

**Mayor**

James Kacsh

**Council Members**

Kristin Carpenter

Tim Joyce

Tom Bailer

Robert Beedle

Josh Hallquist

David Reggiani

James Burton

**City Manager**

Randy Robertson

**City Clerk**

Susan Bourgeois

**Deputy Clerk**

Tina Hammer

**Student Council**

John Appleton

Augie Jewell

**Regular City Council Meeting  
March 2, 2016 @ 7:00 pm  
Cordova Center Community Rooms A & B  
Agenda**



**March 1, 2016 City of Cordova  
General Election**

**A. Call to order**

**B. Invocation and pledge of allegiance**

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

**C. Roll call**

Mayor James Kacsh, Council members Kristin Carpenter, Tim Joyce, Tom Bailer, Robert Beedle, Josh Hallquist, David Reggiani and James Burton

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

**E. Disclosures of Conflicts of Interest**

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

**1. Guest Speakers**

**2. Audience comments regarding agenda items..... (3 minutes per speaker)**

**3. Chairpersons and Representatives of Boards and Commissions (Harbor, HSB, Parks & Rec, P&Z, School Board)**

**4. Student Council Representative Report**

**G. Approval of Consent Calendar..... (roll call vote)**

**5. Resolution 03-16-09..... (page 1)**

A resolution of the City Council of the City of Cordova, Alaska in support of the reauthorization of the Alaska regional development organization (ARDOR) program

**6. Council concurrence of Mayor's appointment to the PWSRCAC board of directors..... (page 2)**

**H. Approval of Minutes..... (voice vote)**

**7. 02-03-16 Regular Meeting Minutes..... (page 5)**

**8. 02-17-16 Public Hearing Minutes..... (page 9)**

**I. Consideration of Bids**

**J. Reports of Officers**

**9. Mayor's Report**

**10. Manager's Report**

**11. City Clerk's Report**

**K. Correspondence**

**12. 02-10-16 Letter from J. Greenwood in re Forest Heights culvert..... (page 10)**



13. 02-22-16 Letter from S. Parker supporting Seamans proposal..... (page 11)  
14. 02-22-16 Letter from M. O'Toole supporting Seamans proposal..... (page 12)

#### **L. Ordinances and Resolutions**

15. Ordinance 1142..... (voice vote)(page 13)  
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the city manager to enter into a thirty year lease agreement with Facility Contractors, LLC, which includes an option to purchase, for city property described as Lots 12 through 18, Block 6, Original Townsite -1<sup>st</sup> reading  
16. Ordinance 1143..... (voice vote)(page 35)  
An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code section 15.20.010, repealing Cordova Municipal Code section 15.20.010 (E), and enacting Cordova Municipal Code section 15.20.015 to permit registered voters in Cordova, Alaska to serve on the Health Services Board -1<sup>st</sup> reading

#### **M. Unfinished Business**

#### **N. New & Miscellaneous Business**

17. Motion to rescind council action on disposal of Museum/Library building..... (voice vote)(page 40)  
18. Pending Agenda, Calendar ..... (page 41)  
Elected & Appointed Officials lists

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

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

19. Council Comments

#### **Q. Executive Session**

#### **R. Adjournment**

City of Cordova General Election ~ March 1, 2016



**Executive Sessions: Subjects which may be discussed 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.

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**CITY OF CORDOVA, ALASKA  
RESOLUTION 03-16-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA  
IN SUPPORT OF THE REAUTHORIZATION OF THE ALASKA  
REGIONAL DEVELOPMENT ORGANIZATION (ARDOR) PROGRAM**

**WHEREAS**, the ARDOR program was created in 1988, with the goal of supporting regional economic development organizations' efforts to grow and strengthen their local economies. The 11 organizations that currently hold ARDOR status work diligently to uphold that mission; and

**WHEREAS**, the City Council of the City of Cordova, has and continues to actively support and utilize the programs and services of its ARDOR, the Prince William Sound Economic Development District; and

**WHEREAS**, Cordova and Cordovans have been participative partners with Federal and State officials, along with leadership within the private and commercial sectors to promote the value of ARDOR initiatives; and

**WHEREAS**, leveraging relatively modest investments by the Alaskan state officials (roughly \$70,000 per ARDOR), these organizations have been able to match the state funds they receive by almost three to one; and

**WHEREAS**, the state's ARDOR program, with its proven record of cooperative and collaborative Alaskan and regional economic development efforts are an essential contributor to the state's budget and those programs are exactly the type our legislative and executive leadership should continue to reinvest in at this crucial budgetary time.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Cordova, Alaska strongly supports and recommends continued funding of the state's ARDOR program within the Alaskan FY2017 budget.

**PASSED AND APPROVED THIS 2<sup>nd</sup> DAY OF MARCH, 2016.**

\_\_\_\_\_  
James Kacsh, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk



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## A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

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DATE: February 24, 2016  
TO: Mayor and City Council  
SUBJECT: PWSRCAC Board of Directors

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Prince William Sound Regional Citizens' Advisory Council has a dedicated seat for a representative from the City of Cordova. **Robert Beedle** has held that seat for the past 3 year and is interested in remaining the City of Cordova representative on the RCAC Board of Directors. This next term would take him through the May 2018 quarterly meeting.

RECOMMENDED MOTION: Move to approve Mayor Kaesh's reappointment of Robert Beedle to serve as the City of Cordova's representative on the PWSRCAC board of directors.

REQUIRED ACTION: Majority voice vote or Majority Roll Call vote on the Consent Calendar.



Mr. Kacsh,

Please see the attached letter regarding the City of Cordova's seat on the Prince William Sound Regional Citizens' Advisory Council Board of Directors, currently held by Mr. Robert Beedle. If you have any questions regarding the attached, please don't hesitate to contact me at the number listed below.

Thank you,

Jennifer

*Jennifer Fleming, Executive Assistant*

*Prince William Sound Regional Citizens' Advisory Council*

*Main phone: 907.834.5000*

*Direct line: 907.834.5010*

[www.pwsrca.org](http://www.pwsrca.org)





Regional Citizens' Advisory Council / "Citizens promoting environmentally safe operation of the Alyeska terminal and associated tankers."

