<u>Mayor</u> David Allison

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

<u>City Manager</u> Samantha Greenwood

<u>City Clerk</u> Susan Bourgeois

Deputy City Clerk Colette Gilmour

#### Regular City Council Meeting February 19, 2025 @ 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



#### E. Disclosures of Conflicts of Interest and Ex Parte Communication

• conflicts as defined in CMC 3.10.010 should be declared, then Mayor rules whether member should be recused, Council may appeal the Mayor's ruling

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

• 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 - none

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 none

G. Approva	al of Consent Calendar	call vote)
	concurrence of Mayor's appointment of 2025 Election Board	
5. Minutes:	a. Dec 18, 2024, City Council Regular Meeting Minutes	. (page 6)
	b. Jan 15, 2025, City Council Regular Meeting Minutes	(page 11)
	c. Feb 5, 2025, City Council Public Hearing Minutes	

#### H. Approval of Minutes - in consent calendar

#### I. Consideration of Bids/Proposals/Contracts - none

#### J. Reports of Officers

	•	
6.	Mayor's	Report

#### 7. City Manager's Report

8. City Clerk's Report:	a. notice of election-offices-props-how to vote	(page 16)
	<b>b</b> . Cordova Fisheries Committee public notice seeking applicants	(page 18)
K. Correspondence		ription page 19)
<b>9</b> . 01-22-25 Marine Trans	portation Information Bulletin-Cybersecurity Final Rule	(page 20)
10. 01-30-25 Email from <i>J</i>	A. Schaefer regarding Mayor's email to School Board	(page 21)
<b>11</b> . 02-02-25 Anchorage	Daily News remembrance of <i>Helen Marie Howarth</i>	(page 22)
12. 02-07-25 Email from	J. Beckett including city telecommunications policy	(page 25)
<u>the next 2 letters are drat</u>	ts - Council should concur to approve the content then they will be ser	<u>nt</u>
13. 02-xx-25 Draft letter f	rom AK Mayors to AK Congressional delegation regarding	(page 35)
Secure Rural Schools	s Program	
14. 02-xx-25 Draft letter f	rom Mayor to Sen Murkowski regarding healthcare costs	(page 37)

#### Ordinances and Resolutions

15	Ordinance 1227 (roll call vote)(page 38)
	An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code
	section 5.10.080 "Maximum tax per transaction-the tax cap" to apply the tax cap to single invoices
	rather than single items or single transactions of service except as otherwise provided in the
	Cordova municipal code for service contracts, rentals, and bundled transactions, and to amend
	CMC 5.10.085 to remove reference to single service tax cap and single item tax cap – 2 <sup>nd</sup> reading
16	Ordinance 1228(roll call vote)(page 46)
	An ordinance of the Council of the City of Cordova, Alaska, amending CMC 5.10.100 "Product
	based exemptions", CMC 5.10.210 "Exemption application and exemption authorization card",
	CMC 5.10.230 "Refunds", and repealing CMC 5.10.240 "Construction materials and services
	exemption and refund" to replace the reimbursement application process that applies to eligible
	construction materials and services and adopt an exemption card application process for such
	materials and services and amending CMC 5.10.100 to remove income reporting requirements
	for nonprofit organizations regarding sales by nonprofit organizations, which are not exempt from
	sales tax – $2^{nd}$ reading
17	. Ordinance 1229 (voice vote)(page 55)
17	An ordinance of the Council of the City of Cordova, Alaska, authorizing the City Manager to enter
	into a ten-year lease with option to purchase with Emily Anderson and Skyler Newman, for Lot
40	15A, Block 5 of Odiak Park Subdivision – 1 <sup>st</sup> reading
18	Resolution 02-25-02
	A resolution of the Council of the City of Cordova, Alaska, authorizing the city to issue general
	obligation refunding bonds to refund certain outstanding general obligation bonds of the city, fixing
	certain details of such bonds, and authorizing their sale
19	Resolution 02-25-03 (voice vote)(page 87)
	A resolution of the Council of the City of Cordova, Alaska, supporting funding applications for the
	development of the Crater Lake Water and Power Project
м	Unfinished Business
20	Council action on dispersed and method of dispersed of $1 \text{ at } 2.9.4$

20. Council action on disposal and method of disposal of Lots 3 & 4...... (voice vote)(page 90) Block 8 Original Townsite (Chamber of Commerce Lease)

#### N. New & Miscellaneous Business

- 21. Council action on disposal and method of disposal of a Portion of Tract B..... (voice vote)(page 104) **Terminal Ground B Subdivision**
- 22. Council action to match Friends of Valdez animal shelter donation toward...... (voice vote)(page 115) ARVO spay & neuter clinic in Cordova June 2025

#### **O.** Audience Participation

#### P. Council Comments

#### Q. Executive Session

if you have a disability that makes it difficult to attend city-sponsored functions, 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

24. An evaluation of the City Manager regarding personnel matters related to Library operations, matters of which may tend to prejudice the reputation and character of the City Manager provided that she may request a public discussion - she has not requested a public discussion

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.

5	
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
	<ul> <li>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</li> </ul>

## Highlights from the January 2025 Board of Directors meeting

The Prince William Sound Regional Citizens' Advisory Council held a meeting on January 23 & 24, 2025, in Anchorage. The following is a synopsis of actions and discussions that took place at that meeting. This report is not all inclusive.



## **Report from Alyeska Pipeline Service Company**

Klint VanWingerden, Director of Operations for the Valdez Marine Terminal (VMT), updated the Board on Alyeska's plan to address concerns raised in a Council-sponsored report titled "Assessment of Risks and Safety Culture at Alyeska's Valdez Marine Terminal." That report, authored by PWSRCAC contractor Billie Pirner Garde, was released in 2023.

VanWingerden noted that Alyeska's team of personnel who were tasked with reviewing the report had focused on it as an opportunity to improve operations. The team developed a plan to understand the issues, recommend changes, and take action based on the report's three recommendations to Alyeska. VanWingerden summarized what Alyeska has done so far to address the concerns, and what tasks are ongoing. These details are available in his presentation on our website.

- VanWingerden's presentation slides: <u>www.tinyurl.com/Alyeska-Update-Garde</u> (PDF)
- Assessment of Risks and Safety Culture at Alyeska's Valdez Marine Terminal by Billie Pirner Garde: www.tinyurl.com/Billie-Garde-Report

Andres Morales, Alyeska's Emergency Preparedness and Response Director, summarized numerous maintenance updates, inspections, and repairs at the terminal. Highlights include:

- Morales reported that a potential new fire-fighting foam is performing well in testing. Alyeska has been looking for a new product to replace the current foam, which contains PFAS, a chemical that is associated with human health concerns.
- Alyeska has extended its 10-year contract with Edison Chouest Offshore (ECO) for an additional 5 years. In 2018, ECO took over as the contractor that provides Alyeska's Ship Escort Response Vessel System (SERVS) with escort tugs and a variety of response equipment and personnel. The contract will now expire in 2033.

Morales' presentation slides: <u>www.tinyurl.com/Alyeska-Jan-2025</u> (PDF)

## **Contingency plan update for Valdez Marine Terminal**

Linda Swiss, the Council's project manager for oil spill contingency planning, and Breck Tostevin, attorney with Nielsen, Koch & Grannis, updated the Board about the recent 5-year renewal of Alyeska's contingency plan to prevent and respond to a spill at the terminal. Swiss reported that the plan was approved by the Alaska Department of Environmental Conservation (ADEC) in November 2024, allowing operations to continue in accordance with the plan.

However, ADEC had previously set several conditions of approval that must be met. One of these conditions requires further analysis of the secondary containment liners under the crude oil storage tanks at the terminal's East Tank Farm. These liners, made up of catalytically-blown asphalt, are part of a system that is intended to contain oil in the event of a spill and prevent contamination of surface and

groundwater. These underground liners are hard to inspect, and the Council is concerned about the condition of the nearly 50-year-old liners.

Alyeska receives a 60% "prevention credit" from ADEC based on the integrity of these liners. This credit allows Alyeska to plan for a smaller spill, thus reducing the amount of equipment and responders committed to be on hand to begin a quick response. The credit is contingent upon the asphalt liner meeting ADEC's "sufficiently impermeable" standard and able to contain spilled oil to allow cleanup to be completed before surface and groundwater contamination occurs. Cracks and damage have previously been discovered in some areas, so the Council has concerns about the liner's integrity.

- ADEC's approval documents and the Council's comments are available on the Council's Oil Spill Prevention and Response Committee's (OSPR) website: <u>www.tinyurl.com/VMT-Renewal</u>
- The updated plans are available on ADEC's website at: <u>www.tinyurl.com/ADEC-Cplans</u> Note: Search under Approved Plans then search for Alyeska.

After ADEC's decision to renew the plan, PWSRCAC submitted a Request for Informal Review to ADEC's Spill Prevention and Response Director to require that submissions in response to the liner be subject to public review, that a schedule for completing liner inspections be incorporated into the plan, and to require corrective action if inspections demonstrate that the existing liner does not meet the "sufficiently impermeable" standard. A decision in response to our request is expected by February 24, 2025.

## Law could adversely affect fishing vessel response program

Joe Lally, the Council's Director of Programs, updated the Board on a law, and subsequent potential Coast Guard policy and regulations, that may affect the fleet of fishing vessels that are contracted and trained by SERVS to help respond in case of an oil spill.

In 2023, in response to enactment of a provision in the National Defense Authorization Act, the U.S. Coast Guard released a Work Instruction that would unnecessarily impose onerous inspection requirements to vessels that tow boom and other response equipment during oil spill drills and actual incidents. This is problematic because the vessels that participate in the response fleet were built for purposes other than oil spill response, and a significant number of them are uninspected. If implemented, these inspection requirements would pose significant operating and response challenges, potentially delaying a response. Additionally, many of the vessels who have not been subject to this type of inspection before, may be excluded from participating in the response program altogether.

The Council has been participating in a workgroup to help develop a solution that would allow the current fleet to remain in operation. Members include the Council, Cook Inlet Regional Citizens Advisory Council, Alyeska/SERVS, Alaska Chadux Network, Cook Inlet Spill Prevention and Response, Inc., Washington State Maritime Cooperative, Southeast Alaska Petroleum Response Organization, and American Waterway Operators. Workgroup members are engaging with the Coast Guard and legislators to determine a path forward on this issue.

## Weather buoy outages

During several agenda items, the Board discussed the recent outage of NOAA's Seal Rocks weather buoy (Station 46061), which collects and transmits data about weather conditions near Hinchinbrook Entrance. The Entrance is the narrow passage between Hinchinbrook and Montague Islands through which tankers pass between Prince William Sound and the Gulf of Alaska. Outbound laden tankers are not allowed to

transit Hinchinbrook Entrance when winds exceed 45 knots or seas exceed 15 feet. The wind and wave data from the Seal Rocks buoy is the primary source of information that the U.S. Coast Guard uses to make critical navigation safety decisions for outbound laden tankers.

During the U.S. Coast Guard's report to the Board, CDR Sarah Rousseau explained that while the buoys are important, they are not the only source of data about weather conditions in the area. She noted that the U.S. Coast Guard also receives reports from Alaska Marine Highway vessels; SERVS tugs; spot reports from the National Weather Service; and other local mariners.

In recent years, the Council has been voicing support for NOAA's National Data Buoy Center to receive additional funding for more timely repairs to the Seal Rocks weather buoy, and the other important weather buoys in the Gulf of Alaska, when outages occur.

## Coast Guard to implement regulations for marine cybersecurity

During the U.S. Coast Guard's report, CDR Sarah Rousseau stated that the Coast Guard is implementing regulations for marine cybersecurity. She noted that the new regulations will require reporting of incidents, additional training of mariners, cybersecurity staff person, a cybersecurity assessment, as well as a plan to include cybersecurity components into drills and exercises. She noted that prior to this upcoming regulation change, all cybersecurity efforts have been voluntary. She noted that she expects the final rule to be in place this July.

The U.S. Coast Guard is currently seeking public comments on a possible 2-to-5-year delay in the implementation schedule of these new cybersecurity regulations that affect U.S. flagged ships. Those comments must be submitted by March 18, 2025.

Details are available on the U.S. Coast Guard's website: www.tinyurl.com/USCG-Rule-Cybersecurity

## **Reports accepted: Long-Term Environmental Monitoring Program**

The Council accepted the 2024 Summary Report for the Council's Long-Term Environmental Monitoring Program (LTEMP) and the associated Technical Supplement by Dr. Morgan Bender of Fjord & Fish Sciences. The report and supplement provide data and results from the 2024 sampling excursions in Port Valdez and the northern Gulf of Alaska coast. During the excursions, samples from mussels, sediment, and seawater were collected at a combination of regions that are near current oil industry activities, sites that were polluted by Exxon Valdez oil, and reference sites. The samples were analyzed for the presence of hydrocarbons. Dr. Bender's results show that there is currently a low risk for effects on wildlife.

- 2024 Summary Report: <u>www.tinyurl.com/LTEMP-Summary-2024</u>
- 2024 Technical Supplement: <u>www.tinyurl.com/LTEMP-Technical-2024</u>

The Board also accepted the 2024 Sediment Metals Report. This pilot study provides a summary of 23 metals identified in sediments collected near two monitoring sites in Port Valdez.

Dr. Bender reported that sediments near the terminal held higher amounts of metals than the reference site at Gold Creek. Her analysis showed that some of the metals could be above the threshold for negative effects. Further monitoring and analysis is recommended.

• 2024 Sediment Metals Report: www.tinyurl.com/Sediment-Metals-2024

The presentation of these three reports to the Board is available on the Council's YouTube channel: <a href="https://www.tinyurl.com/LTEMP-2024">www.tinyurl.com/LTEMP-2024</a>

## **Report accepted: Calculations Used in Tank Vent Headspace Report**

The Council accepted a report by Bill Mott of Taku Engineering titled "2022 Tank Pressure/Vacuum Pallet Damage: Crude Oil Storage Tank Headspace Gas Assessment."

In this report, Mott summarized the calculations and key assumptions (due to the limited available data) used in a previous report related to a 2022 incident. In that incident, pallets or vents on several of the terminal's crude oil storage tanks were damaged due to excessive snow load and ice accumulation. The previous report found that the existing monitoring points are inadequate for identifying high oxygen content in a single tank headspace, and there were areas of combustible gas concentrations in all of the tanks operating at a slight vacuum that had major unrepaired vent damage.

Read the new report: 2022 Tank Pressure/Vacuum Pallet Damage: Crude Oil Storage Tank Headspace Gas Assessment: <a href="http://www.tinyurl.com/Tank-Headspace">www.tinyurl.com/Tank-Headspace</a>

Previous report: Crude Oil Storage Tank Vent Damage: www.tinyurl.com/Tank-Vent-Damage-Report

## Anchorage Office Relocation

The Board of Directors authorized funds for the relocation of the Anchorage office to the RAM Building, 2525 Gambell Street, Suite 305, Anchorage, AK 99503. The move will occur in May 2025.

## Adoption of updated Long Range Plan

The Board approved the updated PWSRCAC Long Range Plan for FY2026-FY2030. This document, updated annually, is a framework for the Council's work plans and guidance for staff when developing project budgets.

The plan is available on our website: www.tinyurl.com/2025-2029-LRP

## **Project updates**

Updates on all current projects: www.tinyurl.com/5-0-Project-Status (PDF)

## **About the Highlights**

These highlights are a quick synopsis of the annual meetings of the Prince William Sound Regional Citizens' Advisory Council. <u>More about the Council</u> | <u>About our work</u>

Board meeting are routinely recorded. Excerpts of the audio and/or video of agenda items can be made available upon request.

#### **Questions? More information? Contact us:**

Any questions or requests for further information can be directed to: Amanda Johnson: <u>amanda.johnson@pwsrcac.org</u> or Jennifer Fleming: <u>fleming@pwsrcac.org</u>

## A memo from Susan Bourgeois, CMC, City Clerk

DATE:February 7, 2025TO:Mayor and City Council, PublicSUBJECT:Appointment of 2025 Election Board members

Below are the names of the individuals who have been selected to serve on the election board for the 2025 General Election on March 4, 2025.

Recommended motion: Move to concur with the Mayor's appointment of the 2025 Election board members as follows:

Seawan Gehlbach, as Chairperson Sarah Trumblee Cathy Pegau Tina Hammer Kay Adams Abby Bourgeois Jeff Guard

Susan Bourgeois Colette Gilmour

Required action: Majority voice vote or approval of the consent calendar.

#### Regular City Council Meeting December 18, 2024 @ 7:00 pm Cordova Center Community Rooms A & B Minutes

**A. Call to order** – *Mayor David Allison* called the Regular City Council Meeting to order at 7:00 pm on December 18, 2024, in the Cordova Center Community Rooms.

**B.** Invocation and pledge of allegiance – *Mayor Allison* led the audience in the Pledge of Allegiance.

C. Roll call – Present for roll call were *Mayor David Allison* and Council members *Cathy Sherman*, *Kasey Kinsman*, *Wendy Ranney*, *Dave Zastrow*, *Kristin Smith*, and *Ken Jones*. Council member *Tom Bailer* was present via zoom videoconference. Also present were Comptroller *Sheryl Glasen* and City Clerk *Susan Bourgeois*. City Manager *Samantha Greenwood* was present via zoom videoconference.

#### D. Approval of Regular Agenda

Hearing no objection to approval of the agenda, Mayor Allison declared it approved.

**E. Disclosures of Conflicts of Interest and ex parte communications** – *Kinsman* declared a conflict on agenda item 7 because of his employment with Alaska Airlines. *Mayor Allison* agreed and asked if any Council members felt differently; none did.

#### F. Communications by and Petitions from Visitors

- 1. Guest speakers none
- 2. Audience comments regarding agenda items

**Dave Glasen** of 609 Cedar St., commented on agenda item 19. He opined the Council should put the money in the permanent fund.

*Steve Richards* of 103 Bluff Trail spoke to agenda item 18. He said he did not believe the City was allowed to tax aviation operations at a state-run airport.

*Mark Frohnapfel* representing Shoreside Petroleum of 101 Copper River Hwy, spoke about Substitute Ordinance 1221, agenda item 18. He does not like the idea of Shoreside's inability to use the cap when selling fuel above \$5,000.

Leo Vargas representing Trident Seafoods at 301 Seafood Lane. He said Trident needs to look for ways to stay competitive and fuel costs for them may increase substantially based on how sales tax is applied. John Baenen representing Wilson Construction at 1020 Chase Avenue. He spoke against the sales tax cap changes on fuel and gravel by the unit.

*Mr. Santos* representing OBI Seafoods of 303 Jim Poor Avenue. He spoke about the negative implications to his company of the change in application of the sales tax cap to fuel purchases.

**Tyler Dillon** representing Camtu's Wild Alaska Seafoods of 129 Harbor Loop Rd. He spoke about the negative implications to his company of the change in application of the sales tax cap to fuel purchases. He said it could force business out of town and also could force fishermen to switch processors to out of town one's with cheaper fuel.

**Sheridan Joyce** of Cordova Power Sports and lives at 1001 Pipe Street. Spoke against the change in cap application as far as building permits and the complication of reimbursement. People are trying to improve their property which will eventually increase property tax.

**Don Scutt** representing NorthStar Lumber of 701 First Street. He spoke against the change in building permits and the sales tax being paid upfront. He said he won't sell anymore building packages. Will very negatively impact his business.

*Brad Sapp* of 203 Highland Drive spoke about the sales tax cap implications on net purchases and improvements to his home.

3. Chairpersons and Representatives of Boards and Commissions - none

4. Student Council Report – there was a written report in the packet.

Reg Mtg Min December 18, 2024 Page 1 of 5

#### G. Approval of Consent Calendar

**5**. Minutes: **a**. Nov. 6, 2024, City Council Regular Meeting Minutes; **b**. Nov. 20, 2024, City Council Regular Meeting Minutes; **c**. Dec. 4, 2024, City Council Public Hearing Minutes:

**6**. Resolution 12-24-38 A resolution of the Council of the City of Cordova, Alaska, adopting an alternative allocation method for the FY25 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 15: Prince William Sound

7. Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities

Resolution 12-24-41 A resolution of the Council of the City of Cordova, Alaska, supporting full funding (\$5,740,48) of the State of Alaska Municipal Harbor Facility grant program in the FY26 State Capital Budget
 Resolution 12-24-42 A resolution of the Council of the City of Cordova, Alaska, supporting raising the maximum available Alaska Department of Transportation Harbor Facility grant to \$7,500,000 for eligible projects on an annual basis

**10**. Resolution 12-24-43 A resolution of the Council of the City of Cordova, Alaska, approving the license for a mobile restaurant for 'Pandemonium Paninis'

Vote on the Consent Calendar: 7 yeas, 0 nays. Jones-yes; Kinsman-yes; Ranney-yes; Sherman-yes; Bailer-yes; Smith-yes; and Zastrow-yes. Consent Calendar was approved.

Item 7 was pulled from consent calendar and moved to item 13d.

H. Approval of Minutes - in consent calendar

#### I. Consideration of Bids/Proposals/Contracts - none

#### J. Reports of Officers

**11**. Mayor's Report – *Mayor Allison* said: 1) Board of Fish kept us all busy last week; he said it is important that Council stays involved in Board of Fish; Copper River will not begin before May 21; the hatchery proposal that we weighed in on did fail; 2) at Board if Fish he heard from some members of the Harbor Commission – they have been having difficulty getting quorums and they are missing 2 members with no applicants, he'll bring up at PA to shrink that down to 5 members.

12. City Manager's Report a. Cordova Harbor Commission Resolution 10-24-04

**Greenwood** reported: 1) HC has recommended the sale of the Transporter – she will work with **Tony** to follow code on appropriate steps to take to accomplish that. Questions: **Jones** asked if we are required to go to auction on that or can we market it and try to get top dollar, it is in great shape. **Greenwood** said no auction requirement, we can put a minimum price on it and put it out for RFP – we can also refuse if we don't get the minimum.

13. City Clerk's Report a. notice of election – how to register; b. notice of board & commission vacancies;
c. Harbor Commission data

**Bourgeois** reported: 1) she provided the Harbor Commission data because she knew the Mayor would be bringing it up – she'd like to know what Council wants to see – after some discussion Council asked for an ordinance at next meeting to change HC back to 5 and to get the HC input on that also.

#### K. Correspondence - none

#### L. Ordinances and Resolutions

**13d**. **7**. Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities

Council member *Kinsman* went to sit in the audience for this item per his conflict of interest declared earlier.

**M/Smith S/Jones** to approve Resolution 12-24-40 A resolution of the Council of the City of Cordova, Alaska, supporting Alaska Airlines application to the United States department of Transportation to continue as the essential air service provider for Cordova and other Alaska communities.

*Smith* said she supports this; Alaska Airlines is an essential community partner. *Jones* said he would dread the day that this ever gets pulled.

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

**14**. Substitute Ordinance 1224 An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager or their designee to enter into a Purchase and Sale Agreement with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition  $#2 - 2^{nd}$  reading

*M/Jones S/Zastrow* to adopt Substitute Ordinance 1224 An ordinance of the Council of the City of Cordova, Alaska authorizing the City Manager or their designee to enter into a Purchase and Sale Agreement with Paul and Linda Kelly, doing business as Bayside Storage, for property described as Lot 4A, North Fill Development Park Addition #2

*Jones* said he supports this, looks forward to seeing it come to fruition. *Zastrow* and every other Council member said they support.

<u>Vote on the motion: 7 yeas, 0 nays. Ranney-yes; Bailer-yes; Kinsman-yes; Jones-yes; Sherman-yes; Smith-yes; and Zastrow-yes. Motion was approved.</u>

**15**. Resolution 12-24-39 A resolution of the Council of the City of Cordova, Alaska, designating capital improvement projects

*M/Jones S/Smith* to approve Resolution 12-24-39 A resolution of the Council of the City of Cordova, Alaska, designating capital improvement projects

*M/Jones S/Bailer* to add a 3-stage dock to the Harbor and Port part of the list.

Vote on the motion to amend: 7 yeas, 0 nays. Motion was approved.

*M/Jones S/Smith* to amend the resolution that is in the packet (approved in January 2024) to be the same as the list in the Manager's memo.

Vote on the motion to amend: 7 yeas, 0 nays. Motion was approved.

Vote on the main motion as amended: 7 yeas, 0 nays. Motion was approved.

**16**. Resolution 12-24-35 A resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-5 entitled "Department of finance: City treasurer, duties" to remove the residency requirement as in charter section 4-2 entitled "qualifications of officers and employees", for city treasurer.

