Impact:** Hatcheries contribute approximately \$200 million annually in economic output to Prince William Sound communities. Reducing production would threaten Cordova’s economy by impacting local employment, reducing fisheries tax



SALMON HATCHERIES FOR ALASKA

revenues, and creating instability in processing operations, which have historically supported affordable electricity rates and enhanced grid resilience in Cordova.

- **Fisheries Stability:** Hatcheries provide a buffer during low wild stock returns, easing pressure on wild populations while supporting subsistence, personal use, sport, and commercial fisheries. This supplementation aligns with Alaska’s values of sustainability and responsible resource management.
- **Community Wellbeing:** Hatchery programs foster stability essential to Cordova’s residents and businesses, from small business owners to fishing families. The continuity of hatchery production ensures Cordova remains a vibrant, stable community where local families and businesses can thrive.

Request for Council Action

We respectfully request the City Council’s adoption of this resolution as a clear message of support for hatchery programs vital to Cordova and the Prince William Sound region. By opposing Proposal 78, the City Council can stand with other coastal Alaskan communities in affirming the value of sustainable, science-based hatchery practices that protect both Cordova’s economy and Alaska’s rich salmon heritage.

Thank you for your consideration of this resolution and for the opportunity to demonstrate Cordova’s commitment to our community’s resilience, economic security, and sustainable fisheries.

Future Action

If the resolution is adopted, we ask that the City submit the resolution to the Board of Fisheries as a public comment in advance to the November 26 comment deadline prior to the December Board of Fisheries meeting in Cordova.

**CITY OF CORDOVA, ALASKA
RESOLUTION 11-24-34**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, IN
SUPPORT OF ALASKA'S SALMON HATCHERY PROGRAM AND IN OPPOSITION
TO PROPOSAL 78 WHICH WILL BE BEFORE THE ALASKA BOARD OF FISHERIES
AT THE DECEMBER 10-16, 2024, MEETING**

WHEREAS, the City of Cordova benefits greatly from Alaska's Private Nonprofit Salmon Hatchery Program; and

WHEREAS, Alaska's salmon hatchery program has successfully operated for 50 years, supplementing wild salmon harvests, and supporting fisheries throughout the state, especially in salmon-dependent communities like Cordova; and

WHEREAS, Proposal 78 would reduce hatchery production by 25%, impacting hatcheries in the Prince William Sound region at a time when coastal communities like Cordova need salmon production stability and support for wild stocks most; and

WHEREAS, reducing pink and chum salmon production by 25% would cause significant harm to Cordova's economy, diminishing fisheries tax revenues and disrupting the economic flow that hatchery salmon provides to Cordova's local businesses and families; and

WHEREAS, hatchery programs play a well-documented role in supplementing wild salmon returns, stabilizing coastal economies, and reducing harvest pressure on wild stocks, particularly during years of lower abundance; and

WHEREAS, Proposal 78 would introduce uncertainty into the production of Alaska hatchery salmon, complicating planning and loan obligations for hatchery associations and ultimately risking the sustainability of Alaska's hatchery program, which has long been a partnership model between private nonprofits and the State; and

WHEREAS, Alaska's salmon hatchery program supports an estimated 4,200 jobs, \$219 million in labor income, and \$576 million in total economic output annually, with over 14,000 Alaskans earning a portion of their income from hatchery salmon; and

WHEREAS, the Prince William Sound Aquaculture Corporation (PWSAC) headquartered in Cordova and the Valdez Fisheries Development Association (VFDA) contribute significantly to the economies of Prince William Sound communities by providing jobs and generating an estimated \$200 million in combined economic output annually; and

WHEREAS, Cordova, as a rural, off-road community, relies on economic stability to sustain its families, support local businesses, and create a place where young families, lifelong residents, and local enterprises can thrive; and

WHEREAS, the processing of pink and chum salmon in Cordova has been a critical factor in stabilizing electric rates over the past 20 years, as revenue from the growing salmon industry has allowed Cordova’s local electric cooperative to spread operating costs and fund innovative grid advancements, increasing resilience and affordability year-round for the community; and

WHEREAS, the data surrounding hatchery impact on wild salmon populations is inconclusive and does not justify the drastic production reductions proposed by Proposal 78; and