In Anchorage: 3709 Spenard Road / Suite 100 / Anchorage, Alaska 99503 / (907) 277-7222 / FAX (907) 277-4523  
In Valdez: P.O. Box 3089 / 130 South Meals / Suite 202 / Valdez, Alaska 99686 / (907) 834-5000 / FAX (907) 835-5926

**MEMBERS** February 12, 2016

***Sent via email and USPS mail***

Alaska State  
Chamber of  
Commerce

James Kasch  
City of Cordova  
P.O. Box 1210  
Cordova, AK 99574

Alaska Wilderness  
Recreation & Tourism  
Association

Dear Mayor Kasch:

Chugach Alaska  
Corporation

The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) is writing to advise you that Robert Beedle's term on our Board of Directors expires at the upcoming May 5-6, 2016, annual meeting in Valdez.

City of Cordova

City of Homer

The dedicated seat for the City of Cordova is its opportunity to influence decisions having profound implications for oil transportation safety in Alaska, and for the state's oil spill prevention and response capabilities. We greatly value your past participation.

City of Kodiak

City of Seldovia

City of Cordova would best be served by a representative who:

City of Seward

- Understands her/his community, its needs, concerns and perspectives;
- Has at least a rudimentary familiarity with oil transportation issues;
- Has a home and work schedule flexible enough to allow participation and travel;
- Is committed to our mission of promoting environmentally safe operation of the Alyeska terminal and associated tankers; and
- Seeks opportunities to foster cooperative and constructive relationships between citizens, industry and regulatory agencies.

City of Valdez

City of Whittier

Community of  
Chenega Bay

A PWSRCAC director can expect to devote an average of 10 hours a month on PWSRCAC business. The full Board conducts three 2-day meetings in January, May, and September. In addition, annual budget and planning meetings are held, as well as special meetings and opportunities to participate in committees or work groups. PWSRCAC staff provides support to board members whenever possible.

Community of  
Tatitlek

Cordova District  
Fishermen United

**Please notify us in writing, no later than March 28, 2016,** of your selected individual for the City of Cordova's next two-year term on the PWSRCAC board. Ideally, this individual will then be expected to attend our May 5-6, 2016, meeting in Valdez for confirmation and participation. **If Robert Beedle will continue to be your representative, we ask that you still notify PWSRCAC in writing.**

Kenai Peninsula  
Borough

Kodiak Island  
Borough

Kodiak Village Mayors  
Association

If you have further questions about the PWSRCAC or the responsibilities of its directors, please don't hesitate to call. Thank you for your cooperation, and we look forward to the City of Cordova's continued contribution.

Oil Spill Region  
Environmental  
Coalition

Sincerely,

Jennifer Fleming  
Executive Assistant

Port Graham  
Corporation

Prince William Sound  
Aquaculture  
Corporation

Cc: Robert Beedle



Regular City Council Meeting  
February 3, 2016 @ 7:00 pm  
Cordova Center Community Rooms A & B  
Minutes

**A. Call to order**

**Mayor James Kacsh** called the Council Regular Meeting to order at 7:00 pm on February 3, 2016 in the Cordova Center Community Rooms.

**B. Invocation and pledge of allegiance**

**Mayor James Kacsh** led the audience in the Pledge of Allegiance.

**C. Roll call**

Present for roll call were **Mayor James Kacsh** and Council members **Kristin Carpenter**, **Tom Bailer**, **Josh Hallquist** and **James Burton**. Council members **Tim Joyce** and **David Reggiani** were present via teleconference. Council member **Robert Beedle** was absent. Also present were City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

**D. Approval of Regular Agenda**

**M/Burton S/Bailer** to approve the Regular Agenda.

Vote on the motion: 6 yeas, 0 nays, 1 absent. Carpenter-yes; Beedle-absent; Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes and Hallquist-yes. Motion approved.

**E. Disclosures of Conflicts of Interest**

**Mayor Kacsh** declared that regarding item 9a – he is a direct neighbor of **Tony Rodrigues'**. Council concurred that **Mayor Kacsh** was not conflicted on the item.

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

1. Guest Speaker - **Clay Koplin**, CEC, Crater Lake feasibility study report. **Koplin** gave a high-level overview of the feasibility study that was paid for jointly by the City of Cordova and Cordova Electric Cooperative. The study was seeking the feasibility and approximate costs and time frame of obtaining a new hydroelectric and water source using Crater Lake. The cost range was put between \$12m - \$26m. The cost estimate split was almost equal about 48% City and 52% CEC. The benefit / cost ratio ranged from 1.1 – 1.6 for CEC and from .96 – 1.4 for the City. Steps forward would be to organize the stakeholders, start design work (2 phases – geotechnical drilling then use that data to design and bid the project). The timeline would be about 1 year of design work and bidding and then about 2 years of construction.

2. Audience comments regarding agenda items

**Tony Rodrigues** of 826 Woodland Dr. spoke regarding his letter to Council which led to the report in tonight's packet. He was urging Council to seek a solution.

**Bob Rodrigues** of 509 Fifth St. commented on the Manager's report item concerning the culvert at Forest Heights Subdivision. He thought Council should spend the \$18k or so in order to gain the property tax revenue into the future.

**Mark Frohnafel** 828 Woodland Dr. spoke to the Forest Heights culvert issue. He opined that this was a good opportunity for the issues to be addressed and remedied.

**Dick Groff** of 201 Whiskey Ridge Rd spoke to agenda item 14. He urged Council to create revenue by leasing that office space to offset the costs of maintaining that building.

3. Chairpersons and Representatives of Boards and Commissions

**Mayor Kacsh** reported that he had met last Thursday for a noon lunch with representatives of boards and commissions and there would be a report in the next packet about that.

**Barb Jewell** said the superintendent wanted her to relay his thanks to all the community members who contributed to the Tip-off Tournament – it went really well.

**Carpenter** said HSB would meet on 2/11/16.

4. Student Council Representative Report – was not present

**G. Approval of Consent Calendar**

**Mayor Kacsh** declared the consent calendar before Council.

5. Council's action on right to protest or waive protest of liquor license renewals

6. Record excused absence of Council member **David Reggiani** from the 1/6/16 regular meeting

Vote on the consent calendar: 6 yeas, 0 nays, 1 absent. Beedle-absent; Hallquist-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Consent Calendar was approved.