*M/Kinsman S/Zastrow* to approve Resolution 12-24-35 a resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-5 entitled "Department of finance: City treasurer, duties" to remove the residency requirement as in charter section 4-2 entitled "qualifications of officers and employees", for city treasurer. *Kinsman* said he appreciates putting this in front of the voters to decide. *Zastrow* commented on the difficulty the administration has had trying to fill the finance director role, he agrees to put it before the voters to decide. *Sherman* and *Smith* said they support. *Jones* said he does not support this; he has already seen many high-paying jobs shifted out of town. *Bailer* said he supports the people's right to decide.

Vote on the motion: 6 yeas, 1 nay (Jones). Motion was approved.

**17**. Resolution 12-24-44 A resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025, amending charter section 3-6 entitled "Same; Tax assessor, duties" to correct the error in the title, to remove requirements that place the tax assessor in a specific city department and to remove the residency requirement as in charter section 4-2 entitled "Qualifications of officers and employees", for tax assessor

*M/Kinsman S/Sherman* to approve Resolution 12-24-44 a resolution of the Council of the City of Cordova, Alaska, placing a ballot proposition before the voters at the Regular Election on March 4, 2025,

amending charter section 3-6 entitled "Same; Tax assessor, duties" to correct the error in the title, to remove requirements that place the tax assessor in a specific city department and to remove the residency requirement as in charter section 4-2 entitled "Qualifications of officers and employees", for tax assessor *Kinsman* said this is a housekeeping matter, should have been changed a while ago, while researching finance director this was noticed. *Sherman* echoed the housekeeping comment. *Smith*, *Ranney*, *Zastrow* said they support. *Jones* said he does not support; thinks we should be following this piece of charter.

#### M. Unfinished Business - none

#### N. New & Miscellaneous Business

18. Council discussion of Substitute Ordinance 1221, adopted November 6, 2024

**Mayor Allison** asked for this to be put on the agenda. He was of the opinion that after analyzing the ordinance further he did not believe Council realized the action they had taken, especially concerning fuel and the cap (definition of single item and smallest quantity). After some discussion council directed staff to find out from the attorneys the best course of action to look at this again and we will schedule a work session and/or special meeting whatever is necessary. The will was to look at the ordinance in its entirety though at least one council member said a targeted list would be more efficient. Probably a work session in early January.

**19**. Council discussion of 2018/2020 Fisheries Disaster Funds received

**M/Sherman S/Kinsman** to put \$300,000 of the fisheries disaster money back into the permanent fund.

*M/Sherman S/Kinsman* to put the entire amount into the permanent fund.

**Sherman** said this is a gift and it should go into savings. **Kinsman** agreed and said this is very prudent; if there is a reason for us to pull it out in the future, there is a process for that. He sees it as an opportunity to take care of future generations to some extent. **Ranney** supports this – it is to the benefit of the whole community not just the fishermen. **Jones** agrees with putting it in savings – but he opined it should go in harbor reserve fund. He will support it if it reduces the amount the harbor owes to the permanent fund. **Bailer** agreed to put it all in the permanent fund – we will get a good return in there. **Smith** opined that \$300k into permanent fund would be her preference. She's like to see the rest go into the AMLIP account where it is just more accessible for cash flow needs. **Zastrow** was in favor of all or most into the Permanent Fund, some into AMLIP would be ok with him too.

Vote on the amendment: 6 yeas, 1 nay (Smith). Motion was approved.

*M/Jones* to amend the motion so that the amount going into the permanent fund will reduce the amount the Harbor owes the permanent fund. There was not a second, this motion died for lack of a second.

Vote on the main motion as amended: 7 yeas, 0 nays. Motion was approved.

20. Pending Agenda, CIP List, Calendar, Elected & Appointed Officials lists

Council canceled the meeting of January 1 because it fell on the New Year Holiday. The next day that they could all meet is the next regular meeting date which will be on January 15, 2025.

#### **O. Audience Participation**

*Mark Frohnapfel* of 813 Woodland Drive opined that the issue with the sales tax code isn't just about fuel (though that will be the biggest industry affected) it was about the "single item" – the smallest unit. He opined the language now precludes any sale from being capped.

**Steve Richards** of 103 Bluff Trail said to clarify what he said earlier, if the state owned the airport and wanted to assess a landing fee, because it is federally funded, that money would have to go back to the airport improvement fund, it would have to pay for the airport. He used that as an example. As far as the city being able to tax recreational flights, he does not believe that is allowable. He has spoken to FAA attorneys, and they have advised him of this.

*Brad Sapp* 203 Highland Drive said he appreciates Council realizing the mix-up.

*Chris Bolin* of 607 Birch St. said he is speaking tonight as a citizen of Cordova, a taxpayer and as a dad – one of the most important things you do as a dad is show your children what you stand up for. He appreciates the work Council does but reminded them they work for the public and Facebook comments (Mr. Jones) about City employees bloated salaries and benefits aren't helpful for the public and for City employees. Council is involved in the CBA negotiations and approval – it should be kept at the Council table. The comments are detrimental to the morale of the city workers, all the employees of the City hear it and feel it. Comments like those can have repercussions – there have been council members recalled for things like that.

#### **P. Council Comments**

*Bailer* said the public didn't really understand the tax ordinance, nor did he, he wonders now why we even went down this road.

*Ranney* said she appreciates the work Council did tonight – to bring this back, she should have spoken up sooner.

*Smith* said that obviously there was a lot of confusion over this code, and she thinks we are doing the right thing by bringing it back.

**Jones** said he stands by his comments that fishermen experienced the disaster, town didn't. He also stands by his comments that the reason we have to raise taxes every year is because salaries and benefits go up each year. He said every time you get a conservative on here, they get recalled. He invites the recall; he'd love to see that burden get placed on staff.

Zastrow appreciates the public input and appreciates his fellow council members.

*Kinsman* thanked the people in the audience for participating. He gave a shoutout to Peterson's Welding because they came during the public hearing on this ordinance, they asked questions as it was happening.

#### Q. Executive Session - none

#### **R. Adjournment**

Hearing no objection Mayor Allison adjourned the meeting at 9:25 pm

Approved: February 19, 2025

Attest:

Susan Bourgeois, City Clerk

#### Regular City Council Meeting January 15, 2025 @ 7:00pm Cordova Center Community Rooms A & B Minutes

**A. Call to order** – *Mayor David Allison* called the regular Council Meeting to order at 7:06 pm on January 15, 2025, in the Corodva Center Community Rooms.

**B. Invocation, pledge of allegiance –** *Mayor Allison* **led the audience in the Pledge of Allegiance.** 

C. Roll call – Present for roll call were *Mayor David Allison* and Council members *Kasey Kinsman*, *Wendy Ranney, Dave Zastrow,* and *Cathy Sherman*. Council members *Tom Bailer* and *Kristin Smith* were present via zoom video conference. Council member *Ken Jones* was absent. Also present were City Comptroller, *Sheryl Glasen* and City Deputy Clerk, *Colette Gilmour*.

#### D. Approval of Regular Agenda

Hearing no objection to approval of the agenda, Mayor Allison declared it approved.

E. Disclosures of Conflicts of Interest and Ex Parte Communication – none

#### F. Communications by and Petitions from Visitors

- 1. Guest Speakers none
- 2. Audience comments regarding agenda items none

3. Chairpersons and Representatives of Boards and Commissions

**Hospital Board: Dr. Sanders** from the CCMC reported that they are struggling with staffing and cost increases but are planning for a big year in 2025. They are also working on a plan to address the \$9 million in structural and infrastructure repairs identified in a 2019 condition report. Council also mentioned the need for support from the community to maintain the hospital's services. Emergency Ambulance response team needs volunteers.

4. Student Council Report - none

#### G. Approval of Consent Calendar

**5**. Minutes: **a**. Dec. 4, 2024, City Council Regular Meeting Minutes; **b**. Dec. 18, 2024, City Council Public Hearing Minutes

**6**. Council concurrence of Mayor's appointments to Historic Preservation Commission and Parks and Recreation Commission

<u>Vote on the Consent Calendar: 6 yeas, 0 nays, 1 absent. Zastrow-yes; Smith-yes; Kinsman-yes;</u> <u>Ranney-yes; Bailer-yes and Sherman-yes. Consent Calendar was approved</u>

#### H. Approval of Minutes - in consent calendar

#### I. Consideration of Bids/Proposals/Contracts - none

#### J. Reports of Officers

#### 7. Mayor's Report

**8**. City Manager's Report - Sam Greenwood was absent. Instead, *Kevin Johnson*, Public Works Director, provided updates on the land disposal request for the lot on Lefevre, the windstorm damage, and the avalanche and landslide hazard mapping project. He also mentioned the hiring of a new city planner and the ongoing negotiations for the purchase agreement for the lot on Center Drive. The Fire Marshal has resigned, and the position has been posted.

Reg Mtg Min January 15, 2025 Page 1 of 4 **9**. City Clerk's Report - Deputy Clerk, Colette Gilmour's report included 1) reminders about the upcoming regular city election on March 4<sup>th</sup> and the need for candidates. Declaration of candidacy closes Feb 4<sup>th</sup>. 2) City Clerk will be out on vacation until January 27<sup>th</sup>.

**10**. Staff Reports – 4Q, 2024 Quarterlies:

a. Cordova Chamber of Commerce, Executive Director Cathy Renfeldt

b. City Investments, Alaska Permanent Capital Management, Blake Phillips.

Tom Bailer expressed appreciation for city investment updates.

#### K. Correspondence

**11**. 12-18-24 Email from ADF&G Division of Subsistence asking for letter of support for NPRB funding to update comprehensive household harvest surveys

12. 12-18-24 Email from J. Burton with suggestions for harbor disaster funds

Tom Bailer noted council did put away the disaster funds in the permanent fund

13. 12-18-24 Email from J. Olsen with suggestions for harbor disaster funds

**14**. 12-19-24 Letter of support from Mayor to NPRB for ADF&G Division of Subsistence proposal to update comprehensive household harvest surveys

#### L. Ordinances and Resolutions

**15**. Ordinance 1226 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 11.08.020 – Harbor Commission, to reduce the Harbor Commission from seven to five voting members – 1<sup>st</sup> reading

*M/Bailer S/Sherman* to adopt Ordinance 1226 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 11.08.020 – Harbor Commission, to reduce the Harbor Commission from seven to five voting members.

**Bailer** supported going back to 5 members. **Sherman** wanted to hear from the harbor commission, which they did provide input. **Kinsman** is in support, **Zastrow** is in support and mentioned it was only raised because of south harbor project. **Ranney** defers to the commission; is in support. **Smith** supports it.

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

**16**. Resolution 01-25-01 A resolution of the council of the city of Cordova, Alaska, amending the finance department section of the 2025 fee schedule as had been approved in resolution 12-24-36 on December 4, 2024

*M/Kinsman S/Zastrow* to approve Resolution 01-25-01 A resolution of the council of the city of Cordova, Alaska, amending the finance department section of the 2025 fee schedule as had been approved in resolution 12-24-36 on December 4, 2024

*Kinsman* states it is nothing but a clerical fix and nothing else to discuss on it. *Zastrow* agrees, it is a clean up.

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

#### M. Unfinished Business - none

#### N. New & Miscellaneous Business

17. Pending Agenda, CIP List, Calendar, Elected & Appointed Officials list

Pending Agenda items addressed: #10 Land Disposal Maps and Status Changes – *Johnson* said the Planner would update and bring forward revised local maps in the annual update (March/April). Ensure changes to land disposal maps are included.

**Fisheries Committee** – council asked for an update form the City Clerk. The status of dissolved commissions and finalize the composition of the new combined commission. Coordinate with CDFU for input on proposals to the Board of Fish.

Reg Mtg Min January 15, 2025 Page 2 of 4 Council scheduled a work session, Feb 19<sup>th</sup>, to outline planning and goals before potential council and mayoral turnover. Plan a follow-up session with the new council for alignment.

Bonding and Budget Planning – Provide current bond expiration schedules and a list of potential future bonding items. Align the discussion with the strategic planning session. Prepare relevant spreadsheets and reports for the second meeting, Feb 19<sup>th</sup>.

Update on reissuing bonds as per the resolution passed in December.

Revisit and evaluate property tax exemption policies to support economic growth.

#### **O. Audience Participation**

*Mark Frohnapfel* emphasizes their business's significant role in supporting the community through sales tax contributions and their commitment to being a community partner. They express concerns about the single-item sales tax cap, which discourages local spending on high-cost necessities and drives residents to shop elsewhere. They highlight confusion around the bundling policy and call for a fair, practical system that aligns with voter intent, ensuring equitable revenue while supporting local businesses. They offer to collaborate with the city to address these issues effectively.

**Dorothy Widman** asked what to do in the interim period while council is making a decision regarding building materials sales tax. Should she get a building permit and start saving receipts or wait? Council advised getting the building permit now and saving receipts. Refer to staff on discussing where the city goes in the interim and will reach out directly.

#### **P. Council Comments**

**David Zastrow** expressed gratitude for the participation of local retailers in the work session, emphasizing the importance of their continued involvement and input. They highlighted the need for clarity in explaining proposed tax measures, both among council members and to the public. He is optimistic about the direction being taken, eager to analyze the potential revenue implications of the proposals, and believes the current approach is a significant improvement. They also thanked the staff for their efforts and support.

**Cathy Sherman** expressed gratitude for participation in the meeting and acknowledged the challenges of understanding complex topics, emphasizing the importance of clear communication. They shared personal experiences highlighting the value of supporting local businesses and services in the community, including heartfelt praise for CCMC for providing life-saving care and local businesses like The Net Loft and Cordova Gear for their unique offerings and excellent service. They encouraged others to invest in the community with both their hearts and dollars, noting the benefits and importance of supporting local resources, even when costs might seem higher. She concluded with a passionate call to appreciate and sustain the community through everyday actions.

**Tom Bailer** emphasized the importance of simplifying the building process to support local construction and business development. They advocated for reinstating a tax exemption program that allows builders to pay taxes upfront and receive a tax-exempt card for construction materials. This approach ensures builders have the necessary cash flow during critical stages of construction, helping to fund materials and labor. He highlighted the economic benefits of such a program, including job creation, increased tax revenue, and business growth, citing personal experience and success with similar initiatives. They thanked participants for their input and engagement in the meeting.

*Kasey Kinsman* acknowledged their accountability for contributing to rework and confusion that caused delays in construction, offering a sincere apology for their role. They admitted to not being well-informed or asking the right questions and emphasized their commitment to improving. Looking forward, they expressed a desire to refocus, engage more deeply, and better fulfill their responsibilities to the community.

Wendy Ranney supported and agreed with everyone was saying.

*Kristen Smith* clarified a statement made in a previous meeting about property tax increases, noting that inflation-adjusted figures show tax revenues in 2024 were not double those of 2012 but \$712,000

Reg Mtg Min January 15, 2025 Page 3 of 4 higher. They emphasized the importance of using accurate data when discussing tax policy. Additionally, they expressed gratitude for Dr. Sanders' leadership at CCMC, which has stabilized the organization financially, improved its reputation, and provided consistent care. Lastly, they acknowledged and appreciated Council Member Bailer's insights from his construction industry experience, particularly regarding sales tax discussions.

#### Q. Executive Session - none

R. Adjournment - Hearing no objection Mayor Allison adjourned the meeting at 7:46 pm.

Approved: February 19, 2025

Attest:

Colette Gilmour, Deputy City Clerk

Reg Mtg Min January 15, 2025 Page 4 of 4

#### City Council Public Hearing February 5, 2025 @ 6:45 pm Cordova Center Community Rooms Minutes

#### A. Call to order

*Mayor David Allison* called the Council public hearing to order at 6:58 pm on February 5, 2025, in the Cordova Center Community Rooms.

#### B. Roll call

Present for roll call were *Mayor David Allison* and Council members, *Kasey Kinsman*, *Wendy Ranney*, *Dave Zastrow* and *Kristin Smith*. Council members *Cathy Sherman*, *Tom Bailer* and *Ken Jones* were present via zoom videoconference. Also present were City Manager, *Sam Greenwood*, and City Clerk, *Susan Bourgeois*.

#### C. Public hearing

**1**. Ordinance 1226 An ordinance of the Council of the City of Cordova, Alaska, amending Cordova municipal code section 11.08.020 – Harbor Commission, to reduce the Harbor Commission from seven to five voting members

*Mayor Allison* opened the hearing for public testimony on Ordinance 1226 at 6:59 pm. There was no public testimony.

#### D. Adjournment

Hearing no objection *Mayor Allison* adjourned the public hearing at 7:00 pm.

Approved: February 19, 2025

Attest:

Susan Bourgeois, CMC, City Clerk

# CORDOVA REGULAR CITY ELECTION

## MARCH 4, 2025



Polling Place – Cordova Center Community Room A Voting Hours – 7:00 am to 8:00 pm

### **Offices to be Elected**

One (1) <u>Mayor</u>, for One (1) Regular, Three (3) Year Term Three (3) <u>City Council Members</u>, for Three (3) Regular, Three (3) Year Terms Two (2) <u>School Board Members</u>, for Two (2) Regular, Three (3) Year Terms Two (2) <u>Hospital Services Board Members</u>, for Two (2) Regular, Three (3) Year Terms

### To Vote on Two Propositions

Proposition No. 1: Amendment of City Charter Section 3-5 "Department of finance: City treasurer, duties," to remove the residency requirement for City treasurer (Finance Director).
 Proposition No. 2: Amendment of City Charter Section 3-6 "Same: Tax assessor, duties," to correct the error in the title, to eliminate the provision that specifies the department of the tax assessor, and to remove the residency requirement for the tax assessor.

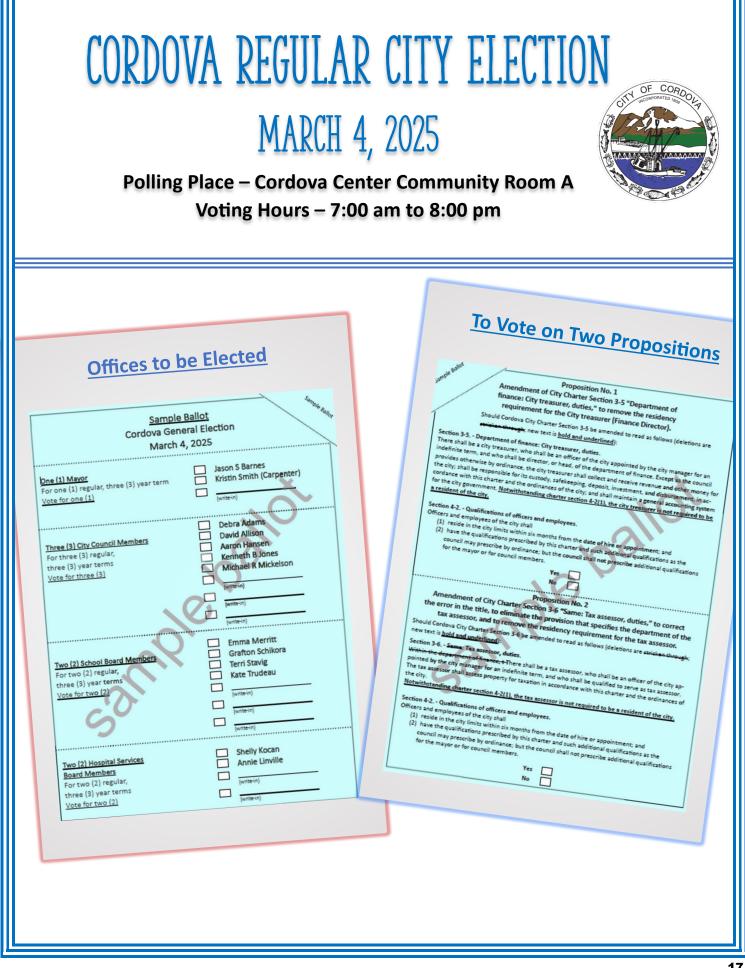
For full ballot prop language see sample ballots

## Early, Absentee, and Special Needs Voting

**Early in-person voting at Cordova Center:** Feb 11 – Mar 3, 2025, 8am–5pm, Mon-Fri, except Mon Feb 17, 2025. **Application for absentee voting:** Email <u>cityclerk@cityofcordova.net</u> for an application, no earlier than Jan 1, 2025, and no later than Feb 25, 2025. Applications are also available on the City website. Absentee ballot application may also be requested in-person at an early voting site during its hours of operation.

**Casting an absentee ballot:** An absentee ballot cast by mail must be postmarked on or before the date of the election and must be received by the City Clerk no later than 14 days after the election (March 19, 2024). An absentee ballot deposited in a drop box must be placed in the drop box by the close of polls on election day. Cordova has one Election Drop Box, located upstairs at the Cordova Center main entrance under the covered drop-off driveway.

**Absentee voting a special needs ballot:** A qualified voter who is unable to go to a polling place to vote because of disability, infirmity or confinement may vote absentee by special needs ballot. The voter may, through a representative, request a special needs ballot from an election official on election day or from the City Clerk up to 21 days (February 11, 2025) before the election date.



## THE CORDOVA FISHERIES COMMITTEE

## Needs you!

Apply for a seat on this important City committee and become a key adviser to the Cordova City Council on fisheries-related issues in Prince William Sound. Ideal applicants are Area E permit holders, or representatives from industry such as: ADF&G, Processing, Marine Transportation, Fishermen's Union, Aquaculture, Fisheries Education



Contact the City Clerk's Office 907-424-6248 cityclerk@cityofcordova.net







#### <u>Council Packet Correspondence Primer:</u> <u>Communicating with Your Elected Cordova Officials</u>

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 <u>does not</u> 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 <u>not</u> 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 <u>cityclerk@cityofcordova.net</u>)
- 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 <u>cityclerk@cityofcordova.net</u>, 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.



## **Marine Safety Information Bulletin**

U.S. Coast Guard Marine Safety Unit Valdez P.O. Box 486 Valdez, AK 99686 Abigail.C.Ferrara@uscg.mil MSIB Number: 01-25 January 22<sup>nd</sup>, 2025

## Marine Safety Unit Valdez New Final Rulemaking: Cybersecurity Regulations for the Marine Transportation System

The Maritime Transportation Security Act of 2002 (MTSA) lacks established cybersecurity requirements for vessels and facilities to which it applies. On February 22, 2024, the Coast Guard issued a Notice of Proposed Rulemaking for Cybersecurity in the Marine Transportation System. On January 17, 2025, the U.S. Coast Guard published a new final rule that establishes baseline cybersecurity requirements to protect the marine transportation system (MTS) from cyber threats. This final rule addresses current and emerging cybersecurity threats in the MTS by adding minimum cybersecurity requirements to help detect risks and respond to and recover from cybersecurity incidents. These requirements include developing and maintaining a Cybersecurity Plan, designating a Cybersecurity Officer (CySO), and taking various measures to maintain cybersecurity within the MTS. This final rule also includes a solicitation for comments on a potential delay for the implementation periods for U.S.-flagged vessels.

To view the final rule in its entirety, click the following link: <u>https://www.regulations.gov/</u> (type USCG-2022-0802 in the search box and click "Search.").

The Coast Guard invites your comments on this final rulemaking. For submitting comments regarding the implementation period for U.S.-flagged vessels, go to <u>https://www.regulations.gov/</u>, type USCG-2022-0802 in the search box, and click "Search." Next, look for this document in the **Search Results** column, and click on it. Then click on the **Comment** option. Comments are due by **March 18, 2025.** 

Guidance and supporting documentation are posted to the Coast Guard's <u>Maritime Industry Cybersecurity</u> <u>Resource Center</u>, including a factsheet for the rule, guides for facility cybersecurity implementation and guides for vessel cybersecurity implementation.

For further information about this rulemaking, email MTSCyberRule@uscg.mil. For facility-related questions, call Commander Brandon Link, Office of Port and Facility Compliance, at 202-372-1107. For vessel-related questions, call Commander Christopher Rabalais, Office of Design and Engineering Standards, at 202-372-1375.

Sarah Kristins Rousseau, CDR

S. K. Rousseau Commander, U.S. Coast Guard Captain of the Port Prince William Sound, AK

Dear Mayor Allison,

I am writing regarding your email to the Cordova School Board dated January 10, 2025. Using the official mayoral account to send that email was an inappropriate use of your position and misrepresents your personal opinions as those of the City Council and of the City.

While I strongly disagree with the content of your email, I respect your right to express your opinions as a parent and private citizen to the School Board. However, such expressions should be made through personal channels (e.g., your personal email account), not the official office of the mayor, which must serve all residents of Cordova, including our LGBTQ+ youth and their families.

Cordova is a close-knit community where everyone deserves to feel safe, valued, and supported, especially those who are most vulnerable. As a leader in our community, I urge you to consider the weight of your words and the message they send to those who look to you for direction.