WHEREAS, Alaska’s salmon hatchery program operates as a nonprofit model, is self-funded through cost recovery and enhancement taxes, and follows a rigorous public permitting process employing sound scientific methods to sustainably protect wild salmon populations while benefiting all user groups, including subsistence, personal use, sport, and commercial fisheries; and

WHEREAS, Proposal 78 threatens to disrupt the sustainability of Alaska’s hatchery programs by imposing a new oversight process that conflicts with existing regulatory structures, which have successfully overseen the balance between hatchery and wild stocks.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, that:

Section 1. The City of Cordova firmly opposes Proposal 78, which will be considered at the December 10-16, 2024, Alaska Board of Fisheries meeting in Cordova, and urges the Board to reject this proposal to prevent economic harm and unnecessary disruption to Alaska’s hatchery programs.

Section 2. The City of Cordova reaffirms its support for Alaska’s Salmon Hatchery Programs, including PWSAC and VFDA, recognizing their role in supporting Cordova’s community, economy, and sustainable fisheries practices.

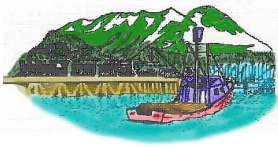
Section 3. The City of Cordova calls on the Alaska Board of Fisheries to support science-based, unbiased, assessment methods for hatchery management in collaboration with the Alaska Department of Fish and Game, industry leaders, and the hatchery community to better understand the benefits Alaska’s salmon hatcheries provide to all Alaskans.

PASSED AND APPROVED THIS 6th DAY OF NOVEMBER 2024.

David Allison, Mayor

Attest:

Susan Bourgeois, CMC, City Clerk



City Council of the City of Cordova, Alaska
Pending Agenda
November 6, 2024 Regular Council Meeting

A. Future agenda items - topics put on PA with no specific date for inclusion on an agenda initially put on or revisited

- | | |
|--|-----------|
| 1) Public Safety Resources - discussion | 1/20/2021 |
| 2) Ordinance change (Title 4) to ensure Council has a role in CBA approval process | 9/6/2023 |
| 3) Council discussion about incentives for investment in Cordova | 11/3/2021 |
| 4) Facility condition assessments part 2 work session (did P&R on 4-19-23) - Oct '23 | 9/6/2023 |
| 5) City Code re: procurement, Manager spending limit trigger in a code provision | 4/19/2023 |
| 6) Discuss/create a policy for established timeframes for review of City ongoing contracts | 9/6/2023 |
| 7) Explore methods to capture tourism dollars by requiring arriving RVs to use paid facilities | 9/6/2023 |
| 8) Strategic planning work session (goal setting), to include Permanent Fund and other priorities | 2/21/2024 |
| 9) Bonding for City streets - explore for when asphalt plants will be in town during other projects | 4/3/2024 |
| 10) Charter change discussion, resolution to put on ballot - remote finance director | 9/18/2024 |
| 11) Code change to land disposal maps when a status change (time-frame for disposal post status chg) | 9/18/2024 |

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

- | | |
|---|------------|
| 1) Disposal of PWSSC Bldg - referred until more of a plan for north harbor so the term of RFP would be known | 1/19/2022 |
| 2) Res 12-18-36 re E-911, will be back when a plan has been made | 12/19/2018 |

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

- 1) Capital Priorities List, Resolution 01-24-01, is in each packet - if 2 council members want to revisit the resolution they should mention that at Pending Agenda and it can be included in the next packet for action
- 2) Staff quarterly reports will be in the following packets:

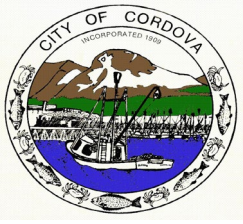
1/15/2025	4/16/2025	7/16/2025	10/15/2025
-----------	-----------	-----------	------------
- 3) Joint City Council and School Board Meetings - twice per year, May & October
 before Council mtg in **May** 6pm @ CHS before Sch Bd mtg **Oct. or Nov.**
- 4) Clerk's evaluation - each year in **Feb** (before Council changeover after Mar election) - next **Feb '25**
- 5) Manager's evaluation - each year in **Jan** - next one **Jan '25**
- 6) In **May** each year City will provide public outreach regarding beginning of bear season photo by Wendy Ranney
- 7) Each year in **June** Council will approve by Resolution, the School's budget and City's contribution



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

item for action	tasking which staff: Manager/Clerk?	proposed date
1) ...		
2) ...		
3) ...		