## H. Approval of Minutes

*M/Burton S/Hallquist* to approve the minutes.

### 7. 1-6-16 Regular Meeting Minutes

Vote on the motion: 6 yeas, 0 nays, 1 absent. Hallquist-yes; Reggiani-yes; Bailer-yes; Beedle-absent; Carpenter-yes; Joyce-yes and Burton-yes. Motion approved.

## I. Consideration of Bids - none

## J. Reports of Officers

8. Mayor's Report – **Mayor Kacsh** said he talked to a business owner from Harbor Loop Road and he was grateful for the Streets crew that fixed potholes last week – they jumped on it quickly. He has a meeting this Friday with a representative from Alaska Airlines.

9. Manager's Report – **Robertson** said that **Bitney** would be addressing council at the next session – until now not much has been going on. Also, Joanie Behrends will be at the next Council meeting to discuss an upcoming oil spill drill on February 22 – 25 and also Alaska Shield coming on April 1 & 2. **Robertson** thanked **Commander Jarnac** because the Sycamore is out away from town presently but he coordinated with the Hickory out of Kodiak which will come to Cordova for Ice Worm weekend to assist with events. **Robertson** reported that 4Q sales tax was up and the CT Scanner transformer is in. **Robertson** asked Harbormaster **Tony Schinella** to speak to Council about the waste oil that we give to Ocean Beauty. The Harbormaster reported that the EPA has said that the oil we give to Ocean Beauty can no longer be burned in their waste oil burner because EPA says it is coming from an uncontrolled source. This mandate will be a great expense for us now because we will have to get rid of this oil instead of just delivering it to Ocean Beauty. He has been exploring what some other harbors do with their oil. Most either burn or ship south. EPA has said Ocean Beauty would have to test the oil at an EPA approved testing facility – in San Diego – this would be cost-prohibitive. **Robertson** said we are still fleshing out options – this has just become known to us he just wanted to keep Council in the loop.

a. report on Forest Heights Subdivision (**Rodrigues**) culvert

**Robertson** said between 2009 and 2011 the City spent about \$60k on some kind of emergency on a lot below the Rodrigues lot regarding the same culvert. At that time it was infiltrating the road and the electrical system – that council thought it important enough to spend public dollars **Robertson** said at this time it is Council's option as to what to do.

*M/Carpenter* to refer to staff to explore the possibility of a special assessment district being setup for this. This motion died for lack of a second.

*M/Bailer S/Hallquist* to direct the City Manager to negotiate with Mr. Rodrigues to get a solution to this issue.

*M/Joyce* to split the cost of the culvert fix 50/50. This motion died for lack of a second.

*Joyce* was wondering exactly what the motion on the floor meant – for correction of this issue? He thought council should give the manager better direction.

*M/Hallquist S/Bailer* to amend the motion by adding that the City would cover \$18,500 toward the cost of the necessary fix to the culvert.

Vote on the motion to amend: 6 yeas, 0 nays, 1 absent. Hallquist-yes; Reggiani-yes; Beedle-absent; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-yes. Motion approved.

Vote on the main motion as amended: 6 yeas, 0 nays, 1 absent. Joyce-yes; Burton-yes; Beedle-absent; Reggiani-yes; Carpenter-yes; Hallquist-yes and Bailer-yes. Motion approved.

10. City Clerk's Report – **City Clerk Bourgeois** said that she has been busy with the upcoming election – has 16 absentee ballots to mail tomorrow. Declaration of candidacy closed yesterday so she is able to now print ballots. **James Wiese, James Burton** and **David Allison** are each running unopposed for the three Council seats. **Elton Brown, Dave Reggiani, Clay Koplin** and **Kelley Weaverling** are running for Mayor and **Tammy Altermott** and **Barb Jewell** are running for the 2 school board seats.

## K. Correspondence

11. 01-15-16 Population determination from DCCED for Cordova 2015

12. 01-19-16 Letter from Mayor to ADFG Commissioner Cotton regarding Tanner Crab

## L. Ordinances and Resolutions

13. Ordinance 1141 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the general reserve fund to the Cordova center capital project fund #426, to provide a source of money for the completion of the Cordova Center – 1<sup>st</sup> reading



**M/Carpenter S/Bailer** to adopt Ordinance 1141 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the general reserve fund to the Cordova center capital project fund #426, to provide a source of money for the completion of the Cordova Center

**Hallquist** asked about the \$500k in change orders and wondered what that consisted of; did Council approve all of those. **Robertson** said the bulk of that is the \$300k approximate cost of the windows. The rest were smaller things that added up - there was visibility - only the larger items were coming to Council for change orders. There were 55 change orders roughly - \$300k being windows that means each change order was \$200k/55 = approximately \$3k - \$4k.

**M/Bailer S/Reggiani** to amend the ninth whereas in the ordinance by removing after library facility, "and money derived from the temporary lease or rental of the 'old city hall'".

**Bailer** said he has heard of 3 different uses for that money so he'd like that stricken for now, until we are more certain what we are doing with that money. **Reggiani** supports that - he likes the idea of that but it could be awkward until more specific. Vote on the motion to amend: 6 yeas, 0 nays, 1 absent. Beedle-absent; Carpenter-yes; Burton-yes; Hallquist-yes; Bailer-yes; Reggiani-yes and Joyce-yes. Motion approved.

**Hallquist** had one more question in the eighth whereas he wants the information on the 'repair the cistern', he said that was new to him. **Rogers** reported that the cistern does not hold water - there are several cracks in the coating. **Hallquist** said that twice he rejected the surface that was prepped for the coating on that cistern. Then he said it was accepted and he opined that was gross negligence on the part of the contractor. He wondered if there was any legal recourse we had regarding that. **Joyce** thought it was at least worth an effort to see if these can be submitted. **Robertson** said he would if that was the Council's direction. **Joyce** said we have bills, we have to pay them, we have money still coming in on land sales, fundraising; he said he would rather handle it this way (reimburse ourselves over time) vs. burden the taxpayers with a mill rate increase. **Reggiani** complimented **Joyce**, he said at budget we discussed this - one agreed-upon main capital project was completion and closing out of the Cordova Center project. This is a good financial move for the City - for the community. **Robertson** said that he is still working with **Bitney** - a strategy is there to go back to EVOS looking for something to come back up to the one third that they have historically said they would cover on the project. He cannot promise anything but it is an avenue worth exploring.