Respectfully, Anne Schaefer 323 First Street Helen Marie Howarth

\_\_\_\_\_§ \_\_\_\_\_

January 5, 1961 - January 16, 2025

Helen Marie Howarth

Mom, Adventurer, Champion of Arts and Community and Cheese Connoisseur

In Helen Howarth's eyes, family, adventure, music and art gave life its vibrancy. If an adventure could be had, she would soon orchestrate it. Communities? She strove to fortify them. People? Everyone had a story, and Helen wanted to hear them. When Helen passed away on Jan. 16, 2025, at the age of 64, there was still a long list of wonders to pursue, music to make and family and friends to love.

Helen was born in Anchorage, Alaska, during a golden age of neighborhood escapades. She zigzagged through side yards to reach the Lions Park, spent nickels on candy at Thrifty Drugs and was frightened that a shoelace could be caught in the escalator at JCPenney. She was the exemplary middle child – intelligent, creative, adaptable and collaborative. Her parents, Alice and Phil, ensured there was space to nurture her talents and curiosity through clubs, athletics, outdoor exploration and all types of arts, where she excelled and garnered local, state and regional awards.

In youth, Helen's energy found outlets in giant winter snowmen and summer yard mazes, sewing and craft projects - as a teen, she was an Alaska State 4-H Clothing Winner, earning an all-expense-paid trip to Chicago for Nationals - and most impressively, a catamaran she convinced her dad to let her build at the age of 13. Athletics were second nature. Helen's favorite sport was gymnastics, and she was a member of East High's Championship team for all three years. It was no surprise that in her 20s, she would be an early adopter of rollerblading, parasailing, mountain biking, kayaking, women's hockey and telemark skiing - acquiring or making gear that would now be laughingly outdated. It is said that Helen was the first non-employee to parasail off Mt. Alyeska in the early days of the sport.

Music was the metronome through which Helen's life coursed. At the age of 7, she started piano lessons under the watchful eye of a tiny, ruler-wielding teacher, and soon added the cello -

because, per her mother, a bass was too big. After graduating from East Anchorage High School, she pursued music performance at Washington State University. Her senior recital could rival any RCA vinyl, but after master classes with Janos Starker, an acid test for stomaching critics, she decided that a Masters in Arts Management from the University of Cincinnati, complemented by symphony, folk and chamber music, would be a better career course.

Returning to Anchorage, Helen became a force in the arts, serving as the Executive Director of the Anchorage Symphony, Sitka Music Festival and Alaska State Council on the Arts, and later joined the Rasmuson Foundation as Arts and Culture Program Officer. In Helen's spare time, she could be found playing Celtic and chamber music, and occasionally jamming with her son Connor's garage band for the sheer fun of it. For 22 years straight, she played for Temple Beth Shalom's Yom Kippur services. Her husband Jeff liked to tease that she had a better attendance record than most of the temple's members.

Friends and family recognized that Helen was the human form of Remy, in Pixar's Ratatouille with customary gastronomic wizardry, she could turn three ingredients into a gourmet meal - but few knew she was a cheese connoisseur until she announced her dream of opening an artisan cheese shop. Fromagio's Artisan Cheese opened in 2010, and truly did make the best mac and cheese in the city. Her philosophy was that while fine food could be expensive, anyone should be able to savor a bit of marvelous cheese or salami for under \$5. She passed the business on after she took the role as Cordova's City Manager, showing her respect for business owners with the comment, "Running a city is easier than running a small business."

Helen loved her job as City Manager of Cordova, the town where her husband Jeff has fished for over 40 years. Her tenure, from September 2019 until June 2024, was remarkable. She arrived to run the city and quickly ended up managing the COVID-19 crisis. Her steady hand helped the community to mitigate the difficulties and fears of the pandemic. One proud achievement was that she found a way to directly distribute \$1million to individual community members who lived in Cordova. The local businesses benefited and the city received sales taxes - a win for all. She also raised over \$40 million through grants and state funding to replace the city harbor, a project completed in 2024.

For Helen, community vibrancy was not an abstract concept, it was a way of life. Motherhood was her greatest pride, and so community began at home, where she and her husband Jeff raised their three children, Connor, Philip and Margeaux, in a cacophonous and delightful household brimming with an eclectic array of pets, hedgehogs, dogs, reptiles - you name it; and creative contraptions, an indoor climbing wall and an outdoor aerial adventure net. She was a "second mom" to many: lending an ear, being a cheerleader or plying one with cookies. She could rally people to beautify Anchorage with her collaborative touch and open her door and her heart to anyone in need, whether or not she actually knew them.

Helen's legacy is a vibrant web of connections: family, friends and the countless people whose lives she touched with her energy, warmth and unflagging belief in the power of community. She will be deeply missed - but her memory will live on in the adventures we pursue, the music we make and the love we share.

Helen's courageous journey with cancer ended peacefully on Jan. 16, 2025. She is survived by her husband, J. Jeffrey Bailey; children, Connor Bailey, Philip Bailey, and Margeaux Bailey; sisters, Jean Howarth Lindberg (Jeff) and Carol Howarth (Jim Mendenhall), who were by her side in her final days. The family thanks Providence Infusion Center, and her friends for their support. In lieu of flowers, donations may be made in her honor to your favorite Alaska arts organization. A celebration of life will be held in early spring 2025.

From:	Jeremiah Beckett
То:	Susan Bourgeois; Sam Greenwood
Subject:	Fwd: Request for email policy
Date:	Friday, February 7, 2025 4:28:56 PM
Attachments:	image001.png Beckett request fulfilled 02-07-25.pdf

Thanks Susan,

Please add the request response with policy and this email to the next city council packet.

It appears the city telecommunications policy <u>does apply to elected officials</u> as defined in section 2.0.

Given the blatant misuse of the city email by the current mayor on multiple occasions I'd highly encourage the city to ensure elected officials are aware of the policy and trained properly to minimize potential liabilities or misrepresentations of official city business. The Mayor's response to his improper use of his city email at the 02-05-2025 council meeting was disheartening, he obviously violated section 2.3 and 2.4 of this policy and defended his misconceived entitlement. While it's nice he clarified not intent and was a personal email, he violated the policy and still thinks its ok to do so. Please address this to ensure the Mayor and any current or future elected officials only use city emails for official business.

Thanks, Jeremiah Beckett

----- Forwarded message ------From: **Susan Bourgeois** <<u>cityclerk@cityofcordova.net</u>> Date: Fri, Feb 7, 2025 at 8:56 AM Subject: RE: Request for email policy To: Jeremiah Beckett

#### Susan Bourgeois

City Clerk, City of Cordova



PO Box 1210

#### Request for Inspection and/or Copying of City Records

In accordance with CMC Title 3, Chapter 3.15, requests to inspect or copy City records must be submitted in writing to the City Clerk. If the City Clerk denies your request, you will be notified in writing within ten working days. If denied, you will have another ten working days to appeal to the City Manager. Otherwise, unless the City Clerk notifies you earlier, you may obtain the requested inspection or copying eleven working days after you submit your request and upon payment of applicable fees.

Jeremiah Beckett	
Name of Requestor: Jeremiah Beckett	
Mailing Address:	
City/ State/ Zip Code: Cordova, AK, 99574	
Cell Phone Number:Email Address:	
Specific Records Requested: I would like a copy of the city policies	
relating to use of city computers and email.	
Looking to see if Mayor's misuse of city email is addressed or needs to be addressed.	
I,, hereby certify that I am not requesting these records in connection with any pending litigation in which I am involved, and I am not requesting these records in order to provide them to any other person who is involved in any pending litigation. I also hereby agree to pay any fee for the retrieval or copying of the records as required in Title 3, Chapter 3.15 of the Cordova Municipal Code. Signature:	
City Clerk's Use         Approved:       Date Requestor was Notified:         Date Records were Inspected/Copied :	
Denied: Date Requestor was Notified:	
Means of notification (mail / phone / email) other) :	
City Clerk's Signature :	
reason for denial and copy of appeal process on reverse	

Sept-2023

#### **City Cordova Telecommunications Policy**

#### Read this carefully: It establishes policies about your privacy rights and other important subjects.

#### Section 1. Introduction

The City of Cordova is a leading proponent and user of telecommunications and information technologies. These technologies, when properly used support our governmental functions and enable closer and timelier communications within the City and with the public. There is a continuing evolution of laws and conventions governing acceptable use of telecommunications tools. Careless use of these tools can have dramatic consequences, harming the City, our citizens and our employees. These policies are intended to minimize the likelihood of such harm by educating our employees and guiding their actions. Existence of these policies will also serve to protect the City in litigation and other disputes.

These policies are mandatory. Employees who violate them are subject to discipline up to and including termination from service. City department and division heads should adopt and communicate these policies. Please direct any questions to the Information Services Department. The City intends generally to observe these policies but also reserves the right to change them at any time without prior notice. The City will make reasonable efforts to provide such notice.

These policies apply to "telecommunications tools", a term which includes email, voice mail, and internet access. These policies do not apply to voice telephone, voice radio, facsimile machines, or public use of public internet terminals in libraries.

#### Section 2. Use and Misuse of General Telecommunications Tools

**2.0** Access. Access to City telecommunications tools is provided in conjunction with official City business and your job responsibilities. Your use of these tools is subject to this policy and to other City policies and procedures. All instruments provided by the City of Cordova, whether they be telephones, cell phones, radios, PC's or any other items used to communicate with others, are the property of the City and are primarily intended to be used for Official Business. City telecommunications tools also may be made available to individuals who are not City employees, such as members of advisory committees, contractors, temporary service people, vendors, and members of the public. Use of these tools by such persons is subject to this policy and to applicable agreements.

Telecommunications tools and all messages produced or carried by such tools **are City property**, subject to reasonable inspection by City supervisors.

**2.1** *Use and Misuse of Cellular Phones* This policy applies to both incoming and outgoing cellular calls, on both personal and work cell phones.

Employees may carry and use personal cell phones while at work on a sporadic basis. If employee use of a personal cell phone causes disruptions or loss in productivity, the employee may become subject to disciplinary action.

Cell phones issued by the City of Cordova are intended for work purposes and should be utilized minimally for personal use. If an employee's personal use of an issued cell phone is deemed excessive by their superiors the employee may be subject to disciplinary action.

If an employee wishes to have their City of Cordova email on their cell phone they may at the discretion of the Information Services Department. If said employee accepts the permissions presented upon linking their email to their cell phone they have granted the Information Services Department the authority to remotely reset their phone to factory default should the need arise.

If an employee is operating a City of Cordova vehicle and receives a call on a cell phone, the employee may answer, but shall ask the caller to hold, put the phone down and pull to the side of the roadway, into a parking lot or other safe location to respond to the call. Failure to follow this policy may result in disciplinary action up to and including termination.

All employees must abide by state and federal laws (absolutely no texting while driving) regarding cell phone use while operating a City of Cordova motorized vehicle.

Employees should turn off ringers or change ringers to "mute" or "vibrate" during training, conferences and the like; when meeting with clients or serving customers.

**2.2** Acceptable Use. In the course of your job, you may use these telecommunications tools to communicate internally with City co-workers or externally with citizens, consultants, vendors, and other business acquaintances. The City provides you with telecommunications tools to facilitate official telecommunications and to enhance your productivity. As with the telephone, there may be occasion to use these facilities for personal purposes. Personal use is permitted so long as it does not interfere with the performance of your job, consume significant resources, give rise to more than **extremely** nominal additional costs, or interferes with the activities of other employees. Such facilities are not to be used for personal financial gain, or to solicit others for activities unrelated to official business, or for the purpose of advocating voting for or against a candidate for federal, state or municipal office, or a federal, state or municipal ballot issue, with the following exception: the Information Services Department may make available or otherwise authorize special-purpose bulletin boards and web pages enabling employees to market and sell personal property (other than for commercial purposes), and in connection with City-approved social events, sporting events, and other sanctioned activities. When making use of these City-provided facilities for personal use, always remember that you have a very limited expectation of privacy (see discussion below).

In addition to other restrictions and conditions discussed here, you may not use any telecommunications tool:

- To carry any defamatory, discriminatory, or obscene material;
- In connection with any infringement of another person's intellectual property rights such as copyrights;
- In a manner that violates the terms of any applicable telecommunications license or any laws governing data collection, protection, privacy, confidentiality, and security;
- In connection with any attempt to penetrate computer or network security of any City or other system, or to gain unauthorized access or attempted access to any other person's computer, email or voicemail accounts or equipment; or
- In connection with the violation or attempted violation of any other law.

For purposes of this policy,<sup>4</sup> "obscene" means sexually explicit images or text which depict sexual conduct in a patently offensive way, which, taken as a whole, appeal to prurient interest and which lack serious literary, artistic, political, or scientific value. "Sexual conduct" is defined in detail in the footnote below.

The City understands that web "surfing" may be business-related and serve a legitimate business function, but the potential for abuse exists. The Internet provides access to a huge amount of information and resources that can greatly enhance our ability to deliver services efficiently to our customers. Today there is no single, comprehensive directory of resources available for the Internet and users sometimes must navigate through much unneeded information to reach useful material. The City allows exploration of the Internet for legitimate business-related or professional activities, but you should avoid "browsing the web" on City of Cordova time, creating personal "home pages", or otherwise using City facilities to access Internet sites for reasons unrelated to the City's business and your job responsibilities.

Individuals found to have deliberately violated City guidance relating to the injection of nonauthorized software, or opening unrecognizable email that causes harm (i.e., a virus) to that unit or to the city's overall email system may be held fiscally responsible for the damages incurred.

**2.3 Representing the City in Your Postings**. The information you publish electronically (sometimes called a "posting") reflects on the City in general. Despite any disclaimers that you make (e.g., that your views are your own and may not reflect those of your employer) readers elsewhere will make the association between your posting and the City. You should know that true anonymity is very difficult to obtain when using these tools. While Internet relay chat ("IRC"), newsgroup visits, and net "surfing" sometimes appear to be done anonymously (e.g., by employing pseudonyms), accessing such services or servers through City network facilities normally leaves an "audit trail" indicating at least the identity of the City internet server, and may leave a trail pointing directly to you. Inappropriate use of City of Cordova facilities may damage the City's reputation and could give rise to agency and individual liabilities. Accordingly, you should make every effort to be professional in all usage of City telecommunications tools.

**2.4 Unacceptable Content**. Although the City does not regularly monitor voicemail or electronic messages it reserves the right to do so at any time for any official purpose. Please be aware that even personal email and voicemail messages may be viewed publicly or by City management without further notice. Under no circumstances may any posting, voicemail or email originating at the City be in violation of the letter or the spirit of the City's Equal Employment Opportunity or Sexual Harassment policies. Remember, as a City employee, and therefore a public servant, the tone, tenor and language you use in an email may well be perceived to represent the official position of City government. While a reasonable discourse is to be expected in many matters, the overall content of your dialogue should remain respectful.

Examples of unacceptable content include:

<sup>&</sup>lt;sup>4</sup> "Sexual conduct" means actual or simulated: (1) sexual penetration;(2) the lewd touching by one person of another person's genitals, anus, or breast;(4) masturbation;(S) bestiality;(6) the lewd exhibition of genitals; or(7) sexual masochism or sadism.

- Obscene messages, images, cartoons, or jokes (for the definition of "obscene", see section 2.1);
- Unwelcome propositions, requests for dates, or love letters;
- Inflammatory and/or disrespectful language that if made public would poorly reflect on the City of Cordova;
- Slander or libel;
- Ethnic, religious, or racial slurs;
- Profanity
- Any other message that could reasonably be construed as harassment or disparagement of others based on their sex, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, or national origin.

Everyone should be aware that "sexual harassment" includes unwelcome sexual advances, unwelcome requests for sexual favors, or other unwelcome conduct (including comments) of a sexual nature. The standard for sexual harassment is whether the recipient could reasonably consider the message to be offensive - the sender's intentions are irrelevant. In addition to prohibitions on sending or uploading offensive materials, City telecommunications tools also shall not be used to access or download obscene materials.

**2.5** *Electronic Forgery.* Electronic forgery is defined as misrepresenting your identity in any way while using telecommunications tools. This includes using another's email account without permission, or by modifying another's messages without permission. For example, messages written by others should be forwarded "as-is" and with no changes, except to the extent that you clearly indicate where you have edited the original message (for example, by using brackets or by using other characters such as \* \* \* to flag edited text).

Electronic forgery is not allowed for any purpose. For email messages, you may not take any action to misrepresent the identity of the person responsible for the message. You may send email messages using another person's account, but only with prior express approval from the account owner, and only when the text of the message indicates that you are the author.

**2.6** *Intellectual Property.* The Internet offers a universe of information, useful in conducting and furthering business operations. You must always respect copyrights and trademarks of third parties and their ownership claims in images, text, video and audio material, software, information and inventions. Do not copy, use, or transfer others' materials without appropriate authorization. Be aware that downloaded software and other copyrighted material may be subject to licensing obligations or restrictions. Even 'freeware' or "shareware" may contain restrictions that prohibit or limit the usage or commercialization of such items. If you have any questions in this regard, submit a request to your department head to contact the City Attorney.

**2.7** *Transmitting Confidential Information.* Confidential information (whether owned by the City, its vendors, or other persons) is not to be disclosed to unauthorized persons without prior authorization. The question of "authorization" will be a function of the type and ownership of the confidential information. (For example, different authority may be required for disclosure of City-owned information than for vendor-owned information). Also, "authorization" for disclosure may be limited to certain specific individuals within the agency on a need-to-know basis.

Generally, the common-sense prohibition of casual disclosures means that confidential information should not be contained in email sent to outsiders or posted to newsgroups, and should not be placed on City telecommunications tools that are available to third-parties, such as unsecure notebook

computers that are accessible to non-City personnel. You should post such information on web pages only when you are certain that the web page is not accessible from locations outside the City firewall. Also, you should not set your City email account to forward automatically your email to any non-City account unless approved by your department head and Information Services Department.

**2.8** *Encryption.* City security standards and policies also govern the use of encryption tools. Only authorized encryption tools (software and hardware) may be used in connection with any City telecommunications tools. Except with the prior written consent of the Information Services Department, all such tools must implement key-recovery or key-escrow techniques to permit the City to access and recover all encrypted information (e.g., in the case of the absence of the employee who performed the encryption).

#### Section 3. Limits of Privacy

**3.0 Retention and Security of messages.** Email and voicemail messages and computer-stored items all are City property and business records. They are also public documents. They must be administered as required by the Alaska Archives Act, the Alaska Open Records Act, and City document retention policies. In addition, messages may become evidence in a lawsuit and thus subject to the rules of court regarding discovery.

It is the policy of the City that email messages are temporary informal documents. Emails are eventually destroyed through the Microsoft global retention policy. unless you make a deliberate decision to preserve them.

As specified by the authorities listed above, and by this policy directive, you are required to administer your email messages as follows:

- Immediately upon sending or receiving a message, you should make a determination whether the copy of that message on your computer has any lasting administrative, legal, or historical value, or if it is evidence in a pending or probable lawsuit.
- If the message has no lasting value and does not constitute evidence, you may destroy it immediately or you may do nothing: just leave it in the "inbox" or whatever your email program calls the general reception area for incoming messages. Before a message is destroyed, you may change your mind about the value of a message, or its status as evidence. If so, remove it from the inbox and preserve it as described below.
- If the message has any lasting administrative, legal, or historical value, or if it is evidence in a pending or probable lawsuit, 1) remove it from your general "in" or "out" folder and preserve it in an appropriate location on your system; either within a special folder; and 2) notify the Information Services Department so that appropriate action can be taken.

Email messages are official documents until they are destroyed, and may have legal and operational effect identical to that of traditional, hardcopy documents. Accordingly, all email messages preserved in a special folder, or held in your inbox but not yet destroyed, should be treated as though they may later be viewed by others (while confidential information may be contained in such messages, these messages should be created with the same care you would use in creating hardcopy documents).

Messages preserved outside your inbox folder are subject to inspection and copying by the public under the Open Records Act. They are also subject to discovery by the parties in a lawsuit under the rules of court. Messages in your inbox folder but not yet destroyed are regarded as temporary documents and are not subject to inspection or copying by the public under the Open Records Act. However, they are still subject to discovery by the parties in a lawsuit.

Do not attempt to evade these requirements by moving or destroying documents in response to legitimate requests under the Open Records Act or because a lawsuit has been or probably will be filed. Any such attempt is illegal, will probably be detected, and will subject the City and you to severe penalties.

Remember that no electronic communications facility is completely secure. This means that information stored or carried over City telecommunications tools may be the subject of accidental or intentional interception, miss delivery, attack, or authorized City review.

When stored on computers, email messages and other files typically are subject to routine backup procedures. This means that copies of these files may be retained for long periods of time (in accordance with backup recycling and document retention procedures). Also, keep in mind that many site-wide backup systems do not guarantee privacy of backup copies (e.g., system administrators may have access).

**3.1 A Limited Expectation of Privacy.** The City respects the personal privacy of its employees. However, because telecommunications tools are provided for City's official purposes, employee rights of privacy in this context are quite limited. Employees and others subject to this policy should have no expectation that any information transmitted over City facilities or stored on City-owned computers is or will remain private. These systems are owned and controlled by the City and are accessible at all times by the City for maintenance, upgrades, or other business or legal purposes. Employees who use City telecommunications tools should be aware that our security tools create an audit log detailing every request for access in either direction by each user. Also, in the course of their duties, system operators and managers may monitor employee use of the Internet or review the contents of stored or transmitted data. Passwords for email and other systems are issued to employees for the purpose of excluding unauthorized personnel, and not in order to provide privacy from official review.

The City permits personal use of all these telecommunication tools on the express understanding that it reserves the right for official purposes to review employee use of; and to inspect all material created by or stored on, these telecommunications tools. Use of these tools constitutes each employee's permission for the City to monitor telecommunications and to access files that are made on or with these telecommunications tools.

**3.2** Agency Access to Computers, Voicemail, and Email Systems. City Supervisors will not routinely examine employees' communications or files. However, such examination generally may be expected to occur in the following circumstances, and other situations where warranted:

- Ensuring that City of Cordova systems are not being used to transmit discriminatory or offensive messages, or in connection with the infringement or violation of any other person's rights,
- Determining the presence of illegal material or unlicensed software,
- Counteracting theft,
- Ensuring that telecommunications tools are not being used for inappropriate purposes
- Responding to legal proceedings that call for producing electronically stored evidence, or
- Locating, accessing, and retrieving information in an employee's absence.

**3.3 Unsolicited Email.** Unsolicited commercial email, also known as "spam", is a waste of City of Cordova resources. Do not respond to spam, even to request removal from a mailing list: it only invites more unwanted messages. Email from an unknown source can also present the danger of viruses contained in attachments to the email. For these reasons, you should proceed cautiously when dealing with email from an unknown source.

This policy takes effect on January 25<sup>th</sup>, 2016.

Dated at Cordova, Alaska, this 25th day of January, 2016.

City Cordova City Manager

#### STATEMENT OF NOTIFICATION AND COMPLIANCE

This is to advise that on the below date, I, a City Employee of the City of Cordova, Alaska, was provided, read and understand the provisions of the City Cordova Telecommunications Policy. By this acknowledgement, I also am stating that I will comply with the contents and provisions of this policy.

If I have any questions, I will raise them to my Department Head or the Information Services Department.

Print Name	Date
Sign Name	Date

#### **IT Orientation**

\*Note – if a computer will be available to you, please ensure with your Supervisor that IT has been contacted to set you up with your own computer address. You will need to complete IT Orientation Training. It is online at the city's website. <u>www.cityofcordova.net</u> On the home page scroll down to the bottom right under Employee Resources. Click on Notices, Forms, & Documents. Log in User Name is **employee** and Password is **\$@Lm0n**. From there you will see the Orientation and Training on the right above the logout button. Click on the box and the orientation will begin. Please sign and date below when you've completed.

Employee Signature

Date completed



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Member of the National League of Cities and the National Association of Counties

February xx, 2025

The Honorable Senator Murkowski 522 Hart Senate Office Building United States Senate Washington, D.C. 20510 The Honorable Senator Sullivan 302 Hart Senate Office Building United States Senate Washington, D.C. 20510 The Honorable Representative Begich 153 Cannon House Office Building United States House of Representatives Washington, DC 20515

RE: Alaska Mayors Urge Swift Reauthorization of Secure Rural Schools Program

Dear Congressional Delegation,

Alaska's cities and boroughs have a wide range of responsibilities and varying levels of capacity to deliver these effectively. As mayors, we try to manage local governments as efficiently and effectively as possible. Thirty-three municipalities in the state have school districts and obligations to fund their local public schools. For the 19 of us with communities located in the Tongass and Chugach National Forests, the Secure Rural Schools Program provides vital funding that supports not only our children's education, but also our communities' health and vitality.

In many of our communities, SRS funding makes up a significant portion of the local contribution to education funding. Our local tax payers would face a big hit to make up for the loss of the SRS Program. The impact goes beyond school operating budgets. SRS funds have also been used to support local road and street projects and for school major maintenance and repairs. The elimination of the program would have an immediate detrimental effect on the school system and local transportation projects. This would likely result in a combination of higher property taxes and the loss of local jobs at our schools and in our communities.