Mayor Allison 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
November 6, 2024 Regular Council Meeting**

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

1) Cordova Fisheries Committee:

auth res 10-24-32 approved Oct 2, 2024

Council needs to determine exact makeup of the committee
Council needs to determine how to fill the seats

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-Stormy Haught | 6-Michelle Hahn |

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

1) Prince William Sound Regional Citizens Advisory Council

David Janka appointed March 2024 2 year term until May 2026

2) Prince William Sound Aquaculture Corporation Board of Directors

Tommy Sheridan appointed June 2024 3 year term until Oct 2027

3) Alaska Mariculture Alliance

Sean Den Adel appointed March 2024 no specific term

**CITY OF CORDOVA, ALASKA
RESOLUTION 01-24-01**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA,
DESIGNATING CAPITAL IMPROVEMENT PROJECTS**

WHEREAS, the Cordova City Council has identified several Capital Improvement projects that will benefit the citizens of Cordova, and in several cases the entirety of Prince William Sound; and

WHEREAS, the Council of the City of Cordova has identified the following Capital Improvement projects as being critical to the future well-being and economy of Cordova and the surrounding area:

Port and Harbor

- North Harbor Efficiency and Safety
 - Stabilize Breakwater Ave through sheet piling to create usable uplands for industrial, commercial, Harbor and associated uses.
 - Improve pedestrian safety by creating a sidewalk and boardwalk system to navigate between the north and south harbors.
 - Provide additional cranes, laydown areas, and in-harbor fuel services.
- Waste Oil/Maintenance Building
- Shipyard Expansion
- Harbor Basin Expansion

Water Upgrades

- Improve water delivery during peak water usage.
- Booster station at Murchison tank to improve water delivery during peak flow.
- Permanent siphon at Crater Lake to improve water delivery during peak flow.
- Upgrade Pipe Infrastructure.
- Upgrade pump stations and equipment.
- Feasibility Study services and Fire Protection (hydrants) to Outlying Areas
- Water distribution upgrades

Sewer Upgrades

- Replacement/upgrade of Wastewater plant and Scada.
- Replacement/Upgrades of Lift Stations.
- Replacement of Force main in Odiak Slough.
- Upgrade Pipe Infrastructure.

Streets Infrastructure and Equipment

- 6th and 7th Streets Upgrades
- Chase Avenue Upgrades
- Replace/Upgrade pedestrian walkways (4th and Adams) (Council Street), and (2nd Street to Main)
- Wheeled Loader
- Road Grader
- Backhoe

Water Services and Fire Protection (hydrants) to Outlying Areas – Feasibility Study

Public Safety

- E-911 Implementation
- Acquire and integrate new hardware to fully utilize the new E-911 addressing.
- Replace Failing RMS
- Replace Dispatch Console
- Replace Radio Structure on Ski Hill
- Engineering and Preliminary Design of Public Safety Building
- Prep Site

Recreational Safety and Development

Pool Infrastructure

- Door and Siding Replacements and CMU Joint Repairs
- Pool Cover Replacement
- Pool Roof Replacement
- Ventilations Remodel/Replacement
- Electrical Distribution System Replacement
- ADA Compliance and Parking Area re-grade.

Bidarki Recreation Center

- Structural Repair
- Code and Ada Compliance
- Facility Improvements

Eyak Lake Skater's Cabin

- Demolish and replace.

Playground Renovations

- Replacement of swing set at Noel Pallas Children's Memorial Playground

Parks Restrooms/Buildings/Structures

- Ballfield/Cordova Municipal Park Restroom/Concession Stand – Code and ADA Compliance
- Fleming Spit Restroom Replacement
- Odiak Pond Boardwalk and Gazebo – Code and ADA Compliance
- Odiak Camper Park Restrooms/Facility Improvements – Code and ADA Compliance.
- Parks Maintenance Shop Facility Improvements – Code Compliance

Ski Hill Improvements

Land Development

- Housing
- Cold Storage
- Harbor Basin Expansion

and;

WHEREAS, some or all of these projects will be submitted to State or Federal legislators and/or agencies as Capital Improvement projects for the City of Cordova, Alaska.

NOW, THEREFORE, BE IT RESOLVED THAT the Council of the City of Cordova, Alaska, hereby designates and prioritizes the above listed projects as Capital Improvement projects.