Vote on the main motion as amended: 6 yeas, 0 nays, 1 absent. Carpenter-yes; Hallquist-yes; Joyce-yes; Beedle-absent; Burton-yes; Reggiani-yes and Bailer-yes also on this vote it is appropriate to ask Mayor Kacsh to vote...Mayor Kacsh-yes. Motion approved 7-0.

**Bourgeois** confirmed that on an ordinance moving money from the permanent fund seven yes votes are required and only when there are six Council members voting yes can the Mayor be asked to vote in order to attain the seven yes votes.

## **M. Unfinished Business**

### **14. Council action on method of disposal for City land - old City Hall building**

**Mayor Kacsh** declared a conflict on this item because his father-in-law has the current contract with the State Troopers - he handed the gavel to Vice Mayor Burton.

**M/Bailer S/Hallquist** to refer this item back to staff to plan a joint work session with Planning and Zoning Commission which would include a visit to the old City Hall building, with the Facilities Manager and get a good idea of what's right and wrong with this building and what kind of investment it would take to get it ready to rent.

**Carpenter** said she wasn't aware as to whether the Troopers had asked for any changes to the building. **Bailer** said we don't know that. **Robertson** said they have not asked for that at all, he was under the impression that the Council didn't want the City putting a dime into it. **Bailer** reminded everyone that between Council and Planning and Zoning there are 4 licensed general contractors and guys that have worked on boats and they could make a good survey of the building before we fully commit to anything. **Carpenter** doesn't see the point to another public meeting - she thinks we are taking a public asset and being the most efficient with it. She also likes the coordination of law enforcement in town. She can't understand why we would go and try to answer questions that haven't been raised. **Joyce** agreed with **Carpenter**. **Reggiani** said he would support a work session with Planning and Zoning - he doesn't feel like he has enough information to make a decision. **Joyce** said this has been on the docket for a long time and for this in between time, while police & fire are still there the best option would be to lease that space out, for fair market value. **Burton** said **Hicks**, **Trumblee**, **Robertson** have worked extensively toward this. Tearing it down isn't even on the table for him; like **Mr. Groff** said it is up to us to be good stewards of the public's assets - the ability to recapture some money on this building is a good idea.

Vote on the motion to refer: 3 yeas, 3 nays, 1 absent. Beedle-absent; Joyce-no; Hallquist-yes; Burton-no; Carpenter-no; Bailer-yes and Reggiani-yes. Motion fails.

**M/Joyce S/Carpenter** to direct the City Manager to dispose of the vacant office portion of the old city hall building for fair market value as outlined in CMC 5.22.060 by method 1, negotiating an agreement with the Alaska Wildlife Troopers.



**Carpenter** said she supports the motion. **Bailer** said he does not support this. He said this should go back to Planning and Zoning now.

Vote on the motion: 5 yeas, 1 nay, 1 absent. Beedle-absent; Hallquist-yes; Carpenter-yes; Bailer-no; Joyce-yes; Burton-yes and Reggiani-yes. Motion approved.

15. AMHS committee – council concurrence of Mayor’s appointments to fill seats

**M/Bailer S/Hallquist** to approve Mayor Kacsh’ appointment of **Pete Hoepfner** to serve on the AMHS Committee, in the seat reserved for a school representative.

**Mayor Kacsh** explained that he was just filling these seats as he was hearing from the people he has asked to be on the committee.

Vote on the motion: 6 yeas, 0 nays, 1 absent. Burton-yes; Joyce-yes; Beedle-absent; Hallquist-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Motion approved.

#### N. New & Miscellaneous Business

16. Planning and Zoning Commission use of land disposal criteria

**M/Joyce S/Burton** to review and amend the Planning and Zoning Commission’s land disposal evaluation criteria.

**Joyce** said he proposed this because he said that the Planning and Zoning Commission has been getting hammered by the public over some decisions they have been making and **Joyce** said that is unfair to burden an appointed board or commission that way – he said more of that should be on Council, the elected body. **Bailer** first corrected **Joyce** by saying that P&Z doesn’t make **decisions** they make **recommendations** and then, he agreed that at least two of the criteria have always given him trouble – the sales tax revenue and proposal price. During the discussion of the specific criteria, Council thought it prudent to include P&Z commission in this, therefore...

**M/Burton S/Bailer** to amend the motion by adding... and have a joint work session with Council and the Planning and Zoning commission to discuss these criteria.

Vote on the motion to amend: 6 yeas, 0 nays, 1 absent. Beedle-absent; Joyce-yes; Hallquist-yes; Bailer-yes; Carpenter-yes; Burton-yes and Reggiani-yes. Motion approved.

Vote on the main motion as amended: 6 yeas, 0 nays, 1 absent. Joyce-yes; Bailer-yes; Burton-yes; Beedle-absent; Reggiani-yes; Hallquist-yes and Carpenter-yes. Motion approved.

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

**Mayor Kacsh** asked for an executive session on the attorney RFPs at the next meeting. **Carpenter** said that HSB would be meeting on February 11 (6:30pm) - Council opted to have the joint work session with Planning and Zoning after the HSB since they would already be there (7:30pm).

#### O. Audience Participation

**Bob Rodrigues** thanked Council for their time, staff too.

#### P. Council Comments

18. Council Comments

**Joyce** thanked everyone for the time tonight – we had some good discussion, there was a lot on the table and we got through it all.

**Carpenter** echoed that.

**Bailer** looked forward to getting more information on the old city hall building; when the facts change so will his opinion. He looks forward to getting that.

#### Q. Executive Session - none

#### R. Adjournment

**M/Burton S/Bailer** to adjourn.

Hearing no objections the meeting was adjourned at 9:04 pm.