Just like any private sector business model, funding certainty is necessary to deliver operational consistency and a path towards outcome excellence. The program's expiration last month, in January, 2025, will cause serious impacts to communities that, as you know, are already facing increasing challenges to provide the quality of life that Alaskans young and old deserve. We urge Congress to take quick action to reauthorize the program and we thank you, the delegation, for your continued support.

The Secure Rural Schools program supports essential local services in communities across Alaska. It is critical for the program to continue, and we ask for Congress to honor the historic national commitment to the 775 rural counties and 4,400 schools in rural communities and school districts in 42 states served by the Secure Rural Schools program.

Sincerely,

Anthony Christianson, City of Hydaburg

Billy J. Miller Jr., City of Hoonah

Beth Weldon, City and Borough of Juneau

Cindy L. Bremner, City and Borough of Yakutat

David Allison, City of Cordova

Patty Gilbert, City and Borough of Wrangell

Dennis Fleming, City of Valdez

Donald J. Nickerson, Jr., City of Klawock

Edna DeVries, Matanuska-Susitna Borough

Kasey Smith, City of Craig

Lolanda Cavanaugh, City of Kake

Mark Jensen, Petersburg Borough

Patricia Phillips, City of Pelican

Peter Micciche, Kenai Peninsula Borough

Rodney Dial, Ketchikan Gateway Borough

Sam Bass, Municipality of Skagway

Steven Eisenbeisz, City and Borough of Sitka

Suzanne LaFrance, Municipality of Anchorage

Tom Morphet, Haines Borough





February 12, 2025

The Honorable Lisa Murkowski U.S. Senate 522 Hart Senate Office Building Washington, D.C. 20510

Dear Senator Murkowski,

On behalf of the City of Cordova, I am writing to share our experience with health coverage for our municipal employees. We noted your interview with Nat Herz in The Northern Journal of January 2, 2025, and wanted to reinforce your message that "we're not heading in the right direction."

The City of Cordova has 69 employees who are eligible for health care coverage. The municipality currently pays on average for approximately 92% percent of employees' healthcare premiums. We have been charged these increases over the past two successive years:

from 2024-2025, 35 percent increase from 2023-2024, 14.14 percent increase

That's a total, cumulative increase of 49.14 percent, in just two years. As you noted, there's a lack of true competition in the Alaska healthcare coverage market, and that shows in these figures. We are paying more and more every year for the same level, if not a reduced level, of medical care for our employees. We are struggling with how to reconcile reduced city revenues with dramatically rising employer expenses -- due to healthcare costs -- that don't necessarily translate into improved care.

We tried operating our own insurance pool through a third-party administrator for a few years but found that it was not cost effective because of excessive claims.

We appreciate your taking our experience at the municipal level into account as you and your colleagues consider policy solutions to this nationwide problem.

Sincerely,

David Allison, Mayor

CC: Senator Dan Sullivan Representative Nick Begich

#### MEMORANDUM

- TO: CORDOVA CITY COUNCIL CORDOVA CITY MANAGER CORDOVA CITY CLERK
- FROM: HOLLY C. WELLS JESSICA SPUHLER

RE: ORDINANCES 1227 AND 1228 REGARDING CONSTRUCTION MATERIALS AND SERVICES, APPLICATION OF THE SALES TAX CAP, AND CLARIFICATION IN THE NON-PROFIT ORGANIZATION EXEMPTION

- CLIENT: CITY OF CORDOVA, ALASKA
- FILE NO.: 401777.310
- DATE: JANUARY 30, 2025

#### **Introduction**

The City Council of the City of Cordova updated Cordova Municipal Code Chapter 5.10 "Sales Tax" ("Sales Tax Code") via Substitute Ordinance 1221. The updates to the Sales Tax Code became effective January 1, 2025. Shortly after the adoption of the updated Sales Tax Code, Council received comments objecting to the implications of the "single item" definition for the application of the sales tax cap to gasoline and gravel sales.

In response to these concerns, Council requested a work session to revisit the "single item" definition and its implications. During that work session, Council and members of the public also expressed frustrations with the adoption of a reimbursement application process for eligible "construction materials and services" instead of an exemption card application process for such materials and services. Ultimately, City Council directed legal counsel to draft two separate ordinances that addressed Council and the public's concerns. In essence, Council wanted sellers to be able to apply the sales tax cap to a single invoice, with emphasis on the need to apply the tax cap to a single invoice in gravel and gasoline sales. Additionally, Council wanted to consider issuing exemption cards for "construction materials and services" rather than requiring reimbursement.

This memorandum provides a brief introduction to the changes proposed in Ordinance 1227 and 1228 that attempt to address the concerns and frustrations raised.

City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **1** of **4** 

#### **Discussion**

Ordinances 1227 and 1228 amend the Cordova Municipal Code Chapter 5.10 "Sales Tax" to do the following:

- 1. Apply the tax cap to "integrated sales" on a single invoice as opposed to single items or single transactions of service (Ordinance 1227) and
- 2. Repeal the "construction materials and services" reimbursement application process and adopt an exemption card application process for eligible "construction materials and services." (Ordinance 1228)

#### Ordinance 1227: Applying the Tax Cap By Invoice

When considering Ordinance 1227, which essentially applies the tax cap to each invoice rather than single items or single transactions of service, it is worth noting the following:

- A. While originally, I presented Council with the possibility of simply repealing the "single item" definition to address the tax cap concerns, a more thorough review of the Code made it clear that this definition remained necessary for clarity regarding the imposition of sales tax generally and that Council's objective, namely to ensure that the tax cap applied per invoice, was more accurately accomplished by addressing the tax cap directly. The change to the application of the tax cap does not require a change to the "single item" or "single transaction of service" definitions or terms because the sales tax itself still applies to each single item and single transaction of service. Further, the change to the application of the tax cap does not affect how sales tax on rentals or multi-month service agreements are taxed under the Code.
- B. In order to remain compliant with the definition and treatment of "bundled transactions" adopted by the Uniform Remote Sellers Tax Commission, as required by the City's Commission membership and the terms of its membership agreement, the application of the tax cap to "integrated sales" requires that sales and services on the invoice be "itemized." This ensures that the items and services on the invoice do not constitute a "bundled transaction." The bundled transaction definition and provision have substantive implications and thus must be applied uniformly between remote, and brick and mortar taxpayers as required by law.

In short, the Ordinance was drafted in a manner to execute Council's directive narrowly and clearly while maintaining the integrity of the remaining sales tax provisions of the Code.

> City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **2** of **4**

#### Ordinance 1228: Adopting an Exemption Card Application Process for "Construction Materials and Services" and Repealing the Reimbursement Process

Ordinance 1228 preserves Council's efforts during the Chapter 5.10 update to ensure that the exemption granted to the sale of "construction materials and services" is narrowly tailored to meet the objectives of the exemption, namely incentivizing construction of housing and responsible residential development within the City. To that end, the Ordinance:

- A. Preserves the 2-year eligibility period and the ability for an applicant to select which 2 years in which to apply.
- B. Retains the definition of "construction materials and services" (5.10.030) ensuring that staff posts a list of eligible construction materials and services and that the materials and services further the objectives of the exemption.

The exemption card application process for "construction materials and services" is different than all other exemptions. While all other exemptions apply to a specific type of entity or product, the "construction materials and services" essentially acts as a tax cap specific to "construction materials and services" that applies not by invoice but by project and year.

If adopted by Council, a "Construction Materials and Services Exemption Card" and application will be created.

# Ordinance 1228: Non-substantive Update to Non-profit Organization Exemption Language

Ordinance 1228 also amends the exemption for nonprofit organizations to remove language that limits the exemption to certain income requirements. Under the updated Code, sales to nonprofit organizations are exempt from sales tax but not sales by such organizations. Thus, it is unnecessary to retain language regarding the nature of the income of these organizations as the exemption impacts the expenses of these organizations, not the income that they generate. While this change does not change the Code substantively, it adds clarity and avoids confusion.

#### Effective Date of Both Ordinances

The ordinances are drafted to become effective April 1, 2025, which is the start of the second quarter of this tax year. While the adoption of changes to the reimbursement application process and the application of the sales tax cap may cause frustrations for sellers, a change that does not correspond with the filing schedule would cause confusion and a lack of uniformity in the implementation of the sales tax. It is important to remember that sales tax for the first quarter of 2025 may be reported at the end of March, but the

City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **3** of **4**  tax has been imposed on the taxpayers since January and thus a change mid-quarter would make reporting difficult and potentially lead to differential treatment of taxpayers.

Additionally, the City will need to report its changes to the Remote Sellers Tax Commission and ideally give the Commission time to implement the changes on remote sellers. To this end, the ordinances as proposed will be sent to the Remote Sellers Tax Commission so it is aware of the potential changes and has as much time as possible to implement those changes and notify remote sellers of them. Similarly, if the Commission objects to the changes or raises concerns, this will allow us to raise those concerns with Council before adoption of the ordinances.

Finally, I would also encourage City Council to consider adopting a schedule for consideration of any further revisions to the sale tax Code that would, if adopted, make such changes effective January 1<sup>st</sup> of the next tax year. While Council's willingness to change its tax provisions in response to sellers and taxpayers is of course appropriate, changes made at the beginning of the next tax year provide the City with enough time to educate the public, gather input, and inform the Remote Sellers Tax Commission and remote sellers of the potential changes in the new year. This also allows sellers and taxpayers to prepare for and anticipate changes and invest in administration efforts knowing that, for better or worse, the City's sales tax laws are not going to change on them unexpectedly.

#### **Conclusion**

Legal counsel will be available to discuss the proposed ordinances with City Council, if needed. Given Council's desire to consider these ordinances quickly and the need to draft administration materials in the event that these ordinances are adopted, I would encourage Council members to share any questions they have regarding the substance of these ordinances with the City Clerk so legal counsel and the Administration are prepared to address those questions at the upcoming meetings.



# AGENDA ITEM 15 City Council Meeting Date: 2/19/25 CITY COUNCIL COMMUNICATION FORM

FROM:	Samantha Greenwood, City Manager 2/11/25 Potential lost sales tax revenue		
DATE:			
ITEM:			
	ORDINANCE MOTION	RESOLUTIONSXINFORMATION	

I. <u>BACKGROUND INFORMATION</u>: Council requested an estimate of the sales tax revenue that could be lost based on city utility billings that have traditionally been above \$5,000 per invoice. The finance staff estimates on average for all City utilities that would range between \$15,000 and possibly up to \$20,000 per year on years with large pink returns and/or large construction projects. This is lost revenue that we can identify at this time, there is potential for additional lost revenue that will be noticed as we implement these changes to the sales tax code.



# AGENDA ITEM 15 City Council Meeting Date: 2/19/25 CITY COUNCIL COMMUNICATION FORM

FROM: Susan Bourgeois, City Clerk

DATE: 02/13/25

ITEM: Ordinance 1227

NEXT STEP: Majority roll call vote on second reading

X ORDINANCE MOTION \_ RESOLUTION \_ INFORMATION

I. <u>**REQUEST OR ISSUE:**</u> Council adoption of Ordinance 1227.

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:**</u> Motion to adopt followed by second. An ordinance for adoption on second reading requires a majority of all council members which is 4 yes votes.

**III. <u>FISCAL IMPACTS</u>**: loss of sales tax revenue as budgeted for 2025.

**IV.** <u>**BACKGROUND INFORMATION:</u>** Attorney's memo gives details. At first reading on February 5, 2025, the attorney caught another small amendment that needed to be made for clarity. It does not change the intent of the ordinance, and it is ok to proceed with second reading. The amendment made was as follows:</u>

I move to amend Chapter 5.10 of the Cordova Municipal Code to change any references to "single item tax cap" or "single services tax cap".

Section 2 of the ordinance accomplishes that amendment.

V. SUMMARY AND ALTERNATIVES: Council can approve the ordinance or not.

#### CITY OF CORDOVA, ALASKA ORDINANCE 1227

#### AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA AMENDING CMC SECTION 5.10.080 "MAXIMUM TAX PER TRANSACTION-THE TAX CAP" TO APPLY THE TAX CAP TO SINGLE INVOICES RATHER THAN SINGLE ITEMS OR SINGLE TRANSACTIONS OF SERVICE EXCEPT AS OTHERWISE PROVIDED IN THE CORDOVA MUNICIPAL CODE FOR SERVICE CONTRACTS, RENTALS, AND BUNDLED TRANSACTIONS, AND TO AMEND CMC 5.10.085 TO REMOVE REFERENCE TO SINGLE SERVICE TAX CAP AND SINGLE ITEM TAX CAP

WHEREAS, Cordova Municipal Code previously applied a sales tax cap on "single items" and "single transactions of service"; and

WHEREAS, despite the language in the Code the tax cap was often applied by sellers to multiple transactions and items billed on a single invoice; and

WHEREAS, City Council adopted Code provisions clarifying the application of the tax cap that went into effect January 1, 2025; and

WHEREAS, after the adoption of the clarified Code provisions several sellers reached out to Council and expressed frustration regarding the application of the tax cap to single items or single transactions of service and requested that the City of Cordova ("City") instead codify the application of the tax cap to single invoices; and

WHEREAS, City Council determined it was in the best interest of the City to apply the tax cap to single invoices rather than to single items and single transactions of service in response to the concerns of its sellers and their customers; and

WHEREAS, the City's application of the tax cap by invoice still requires that single items and transactions of service be itemized on the invoice, preserving consistency with the Alaska Remote Sellers Tax Commission definition for and treatment of "bundled transactions".

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

<u>Section 1.</u> Section 5.10.080 of the Cordova Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

#### 5.10.080 Maximum tax per transaction-t<u>T</u>he tax cap.

- A. Maximum Tax on a Single <u>Integrated Sale</u> Item or Single Transaction of a Service. Except as otherwise provided in this section, only the first \$5,000.00 of <u>a single integrated sale</u>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 for a service may be referred to as "the single service tax cap." or when applied to an item, "the single item tax cap." For purposes of this section, a "single integrated sale" is the sale of goods or services that are itemized on a single invoice from and by the same seller with the itemized services completed by the date the goods itemized on the same invoice are delivered.
- 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 **and separate integrated sale** 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, t<u>T</u>he payment of rent, whether for real or personal property, that is for less than one month shall be treated as a separate transaction <u>and separate integrated sale</u> each day the property is rented with the tax cap applied to the first \$5,000 of each nightly transaction subject to taxation.

Section 2. Section 5.10.085 of the Cordova Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

#### 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 <u>the tax</u> <u>cap</u> 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.

Section 3. This ordinance shall be effective April 1, 2025, and enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska

1<sup>st</sup> reading: February 5, 2025 2<sup>nd</sup> reading and public hearing: February 19, 2025

PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2025.

David Allison, Mayor

ATTEST:

Susan Bourgeois, City Clerk

#### <u>MEMORANDUM</u>

- TO: CORDOVA CITY COUNCIL CORDOVA CITY MANAGER CORDOVA CITY CLERK
- FROM: HOLLY C. WELLS JESSICA SPUHLER

RE: ORDINANCES 1227 AND 1228 REGARDING CONSTRUCTION MATERIALS AND SERVICES, APPLICATION OF THE SALES TAX CAP, AND CLARIFICATION IN THE NON-PROFIT ORGANIZATION EXEMPTION

- CLIENT: CITY OF CORDOVA, ALASKA
- FILE NO.: 401777.310
- DATE: JANUARY 30, 2025

#### **Introduction**

The City Council of the City of Cordova updated Cordova Municipal Code Chapter 5.10 "Sales Tax" ("Sales Tax Code") via Substitute Ordinance 1221. The updates to the Sales Tax Code became effective January 1, 2025. Shortly after the adoption of the updated Sales Tax Code, Council received comments objecting to the implications of the "single item" definition for the application of the sales tax cap to gasoline and gravel sales.

In response to these concerns, Council requested a work session to revisit the "single item" definition and its implications. During that work session, Council and members of the public also expressed frustrations with the adoption of a reimbursement application process for eligible "construction materials and services" instead of an exemption card application process for such materials and services. Ultimately, City Council directed legal counsel to draft two separate ordinances that addressed Council and the public's concerns. In essence, Council wanted sellers to be able to apply the sales tax cap to a single invoice, with emphasis on the need to apply the tax cap to a single invoice in gravel and gasoline sales. Additionally, Council wanted to consider issuing exemption cards for "construction materials and services" rather than requiring reimbursement.

This memorandum provides a brief introduction to the changes proposed in Ordinance 1227 and 1228 that attempt to address the concerns and frustrations raised.

City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **1** of **4** 

#### **Discussion**

Ordinances 1227 and 1228 amend the Cordova Municipal Code Chapter 5.10 "Sales Tax" to do the following:

- 1. Apply the tax cap to "integrated sales" on a single invoice as opposed to single items or single transactions of service (Ordinance 1227) and
- 2. Repeal the "construction materials and services" reimbursement application process and adopt an exemption card application process for eligible "construction materials and services." (Ordinance 1228)

#### Ordinance 1227: Applying the Tax Cap By Invoice

When considering Ordinance 1227, which essentially applies the tax cap to each invoice rather than single items or single transactions of service, it is worth noting the following:

- A. While originally, I presented Council with the possibility of simply repealing the "single item" definition to address the tax cap concerns, a more thorough review of the Code made it clear that this definition remained necessary for clarity regarding the imposition of sales tax generally and that Council's objective, namely to ensure that the tax cap applied per invoice, was more accurately accomplished by addressing the tax cap directly. The change to the application of the tax cap does not require a change to the "single item" or "single transaction of service" definitions or terms because the sales tax itself still applies to each single item and single transaction of service. Further, the change to the application of the tax cap does not affect how sales tax on rentals or multi-month service agreements are taxed under the Code.
- B. In order to remain compliant with the definition and treatment of "bundled transactions" adopted by the Uniform Remote Sellers Tax Commission, as required by the City's Commission membership and the terms of its membership agreement, the application of the tax cap to "integrated sales" requires that sales and services on the invoice be "itemized." This ensures that the items and services on the invoice do not constitute a "bundled transaction." The bundled transaction definition and provision have substantive implications and thus must be applied uniformly between remote, and brick and mortar taxpayers as required by law.

In short, the Ordinance was drafted in a manner to execute Council's directive narrowly and clearly while maintaining the integrity of the remaining sales tax provisions of the Code.

> City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **2** of **4**

#### Ordinance 1228: Adopting an Exemption Card Application Process for "Construction Materials and Services" and Repealing the Reimbursement Process

Ordinance 1228 preserves Council's efforts during the Chapter 5.10 update to ensure that the exemption granted to the sale of "construction materials and services" is narrowly tailored to meet the objectives of the exemption, namely incentivizing construction of housing and responsible residential development within the City. To that end, the Ordinance:

- A. Preserves the 2-year eligibility period and the ability for an applicant to select which 2 years in which to apply.
- B. Retains the definition of "construction materials and services" (5.10.030) ensuring that staff posts a list of eligible construction materials and services and that the materials and services further the objectives of the exemption.

The exemption card application process for "construction materials and services" is different than all other exemptions. While all other exemptions apply to a specific type of entity or product, the "construction materials and services" essentially acts as a tax cap specific to "construction materials and services" that applies not by invoice but by project and year.

If adopted by Council, a "Construction Materials and Services Exemption Card" and application will be created.

#### Ordinance 1228: Non-substantive Update to Non-profit Organization Exemption Language

Ordinance 1228 also amends the exemption for nonprofit organizations to remove language that limits the exemption to certain income requirements. Under the updated Code, sales to nonprofit organizations are exempt from sales tax but not sales by such organizations. Thus, it is unnecessary to retain language regarding the nature of the income of these organizations as the exemption impacts the expenses of these organizations, not the income that they generate. While this change does not change the Code substantively, it adds clarity and avoids confusion.

#### Effective Date of Both Ordinances

The ordinances are drafted to become effective April 1, 2025, which is the start of the second quarter of this tax year. While the adoption of changes to the reimbursement application process and the application of the sales tax cap may cause frustrations for sellers, a change that does not correspond with the filing schedule would cause confusion and a lack of uniformity in the implementation of the sales tax. It is important to remember that sales tax for the first quarter of 2025 may be reported at the end of March, but the

City of Cordova Memo Regarding Ordinances 1227 and 1228 Page **3** of **4**  tax has been imposed on the taxpayers since January and thus a change mid-quarter would make reporting difficult and potentially lead to differential treatment of taxpayers.

Additionally, the City will need to report its changes to the Remote Sellers Tax Commission and ideally give the Commission time to implement the changes on remote sellers. To this end, the ordinances as proposed will be sent to the Remote Sellers Tax Commission so it is aware of the potential changes and has as much time as possible to implement those changes and notify remote sellers of them. Similarly, if the Commission objects to the changes or raises concerns, this will allow us to raise those concerns with Council before adoption of the ordinances.

Finally, I would also encourage City Council to consider adopting a schedule for consideration of any further revisions to the sale tax Code that would, if adopted, make such changes effective January 1<sup>st</sup> of the next tax year. While Council's willingness to change its tax provisions in response to sellers and taxpayers is of course appropriate, changes made at the beginning of the next tax year provide the City with enough time to educate the public, gather input, and inform the Remote Sellers Tax Commission and remote sellers of the potential changes in the new year. This also allows sellers and taxpayers to prepare for and anticipate changes and invest in administration efforts knowing that, for better or worse, the City's sales tax laws are not going to change on them unexpectedly.

#### **Conclusion**

Legal counsel will be available to discuss the proposed ordinances with City Council, if needed. Given Council's desire to consider these ordinances quickly and the need to draft administration materials in the event that these ordinances are adopted, I would encourage Council members to share any questions they have regarding the substance of these ordinances with the City Clerk so legal counsel and the Administration are prepared to address those questions at the upcoming meetings.

#### CITY OF CORDOVA, ALASKA ORDINANCE 1228

#### AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA AMENDING CMC 5.10.100 "PRODUCT BASED EXEMPTIONS", CMC 5.10.210 "EXEMPTION APPLICATION AND EXEMPTION AUTHORIZATION CARD", CMC 5.10.230 "REFUNDS", AND REPEALING CMC 5.10.240 "CONSTRUCTION MATERIALS AND SERVICES EXEMPTION AND REFUND" TO REPLACE THE REIMBURSEMENT APPLICATION PROCESS THAT APPLIES TO ELIGIBLE CONSTRUCTION MATERIALS AND SERVICES AND ADOPT AN EXEMPTION CARD APPLICATION PROCESS FOR SUCH MATERIALS AND SERVICES AND AMENDING CMC 5.10.100 TO REMOVE INCOME REPORTING REQUIREMENTS FOR NONPROFIT ORGANIZATIONS REGARDING SALES BY NONPROFIT ORGANIZATIONS, WHICH ARE NOT EXEMPT FROM SALES TAX

WHEREAS, the City of Cordova ("City") has historically exempted the sale of certain "construction materials and services" from sales tax in an effort to incentivize the construction of housing and residential development within the City; and

WHEREAS, this exemption differed from other exemptions available within the City in that an applicant would only pay tax owed on the sale of \$5,000 of "construction materials and services" regardless of how many invoices were issued for eligible "construction materials and services;" and

WHEREAS, prior to January 1, 2025, taxpayers had the option of seeking reimbursement for sales tax paid on qualifying "construction materials and services" or applying for and using an "exemption card" for such materials and services and prepaying taxes on \$5,000 of "construction materials and services" sales; and

WHEREAS, Council initially removed these options, requiring taxpayers to submit an application for reimbursement rather than issuing an exemption card; and

WHEREAS, the purpose of this revisions was to create clarity, uniformity, and accountability given the opportunity for misuse of an exemption card for "construction materials and services;" and

WHEREAS, constituents engaged in the construction industry objected to the reimbursement application process and expressed their preference for the use of an exemption card; and

WHEREAS, Council otherwise clarified the scope of the construction materials and services exemption and adopted parameters for the time period in which it would be applicable and the sales that would be eligible that ensured the exemption was narrowly tailored to further the specific goals of Council regarding housing and responsible development; and

WHEREAS, Council has now determined, in light of the preferences expressed by taxpayers, that it is in the City's best interest to issue exemption cards for the sale of qualifying "construction materials and services" instead of requiring taxpayers to file a reimbursement application; and

WHEREAS, Council also determined that it was in the City's best interest to remove any requirement that nonprofit organizations provide information regarding the nature of income generated by nonprofit organizations now that sales by nonprofit organizations are no longer exempt from sales tax under the Code.