PASSED AND APPROVED THIS 17th DAY OF JANUARY 2024



[Handwritten signature of David Allison]

David Allison, Mayor



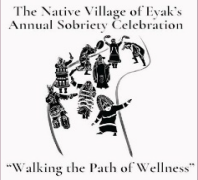


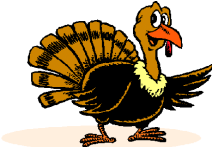
ATTEST:

[Handwritten signature of Susan Bourgeois]

Susan Bourgeois, CMC, City Clerk

November 2024

CALENDAR MONTH	NOVEMBER
CALENDAR YEAR	2024
1ST DAY OF WEEK	SUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
----- early voting @ Cordova Center Atrium Oct 21 - Nov 4 M-F 8a-4:30p -----						
3 	4 5:30 Hosp Svc Bd jt wksn w-llanka Health Bd CCB	5  6:30 P&Z CCAB	6 5:00 Work Session 7:00 Council reg mtg CCAB	7	8  "Walking the Path of Wellness"	9  NVE Sobriety 11/8-10
10	11  Veteran's Day Holiday City Offices closed	12	13 6:00 Harbor Cms CCAB 7:00 Sch Bd HSL	14	15	16
17	18	19 5:30 CTC Board Meeting CCER	20 5:00 Work Session 7:00 Council reg mtg CCAB	21	22	23
24	25	26 6:00 P&R CCM	27 6:00 CEC Board Mtg CCER	28  12:00 Hosp Svc Bd HCR	29 Thanksgiving Holiday City Offices closed 11/28 & 11/29	30
1	2	Notes				

Legend:
 CCAB-Community Rms A&B
 CCM-Mayor's Conf Rm
 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 Tues

P&R - last Tues
 CEC - 4th Wed
 Hosp Svcs Bd - last Thurs

December 2024

CALENDAR MONTH **DECEMBER**
 CALENDAR YEAR **2024**
 1ST DAY OF WEEK **SUNDAY**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
			6:45 Council PH 7:00 Council reg mtg CCAB		 Cordova Holiday Bazaar Dec 6-7 @ Mt. Eccles	
8	9	10	11	12	13	14
			ALASKA BOARD OF FISHERIES	Cordova, AK Dec 10-16	ALASKA BOARD OF FISHERIES	
15	16	17	18	19	20	21
	Mar 4, 2025 Election: declaration of candidacy period opens 12/17/24	6:30 P&Z CCAB	6:00 Harbor Cms CCAB 7:00 Sch Bd HSL			
22	23	24	25	26	27	28
			Christmas Holiday City Offices closed 12/25	CSD Winter Vacation Dec 23 - Jan 3		
29	30	31	1	2	3	4
	Happy Kwanzaa Dec 26-Jan 1	6:00 P&R CCM	6:00 CEC Board Mtg CCER	12:00 Hosp Svc Bd HCR		Happy Hanukkah Dec 25- Jan 2

Notes

- Legend:
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 P&Z - 2nd Tues
 SchBd, Hrb Cms - 2nd Wed
 CTC - 3rd Tues
- P&R - last Tues
 CEC - 4th Wed
 Hosp Svcs 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: 3 years	David Allison Mayor@cityofcordova.net	March 1, 2022	March-25
Council members:			
Seat A: 3 years	Tom Bailer CouncilSeatA@cityofcordova.net	March 1, 2022 March 5, 2019	March-25
Seat B: 3 years	Cathy Sherman CouncilSeatB@cityofcordova.net	March 7, 2023 March 3, 2020	March-26
Seat C: 3 years	Kasey Kinsman, Vice Mayor CouncilSeatC@cityofcordova.net	March 7, 2023	March-26
Seat D: 3 years	Wendy Ranney CouncilSeatD@cityofcordova.net	March 5, 2024 July 5, 2023	March-27
Seat E: 3 years	David Zastrow CouncilSeatE@cityofcordova.net	March 5, 2024	March-27
Seat F: 3 years	Kristin Smith CouncilSeatF@cityofcordova.net	March 1, 2022	March-25
Seat G: 3 years	Ken Jones CouncilSeatG@cityofcordova.net	March 1, 2022	March-25