Approved: March 2, 2016

Attest: \_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk



City Council Public Hearing  
February 17, 2016 @ 6:45 pm  
Cordova Center Community Rooms A & B  
Minutes

**A. Call to order**

**Mayor James Kacsh** called the Council public hearing to order at 6:45 pm on February 17, 2016, in the Cordova Center Community Rooms.

**B. Roll call**

Present for roll call were **Mayor James Kacsh** and Council members **Kristin Carpenter**, **Tom Bailer**, **Robert Beedle**, **Josh Hallquist**, and **James Burton**. Council member **Tim Joyce** was present via teleconference. Council member **David Reggiani** was absent. Also present were City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

**C. Public hearing**

**1. Ordinance 1141**

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the general reserve fund to the Cordova center capital project fund #426, to provide a source of money for the completion of the Cordova Center

**Mayor Kacsh** opened the hearing up for public comment on ordinance 1141. **Mayor Kacsh** asked if there was any public comment and there was none.

**M/Beedle S/Carpenter** to recess the public hearing at 6:46 pm until 6:55 pm.

Hearing no objection, the Public Hearing was recessed until 6:55 pm.

At 6:55 pm **Mayor Kacsh** called the public hearing back to order and asked if there was any further public comment. There was none.

**D. Adjournment**

**M/Beedle S/Hallquist** to adjourn the Public Hearing

Hearing no objection, the Public Hearing was adjourned at 6:56 pm

Approved: March 2, 2016

Attest: \_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk



RECEIVED

12:45 PM

FEB 10 2016

To Cordova City Council

City of Cordova

I am writing the letter commenting on the action that was taken at the meeting of February 3. I was out of town for that meeting otherwise I would have been there to give my opinion.

The item I am concerned about is Tony Rodrigues lot and drainage culvert. After reviewing the material in the packet I would like to give my opinion as a citizen of this community.

First off as a tax payer I do not understand why I am asked to share this burden? Is there not a right of the land owner to be aware of what they are buying? I am not against Tony building a house there but I don't think I should help pay for something we as citizens didn't do. I purchased property that does not have city water and the ground water is poor. Does that give me a right to ask the rest of the city to provide me water, I don't think so! I purchased this property knowing that and am spending my own money to remedy that problem.

I further ask why the developer is not being held responsible since it states that in the code? They did not record that on the platt as they are required to do. After discussing the development I learned that the culvert was intentionally buried while the dirt work was being performed.

Finally I feel this sets a very dangerous precedent for future actions against the city. Developers and citizens in general need to be responsible for there actions and not pass it on to everyone else to pay for. The lawyer for Mr Rodrigues did a very good job of intimidation with future action and the cost associated as if it was a given they would win. Its a no win for either party for sure and the developer should step up and fix there problem.

Sincerely

John Greenwood



To City Council and Planning and Zoning Commissions:

I am in full support of Seaman's proposal to relocate to the old library/museum.

Seaman's proposal is clear and concise, and the time line is 1 year or less. We know what we're getting and we know it will get done because the Dillon family (and True Value) is solely invested in making this one property work.

Facility contractor's proposal is a lovely, feel-good idea in theory. But it is an extremely ambiguous proposal, and will take 3 years -- if they don't file for another extension, as has been done with two of Dave's other properties. I strongly believe that this is a speculative business plan at best.

It's worth considering that Dave bought a mini-mall, turned it into a hardware store, and is now trying to corner a different property to prevent a competing hardware store from expanding....so he can build a mini mall?

If a mini-mall is such a viable plan, then why didn't the old frontier mini-mall flourish? Or why didn't Dave and Boots revamp it into something that did? Even if the mini-mall were to come into fruition, it's risky trying to calculate the sustainability/longevity of it.

A mini-mall simply isn't realistic in Cordova at this point. Our town has plenty of reception areas, and while I do love Filipino food, restaurants (especially in this town) have an extremely high chance of going under in the first year. Yes, town empties out in the winter, and it's hard to say how many paintings or bath bombs or tourist gifts will be flying off the shelves in October thru April. The mini-mall-- if that's what it actually becomes-- would most likely be seasonal best case scenario.

I think the City would be amiss to approve such a shaky business plan.

The Roemhildt's have their hands in multiple key properties around town and are doing a wonderful job with the several other businesses they are running. They are clearly in a mode of rapid expansion, but I feel from a strictly business standpoint that it wouldn't be prudent to add yet another very key property to their name with a proposal that is hardly solid. It would be a shame to run a small family company (and healthy competition) out of business to take a gamble on an idealistic but mediocre mini-mall proposal.

I heard a gentleman in town say that we didn't need two hardware stores. I'd just like to point out that other lifeblood businesses in town have healthy competition and it works out great for all of us. We have two grocery stores, two fishing supply/net companies, two clinics, two heavy hitter construction companies, the list goes on.

There are many other pros to Seaman's proposal, including freeing up the awful parking situation downtown in the summers, opening up a main street property for a new or existing small business, Seaman's having a more measurable sales tax revenue in the new building, etc., etc.

I say support Mom and Pops. Support Seaman's and allow them to stay in business and flourish. It's the most realistic proposal.

It's good for small business and healthy competition. It's good for locals. It's good for Cordova.

Thanks for your time and thank you City Council for your mostly thankless job!

Sincerely,

Sara Parker



to City Council & planning commission

I support Seamans Hardware  
for getting the Library/Museum property.  
I agree the pioneer square sounds  
great in theory But the parameters  
are extremely vague. The Motive  
behind it - isn't necessarily to  
Better the community But to better  
Ace Hardware's Buisness. After He  
Gets the property tied up who knows  
what He will really do with it and  
when. With Seamans we know  
what were getting. A family Run  
Buisness Generating taxes year around  
from A family that has Been serving  
this town for years.