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

<u>Section 1.</u> Section 5.10.100 of the Cordova Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

# 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 (A\$ 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.
  - 2. *Vehicles for hire.* The lease or rental of vehicles is not exempt.
- C. 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, yeterinary 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.
    - . *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  $\underline{C}$ ity is prohibited from taxing by the Constitution or statutes of the United States or the  $\underline{S}$ -state of Alaska.
- K. <u>Construction materials and services.</u> Sales or services for "construction materials and services" on a single construction project that fall within the definition of "construction materials and services" under this Chapter. A person may apply for exemption of sales and services for "construction materials and services" in two tax years as provided in Section 5.10.210 of this Chapter.

<u>Section 2.</u> Section 5.10.210 of the Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

# 5.10.210 Exemption application and exemption authorization card.

- A. <u>Except as otherwise provided in this section, a</u>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" <u>must apply for a "construction materials</u> and services exemption card" on a form provided by the Finance Director and must present the "construction materials and services" exemption card to a seller before an exemption may be applied. An exemption may not be granted or an exemption card issued for "construction materials and services" until the applicant has prepaid in full the sales tax that would be owed to the City on the sale of \$5,000 in "construction materials and services" and the City has determined that the anticipated sales constitute qualifying "construction materials and services" as defined in this Chapter. The "construction materials and services" exemption card may only be used for eligible "construction materials and services" as that term is defined within this Chapter. A "construction materials and services" exemption card may only be issued for two tax years on a single qualifying project. These tax years need not be consecutive. For purposes of this subsection, a "single project"

shall be as defined on the exemption card. Applications for an exemption card shall be issued within 30 days of receiving a complete application and the payment owed under this subsection. The exemption card shall expire at the end of the tax year unless a complete and qualifying application and payment is received for the next tax year by December 15<sup>th</sup> of the year for which the exemption card has been issued.are not eligible for an exemption card for such purchases.

C. Exemption cards may not be assigned or transferred.

<u>Section 3.</u> Section 5.10.230 of the Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

#### 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.

<u>Section 4.</u> Cordova Municipal Code Section 5.10.240, "Construction materials and services exemption and refund" is repealed.

<u>Section 5.</u> This ordinance shall be effective April 1, 2025, and in enacted accordance with Section 2.13 of the Charter of the City of Cordova, Alaska.

1<sup>st</sup> reading: February 5, 2025 2<sup>nd</sup> reading and public hearing: February 19, 2025

PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2025.

David Allison, Mayor

ATTEST:

Susan Bourgeois, City Clerk



# AGENDA ITEM # 17 City Council Meeting Date: 02/19/2025 CITY COUNCIL COMMUNICATION FORM

FROM:	Amanda Hadley Coward, City Planner Wednesday February 19, 2025 Ordinance 1229 - Lease with Option to Purchase Lot 15A, Block 5, Odiak Park (Center Drive), First Reading		
DATE:			
NEXT STEP:	Decision on Adoption of Ore	dinance 1229	
X ORDIN RESOL	IANCE JUTION	INFORMATION MOTION	
I. <u>REQUEST OR ISS</u>	SUE: Requested Actions: Legal Description: Area: Zoning: Attachments:	Decision on Ordinance 1229 Lot 15A Block 5 Odiak Park (Center Drive) Approximately 10,584 Sq. Ft. Medium Density Residential <b>Ordinance 1229, Lease Agreement and Exhibits</b>	

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:</u>** Staff suggest the following motion: "I move to adopt Ordinance 1229."</u>

**III. <u>FISCAL IMPACTS</u>**: Applicant will pay \$541.66 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. <u>BACKGROUND INFORMATION</u>**: Emily Anderson submitted a Letter of Interest to purchase Lot 15A, Block 5, of the Odiak Park Subdivision, located at 919 Center Drive, for the purpose of constructing a duplex. She would live in one side and rent out the other side.

The property is zoned Medium Density Residential which allows for one, two, and multifamily dwellings and boarding houses.

ORDINANCE 1229 LEASE WITH OPTION TO PURCHASE LOT 15A, BLOCK 5, ODIAK PARK SUBDIVISION (919 CENTER DRIVE)

At the July 09, 2024, Regular Planning Commission meeting, the letter of interest from Emily Anderson was reviewed and a recommendation was made to the Council to enter into direct negotiations to dispose of the lot.

At the August 07, 2024, Regular Council meeting it was decided to go to direct negotiations to dispose of the property based on the following motion:

Council action on disposal and method of disposal of Lot 15A, Odiak Park Subdivision.

**M/Kinsman S/Jones** to dispose of Lot 15A Block 5 Odiak Park Subdivision as outlined in Cordova Municipal Code 5.22.060B 1. (now 7.40.060B 1.) by negotiating an agreement with Emily Anderson to lease or purchase the property.

Vote on the motion: 5 yeas, 1 nay (Bailer), 1 absent (Sherman). Motion was approved.

On August 16, 2024, the property was appraised by Appraisal Company of Alaska and that is how we arrived at the fair market value of \$65,000. The contract was negotiated by Staff with the parties and the final agreement was sent on February 03, 2025, for attorney edits and review. The contract was received back from the attorney on February 10, 2025, and is now before you for your consideration.

V. <u>LEGAL ISSUES</u>: The lease has been reviewed by the City's legal counsel and has been updated to the current version that is attached.

VI. <u>SUMMARY AND ALTERNATIVES</u>: 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.

#### VII. ATTACHMENTS:

- A. Ordinance 1229
- B. Lease Agreement and Exhibits A & B

#### CITY OF CORDOVA, ALASKA ORDINANCE 1229

#### AN ORDINANCE OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A TEN-YEAR LEASE WITH OPTION TO PURCHASE WITH EMILY ANDERSON AND SKYLER NEWMAN, FOR LOT 15A, BLOCK 5 OF ODIAK PARK SUBDIVISION

WHEREAS, it is in the City of Cordova's interest to enter into a lease with option to purchase for Lot 15A Block 5 Odiak Park Subdivision, See Exhibit A ("Property") with Emily Anderson and Skyler Newman, for the uses specified in the lease with option to purchase agreement, between the City of Cordova, Alaska ("City") and Emily Anderson and Skyler Newman attached to this ordinance as Attachment A ("Lease"); and

WHEREAS, Emily Anderson submitted a letter of interest to purchase Lot 15A Block 5 Odiak Park Subdivision ("Property") from the City of Cordova ("City"); and

WHEREAS, disposal of this property would benefit the City of Cordova financially through the proceeds received from the sale, as well as the property tax generated from the land being in private hands and sales tax generated from the rental unit; and

WHEREAS, disposal of this property would lead towards the development of new dwelling units which is in the best interest of the community and is consistent with the Comprehensive Plan; and

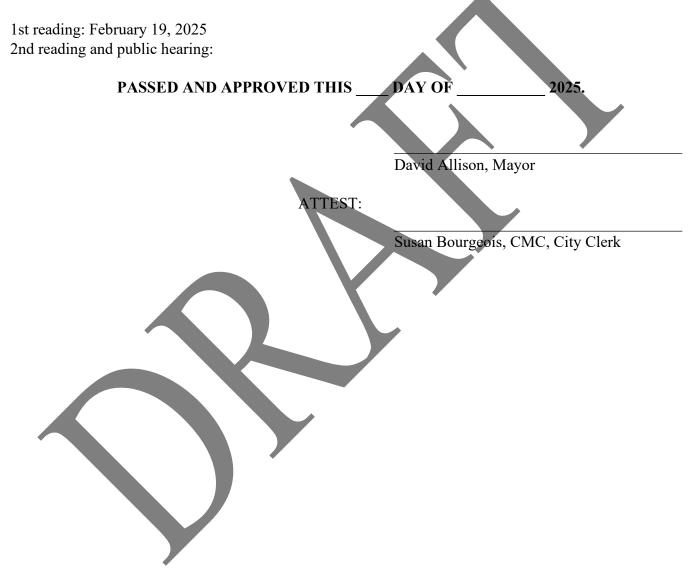
WHEREAS, The City Council Authorized the City Manager to negotiate a Lease with Option to Purchase with Emily Anderson and Skyler Newman; and

WHEREAS, A Lease with Option ("The Lease") to Purchase was negotiated by both parties in good faith and is now before the City Council for consideration; and

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

Section 1. The City Manager is authorized and directed to lease with option to purchase with Emily Anderson and Skyler Newman, in accordance with the terms in the Lease with Option to Purchase 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 reflecting the terms in the Lease with Option to Purchase 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 with Option to Purchase as executed. <u>Section 2</u>. 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.

<u>Section 3</u>. 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.



#### 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 Emily Anderson and Skyler Newman ("Lessee").

#### RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska and legally described as *Lot 15A*, *Block 5,4 of Odiak Park located at 919 Center Drive*, Records of the Cordova Recording District, Third Judicial District, State of Alaska, and also known by Assessor's Parcel No. 02-072-848 (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 February XX, 2025, (the "Commencement Date") and terminating at 11:59 p.m. on February XX, 2035, 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. <u>Base Rent</u>. The annual rent for the first five years of the Lease Term will be Sixty Five Thousand Dollars and Zero Cents (\$65,000.00), payable in monthly installments of Five Hundred Forty One Dollars and Sixty Six Cents (\$541.66) ("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. <u>Additional Charges</u>. 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. <u>Late Fee</u>. 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. <u>Adjustment of Base Rent</u>. 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. <u>Authorized Uses</u>. 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. <u>Compliance with Laws</u>. 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. <u>Lessee's Acceptance of Premises</u>. 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. <u>Development Plan</u>. 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. <u>Substantial Completion</u>. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B by February X, 2030, 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: any and all inspections that are required for financing construction of the improvements provided for in the site development plan. These inspections shall be provided to the City within five (5) days of providing them to the entity financing the build. 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 February X, 2030, 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. During 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. <u>General Indemnification</u>. 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.

Environmental Release and Indemnification. The City makes no representation or B. 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 during the term of this Lease, at Lessee's sole cost and expense, the following policies of insurance with a reputable insurance company or companies satisfactory to the City:

A. <u>General Liability</u>. General liability insurance in respect of the Premises and naming the City as an additional insured, with minimum limits of liability of not less than One Million and 00/100 (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per accident or occurrence for bodily injury and death, and a minimum limit of liability of One Million and 00/100 Dollars (\$1,000,000.00) for property damage for each occurrence; and

B. <u>Other Insurance</u>. Such other and additional insurance policies and coverages that are mandated by the bank or other lending institution financing the construction of the structures and improvement provided for in the Lessee's site development plan, together with such other and additional insurance policies and coverages as may be reasonably requested by the City during the term of this Lease.

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 to purchase (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, at Lessee's sole cost and expense, 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. <u>Default</u>. 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. <u>Remedies</u>. 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

15.

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.

# 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.

# 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. <u>Total Taking</u>. If the Premises are totally taken by condemnation, this Lease shall terminate;

B. <u>Partial Taking</u>. 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. <u>Award</u>. 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. <u>Option.</u> The City hereby grants to Lessee an option (the "Option") to purchase the Premises upon the terms and conditions stated in this Lease.

B. <u>Option Period.</u> 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. <u>Exercise of Option</u>. 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. <u>Conditions to Exercise Option</u>. 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. <u>Purchase Price</u> Lessee shall have the right to purchase the Premises for \$65,000.00 ("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 February 31, 2030, the 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 February 31, 2030, 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. <u>Closing Date</u>. 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. <u>Closing</u>. 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 costs, will be paid by Lessee.

H. <u>Cooperation for Consummating the Option.</u> 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. <u>City's Right of First Refusal.</u> 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 at least the following minimum terms and conditions (and such other terms as may be reasonably requested by the City):

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. <u>Time Is of the Essence</u>. Time is of the essence for this Lease and of each provision hereof.

B. <u>Entire Agreement</u>. 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. <u>Governing Law and Venue</u>. 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. <u>Relationship of Parties</u>. 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. <u>Notice</u>. 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:

Emily Anderson and Skyler Newman P.O. Box 1313 Cordova, Alaska 99574 (907) 687-3040 (541) 272-9978 emilysanderson21@hotmail.com skylernew21@gmail.com

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. <u>Captions</u>. Captions herein are for convenience and reference and shall not be used in construing the provisions of this Lease.

G. <u>No Waiver of Breach</u>. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. 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 modify, 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. <u>Survival</u>. 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. <u>Partial Invalidity</u>. 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. <u>Successors and Assigns</u>. 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. <u>Estoppel Certificates</u>. 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. <u>Recordation of Lease</u>. 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. <u>Authority</u>. 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. <u>Exhibits</u>. Exhibits A and Exhibits B to this Lease are specifically incorporated into the Lease.

O. <u>No Third-Party Beneficiaries</u>. 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. <u>Interpretation</u>. 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. <u>Counterparts</u>. 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. <u>Attorneys' Fees</u>. 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
LESSEE:	By: SAMANTHA GREENWOOD Its: CITY MANAGER EMILY ANDERSON
	SKYLERNEWMAN

## Exhibit A

## **Leased Premises**



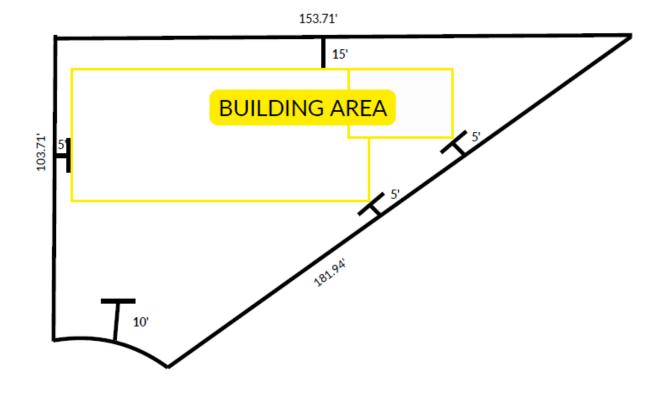
# Exhibit B

# **Development Plan**

We plan to build a two-unit building, encompassing approximately 2,500 square feet. One unit with three bedrooms and two bathrooms, covering about 1,750 square feet with the second unit including one bedroom and one bathroom, totaling around 750 square feet.



The structure will be built somewhere within the yellow boundary indicated by the drawing.





# AGENDA ITEM # 18 City Council Meeting Date: 2/19/25 CITY COUNCIL COMMUNICATION FORM

FROM:	Samantha Greenwood, Ci	Samantha Greenwood, City Manager		
DATE:	2/11/25	2/11/25		
ITEM:	<b>Bond Refunding</b>	Bond Refunding		
	ORDINANCE MOTION	X RESOLUTION INFORMATION		

I. <u>BACKGROUND INFORMATION</u>: The City may realize a debt service savings by refunding general obligation bonds that the City issued to the Alaska Municipal Bond Bank in 2015 for Schools, Roads and Cordova Center. This memorandum accompanies a resolution that authorizes bonds to refund each of these prior City bond issues.

At current bond rates:

- The savings for the Cordova Center is \$170,000 (2.86%).
- The savings for the school and road bonds together is \$63,000 (3.68%)
- The combined savings for all three is \$233,000 (3.04%).

The city will not move forward if the combined savings % falls below 2.5%, this is the point where the savings does not make it feasible to move forward. Our bond attorney is working with the bond bank throughout the process and will monitor the savings percentage as the bond process moves forward. He will remove any bonds from the process if the percentage falls below 2.5%.

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:**</u> Council suggested motion "to approve Resolution 02-25-02 a resolution of the Council of the City of Cordova, Alaska, authorizing the city to issue general obligation refunding bonds to refund certain outstanding general obligation bonds of the city, fixing certain details of such bonds, and authorizing their sale.

**III. <u>FISCAL IMPACTS</u>**: At current the savings would \$233,000 over the life of the bonds, the term of the bonds does not change. The final bond negotiation will be in March, and this may change the amount of savings, but the sale will not move forward if the rate falls below 2.5%.

# CITY OF CORDOVA, ALASKA RESOLUTION 02-25-02

# A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION REFUNDING BONDS TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN DETAILS OF SUCH BONDS, AND AUTHORIZING THEIR SALE

**WHEREAS**, the City of Cordova, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City; and

WHEREAS, pursuant to Resolution 01-15-06 adopted January 21, 2015, the City issued its General Obligation Road Bond, 2015 Series A, on March 17, 2015, in the original principal amount of \$1,805,000, of which \$1,120,000 is currently outstanding (the "2015A Bond"), to finance the cost of road and related capital improvements in the City; and

WHEREAS, pursuant to Resolution 01-15-08 adopted January 21, 2015, the City issued its General Obligation Refunding Bond, 2015 Series C, on March 17, 2015, in the original principal amount of \$10,065,000, of which \$4,830,000 is currently outstanding (the "2015C Bond"), to refund certain principal installments of the City's General Obligation School Bond, 2009 Series A; and

WHEREAS, pursuant to Resolution 04-15-19 adopted April 1, 2015, as amended by Resolution 04-15-22 adopted April 20, 2015, the City issued its General Obligation Cordova Center Bond, 2015 Series D, on June 4, 2015, in the original principal amount of \$2,790,000, of which \$1,710,000 is scheduled to be outstanding as of March 1, 2025 (the "2015D Bond"), to finance the Cordova Center Project; and

WHEREAS, the City sold the 2015A Bond, the 2015C Bond, and the 2015D Bond to the Alaska Municipal Bond Bank (the "Bond Bank") on the terms and conditions set forth in, among other documents, (i) the Loan Agreement dated as of March 1, 2015, between the Bond Bank and the City, related to the 2015A Bond (the "2015A Loan Agreement"), (ii) the Loan Agreement dated April 1, 2009, as amended by the Amendatory Loan Agreement dated as of March 1, 2015, each between the Bond Bank and the City, and each related to the 2015C Bond (together, the "2015C Loan Agreement"), and (iii) the Loan Agreement dated June 1, 2015, between the Bond Bank and the City, related to the 2015D Bond (the "2015D Loan Agreement"); and

WHEREAS, the Bond Bank issued its \$60,635,000 General Obligation and Refunding Bonds, 2015 Series One (the "2015-1 Bond Bank Bonds"), among other purposes, to provide funds to purchase the 2015A Bond and the 2015C Bond; and

WHEREAS, the Bond Bank issued its \$34,220,000 General Obligation and Refunding Bonds, 2015A Series Two (the "2015-2 Bond Bank Bonds"), among other purposes, to provide funds to purchase the 2015D Bond; and

WHEREAS, the Bond Bank has expressed its intent to issue refunding bonds (the "Bond Bank Refunding Bonds") for the purpose of refunding a portion of the 2015-1 Bond Bank Bonds and a portion of the 2015A-2 Bond Bank Bonds to achieve debt service savings; and

WHEREAS, Article IX, Section 11 of the Alaska Constitution and Cordova Charter Section 6-1 provide that general obligation refunding bonds may be issued without an election, Section 29.47.340 of the Alaska Statutes provides that refunding bonds may be exchanged for the bonds being refunded, and Section 29.47.410 of the Alaska Statutes provides that the Council by resolution may provide for the form and manner of sale of bonds and notes; and

WHEREAS, the Council finds that it is in the best interest of the City to provide for the refunding, including the payment of principal of and interest on, all or a portion of the outstanding principal installments of the 2015A Bond, the 2015C Bond, and the 2015D Bond the Manager or the Finance Director determines will provide the percentage debt service savings specified in this resolution (the "Refunded Principal Installments") by the issuance of general obligation refunding bonds in one or more series (the "Bonds"); and

WHEREAS, the Council wishes to effect a reduction in debt service on all or a portion of the Refunded Principal Installments by entering into Amendatory Loan Agreements, issuing its general obligation refunding bonds (and, if necessary, a replacement 2015A Bond, 2015C Bond, and 2015D Bond) in exchange for the 2015A Bond, the 2015C Bond, and/or the 2015D Bond, and participating in the refunding of a portion of the 2015-1 Bond Bank Bonds and 2015A-2 Bond Bank Bonds; and

WHEREAS, the Council finds that it is necessary and appropriate to delegate to the Manager and the Finance Director authority to determine the maturity amounts, interest rates, and other details of the Bonds, and to determine other matters that are not provided for in this resolution.

# NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, HEREBY RESOLVES that:

Section 1. <u>Definitions</u>. In addition to terms that are defined in the recitals above, the following terms shall have the following meanings in this resolution:

(A) "Amendatory Loan Agreement" means an Amendatory Loan Agreement between the City and the Bond Bank, amending the 2015A Loan Agreement, the 2015C Loan Agreement, or the 2015D Loan Agreement, as applicable.

(B) "Bond" or "Bonds" means any of the "General Obligation Refunding Bonds" of the City of Cordova, the issuance and sale of which are authorized herein.

(C) "Bond Bank" means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.

(D) "Bond Bank Bonds" means a series of general obligation bonds issued by the Bond Bank, all or part of the proceeds of which are used to purchase the Bonds.

(E) "Bond Register" means the registration books maintained by the Registrar, which include the names and addresses of the Registered Owners of the Bonds or their nominees.

(F) "City" means the City of Cordova, a municipal corporation of the State of Alaska, organized as a home rule city under Title 29 of the Alaska Statutes.

(G) "Code" means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

(H) "Council" means the Council of the City of Cordova, as the general legislative authority of the City of Cordova, as the same shall be duly and regularly constituted from time to time.

(I) "Government Obligations" means noncallable obligations that are either (i) direct obligations of the United States of America or (ii) obligations of an agency or instrumentality of the United States of America the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America.

(J) "Loan Agreement" means the 2015A Loan Agreement, the 2015C Loan Agreement, or the 2015D Loan Agreement, as may be amended by an Amendatory Loan Agreement.

(K) "Registered Owner" means the person named as the registered owner of a Bond in the Bond Register.

(L) "Registrar" means the City Finance Director, or any successor that the City may appoint by resolution.

(M) "Resolution" means this Resolution 02-25-02 of the City.

Section 2. <u>Authorization of Bonds and Purpose of Issuance</u>.) For the purpose of effecting the refunding of the Refunded Principal Installments by issuing Bonds (and, if necessary, a replacement 2015A Bond, 2015C Bond, and/or 2015D Bond) on the terms and conditions provided in this Resolution and the Amendatory Loan Agreements, and to pay all costs incidental thereto and to the issuance of the Bonds, the City hereby authorizes and determines to issue and sell the Bonds in one or more series.

Section 3. <u>Obligation of Bonds</u>. The Bonds shall be direct and general obligations of the City and the full faith and credit of the City are hereby pledged to the payment of the principal of and interest on the Bonds. The City hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. <u>Designation, Maturities, Interest Rates, and Other Details of Bonds</u>. The Bonds shall be issued in one or more series as determined by the Manager or Finance Director and be designated "City of Cordova, Alaska, General Obligation Refunding Bond" with such additional series and year designation as the Manager or Finance Director may fix and determine. The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered separately in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

The Bonds shall bear interest payable semi-annually on the dates and shall mature in one or more years on the date, and each principal installment shall be payable annually in the amount and on the

dates, all as shall be set forth in the applicable Loan Agreement. Interest on the Bonds shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Subject to Section 2 and the remainder of this section, the dated date, the principal and interest payment dates, and the record dates for principal and interest payments on the Bonds, the aggregate principal amount of Bonds, and the principal amount of each maturity and the interest rates on the Bonds, shall be determined at the time of execution of the Amendatory Loan Agreements under Section 17.

Section 5. <u>Optional Redemption</u>. The Bonds, if any, subject to optional redemption by the City, the time or times when such Bonds are subject to optional redemption, the terms upon which such Bonds may be redeemed, and the redemption price or redemption prices for such Bonds, shall be determined at the time of execution of the Amendatory Loan Agreements under Section 17.

# Section 6. <u>Selection of Bonds for Redemption; Notice of Redemption.</u>

(A) <u>Selection of Bonds for Redemption</u>. When the Bond Bank is the Registered Owner of a Bond, the selection of such Bond to be redeemed shall be made as provided in the applicable Loan Agreement. When the Bond Bank is not the Registered Owner of a Bond, the selection of such Bond to be redeemed shall be made as provided in this subsection (A). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected randomly (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City shall treat such Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal amount of a Bond is redeemed, upon surrender of such Bond at the office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the principal amount to remain outstanding, at the option of the Registered Owner, a Bond or Bonds of like series and maturity and interest rate in any of the denominations authorized herein.

Notice of Redemption. When the Bond Bank is the Registered Owner of a Bond, notice **(B)** of any intended redemption of such Bond shall be given as provided in the applicable Loan Agreement. When the Bond Bank is not the Registered Owner of a Bond, notice of any intended redemption of such Bond shall be given as provided in this subsection (B). Notice of redemption shall be mailed not less than 20 nor more than 45 days prior to the date fixed for redemption by first class mail to the Registered Owners of the Bond to be redeemed at their addresses as they appear on the Bond Register on the day the notice is mailed. Notice of redemption shall be deemed to have been given when the notice is mailed as herein provided, whether or not it is actually received by the Registered Owners. All notices of redemption shall be dated and shall state: (1) the redemption date; (2) the redemption price; (3) if fewer than all outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the such Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (5) the place where such Bond is to be surrendered for payment of the redemption price, which place of payment shall be the office of the Registrar.