elected by encl

Cordova School District School Board of Education - Elected

length of term		Date Elected	Term Expires
3 years	Barb Jewell, president bjewell@cordovasd.org	Mar 1, 2022, Mar 5, 2019, Mar 1, 2016, Mar 5, 2013	March-25
3 years	Henk Kruihof hkruihof@cordovasd.org	March 5, 2024 March 2, 2021	March-27
3 years	Terri Stavig tstavig@cordovasd.org	March 1, 2022	March-25
3 years	Peter Hoepfner phoepfner@cordovasd.org	Mar 5, 2024, Mar 2, 2021, Mar 6, 2018, Mar 3, 2015, Mar 6, 2012, Mar 3, 2009, Mar 7, 2006	March-27
3 years	David Glasen	March 7, 2023	March-26

seat up for re-election in Mar '25

vacant

board/commission chair/vice

seat up for re-appt in Nov '24

(updated 07-29-24)

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

Hospital Services - Board of Directors - Elected

length of term		Date Elected	Term Expires
3 years	Diane Ujioka CCMCBoardSeatC@cdvcmc.com	March 5, 2024 December 19, 2023	March-27 elected by board
3 years	Ann Linville CCMCBoardSeatA@cdvcmc.com	March 1, 2022	March-25
3 years	Shelly Kocan CCMCBoardSeatB@cdvcmc.com	July 25, 2024	March-25
3 years	Liz Senear CCMCBoardSeatD@cdvcmc.com	March 5, 2024 March 2, 2021	March-27
3 years	Kelsey Appleton Hayden, Chair CCMCBoardSeatE@cdvcmc.com	March 7, 2023 March 3, 2020	March-26

Library Board - Appointed

length of term		Date Appointed	Term Expires
3 years	Mary Anne Bishop, Chair	Nov '06, '10, '13, '16, '19, Dec '22	November-25
3 years	Debra Adams	Dec '21	November-24
3 years	Sherman Powell	June '18, Feb '20, Jan '23	November-25
3 years	Mark Donachy	Dec '23	November-26
3 years	Krysta Williams	Feb '18, Dec '20, Dec '23	November-26

Planning Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	Kris Ranney	Dec '22	November-25
3 years	Mark Hall, Vice Chair	Nov '19, Dec '22	November-25
3 years	Sarah Trumblee	Dec '20, Dec '23	November-26
3 years	Tania Harrison, Chair	Mar '22	November-24
3 years	Gail Foode	Dec '23	November-26
3 years	Chris Bolin	Sep '17, Nov '18 Dec '21	November-24
3 years	Sean Den Adel	Dec '23	November-26

seat up for re-election in Mar '25

vacant

board/commission chair

seat up for re-appt in Nov '24

(updated 07-29-24)

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	Ryan Schuetze	Dec '23	November-26
3 years	Andy Craig, Chair	Nov '16, '19 & Dec '22	November-25
3 years	Garrett Collins	Dec '23	November-26
3 years	Ken Jones	Feb '13, Nov '16, Nov '19, Dec '22	November-25
3 years	Christa Hoover	Dec '21	November-24
3 years	Hein Kruithof	Dec '23	November-26
3 years	Tommy Sheridan	Sept '22	November-24

Parks and Recreation Commission - Appointed

length of term		Date Appointed	Term Expires
3 years	Jim Fritsch	May '24	November-24
3 years	Henk Kruithof	Nov '19, Dec '22	November-25
3 years	Aaron Hansen, Chair	Dec '21	November-24
3 years	Kara Rodrigues	Dec '23	November-26
3 years	Marvin VanDenBroek	Feb '14, Nov '16, Nov '19, Dec '22	November-25
3 years	Jason Ellingson	Mar '23	November-25
3 years	Erin Cole	May '24	November-26

Historic Preservation Commission - Appointed

length of term		Date Appointed		Term Expires
3 years	Kris Ranney, PC member	Mar '23	appt'd by PC	November-25
3 years	Heather Hall, professional member	Aug '16, Feb '20, Mar '23		November-25
3 years	Sylvia Lange, NVE member	Nov '22, Nov '19	appt'd by NVE	November-25
3 years	Christy Mog, professional member	Dec '23		November-26
3 years	Ashley Bivin, historical society member	Dec '23		November-24
3 years	Nancy Bird, professional member	Nov '17, Nov '18		November-24
3 years	Jim Casement, public member	Dec '21		
		Dec '23		November-26

seat up for re-election in Mar '24	vacant
board/commission chair	
seat up for re-appt in Nov '24	

(updated 07-29-24)