Makena O'Toole

P.O. box 1986  
Cordova AK  
99574

RECEIVED  
FEB 22 2016  
City of Cordova

907-253-3993



# Memorandum

**To:** City Council  
**From:** City Manager  
**Date:** 2/23/2016  
**Re:** Facility Contractors Lease with Option to Purchase Contract and Ordinance - Lots 12 through 18, block 6, Original Townsite (Museum Library)

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## **PART I – BACKGROUND**

**4/14/15** – At the Planning Commission Regular Meeting, the commission passed Resolution 15-05, which recommended the City Council make Lots 12-18, Block 6, Original Townsite available on the Land Disposal Maps. The commission also recommended the City Council dispose of the building by requesting sealed proposals.

**5/6/15** – At the City Council Regular Meeting, the council made the lots available and directed the City Manager to dispose of the Library/Museum buildings.

**10/1/15** – The city received no proposals for the Library/Museum buildings.

**10/7/15** – From the City Council Regular Meeting Minutes:

**22.** Council action regarding disposal of Library / Museum Building

**M/Joyce S/Carpenter** to direct the City Manager to put out an RFP for the sale of the lots with the building on it.

**Bailer** said he disagrees. He doesn't know why an amount was put on the RFP. He would prefer it go back to Planning and Zoning. **Beedle** said his biggest concern is the added cost to the people of Cordova, he wants it out of the City's hands, as was promised. **Reggiani** reiterated the motion – RFP for land and building – he said he supports that. **Burton** asked if we can put out an RFP with an either/or option **Mayor Kacsh** said he was going to suggest that as well – an RFP with all proposals accepted. **Joyce** agrees and thinks the City Manager can work that into the RFP – as he is listening to us right now. **Reggiani** agreed – any and all proposals will be accepted. **Robertson** said he understood – any and all proposals accepted.

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

**01/5/15** – RFP closed

**1/12/16** – At the Planning Commission Regular Meeting, the commission discussed the proposals and referred the item back to staff.

**2/9/16** – P&Z Public Hearing public comments were heard on the proposals

**2/9/16** – At the Planning Commission Regular Meeting, the commission made the following motions:

**M/Baenen S/McGann** to recommend to City Council to consider all seven proposals for Lots 12-18, Block 6, Original Townsite and the improvements thereon.

**M/Kocan S/McGann** to amend the main motion by striking “all seven proposals” and inserting “the proposals from Facility Contractors, Seaman’s Hardware, and Cannery Row.”  
Upon voice vote, motion to amend passed 4-0.



Yea: **Bailer, McGann, Baenen, Kocan**  
COI: **Roemhildt**

Upon voice vote, main motion passed 4-0.

Yea: **Bailer, McGann, Baenen, Kocan**  
COI: **Roemhildt**

## **PART II – GENERAL INFORMATION**

Attached is the Ordinance and the Lease with Option to Purchase. The terms in this lease with option to purchase have been reviewed by Facility Contractors. Major terms summarized below.

- Base rent will be \$4,208.34 monthly– **Section 3**
- Lease term 30 years – **Section 2**
- 3 years after commencement date rental rate will be adjusted by the CPI to include the last 3 years and annually thereafter
- Authorized uses constructing/remodeling and maintaining building as described in Exhibit B **Section 4A**
- Building/remodel must be completed within 3 years or lease is/may be terminated **Section 5B**
- Purchase may occur at any point during term of lease once a building is established **Section 20A&D**
- Purchase price of \$505,000 will remain valid through the first 3 years of lease. **Section 20E**
- If building and land are purchased within 7 years of lease commencement date lease payments will go towards purchase price **Section 20E**
- If property is purchased **after** 7 years of lease commencement date lease payments will **not** go towards purchase price **Section 20E**
- City has right of first refusal **Section 20I**

## **PART III – SUGGESTED MOTION**

“I move to adopt Ordinance 1142.”



**CITY OF CORDOVA, ALASKA  
ORDINANCE 1142**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A THIRTY YEAR LEASE  
AGREEMENT WITH FACILITY CONTRACTORS, LLC, WHICH INCLUDES AN  
OPTION TO PURCHASE, FOR CITY PROPERTY DESCRIBED AS LOTS 12  
THROUGH 18, BLOCK 6, ORIGINAL TOWNSITE**

**WHEREAS**, it is in the City of Cordova's best interest to lease property described as Lots 12 through 18, Block 6, Original Townsite See Exhibit A ("Property") to Facility Contractors, LLC, for the uses specified in the lease agreement between the City of Cordova, Alaska ("City") and Facility Contractors, LLC attached to this ordinance as Attachment A ("Lease"); and

**WHEREAS**, it is also in the City's best interest to offer an option to purchase to Facility Contractors, LLC, upon the terms provided in the Lease.

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

Section 1. The City Manager is authorized and directed to lease the Property to Facility Contractors, LLC in accordance with the terms in the Lease as attached as Exhibit A to this ordinance. The form and content of the Lease 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 on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Lease as executed.

Section 2. The disposal of the property interest authorized by this ordinance is subject to the requirements of City Charter Section 5-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

Section 3. This ordinance shall be enacted in accordance with Section 2-13 of the Charter of the City of Cordova, Alaska, and published within ten (10) days after its passage.



1st reading: March 2, 2016

2nd reading and public hearing:

**PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.**

\_\_\_\_\_  
James Kacsh, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk



**Attachment A**

**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 FACILITY CONTRACTORS, LLC, an Alaska Limited Liability Company ("Lessee").

**RECITALS**

WHEREAS, the City owns the parcels of land with improvements thereon in Cordova, Alaska generally described as Lots 12-18, Block 6, Original Townsite, located within Cordova Recording District, Cordova Alaska, (referred to hereinafter as the "Premises");

WHEREAS, Lessee desires to lease 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 30 years, commencing on [REDACTED], 2016, (the "Commencement Date") and terminating at 11:59 p.m. on [REDACTED], 2046, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

**3. RENT**

A. Base Rent. The annual rent for the first three years of the Lease Term will be Fifty Thousand Five Hundred Dollars(\$50,500.00) or Four Thousand Two Hundred Eight Dollars and thirty-four cents (\$4,208.34) in twelve monthly installments ("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 21.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent



to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

B. Additional Charges. In addition to the Base Rent, Lessee acknowledges and agrees that Lessee is obligated to pay and will pay, before delinquency and without reimbursement, all costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including, without limitation, those costs, expenses, and obligations identified in Section 7 and all other sums, costs, expenses, taxes, and other payments that Lessee assumes or agrees to pay under the provisions of this Lease (collectively the "Additional Charges").