Official notice of redemption having been given as aforesaid, a Bond or portion of Bond to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date, such Bond or portion of Bond shall cease to bear interest. Upon surrender of such Bond for redemption in accordance with such notice, such Bond shall be paid at the

redemption price. Installments of interest due on or prior to the redemption date shall be payable as provided herein for the payment of interest. Upon surrender of any Bond for partial redemption, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds that have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Each check or other transfer of funds issued to pay the redemption price of a Bond shall bear the CUSIP number, if any, identifying, by maturity, the Bond being redeemed with the proceeds of such check or other transfer.

Section 7. <u>Form of Bond</u>. Each Bond shall be in substantially the following form, with such variations, omissions, and insertions as may be required or permitted by this Resolution:

UNITED STATES OF AMERICA STATE OF ALASKA CITY OF CORDOVA (A Municipal Corporation of the State of Alaska)

NO.

# GENERAL OBLIGATION REFUNDING BOND, 2025 SERIES \_\_\_\_

Registered Owner: Principal Amount:

The City of Cordova (the "City"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, the principal amount shown above in the following installments on 1 of the following years, and to pay interest on such installments from the date hereof,

payable on \_\_\_\_\_\_ I and semiannually thereafter on the first days of \_\_\_\_\_\_ and \_\_\_\_\_ of each year, at the rates per annum as follows:

	Principal	Interest	, ,	Principal	Interest
Year	Amount	Rate	Year	Amount	Rate

When this Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement relating to this Bond, as amended by the Amendatory Loan Agreement between the Bond Bank and the City (the "Loan Agreement"). When this Bond is not owned by the Bond Bank, installments of principal and interest on this Bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the 15th day of the month preceding the installment payment date; provided, that the final installment of principal and interest on this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the office of the Registrar. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this Bond are payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. This Bond is one of the General Obligation

Refunding Bonds, 2025 Series \_\_\_\_\_\_ of the City of Cordova, Alaska, of like tenor and effect except as to interest rate, serial number and maturity, aggregating \$\_\_\_\_\_\_ in principal amount, and constituting Bonds authorized for the purpose of refunding certain general obligation bonds issued by the City, and is issued under Resolution \_\_\_\_\_\_ of the City entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION REFUNDING BONDS TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN DETAILS OF SUCH BONDS, AND AUTHORIZING THEIR SALE (the "Resolution").

Installments of principal of this Bond due on and after \_\_\_\_\_\_ shall be subject to prepayment on and after \_\_\_\_\_\_ at the option of the City (subject to any applicable provisions of the Loan Agreement), in such principal amounts and from such maturities as the City may determine, and randomly within a maturity, at a redemption price equal to the principal amount to be prepaid, plus accrued interest to the date of prepayment.

This Bond is transferable as provided in the Resolution, (i) only upon the Bond Register of the City, and (ii) upon surrender of this Bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of charges, if any, as therein prescribed. The City may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a general obligation of the City of Cordova, and the full faith and credit of the City are pledged for the payment of the principal of and interest on this Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska and the home rule charter, ordinances, and resolutions of the City to exist, to have happened, or to have been performed precedent to or in the issuance of this Bond exist, have happened, and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said constitution, statutes, charter, ordinances, or resolutions.

IN WITNESS WHEREOF, THE CITY OF CORDOVA, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

CITY OF CORDOVA

/specimen/ Mayor

ATTEST:

/specimen/ City Clerk Section 8. <u>Execution</u>. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Clerk. The execution of a Bond on behalf of the City by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

Section 9. <u>Payment of Principal and Interest</u>. The Bonds shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of a Bond, payment of principal of and interest on such Bond shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of a Bond, installments of principal and interest on such Bond shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided, that the final installment of principal and interest on a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar.

Section 10. <u>Registration</u>. The Bonds shall be issued only in registered form as to both principal and interest. The City designates the City Finance Director as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the City. The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of section 149 of the Code. The City and the Registrar may treat the person in whose name any Bond shall be registered as the absolute owner of such Bond for all purposes, whether or not the Bond shall be overdue, and all payments of principal of and interest on a Bond made to the Registered Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the amount or amounts so paid, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Section 11. <u>Transfer and Exchange</u>. Bonds shall be transferred only upon the Bond Register kept at the office of the Registrar. Upon surrender for transfer or exchange of any Bond at such office, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, the City shall execute and deliver an equal aggregate principal amount of such Bond of the same maturity of any authorized denominations, subject to such reasonable regulations as the City may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. All Bonds surrendered for transfer or exchange shall be canceled by the Registrar.

Section 12. <u>Bonds Mutilated, Destroyed, Stolen, or Lost</u>. Upon surrender to the Registrar of a mutilated Bond, the City shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a Bond has been destroyed, stolen, or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new Bond of like series, maturity, and principal amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 13. <u>Designation of Refunded Principal Installments</u>. The Manager or the Finance Director are each authorized to fix and determine which, if any of the outstanding principal installments of the 2015A Bond, 2015C Bond, and/or 2015D Bond are to be refunded by issuing the Bonds (and, if necessary, a replacement 2015A Bond, a replacement 2015C Bond, and/or a replacement 2015D Bond) in exchange therefor, provided that the refunding of the principal installments so designated as Refunded Principal Installments shall result in a debt service savings to the City in the aggregate of not less than two and one-half percent (2.5%) of their principal amount, net of all issuance costs and underwriting discount, on a present value basis.

Section 14. <u>Tax Covenants</u>. The City covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of section 148 of the Code, and that it will not take or permit any action that would cause the Bonds to be "private activity bonds" as defined in section 141 of the Code.

Section 15. <u>Amendatory and Supplemental Resolutions</u>.

(A) The Council from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Resolution, for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City.

(2) To make such provisions for the purpose of curing any ambiguity or curing, correcting, or supplementing any defective provision contained in this Resolution or in regard to matters or questions arising under this Resolution as the Council may deem necessary or desirable and not inconsistent with this Resolution and which shall not adversely affect the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owner of any of the Bonds at any time outstanding, notwithstanding any of the provisions of subsection (B) of this section.

(B) With the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding, the Council may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental resolution; provided, that no such supplemental resolution shall:

(1) Extend the fixed maturity of any of the Bonds, or reduce the rate of interest thereon, or extend the time of payment of any installment of principal or interest from its due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, in each case without the consent of the Registered Owners of each Bond so affected; or

(2) Reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution, without the consent of the Registered Owners of all of the Bonds then outstanding.

It shall not be necessary for the consent of the Registered Owners of the Bonds under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

(C) Upon the adoption of any supplemental resolution under this section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Resolution of the City and all Registered Owners of outstanding Bonds shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

(D) Bonds executed and delivered after the adoption of any supplemental resolution under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the City, to any modification of this Resolution contained in any such supplemental resolution may be prepared by the City and delivered without cost to the Registered Owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 16. <u>Defeasance</u>. In the event money and/or non-callable Government Obligations maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special trust account to effect such redemption or retirement and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such Bonds and such Bonds shall be deemed not to be outstanding.

Section 17. Exchange of Bonds; Amendatory Loan Agreements. The Bonds shall initially be delivered to the Bond Bank in exchange for the Refunded Principal Installments. Subject to the limitations set forth in Sections 2 and 4, each of the Manager and Finance Director is hereby authorized to determine the aggregate principal amount, the principal amount of each maturity, the interest rates, the dated date, the yields, the principal and interest payment dates, the record dates for principal and interest payments, and the redemption terms, if any, for the Bonds, and other details of the Bonds; provided that: (i) the principal amount of each maturity of the Bonds shall not exceed the principal amount of a loan to the City; and (ii) the interest rate on each maturity of the Bonds. Based upon the foregoing determinations, the Manager or the Finance Director are authorized to negotiate, execute, and deliver the Amendatory Loan Agreements.

Section 18. <u>Authority of Officers</u>. The Mayor, the acting Mayor, the Manager, the acting Manager, the Finance Director, the acting Finance Director, the Clerk, and the acting Clerk are each individually authorized and directed to do and perform all things and determine all matters not determined by this Resolution, to the end that the City may carry out its obligations under the Bonds, the Loan Agreements, and this Resolution.

Section 19. <u>Prohibited Sale of Bonds</u>. No person, firm, or corporation, or any agent or employee thereof, acting as financial consultant to the City under an agreement for payment in connection with the sale of the Bonds is eligible to purchase the Bonds as a member of the original underwriting syndicate either at public or private sale.

Section 20. <u>Ongoing Disclosure</u>. The City acknowledges that, under Rule 15c2-12 of the United States Securities and Exchange Commission ("Rule 15c2-12"), the City may now or in the future be an "obligated person" with respect to the Bond Bank Bonds. In accordance with Rule 15c2-12 and as the Bond Bank may require, the City shall enter into a continuing disclosure agreement and undertake to provide certain annual financial information and operating data as shall be set forth in the Loan Agreement.

Section 21. <u>Miscellaneous</u>.

(A) All payments made by the City of or on account of the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest, as the case may be.

(B) No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this Resolution against any member of the Council or officer of the City or any person executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the City, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral, or otherwise, of the State of Alaska or of any political subdivision thereof, except the City.

Section 22. <u>Severability</u>. If any one or more of the provisions of this Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 23. <u>Effective Date</u>. This resolution shall become effective upon adoption by the Cordova City Council.

# PASSED AND APPROVED THIS 19TH DAY OF FEBRUARY 2025

David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk



# Memorandum

Date:	02/12/2025
To:	City of Cordova Mayor and City Council
cc:	City Manager
From:	Clay Koplin, CEO
Re:	Crater Lake Project Funding Follow Up

At the regular City Council meeting of February 5<sup>th</sup>, I presented an overview of a funding opportunity of up to \$50,000,000, 90% grant, 10% (cash or in-kind match) to develop the Crater Lake Water and Power project to provide significant upgrades to City Water infrastructure including hundreds of millions of gallons of year-round storage, replacement of the existing high-maintenance catchment and pipeline, and water treatment plant and associated equipment at the Orca water source site. The project would also produce up to 8% of the community's renewable energy supply moving CEC closer to 100% renewable, particularly in winter. The City is the single largest user of electricity, approximately 10% of sales across the hospital, schools, and City facilities, and would benefit from lower electric bills. The grant application concept paper is due February 27<sup>th</sup>, and if selected, a full application due in August. This is a once-in-a-generation opportunity to resolve the decades-long goal of City to develop a new and adequate water supply for the community and has the added benefit of replacing aged tanks and equipment in the process. City Council requested an action item and additional information which I have provided.

I worked with Mayor Allison to draft a City Resolution of Support for the project and encourage you to adopt it to demonstrate support for the project funding request. In the meantime, CEC will be hosting public outreach and engagement around the project. If Council elects not to support funding for renewable energy and adequate water supply, I must ask what is our alternative? We (CEC and City) have spent many years and over \$1M in combined effort seeking alternatives for water and have not been able to identify one. The Resolution is drafted nearly verbatim from the 2014 City-CEC MOU to develop the project, and from City Resolution 01-24-01 capital projects list, and essentially reaffirms the City's commitment to a secure and adequate water and energy supply for the community.

I also received a request for a geotechnical summary. When the City declined to help fund the geotechnical assessment citing lack of funding, CEC was able to secure \$100,000 of US Department of Energy funding to sponsor the geotechnical assessment. Both the highly technical 150 page Geotechnical Baseline Survey by Shannon & Wilson, and the Executive Summary of that Survey by McMillen and Associates is CEC property and I would prefer to keep it confidential so that others don't use it to develop the project (this has happened in the past), I recognize the need for City Council to make informed decisions, and have provided a copy of the Executive Summary to City Manager and Council. I request that you keep this information internal for the reason I expressed. Any CEC member is welcome to reports in their entirety at the CEC offices during regular business hours.

Finally, so that you understand the current state of the Crater water intake and the need to shovel it out by hand every time a storm fills it with gravel, here are some representative photos:







# CITY OF CORDOVA, ALASKA RESOLUTION 02-25-03

# A RESOLUTION OF THE COUNCIL OF THE CITY OF CORDOVA, ALASKA, SUPPORTING FUNDING APPLICATIONS FOR THE DEVELOPMENT OF THE CRATER LAKE WATER AND POWER PROJECT

WHEREAS, Crater Lake has the potential to provide energy, water, recreational and economic opportunities to Cordova; and

WHEREAS, development of Crater Lake as a hydroelectric resource for Cordova can improve the energy and water security of the community of Cordova and derive lower costs and higher benefits if approached cooperatively and collaboratively; and

WHEREAS, City capital improvements priorities include improved drinking water delivery during peak water usage, replacement of Cannery Row water tank, and a permanent siphon at Crater Lake to improve water delivery during peak flow that this project would replace and improve upon; and

WHEREAS, development of Crater Lake as a hydroelectric and water resource for Cordova can improve the energy and water security of the community of Cordova and derive lower costs and higher benefits if approached cooperatively and collaboratively; and

WHEREAS, portions of Crater Lake and watershed are located on The Eyak Corporation, State of Alaska, City of Cordova, and Chugach Alaska Corporation surface and subsurface lands; and

WHEREAS, the cooperation between these landholders, Cordova Electric Cooperative, and the City of Cordova would be mutually beneficial in reducing Cordova's dependence upon fossil fuel for energy and would allow for improvements to the City of Cordova water supply.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Council of the City of Cordova, Alaska, supports Cordova Electric Cooperative in seeking funding for the development of the Crater Lake Water and Power project.

PASSED AND APPROVED THIS 19th DAY OF FEBRUARY 2025

David Allison, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk



# AGENDA ITEM # 20 City Council Meeting Date: 02/19/2025 CITY COUNCIL COMMUNICATION FORM

FROM: Amanda Hadley Coward – City Planner

DATE: Wednesday February 19, 2025

ITEM: Letter of Interest, Lots 3 & 4, Block 8, Original Townsite

NEXT STEP: City Council Decision on Disposal and Disposal Method

ORDINANCE		INFORMATION
RESOLUTION		X MOTION
	Requested Action: Applicant: Legal Description: Area: Zoning: Attachments:	City Council Decision on Disposal and Method Cordova Chamber of Commerce Lots 3 & 4, Block 8, Original Townsite Approximately 5,000 Sq. Ft. Central Business District Location Map Letter of Interest

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:</u>** Staff has provided the following recommended motions for the City Council to open the agenda item for discussion:</u>

"I move to dispose of Lots 3 and 4, Block 8, Original Townsite, as outlined in Cordova Municipal Code 5.22.060 B by \*"

Choose one of the following to insert for the asterisk:

- 1. Negotiating an agreement with Cordova Chamber of Commerce to lease or purchase the property.
- 2. Requesting sealed proposals to lease or purchase the property.
- 3. Inviting sealed bids to lease or purchase the property.
- 4. Offering the property for lease or purchase at public auction.

### Alternate motion:

"I move to not dispose of Lots 3 and 4, Block 8, Original Townsite"

**III.** <u>FISCAL IMPACTS</u>: The current lease with the Chamber of Commerce does not charge rent or utilities and instead provides the use of the building and City pays for utilities (sewer, water, garbage, electricity, heat) as an in-kind financial support to the Chamber. Council will ultimately have to decide on if this in-kind financial support will continue or if rent and or utility payments would be required if they chose to continue leasing the space to the Chamber.

Alternatively, the Council could choose to put out a request for proposals and potentially lease the space to a different entity and charge rent to increase city income, or even sell the land and building so that the City is no longer responsible for being a landlord for this property.

**IV.** <u>BACKGROUND INFORMATION</u>: The lease with the Chamber of Commerce, who has occupied this location since 1999, expired on December 31<sup>st</sup>, 2024, and does not have any additional renewal options. This requires the chamber to go through the land disposal process to request that a new lease be negotiated. The lease now currently in a hold over status until Council gives direction on how to move forward.

The Chamber has submitted a letter of interest explaining that the current location was purpose built and meets their needs. They have considered other office locations but have determined that they would like to remain in their historic location.

Planning Commission, at their 09/10/2024 Regular Meeting passed a motion 3/1 to recommend that city council directly negotiate a new lease with the Chamber of Commerce. This decision was based on the Chambers long standing tenancy, that they are a community asset, and that it is a good location for their needs and purpose.

City Council, at their 09/18/2024 Regular Meeting reviewed the letter of interest and had the following conversation pulled from the approved minutes:

**M/Jones S/Carpenter** to dispose of Lots 3 & 4, Block 8 Original Townsite as outlined in Cordova Municipal Code 7.40.060 B by negotiating an agreement with the Cordova Chamber of Commerce to lease or purchase the property.

Jones said he thinks the chamber brings a lot to the community; he would like to hear more details about what they have done as far as number of conferences they brought in, etc. **Ranney** said the chamber does a great job but looking at the deficit we'll be looking at she can't support the City giving this much, the building and in-kind and direct financial support to one non-profit. **Kinsman** feels similarly to **Ranney**. He is curious as to the terms of the lease, what is Council's role in the negotiations. **Mayor Allison** said it will come back to us for approval, but we can give the manager parameters for the negotiation. **Bailer** remembers that the building was built when we were getting cruise ships so there would be public bathrooms accessible on Main Street. **Bailer** said he'd support the chamber position, but he'd prefer it move into the City Hall building. There was further lengthy discussion as to the merits of the chamber and the city contribution to the chamber.

Vote on the motion 3 yeas, 3 nays, 1 absent. Kinsman-no; Zastrow-absent; Jones-yes; Ranney-no; Bailerno; Carpenter-yes; and Sherman-yes. Motion failed.

Following that discussion and the failed vote on the motion, Council motioned to refer the item back to Staff until after the budget process. That motion passed.

**M/Jones S/Bailer** to refer this to staff to be brought back to Council after the budget process. Vote on the motion: 5 yeas, 1 nay (Sherman), 1 absent (Zastrow). Motion was approved. Based on the above conversation, the Council had mixed feelings about the funding of the Chamber, including direct funding, and in-kind funding (rent and utilities). During the 2025 budget process, Council ultimately approved funding for the Chamber in the following amounts:

Operating expenses: \$70,000 Chamber in-kind: \$4,800 Chamber in-kind lease: \$25,800

At this point in the land disposal process, we are still in the 'Letter of Interest / decision on disposal method' stage. The Council needs to direct staff on if the City will be negotiating a new lease with the Chamber, if we will not dispose of the property by lease at this time (effectively ending the hold over and evicting the Chamber) or if the property will have a request for proposals published to see what other interest there is from other entities to lease or purchase the property.

# **Applicable Code:**

5.40.060 - Methods of disposal.

*B.* In approving a disposal of an interest in city real property, the city council shall select the method by which the city manager will conduct the disposal from among the following:

1. Negotiate an agreement with the party who submitted a letter of interest to lease or purchase the property;

2. Invite sealed bids to lease or purchase the property;

3. Offer the property for lease or purchase at public auction;

4. Request sealed proposals to lease or purchase the property.

VI. <u>LEGAL ISSUES</u>: Legal review of any agreement will be required prior to final approval by Council.

**VII.** <u>SUMMARY AND ALTERNATIVES</u>: The City Council may make a motion to dispose of or not dispose of the property. If the Council chooses to dispose of the property, then a method of disposal needs to be determined.



Cordova Chamber of Commerce PO Box 99 Cordova, AK 99574 907-424-7260 cordovachamber.com

#### **Board of Directors**

Osa Schultz, Seaview Condo/ Pet Projects Tommy Sheridan, Sheridan Consulting Lisa Koker, Cordova Telecom Cooperative Christi Banks, F/V Jammin Salmon Katrina Hoffman, Prince William Sound Science Center / OSRI Leif Stavig, Cordova Electric Cooperative Natasha Casciano, Cordova Gear Nattilee Kinsman, Studio Red Nelly Hand, Drifters Fish Danaya Hoover, Native Village of Eyak Emily Anderson, City of Cordova Erin Cooper, US Forest Service LCDR Ryan Foust, US Coast Guard

Executive Director, Cathy Renfeldt

July 25, 2024

City Manager City of Cordova P.O. Box 1210 Cordova, AK 99574

To Whom It May Concern:

The Cordova Chamber of Commerce is a non-profit membership organization established in 1988 that works to empower the business community and foster connections that elevate the quality of life in Cordova. In addition to our work to support Cordova's small and large businesses and grow economic opportunity, we have worked in partnership with the City of Cordova for over 25 years as the designated Destination Management and Marketing Organization (DMMO) for the Cordova area to foster relationships and attract visitor traffic that fits the unique culture and offerings of our community.

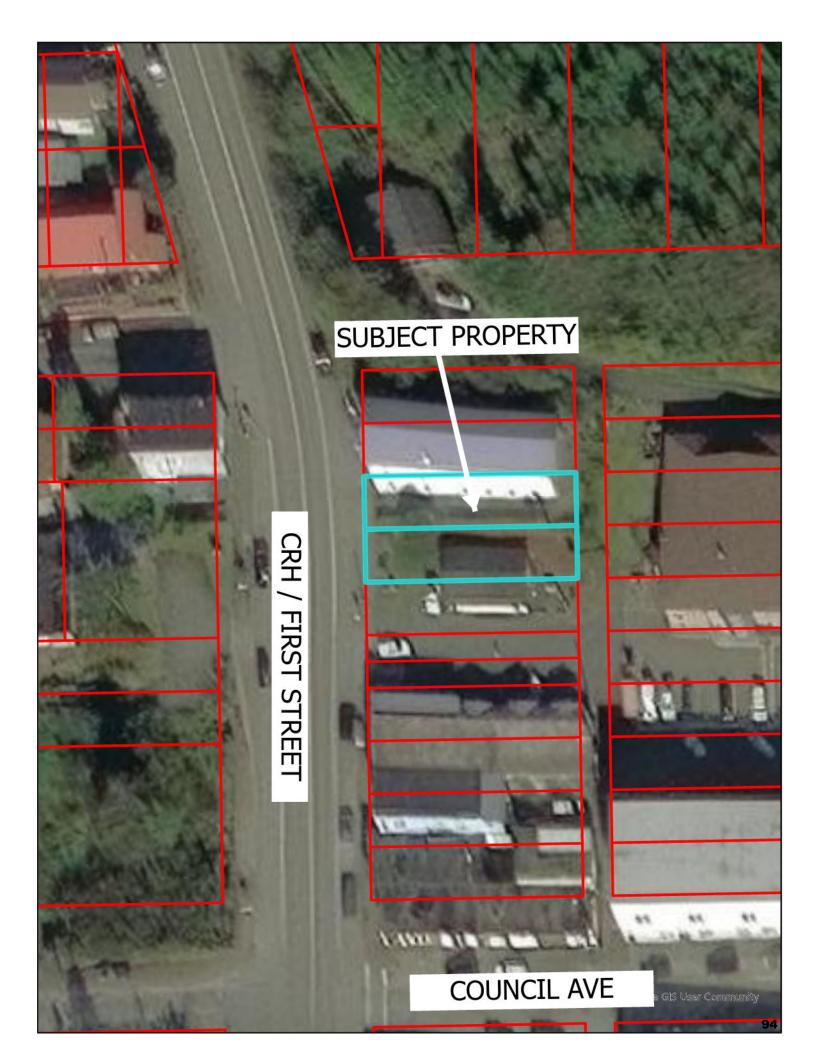
It has come to our attention that our current lease with the City of Cordova for Lots 3 & 4, Original Townsite, Cordova AK is expiring on December 31, 2024. The Chamber has leased this site since 1999, at which time it was purpose-built to fit the needs we serve, and we are interested in renewing the lease to remain in this historic location. Our board of directors and staff have explored other office location options and have concluded that this location at 404 First Street best suits our purpose as a Visitor Center to provide local information to visitors as well as residents, to organize and host community-wide events that elevate the quality of life and increase economic opportunity, to provide business counseling and support, and to bring together various community partners to reach shared goals that propel our community forward.

Through the pandemic, our services proved vital to local businesses and the community, and the value and relevance of Cordova Chamber has only continued to grow since then. Our small staff and dedicated board of directors work diligently to better the quality of life for residents and create an inviting atmosphere for commerce. This affordable office space is pivotal to our continued impact. We greatly value our partnership with the City of Cordova and could not do our work without your cooperation and this support. Thank you for your consideration and partnership.

Best Regards,

Kerfeldt

Cathy Renfeldt Executive Director Cordova Chamber of Commerce



#### CITY OF CORDOVA Cordova, Alaska

#### **LEASE**

THIS LEASE ("Lease") by and between the CITY OF CORDOVA ("Landlord"), a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and the CORDOVA CHAMBER OF COMMERCE, an Alaska nonprofit corporation ("Tenant").

#### RECITALS

WHEREAS, City owns that certain parcel of land and all improvements thereon in Cordova, Alaska described as Lots 3 and 4, Block 8, Original Townsite, Plat 1-11, Cordova Recording District, Third Judicial District, State of Alaska ("Premises"); and

WHEREAS, Tenant desires to lease the Premises from City, and City desires to lease the Premises to Tenant, on the terms and conditions set forth herein; and

WHEREAS, the Cordova City Council ("Council") has approved the lease of the Premises from City to Tenant in accordance with Cordova City Charter §5-17 and Chapter 5.22 of the Cordova Municipal Code ("Code" or "CMC").

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

#### 1. LEASE OF PREMISES

Subject to the terms and conditions set forth herein, City hereby leases to Tenant and Tenant hereby leases from the City, the Premises.

#### 2. LEASE TERM

The term of this Lease shall be five (5) years, commencing on January 1<sup>st</sup>, 2020 ("Commencement Date") and expiring on December 31, 2024, unless earlier terminated in accordance with the terms of this Lease.

#### 3. RENT

A. Base Rent. Tenant recognizes the rent during the term of this Lease is valued at Twenty-Five Thousand Eight Hundred Dollars (\$25,800) annually ("Base Rent"). Unless otherwise modified, the City will not require Tenant to pay the Base Rent to the City, but Tenant must recognize and acknowledge the Base Rent amount as an annual contribution the City provides to Tenant. 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, Tenant.

**B.** Additional Charges. In addition to the Base Rent, Tenant acknowledges and agrees that Tenant is obligated to pay and shall 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 7 and all other sums, costs, expenses, taxes (including 6% sales tax, which shall be paid by Tenant at the same time Tenant makes its payment of Base Rent to the City) and other payments that Tenant assumes or agrees to pay under the provisions of this Lease ("Additional Charges").

Without limiting in any way Tenant's payment obligations, the City shall 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 the same have become due and payable, and the amount paid, plus the City's reasonable expenses, shall be Additional Rent due from Tenant to 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 Tenant.

C. Late Penalty Provision. Rent not paid within ten (10) days after the due date shall be assessed a late charge of ten percent (10%) of the delinquent amount; such charge shall be considered liquidated damages and shall be due and payable as Additional Rent. 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.** Security Deposit. Upon execution of this Lease, the City may require Tenant to deposit with the City an amount equal to two months' rent (the "Security Deposit"). The Security Deposit shall be held by the City as security for the faithful performance by Tenant of all of Tenant's obligations under this Lease. If Tenant fails to pay the Base Rent or a portion thereof, or otherwise defaults with respect to any provision of this Lease after notice and beyond the expiration of any applicable cure period, the City may use, apply or retain all or any portion of the Security Deposit for:

(i) the payment of any Rent or other sum in default;

(ii) the payment of any other sum to which the City may become obligated by reason of Tenant's

default; or

(iii) to compensate the City for any loss or damage which the City may suffer thereby, including but not limited to any costs associated with moving and storage of Tenant's personal property (if any) remaining on the Premises beyond termination of the Lease.

The City may commingle the Security Deposit with funds held in the City's own accounts, including accounts in which the City keeps other security deposits. If Tenant performs all of its obligations under this Lease, the Security Deposit, or so much thereof as has not been used, applied or retained by the City in accordance with this Section, shall be returned to Tenant, at the expiration of the term, and subject to Tenant relinquishing possession of the Premises, without payment of interest or other increment for its use, within 30 days after Tenant's vacation of the Premises.

#### 4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Use of the Premises shall be limited to the day to day operations of the Cordova Chamber of Commerce which will also include but not be limited to major community events operated by Tenant, such as the Iceworm Festival, Shorebird Festival, the Fourth of July Celebration and the Christmas Kickoff, and the Premises shall not, without prior written consent of City, be used for any other purposes. Tenant shall staff the Premises with Tenant personnel or volunteers on the following schedule:

(i) Monday through Friday, excluding December 13 through January 13, four hours per day.

(ii) Weekends during major community events (such as Iceworm Festival, Shorebird Festival), hours scheduled as needed.

**B.** Inspections. The City and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at all reasonable times 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 thing necessary for the safety or preservation of 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.

C. Compliance with Laws. Tenant shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses and other authorizations. Tenant shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation or increase in premium of any insurance policy covering the Premises. Tenant shall not leave the Premises unoccupied or vacant without the City's prior written consent. Tenant shall not cause or permit any Hazardous Material (as defined in Section 9.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 Tenant's authorized uses of the Premises. Any such Hazardous Material brought upon, kept, or used in, on or about the Premises of 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. Tenant 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.

**D. Tenant's Acceptance of Premises.** Tenant has inspected the Premises to its complete satisfaction and is familiar with its condition, and the City makes no representations or warranties with respect thereto, including but not limited to the condition of the Premises or its suitability or fitness for any use Tenant may make of the Premises. Tenant accepts the Premises AS IS, WHERE IS, 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 of the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, is suitable or usable or 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.

E. The City many terminate this Lease for any or no reason upon thirty (30) days' written notice to Tenant.

#### 5. <u>REPRESENTATIONS AND WARRANTIES</u>

Tenant represents and warrants to the City that Tenant is not delinquent in the payment of any obligation to the City, and Tenant 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.

#### 6. ASSIGNMENTS AND SUBLETTING; SUBORDINATION

Tenant 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 the City may withhold in its absolute discretion. The City shall not be required to subordinate this Lease or the City's interest in the Premises to the interest of any other person or entity.

#### 7. OPERATIONS, MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS

A. Tenant shall, at Tenant's sole cost and expense, be solely responsible for (i) electric utility service to the Premises; (ii) telephone, facsimile and Internet service to the Premises; (iii) regular cleaning of the public restrooms on the Premises either by Tenant personnel, volunteers, or outside contractors; (iv) cleaning supplies for the interior of the Premises; (v) minor maintenance items (painting, minor repairs, etc. unrelated to the furnace) not to exceed \$500.00 per calendar year; (vi) removal of snow from the access ramp leading to the Premises.

**B.** City shall, at City's sole cost and expense, be solely responsible for (i) heating fuel for the Premises; (ii) maintenance and repair of the furnace in the Premises; (iii) major maintenance or repair to the building on the Premises; (iv) sewer, water and trash collection service to the Premises; (v) routine maintenance and snow removal for the parking area on the Premises; (vi) insurance, (fire/liability) on the Premises as for other City-owned structures; and (vii) building security for the Premises as for other City-owned buildings.

#### 8. LIENS

Tenant 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 CMC §5.40.125, or property tax liens under CMC §5.36.260. If the City posts any notice of non-responsibility on the Premises, Tenant will ensure that the notice is maintained in a conspicuous place.

#### 9. INDEMNIFICATION

A. General Indemnification. Tenant 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, attorney's fees, court costs, litigation expenses, and consultant and expert fees) resulting from, arising out of, or related

to Tenant's occupation or use of the Premises or the occupation or use of the Premises by Tenant'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 attorney fees. In the event that such a lien is recorded against the Premises, Tenant shall, at Tenant'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 Indemnification. Tenant has had full opportunity to examine the Premises for the presence of any Hazardous Material (as hereafter defined) and accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. Tenant 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, attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the term of this Lease, that result from the use, keeping, storage, or disposal of Hazardous Material in, on or about the Premises by Tenant, or that arise out of or result from Tenant's occupancy or use of the Premises or the use or occupancy of the Premises by Tenant's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees 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. Tenant 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 Tenant, its employees, agents, customers, contractors, subcontractors, su

Tenant 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, attorney's 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 which is 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 Tenant or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees, or authorized representatives.

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is regulated by any federal, state or local law or regulation, as now in force or as hereafter 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 such law or regulation.

#### 10. <u>REMOVAL OF PROPERTY</u>

Upon expiration or earlier termination of this Lease, at the option of the City, Tenant shall remove from the Premises, at Tenant's sole expense, all property Tenant has placed or caused to be placed on the Premises. Tenant shall repair any damage to the Premises caused by such removal and return the Premises as near as possible to its original condition as existed on the Commencement Date. All property which is not promptly removed by Tenant 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 Tenant's sole expense, and Tenant 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 term of this Lease shall remain the property of the Tenant and, upon expiration or earlier termination of the Lease and upon request of the City, Tenant shall remove any and all such tanks and any and all contaminated soil and other materials from the Premises, all at Tenant's sole expense.

#### 11. DEFAULT AND REMEDIES

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

(i) The failure to make payment when due of any installment of Base Rent, Additional Charges or of any other sum herein specified to be paid by the Tenant;

(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 taxes;

(iii) 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;

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

(v) The abandonment or vacation of the Premises or any portion thereof;

(vi) Execution, levy or attachment on Lessee's interest in this Lease or the Premises, or any portion thereof;

(vii) 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; or

(viii) 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 shall not be cured within ten (10) days after written notice has been given to Lessee. 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 makes such election 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 Tenant's expense, all without service of notice or resort to legal process, which Tenant 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 Tenant's default. If Tenant 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 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 attorney's fees and all other expenses incurred by the City by reason of the default or breach by Tenant;

(v) Recover an amount to be due immediately upon breach equal to the sum of all rent, Additional Charges and other payments for which Tenant is obligated under the Lease;

(vi) Recover the costs of performing any duty of Tenant in this Lease;

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

#### 12. SUBSIDENCE

The City shall not be responsible for any washout, subsidence, avulsion, settling or reliction neither to the Premises, nor for any injury caused thereby to the property of the Tenant or any sublessee, or that of any other person. The City is not obligated to replace, refill, or improve any part of the Premises during Tenant's occupancy in the event of such washout, subsidence, avulsion, settling, or reliction.

#### 13. VACATION BY TENANT

Upon the expiration or sooner termination of this Lease, Tenant shall peaceably vacate the Premises and the Premises shall be returned to the City by Tenant together with any alterations, additions or improvements made after the Commencement Date, unless the City requests that they be removed from the Premises. Upon such vacation, Tenant 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 Tenant's sole expense, and Tenant hereby agrees to pay the City for such expenses.

#### 14. <u>RESERVATION OF RIGHTS</u>

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensation to Tenant 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 Tenant shall be compensated for the taking or destruction of any improvements on the Premises. Tenant shall be responsible for requesting a rental adjustment to reflect any reduction in the value of the Premises.

#### 15. <u>SIGNS</u>

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 Tenant shall be removed from the Premises by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

#### 16. HOLDING OVER

If Tenant with the City's written consent remains in possession of the Premises after the expiration or termination of the Lease term for any cause, or after the date in any notice given by the City to Tenant terminating this Lease, such holding over shall be deemed a tenancy from month to month at the same rental amount applicable immediately prior to such expiration or termination, subject to adjustment in accordance with CMC § 5.22.040(c) or such successor provision of the code then in effect, and shall be terminable on 30 days' written notice given at any time by either party. All other provisions of this Lease except those pertaining to term and rent shall apply to the

month-to-month tenancy. If Tenant holds over without the City's express written consent, Tenant is deemed to be a tenant at sufferance and may be removed through a forcible entry and detainer proceeding without service on Tenant of a notice to quit.

#### 17. 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.

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.

#### 18. COSTS

Tenant shall be liable to and shall pay the City for the fees and costs incurred by the City in connection with the preparation, operation and enforcement of this Lease.

#### 19. MISCELLANEOUS

A. Time Is of the Essence. Time is of the essence of 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 Tenant.

C. Governing Law and Venue. This Lease shall be subject to the provisions of the 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, or of partnership, or of joint venture, or of any association between Tenant 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 Tenant other than the relationship of tenant and landlord.

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 TENANT:

Cordova Chamber of Commerce P.O. Box 99 Cordova, Alaska 99574

or to such other respective addresses as either party hereto may hereafter 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, and 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. Late Payment. In the event that any rent or other payment due under this Lease is not received by the City when due, a late fee of five percent (5%) per month of the principal amount due shall be due and payable until the full amount of rent or other payment is received by the City.

J. 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.

K. 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 Tenant.

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

M. 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.

N. Authority. Tenant represents that Tenant has all necessary power and is duly authorized to enter into this Lease and to carry out the obligations of Tenant hereunder.

**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 or 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 Tenant as both City and Tenant 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.** Attorney's Fees. In the event that the City shall bring any suit or action to enforce this Lease or any term or provision hereof, and shall prevail in such suit or action, Tenant agrees that Tenant shall pay the City's attorney's fees, costs and expenses incurred in connection with such suit or action.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed on the dates set opposite their respective signatures below.

**CITY:** 

Dated: 12/12/19

CITY OF CORDOVA By: 🎽

City Manager Its:

Attest: City Clerk

**TENANT:** 

Dated: 2/18/20

#### **CORDOVA CHAMBER OF COMMERCE**

By: Carling Kerfelt

Its: Cathy Reafeldt, Executive Director



# AGENDA ITEM # 21 City Council Regular Meeting Date: 02/19/2025 CITY COUNCIL COMMUNICATION FORM

FROM:	Amanda Hadley Coward, City Planner
DATE:	Wednesday February 19, 2025
ITEM:	Letter of Interest - Native Village of Eyak, for a Portion of Tract B, Terminal Ground B Subdivision
NEXT STEP:	Review Recommendation and Make Decision on Disposal and Disposal Method

INFORMATION	RESOLUTION
X MOTION	ORDINANCE

I. <u>REQUEST OR ISSUE:</u>	Requested Actions: Applicant: Legal Description:	Review recommendation, decision on disposal method Native Village of Eyak A Portion of Tract B, Terminal Ground B Subdivision
	Area:	Approximately 8 Acres
	Zoning:	Business District
	Attachments:	Letter of Interest
		Land Disposal Map
		GIS Map
		2022-9 Terminal Ground B Subdivision Plat

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:</u>** Staff has provided the following motions for the City Council to open the agenda item for discussion:</u>

"I move to dispose of the requested portion of Tract B, Terminal Ground B Subdivision, approximately eight (8) acres in size, as outlined in Cordova Municipal Code 7.40.060 (B) by \*"

Choose one of the following to insert for the asterisk:

- 1. Negotiate an agreement with the Native Village of Eyak who submitted a letter of interest to lease or purchase the property.
- 2. Requesting sealed proposals to lease or purchase the property.
- 3. Inviting sealed bids to lease or purchase the property.
- 4. Offering the property for lease or purchase at public auction.

# Alternate motion:

"I move not dispose of the requested portion of Tract B, Terminal Ground B Subdivision, approximately

eight (8) acres."

**III.** <u>FISCAL IMPACTS</u>: The city would either collect lease revenue and possessory interest tax or property tax depending on if the property is sold via lease with option to purchase or sold directly. The Native Village of Eyak pays property tax and sales tax.

**IV. <u>BACKGROUND INFORMATION</u>: Staff has received a letter of interest from the Native Village of Eyak (NVE), for approximately eight (8) acres of undeveloped hillside along the Copper River highway that is adjacent to NVE's lot 1101 Copper River Highway (Tract A) (formerly the Eagle Contracting lot). This would be the portion of hillside between the lots they currently own and the City Cemetery.** 

Their idea for this location would be to rock blast the hillside to create a usable flat space that is even with the lots they currently own that abut this land. This area would then be used to construct a "campus" that would include a new location for the Ilanka Community Health Center (ICHC), this would be for the primary care clinic along with spaces for the Dental Clinic, Tribal Family Services, Tribal Youth activities, SART, and DV. ICHC Staff have stated in the letter of interest that the structural integrity of the roof of their existing building is compromised, there is an issue with the heating, ventilation, and cooling systems, asbestos-embedded in the walls, unsafe tap water, lack of washing stations, non-HIPAA compliant workspaces, and more.

At the Planning Commission Regular Meeting of Tuesday February 11, 2025, Brooke Mallory, Native Village of Eyak Chairwomen spoke as a guest speaker and stated that the aging facility is a community issue as the majority of Cordovans receive their primary care from ICHC. They have applied for funding and are now in round two of the process to receive funding from Indian Health Services (IHS) Joint Venture Construction Program (JVCP) for a new facility. ICHC admin offices were located in the previous cultural center near the harbor prior to COVID and had to be relocated to the old Troopers location on main street. The admin offices would ideally be incorporated into this new structure. In 2017 an engineering assessment was done on the current structure, and it was determined at that time that the structure was in rough shape, and now it has only continued to age. They are currently working on engineering, the plans for this structure but are not ready to share at this time.

The NVE Chairwomen wanted to clarify that this request would be to replace existing ICHC infrastructure and programs, not to expand them. Discussions between Cordova Community Medical Center (CCMC), the City Manager, and the Native Village of Eyak Ilanka Community Health Services Board are ongoing regarding the future of the hospital, and this will not affect those negotiations.

The NVE Chairwomen went on to state that starting the development for the ICHC campus at this specific location could lead to the development of their property at 6.5 mile. Rock removed from the requested location could potentially be moved out to 6.5-mile on a 20-acre lot past Eyak Drive to be used for fill and become a housing development. This development would likely be accessed directly off of the Copper River Highway and would not use Eyak Drive for access based on the discussion at the Planning Commission meeting. The Chairwomen stated that NVE is not in the business of buying single family housing and is interested in developing multi-unit housing structures. The Army core of engineers has changed their decision on filling in the land as the water does not flow in and out, it is land-locked water and there is now no concern with NVE filling it in. They do currently have blasters in town for another project and would like to use these while available.

The NVE Chairwomen wanted to publicly clear up a misconception that the Native Village of Eyak does not pay City property tax, when in fact they do. Additionally, the gift shop does pay City sales tax as well. So, this sale would benefit the City through the sale of the property, the tax received, and the services that would remain available. She wants to work with the City to make this a better place to live.

Following her guest speaker comments, the Planning Commission took up the agenda item and had the

following discussion and motions:

# M/Bolin S/Trumblee – Motion requesting sealed proposals to lease or purchase the property.

As the discussion unfolded both **Bolin** and **Trumblee** stated that they believed City Council would want to go to requesting sealed proposals on this property but that they both did not believe this was the best course of action as they believed that direct negotiations would be the best way to dispose of this land.

**Bolin** speaking on his motion disagrees with requesting sealed proposals (RFP) NVE has the means to improve this lot, and they are a great community asset.

**Trumblee** would like to go to direct negotiations but knows that the City Council always says they want to go to RFP, and she finds this silly as NVE has a great plan for this location.

The City Planner **Amanda Hadley Coward** Reminded the Planning Commission that they need to make recommendations based off their own opinions and bring them to City Council and that the City Council is asking for their recommendation not to be told something that they believe they want to hear.

The following amendment was then made to the main motion:

M/Raney S/Foode - Motion to Amended the main motion to dispose of the requested portion of Tract B, Terminal Ground B Subdivision by negotiating an agreement with Native Village of Eyak to lease or purchase the property.

# Vote Amending the Main Motion: 6 yeas, 0 nays, 1 absent.

**Ranney** spoke to his concern on pedestrian access to that location from the city center. The commission shared the idea that the suggestion of sidewalks on the frontage of the building might be a consideration for Council to require as part of the land sale. There was an additional suggestion that NVE, City, and State collectively work on improving sidewalk access from Whitshed Road to the ICHC proposed clinic location could be something to consider. The other thought was possible sidewalk access up LeFevre to the highway.

The Commission asked for the NVE Chairwomen's input about the idea of considering sidewalk access. She stated that putting roadblocks up for development would stifle growth of a community benefiting structure as all who use ICHC services and who will be seeing the dentist would be using this proposed building. This extra ask would make them jump through hoops that other community members wouldn't need to for development. Including to improve frontage along property that does not belong to NVE. She asked that this be streamlined as this is land no one has asked for in years instead of going with RFPs.

Ranney stated that without the resources of NVE this land would be undevelopable land.

**Foode** stated that if we do not go with direct negotiations, she fears that the money and clinic would go to another community, and we would miss out on this opportunity.

**Trumblee** wouldn't want the pedestrian access to be a deal breaker. This is something they hope will be a value add for ICHC to include on their own accord but would not be a requirement. Transport is included by NVE for appointments if needed.

# Vote on the Main Motion as Amended: 6 yeas, 0 nays, 1 absent.

Staff has not identified any concerns related to this request.

# **Applicable Code:**

# 7.40.040 - Letter of interest to lease or purchase.

*C.* The planning commission shall review the letter of interest and recommend to the city council whether to offer the real property interest for disposal by one of the methods as described in Section

7.40.060(B).

7.40.060 - Methods of disposal.

- *B.* In approving a disposal of an interest in city real property, the city council shall select the method by which the city manager will conduct the disposal from among the following:
- *I.* Negotiate an agreement with the party who submitted a letter of interest to lease or purchase the property;
- 2. Invite sealed bids to lease or purchase the property;
- 3. Offer the property for lease or purchase at public auction;
- 4. Request sealed proposals to lease or purchase the property.

#### Chapter 18.28 - B BUSINESS DISTRICT

18.28.010 - Permitted uses.

The following uses are permitted in the B district:

- A. All uses permitted in the R districts;
- B. Retail stores and retail service shops of all kinds, banks, offices, hotels and restaurants;
- C. Theaters, bowling alleys, assembly halls, funeral parlors;
- D. Gasoline service stations, automobile repair garages, printing, laundry and dry-cleaning establishments employing not more than ten persons for operations, other than clerical and delivery;
- E. Required off-street parking;
- F. Accessory buildings and uses;
- *G.* Other buildings, uses or services similar, as determined by the city planning commission, to the uses listed in this chapter in the type of services or goods sold, in the number of persons employed, in the number and types of vehicles attracted to the premises and in the effect upon adjacent areas.

#### 18.28.020 - Building height limit.

The maximum building height in the B district shall be three stories or fifty feet; provided, however, that a building or structure thereafter erected, added to or otherwise constructed may be increased in height, provided the gross cubical content of such building or structure does not exceed the sum total of the area of the lot upon which it is to be erected multiplied by fifty.

#### 18.28.030 - Yards.

A. Every building or portion thereof in the B district which is designed, intended or used for any purpose permitted in an R district for any other residential or dwelling purpose shall provide yards as required in the R district; provided, that when the ground floor of any such building is used for any commercial purpose, no side yard shall be required except that there shall be a side yard along the side of every lot which is not bounded by an alley and which is bordering on property in any R district.

*B.* Yards shall not be required otherwise, except that no building shall be erected nor shall any use of land be conducted so that the same will be closer than thirty feet to the center line of any street adjoining the lot.

#### 18.28.040 - General conditions.

*A. All selling, dealing in or displaying of goods or merchandise by shops, stores or businesses shall be entirely conducted and located within a permanent building unless otherwise specifically excepted.* 

*B.* No stores or businesses shall involve any kind of manufacture, compounding, processing or treatment of products except that which is clearly incidental and essential to the authorized use and provided that:

1.No more than ten persons are engaged in the manufacture, compounding, processing or treatment of products or servicing and repairing appliances, equipment, etc.;

2.Not more than twenty percent of the ground floor area of any building shall be used for such purposes;

3. Such operations or products are not objectionable due to odor, dust, smoke, noise, vibrations or other similar nuisances.

*C.* All exterior walls of buildings hereafter erected, extended or structurally altered which face a street or property in an R district shall be designed, treated and finished in a uniform and satisfactory manner approved by the planning commission.

V. LEGAL ISSUES: Legal review of lease agreement will be required prior to final approval by Council.

VI. <u>SUMMARY AND ALTERNATIVES</u>: City Council may make a motion for the Native Village of Eyak to lease or purchase this land.

Native Village of Eyak PO Box 1388 705 Second Street Cordova, AK 99574 Eyak-nsn.gov



10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

February 5, 2025

Samantha Greenwood, City Manager City of Cordova PO Box 1210 Cordova, AK 99574

The Native Village of Eyak (NVE) currently owns 1101 Copper River Highway (Tract A) and would like to formally inform the City of our interest in purchasing the City-owned property adjacent to this location. As shown in attached Exhibit A, NVE would like to purchase approximately 8 acres in Tract B as listed on the 2024 City of Cordova Land Disposal Maps.

This parcel of adjacent land would allow NVE to replace our aging primary care health facility with a modern, code-complaint facility to meet the current and future healthcare needs of our Tribal Members and the entire Cordova Community. Ilanka Community Health Center (ICHC) is an antiquated building with many urgent concerns ranging from the roof's structural integrity to makeshift exam rooms lacking washing stations and ventilation systems. Patient safety issues include the lack of ADA-compliant entries, hallways and lavatories, and non-HIPAA-compliant crowded workspaces. Staff and patient concerns include asbestos-embedded walls, poor heating and cooling, unsafe egress with sealed and broken windows, and lack of safe tap water, forcing the use of bottled water.

Patient and employee parking is also problematic and hazardous. Walk-in access to the building is interwoven between a busy street and vehicle parking, with limited sidewalk or flat, wheelchair access. The available space and its location make it extremely difficult to continue to provide high-quality healthcare for our community. Though NVE has invested in renovations to temporarily house our new dental clinic, and while we continue to make repairs necessary to ensure patient and staff safety, we are urgently in need of a replacement of our existing facility.