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

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

D. Adjustment of Base Rent. Beginning on the third 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 third anniversary of the Commencement Date, will be equal to the percentage increase in the CPI-U from the Commencement Date to the then-current year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

#### **4. USES AND CONDITION OF PREMISES**

A. Authorized Uses. Subject to the terms and conditions of this Lease, Lessee's use of the Premises is limited to constructing and maintaining the project detailed in the site development plan (Exhibit B). The Lessee shall give prior written notice to the City of any proposed changes to the site 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.



B. 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

C. Compliance with Laws. Lessee shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses, and other authorizations. Lessee shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation of any insurance policy covering the Premises. Lessee shall not cause or permit any Hazardous Material (as defined in Section 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 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.

D. Lessee's Acceptance of Premises. Lessee 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 Lessee may make of the Premises. Lessee 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 or the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, are suitable or usable for any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute 9.65.070, or any amendment thereto.

## **5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION**

A. Development Plan. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an amendment to the Lease, requiring the written consent of both parties in accordance with Section 21.E. The Lease does not confer any approval of 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.

B. Substantial Completion. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B and described by 1 and 2 of that document. by [REDACTED], 2019, which is three (3) 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 providing that the above obligations have been met. If Lessee fails to substantially complete the construction of the project set forth in the site development plan by [REDACTED], 2019, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 12.

## **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.

## **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.



## **8. 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. If the City posts any notice of non-responsibility on the Premises, Lessee will ensure that the notice is maintained in a conspicuous place.

## **9. INDEMNIFICATION**

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

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

Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any claims,



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

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is 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.

## **10. INSURANCE**

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

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

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

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

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



All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term, Lessee shall provide the City with proof of the insurance required by this Section 10, except where noted above.

## **11. OWNERSHIP AND REMOVAL OF THE FACILITIES**

Unless Lessee exercises its Option (defined in Section 20) (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.

But upon expiration or earlier termination of this Lease, Lessee shall remove from the Premises, at Lessee's sole expense, all of the facilities or the portion thereof that the City designates must be removed. In such event, Lessee shall repair any damage to the Premises caused by the removal and return the Premises as near as possible to its original condition as existed on the Commencement Date. All facilities which are not promptly removed by Lessee pursuant to the City's request and in any event within thirty (30) days of the date of expiration or termination of this Lease may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for such expenses.

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

## **12. DEFAULT AND REMEDIES**

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

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

ii. The failure to pay any taxes or assessments due from the Lessee to the City and in any way related to this Lease, the Premises, any improvements, or the Lessee's activities or business conducted thereon, including, but not limited to, any real



property, personal property, or sales tax if such failure is not cured within thirty (30) days after written notice has been given to Lessee;

iii. Lessee's failure to substantially complete the site development plan, as required by Section 5;

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

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

vi. The abandonment or vacation of the Premises continues for a period of three (3) months of any consecutive four (4) month period during the Lease Term; notwithstanding the foregoing, leaving the Premises vacant pending development of improvements shall not be deemed abandonment;

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

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

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

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

i. Distrain for rent due any of Lessee's personal property which comes into the City's possession. This remedy shall include the right of the City to dispose of



Lessee's personal property in a commercially reasonable manner. Lessee agrees that compliance with the procedures set forth in the Alaska Uniform Commercial Code with respect to the sale of property shall be a commercially reasonable disposal;

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

iii. Declare this Lease terminated;

iv. Recover, whether this Lease is terminated or not, reasonable attorneys' fees and all other expenses incurred by the City by reason of the default or breach by Lessee, less any rents received in mitigation of Tenant's default (but City is not under any duty to relet Premises);

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

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

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

### **13. SUBSIDENCE**

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

### **14. 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, 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.

## **15. 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.

## **16. 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.

## **17. 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.

## **18. EMINENT DOMAIN**

If the whole or any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu



thereof by a public body vested with the power of eminent domain, then the following provisions shall be operative:

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

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

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

## **19. 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.

## **20. BUYER'S OPTION TO PURCHASE**

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

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

C. Exercise of Option. To exercise the Option, Lessee must provide written notice ("Notice of Exercise of Option") to the City, delivered or mailed by certified or registered mail, return receipt requested, to the City's address set forth in Section 21.E, at least sixty (60) days prior to the date Lessee intends to exercise the Option.

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

E. Purchase Price. Lessee shall have the right to purchase the Premises for \$505,000.00 ("Purchase Price") until the third anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the third anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by Alaska Appraisal & Consulting Group or by a mutually



agreed upon Appraisal Company licensed by the State of Alaska, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before \_\_\_\_\_, 2023, which is seven (7) years after the Lease's Commencement Date, 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 \_\_\_\_\_, 2023, which is seven (7) years after the Lease's Commencement Date, the Closing Payment will equal the Purchase Price, and the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

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

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

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

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

i. Lessee may accept an offer for the sale or other disposition of the Premises only if it is made subject to the City's right of first refusal herein. Upon acceptance of an offer for the sale, disposition, conveyance, or transfer from a third party (the "Purchase Offer"), Lessee will present a copy of the Purchase Offer and acceptance



to the City by written notice at the address set forth in Section 21.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 21.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.

## **21. MISCELLANEOUS**

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

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

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

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

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

TO CITY:

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



TO LESSEE:

Facility Contractors, LLC  
P.O. Box 2034  
Cordova, Alaska 99574

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**CITY:** **CITY OF CORDOVA**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LESSEE:** **FACILITY CONTRACTORS, LLC**

By: \_\_\_\_\_

Its: \_\_\_\_\_



## Exhibit A





**Exhibit B**  
**Development Plan**

**Facility Contractors LLC**  
**PO Box 2034**  
**Cordova, AK 99574**  
**(907) 424-7765**  
**(907) 424-7768 fax**

January 5, 2016



**PROPOSAL FOR LIBRARY / MUSEUM PROPERTY**

Additional Required Information.