NVE is currently in the process of applying for the Indian Health Services (IHS) Joint Venture Construction Program (JVCP), which will help support a new primary care clinic for Cordova. The IHS guidelines for new healthcare construction are very stringent, and to meet the requirements, such as adequate parking and correct ground drainage, additional land is required to expand our existing site. This construction project is for a primary care facility that would be expanded to allow NVE to bring our existing medical and social services, such as our Tribal Family Services Elders program, Tribal youth activities, SART, and DV, under one roof.

The replacement of our near-obsolete healthcare facility must happen sooner rather than later to deliver safe, quality healthcare for our community. While our most urgent priority is the replacement of our outpatient facility, including expanded dental services, NVE's Ilanka Community Health Board continues to support an open dialogue with the CCMC Hospital Services Board to collaborate on long-term strategic goals which support the development of a community-based health care delivery system. We intend to continue to work in partnership with the City of Cordova and its hospital leadership on a comprehensive medical system of care solution which will meet the growing needs of our community.

Native Village of Eyak PO Box 1388 705 Second Street Cordova, AK 99574 Eyak-nsn.gov



10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

We can accomplish this by working together to support efforts that would allow NVE to address our most urgent primary care facility replacement while concurrently working collaboratively on designing and developing a sustainable health campus model that will encompass Cordova's critical access hospital and long-term care services. Our intended use of this property would not compromise our common vision to provide the best possible health care for the benefit of our community members.

Sincerely,

Dicole Piche

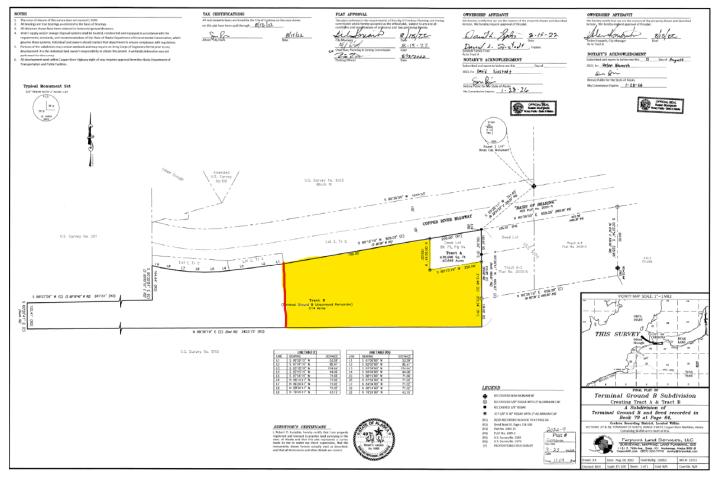
Nicole Piche, RN ICHC Executive Director Native Village of Eyak

CC: Brooke Mallory, NVE Chairwomen Carolyn Crowder, NVE Executive Director Amanda Hadley Coward, City Planner

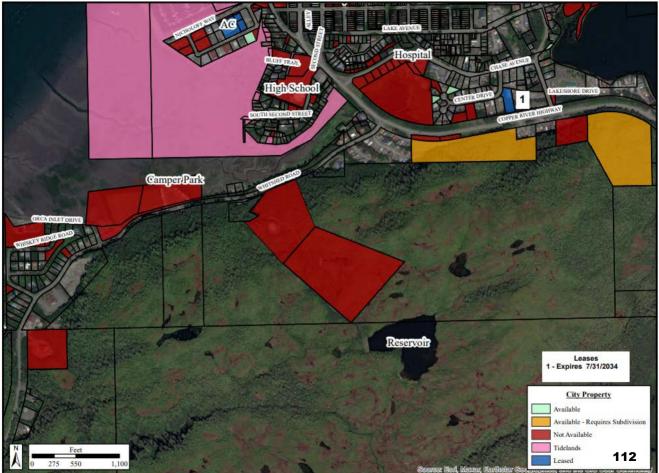


#### 10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

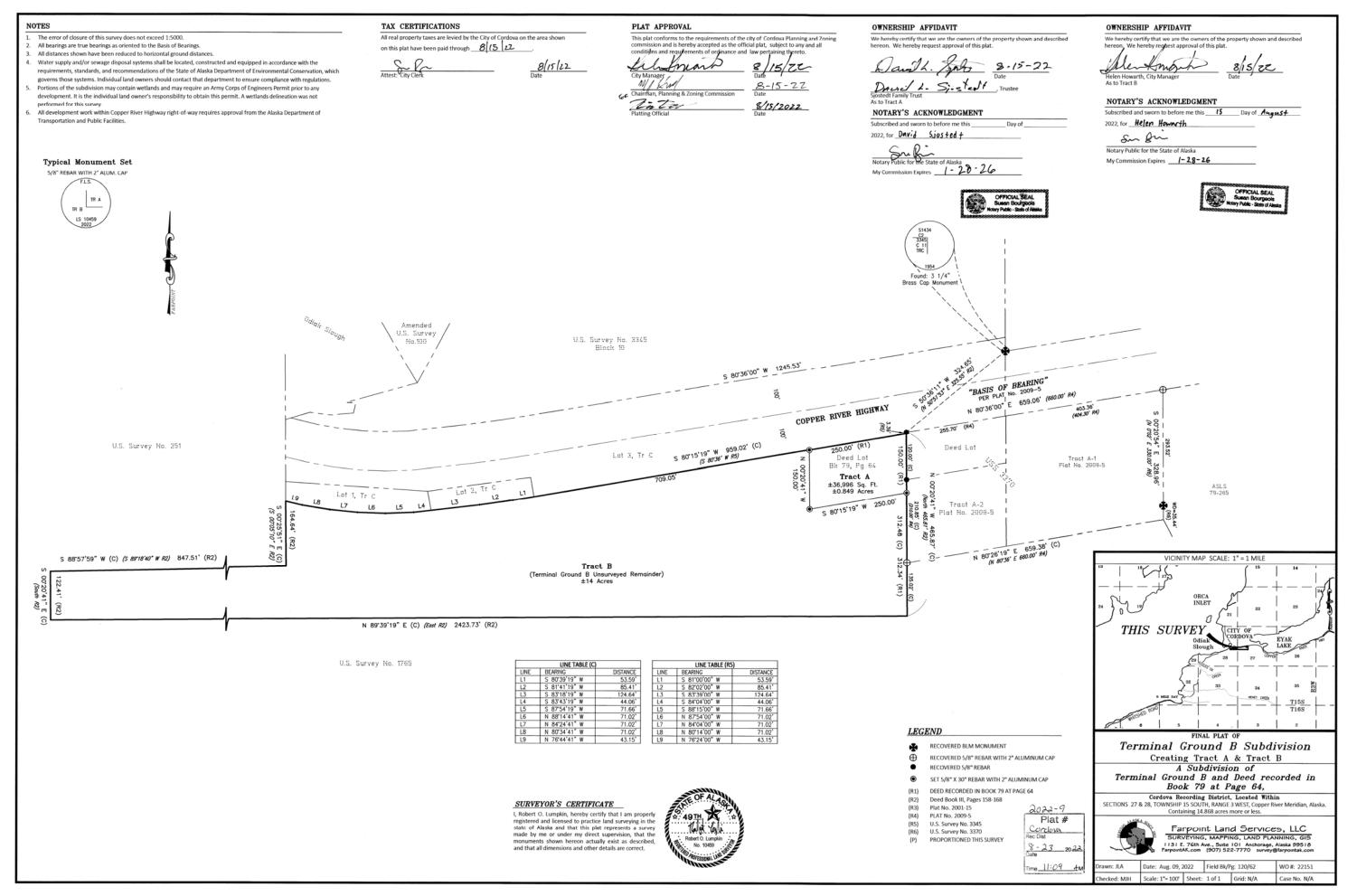
## Exhibit A:



## Whitshed Road









# AGENDA ITEM 22 City Council Meeting Date: 2/19/25 CITY COUNCIL COMMUNICATION FORM

FROM: Susan Bourgeois, City Clerk

DATE: 02/19/25

ITEM: Council action on request for \$3,000 donation

**NEXT STEP:** Majority voice vote

ORDINANCE	RESOLUTION
<u>x</u> MOTION	INFORMATION

I. <u>**REQUEST OR ISSUE:**</u> Council decision regarding request for \$3,000.

**II.** <u>**RECOMMENDED ACTION / NEXT STEP:**</u> Council to vote on a motion to contribute up to \$3,000 toward the cost of the spay and neuter clinic to be put on by ARVO in Cordova June 20-22, 2025.

**III.** <u>FISCAL IMPACTS:</u> \$3,000 to be spent from unknown department and unknown line item out of 2025 budget. Some possible line items – Council contingency (\$1,000), Clerk Public Relations (\$250), Mayor Operating Supplies (\$500), Manager Contingency (\$2,500).

**IV.** <u>BACKGROUND INFORMATION:</u> Cindy Butherus of Friends of Valdez Animal Shelter (FVAS) has been corresponding with Cordovans and City staff for almost a year now trying to organize a spay and neuter clinic in Cordova, partnering with the non-profit Alaska Rural Veterinary Outreach (ARVO). She initially wrote a letter to City Council in April 2024. At that time Council seemed interested in assisting financially but also getting community members involved. FVAS has now formally requested that City Council match the \$3,000 that FVAS is contributing toward the cost of the clinic which is now scheduled in Cordova for June 20-22 <u>https://www.akrvo.org/cordova-june-2025.html</u>.

If you check out their webpage you will see they are a non-profit setup for pick, click, give and Cordovans might consider that when applying for their PFDs as this is an amazing service they are offering our community – and other rural communities around the state.

V. <u>SUMMARY AND ALTERNATIVES</u>: Council can approve this expenditure or choose not to. There may be interest by the Cordova Community Foundation to assist in the cost and they will act on a request at their March 12, 2025, meeting. Therefore, it is appropriate for Council to vote on contributing an amount up to the \$3,000 being requested. If Council approves this, the City Manager will be able to decide the best place to pull the money from.

January 8, 2025

City of Cordova PO Box 1210 Cordova, AK 99574

**Council Members:** 

The Friends of the Valdez Animal Shelter is partnering with ARVO (Alaska Rural Veterinary Outreach) to hold a spay and neuter clinic in Cordova the weekend of June 20 thru June 22.

We have secured a facility from Nathan Widmann and are in the process of figuring out where vets and techs will stay. ARVO provides free dhpp and fvrcp vx shots at no charge at the clinic and possibly rabies if funding allows.

ARVO is a nonprofit and all vets and tech are volunteers, so their overhead is low but still requires airfare, lodging, food and medication/surgery supplies.

I would like to formally ask the City of Cordova to match the \$3,000 donation that Friends of the Valdez Animal Shelter is providing to ARVO for this clinic.

I appreciate your consideration and assistance in this endeavor.

Sincerely,

Cindy Butherus/ Secretary, Friends of the Valdez Animal Shelter



## ALASKA RURAL VETERINARY OUTREACH

# CORDOVA, AK 6/20-6/22/2025 SPAY / NEUTER SURGERIES, EXAMS AND VACCINES for dogs and cats



LOCATION: 308 Orca Inlet Drive Cordova Alaska 99574

SERVICES:

Dog Spay \$140 Dog Neuter \$135 Cat Spay \$120 Cat Neuter \$70 Wellness Exam \$45 Rabies Vaccine \$10 Parvo-Distemper Vaccine NO CHARGE Deworming \$10 - \$20 Nail Trim w/ Exam \$10 Humane Euthanasia \$50

## VISIT OUR WEBSITE: www.akrvo.org for scheduling!



# City Council of the City of Cordova, Alaska Pending Agenda

Febuary 19	, 2025 F	Regular	Council	Meeting
------------	----------	---------	---------	---------

Α.		Future agenda items - topics put on PA with no specific date for inclusion on an agenda	initially put on or revisited				
	1)						
	2)	2) Ordinance change (Title 4) to ensure Council has a role in CBA approval process					
	3)	Facility condition assessments part 2 work session (did P&R on 4-19-23) - Oct '23	9/6/2023				
	4)	City Code re: procurement, Manager spending limit trigger in a code provision	4/19/2023				
	5)	Discuss/create a policy for established timeframes for review of City ongoing contracts	9/6/2023				
	6)	Explore methods to capture tourism dollars by requiring arriving RVs to use paid facilities	9/6/2023				
	7)	Strategic planning work session (goal setting), to include Permanent Fund and other priorities	2/21/2024				
	8)	Bonding for City streets - explore for when asphalt plants will be in town during other projects	4/3/2024				
	9)	Code change to land disposal maps when a status change (time-frame for disposal post status chg)	9/18/2024				
	10)	Ordinance from CM to address cashflow issue for the \$3.9 or \$2.9M that has been used from the GF	11/6/2024				
	11)	Enterprise funds accounting procedures	11/6/2024				
	12)	Revisit Economic Development Property Tax Exemptions, Ordinances 1217 & 1223	12/4/2024				
	13)	Strategic review of City investments with Blake Phillips, ACPM (Blue Umbrella)	2/4/2025				
в.		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 12-24-39, 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:					
		4/16/2025 7/16/2025 10/15/2025 1/21/2026					
	3)	Joint City Council and School Board Meetings - twice per year, May & October					
		before Council mtg in <b>May</b> 6pm @ CHS before Sch Bd mtg <b>Oct. or Nov.</b>					
	4)	Clerk's evaluation - each year in Feb (before Council changeover after Mar election) - next Feb '25					
	-	Manager's evaluation - each year in Jan - next one Jan '25					
	6)	In <u>May</u> each year City will provide public outreach regarding beginning of bear season photo by Wendy Ranney	6 3				
	7)	Each year in <b>June</b> Council will approve by Resolution, the School's budget and City's contribution					
	8)	Quarterly work sessions on City finances (compare budget to actuals) - April, July, Oct, Jan	12/5/2024				
D.		Council adds items to Pending Agenda in this way:					
		item for action tasking which staff: Manager/Clerk? proposed date					
	1)	•					
	2)		-				
	, .						
	3)	u de la constante de	-				

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.



F.

## City Council of the City of Cordova, Alaska Pending Agenda Febuary 19, 2025 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 2) Cordova Trails Committee: re-auth res 11-18-29 app 11/7/18 auth res 11-09-65 app 12/2/09 5-Stormy Haught 6-Michelle Hahn

## 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 Co	•	2 year tarm until Oct 2027			
Tommy Sheridar	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 12-24-39

#### 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, walking corridor and parking

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 Equipment /Maintenance Building

Shipyard Expansion

Three-Stage Dock

#### **Public Works**

Water Infrastructure

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 pump stations and equipment

Feasibility study for water service and fire protection (hydrants) to outlying areas Replacement and relocation of Morpac tank

Water Equipment

Vac truck

Backhoe

Sewer Infrastructure

Replacement/upgrade of wastewater plant and SCADA

Replacement/upgrade of all lift stations

Replacement of force main in Odiak Slough

Upgrade pipe infrastructure

Sewer Equipment

Dump truck

Backhoe

Streets Infrastructure

Storm drain systems upgrades - Council Ave. and Third St. aka "jailhouse door system"

Lake Ave. hillside

Evaluation of existing storm drain systems

Sixth St. and Seventh St. drainage, sidewalks, and street surface upgrades Chase Ave. upgrades including sidewalks, drainage, and new surfacing

Replace/upgrade pedestrian walkways (Fourth St. and Adams Ave.) (Council St.), and (Second St. to First St.) Streets equipment storage building Streets Equipment Wheeled loader Road grader Backhoe **Refuse Infrastructure** Landfill bear fence Electricity to landfill Equipment storage building Refuse Equipment Dumpster truck Residential truck Skid steer **Public Safety** E-911 Implementation Acquire and integrate new hardware and software for E-911 Update dispatch console Replace Radio Structure on Ski Hill Mile 5 Substation Code and ADA Compliance Engineering and Preliminary Design of Public Safety Building Prep Site **Parks and Recreation** Pool Infrastructure Code and ADA Compliance Door and siding replacements and CMU joint repairs Replace pool cover Replace pool roof Replace/upgrade HVAC and ventilation system

Replace electrical distribution system

ADA compliance and parking area re-grade

#### Bidarki Recreation Center

Renovate and add ADA access

Structural repair

Code and ADA compliance

Facility improvements

#### Eyak Lake Skater's Cabin

Demolish and replace

#### Parks

Playground renovations

Replacement of playground equipment at Noel Pallas Children's Memorial Playground

#### Upgrade 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 Improve existing unimproved ROW's 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 18th DAY OF DECEMBER 2024

David Allison, Mayor

Attest:

Susan Bourgeois, CMC, City Clerk



CALENDAR MONTHFEBRUARYCALENDAR YEAR20251ST DAY OF WEEKSUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28 Once Upon an Oce January 25th February 1st 20	29 worm	30	31	1
HISTORY MONTH				m Festival "Once Upon	an Iceworm" Jan 25	- Feb 2, 2025
2 Mar 4, 2025 Election:	3	4 YOUR CITY YOUR VOTE Mar 4, 2025 Election:	5	6	7	8
Mar 4, 2025 Election: last day to register in order to vote 2/2/25		declaration of candidacy period opens 12/17/24 and closes 2/4/25	6:45 Council PH 7:00 Council reg mtg CCAB	3		
9	10	11	12	13	14	15
		Early \	Voting: City Election at Cdv	Ctr/City Hall: 2/11 - 2/14 8a-5p	VOTE	
	_	6:30 P&Z CCAB	6:00 Harbor Cms CCA 7:00 Sch Bd HSL	3		
16	17	18 HERE	19	20	21	22
	Presidents			ction at Cdv Ctr/City Hall: 2/18 -	· 2/21 8a-5p	
	Day Holiday City Offices closed	5:30 CTC Board Meeting CCE	5:30 Work Session 6:45 Council PH 7:00 Council reg mtg CC	12:00 Hosp Svc Bd HCR		
23	24	25	26	27	28	
	Early Voting: City Election at Cdv Ctr/City Hall: 2/24 - 2/28 8a-5p					
	HERE	6:00 P&R CCM	6:00 CEC Board Mtg CCER			MONTH
2	3	Notes Legend: <u>CCAB</u> -Community Rms A&B <u>HSL</u> -High School Library <u>CCA</u> -Community Rm A	<u>CCB</u> -Community Rm B <u>CCM</u> -Mayor's Conf Rm <u>CCER</u> -Education Room	LN-Library Fireplace Nook <u>CRG</u> -Copper River Gallery <u>HCR</u> -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



CALENDAR MONTHMARCHCALENDAR YEAR20251ST DAY OF WEEKSUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
23	24	25	26	27	28	1
	Ea	rly Voting: City Election at Cdv	Ctr/City Hall: 2/24 - 2/28 8a-5	p		
2	3 Last day of Early		5	6	7	8
	Voting: City Election at Cdv Ctr/City Hal 3/3 8a-5p		_	CHS Basketball Inte	erior Conference Tournamen	t in CDV March 6-8, 2025
	3/3 0a-3µ	Cordova General Election 7am - 8pm CCA	7:00 Council reg mtg CCA	3		
9	10	11	12	13	14	15
AVINE SAVINE	CSD	CSD Spring Break Vacation Mar 10 - 14				
Concernant of the second		6:30 P&Z CCAB	6:00 Harbor Cms CCA 7:00 Sch Bd HSL	B ALASKA'S HOME FOR HIGH	SCHOOL SP	
16	17	18	19	20	21	22
	Contraction of the second			SPHING		
		5:30 CTC Board Meeting CC		and the second second		
23	24		7:00 Council reg mtg CCAE	27	28	
20	24	20	20	21	20	29
		6:00 P&R CCM	6:00 CEC Board Mtg CCER	12:00 Hosp Svc Bd HCR		
30	31	 7 Notes				
	Sewards Day Holiday City Offices	Legend: <u>CCAB</u> -Community Rms A&B <u>HSL</u> -High School Library	<u>CCB</u> -Community Rm B <u>CCM</u> -Mayor's Conf Rm CCER-Education Room	LN-Library Fireplace Nook CRG-Copper River Gallery HCR-CCMC Conference Roor	Cncl - 1st & 3rd Wed P&Z - 2nd Tues SchBd, Hrb Cms - 2nd Wed	P&R - last Tues CEC - 4th Wed Hosp Svcs Bd - last Thurs
	closed	<u>CCA</u> -Community Rm A		TOV-COMO COMERCICE ROOM	CTC - 3rd Tues	Hosp Svos Du - last Hidis

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

# **Mayor and City Council - Elected**

seat/length of te	erm email	Date Elected	<b>Term Expires</b>
Mayor:	David Allison	March 1, 2022	March-25
3 years	Mayor@cityofcordova.net		
Council member	rs:		
Seat A:	Tom Bailer	March 1, 2022	March-25
3 years	CouncilSeatA@cityofcordova.net	March 5, 2019	
Seat B:	Cathy Sherman	March 7, 2023	March-26
3 years	CouncilSeatB@cityofcordova.net	March 3, 2020	
Seat C:	Kasey Kinsman, Vice Mayor	March 7, 2023	March-26
3 years	CouncilSeatC@cityofcordova.net		
Seat D:	Wendy Ranney	March 5, 2024	March-27
3 years	CouncilSeatD@cityofcordova.net	July 5, 2023 elected by cncl	
Seat E:	David Zastrow	March 5, 2024	March-27
3 years	CouncilSeatE@cityofcordova.net		
Seat F:	Kristin Smith	March 1, 2022	March-25
3 years	CouncilSeatF@cityofcordova.net		
Seat G:	Ken Jones	March 1, 2022	March-25
3 years	CouncilSeatG@cityofcordova.net		

# **Cordova School District School Board of Education - Elected**

length of term		Date Elected	<b>Term Expires</b>	
3 years	Barb Jewell, president	Mar 1, 2022, Mar 5, 2019, Mar 1, 2016, Mar 5, 2013	March-25	
3 years	Henk Kruithof <u>hkruithof@cordovasd.org</u>	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 '25

(undated	2-19-25)
(upuaicu	2-19-23)

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

# **Hospital Services - Board of Directors - Elected**

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

# **Library Board - Appointed**

#### length of term

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 3years	Debra Adams Sherman Powell	Dec '21, Dec '24 June '18, Feb '20, Jan '23	November-27 November-25
3 years 3 years	Mark Donachy Krysta Williams	Dec '23 Feb '18, Dec '20, Dec '23	November-26 November-26

# **Planning Commission - Appointed**

#### length of term

3 years	Kris Ranney
3 years	Mark Hall, Vice Chair
3 years	Sarah Trumblee
3 years	Tania Harrison, Chair
3 years	Gail Foode
3 years	Chris Bolin
3 years	Sean Den Adel

vacant

seat up for re-election in Mar '25

board/commission chair seat up for re-appt in Nov '25

#### **Date Appointed**

Dec '22			
Nov '19, Dec '22			
Dec '20, Dec '23			
Mar '22, Dec '24			
Dec '23			
Dec '23 Sep '17, Nov '18			

#### **Term Expires**

November-25
November-25
November-26
November-27
November-26
November-27

November-26

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

length of term		<b>Date Appointed</b>		<b>Term Expires</b>
3 years	Ryan Schuetze	Dec '23		November-2
3 years	Andy Craig, Chair	Nov '16, '19 & Dec '22		November-2
3 years	Garrett Collins	Dec '23		November-2
3 years	Ken Jones	Feb '13, Nov '16,		November-2
		Nov '19, Dec '22		
3 years	Hein Kruithof	Dec '23		November-
	Parks and Recreation C	Commission - Appoin	ited	
length of term		Date Appointed		Term Expire
3 years	Kelsey Hayden	Dec '24		November-
3 years	Henk Kruithof	Nov '19, Dec '22		November-
3 years	Aaron Hansen, Chair	Dec '21, Dec '24		November-
3 years	Kara Rodrigues	Dec '23		November-
3 years	Gabrielle Brown	Jan '25		November-
3 years	Jason Ellingson	Mar '23		November-
3 years	Erin Cole	May '24		November-
	Historic Preservation C	Commission - Appoin	ted	
length of term		<b>Date Appointed</b>		Term Expire
3 years	Kris Ranney, PC member	Mar '23	appt'd by PC	November-
3 years	Heather Hall, professional member	Aug '16, Feb '20, Mar		November-
		'23		
3 years	Sylvia Lange, NVE member	Nov '22, Nov '19	appt'd by NVE	November-
3 years	Christy Mog, professional member	Dec '23		November-
3 years	<i>vacant</i> , historical society member			November-
3 years	Jamie Foode, professional member	Jan '25		November-
3 years	Jim Casement, public member	Dec '23		November-

board/commission chair seat up for re-appt in Nov '25

(updated 2-19-25)