1. We respectfully propose the creation of Pioneer Square on lots 12-18, Original Townsite. We will develop a retail/office/hospitality complex utilizing the existing Library and Museum structures.

The proposed development will entail 1: the complete demolition of the flat-roofed structure between the two buildings, 2: the complete interior and exterior renovation of the existing Library and Museum buildings, 3: the lengthening of the Museum building approximately 20 feet creating a 'square' of the structures on the property, and 4: the creation of a courtyard between the structures and covered walkways along the perimeter.

The Library building will contain up to 8 storefronts, with half facing Adams Street and half the interior courtyard. These units can be divided or combined to meet the needs of larger or smaller businesses or organizations.

The Museum building will contain a large reception hall, a certified kitchen for food preparation, and up to 4 small storefronts facing the courtyard. The courtyard at the interior of the square will meet the need for outdoor space (both covered and open air) for social gatherings.

2. The total interior square footage of the development will be 5500 square feet, with an additional 2500 square feet of covered walkway around the square and through the courtyard. The courtyard in the center of the square will contain approximately 2000 square feet of usable open air space which will allow outdoor functions. In total, nearly all of the 10,000 square feet contained within the limits of the covered perimeter of the square will be utilized for commercial and hospitality space.

The square will include up to 20 off-street parking stalls. The entirety of lot 18 will remain parking as will the rear portions of lots 12, 13, 14 and 15.



3. Attached is an elevation sketch of the proposed Pioneer Square and a plan view drawing showing the layout of the development.
4. The creation of Pioneer Square on lots 12-18 will be a benefit to 1: existing small businesses, 2: potential business start-ups, 3: businesses requiring the use of a certified kitchen for food preparation, 4: entities requiring office space, 5: the public through increased offerings of products, services and competition, and 6: the City treasury through new sales tax and property tax revenues.

The creation of Pioneer Square will also benefit the City of Cordova by supporting the goal of diversification and growth that led to the creation of the Cordova Center. Pioneer Square will be a direct support to the functions of the Cordova Center through the availability of local products and services to visitors, and additional hospitality space and an alternate venue.

5. The total dollar investment in the creation of Pioneer Square will be approximately \$1.1 million.
6. We propose to begin development of Pioneer Square in 2016, and complete the development in phases over the next 3 years.



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

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DATE: February 24, 2016

TO: Mayor and City Council and the public

SUBJECT: Ordinance 1143

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City Council passed Resolution 02-16-08 on February 17, 2016 which gave staff direction to begin the process of working toward an elected HSB. The transition to that end can begin with an ordinance adoption to first remove the language that make the City Council the Health Services Board. Mayor Kacsh has put this ordinance forward for Council consideration with the hopes that the City Attorney would review it for consistency and legality before the second reading.

Required action: Majority voice vote on first reading.



**CITY OF CORDOVA, ALASKA  
ORDINANCE 1143**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AMENDING CORDOVA MUNICIPAL CODE SECTION 15.20.010, REPEALING CORDOVA  
MUNICIPAL CODE SECTION 15.20.010 (E), AND ENACTING CORDOVA MUNICIPAL  
CODE SECTION 15.20.015 TO PERMIT REGISTERED VOTERS IN CORDOVA, ALASKA  
TO SERVE ON THE HEALTH SERVICE BOARD**

**WHEREAS**, on February 17, 2016 City Council passed Resolution 02-16-08 directing staff to begin the necessary steps towards creation of an elected Health Services Board; and

**WHEREAS**, the resolution speaks to this as being a transition toward a fully elected board; and

**WHEREAS**, Council's intent is to retain some of the board as is for historical perspective while transitioning in members of the public in hopes of encouraging them over the course of a year to become interested in running for elected office when the HSB becomes an elected board in March 2017.

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

Section 1. Portions of Cordova Municipal Code Title 15 are hereby amended, repealed and enacted as follows.

15.20.010 - Community health services board.

- A. There shall be a board known as the community health services board ~~which shall be composed of all the members of the city council~~ **consisting of seven members. Only residents of the city who qualify as municipal voters pursuant to Section 2.08.010 herein shall be entitled to serve on the Health Services Board. Each member shall be nominated by the mayor and confirmed by the council. Each term of membership shall be for three years, and terms of individual members shall be overlapping.** No employee of the CCMC or the administrator shall be eligible to serve on the board.
- B. A subcommittee of the board comprised of three board members shall be appointed by a majority of the board to provide guidance to the mental health and alcohol programs and develop and present the mental health and alcohol budget to the board.
- C. General Powers. Subject to state and municipal law, the board shall be responsible for the operations of CCMC and shall prescribe the terms under which patients shall be admitted to CCMC. Standards of operation shall be established and enforced, to the extent possible, by the board. The powers of the board may be delegated to a contract administrator with approval by a majority of the board.



D. Organization. The board shall elect annually from its members a president, a vice-president and secretary and such other officers as it deems necessary. The board shall establish such committees and shall assign such duties and responsibilities to the committees as it deems necessary.

~~E. Removal. A member of the board shall be removed upon removal of that member from the council.~~

~~F~~E. Meetings. The board shall meet quarterly in concurrence with the first council meeting in January, April, July, and October at a time and place to be designated by the board, and notice of and agenda of all meetings shall be posted at a public location in the CCMC, and at the city hall. Any two members of the board may schedule a meeting at any time when they determine such a meeting is necessary. All meetings of the board shall be open to the public; except that the board may meet in executive session, pursuant to notice, to discuss:

1. Matters the immediate knowledge of which would clearly have an adverse effect upon the finance of the government unit;
2. Subjects that tend to prejudice the reputation and character of any person; provided, that the person may attend the discussion and request a public discussion;
3. Matters which, by law, municipal charter or ordinance, are required to be confidential;
4. Matters involving consideration of governmental records that by law are not subject to disclosure;
5. Direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending labor negotiations.

~~G~~F. Reports. The board shall, on or before sixty days prior to the end of the fiscal year, submit a detailed and itemized estimate of revenues and a detailed and itemized budget for the next fiscal year to the city council.

~~H~~G. Membership in Association. The board may maintain membership in any local, state, or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of medical center and community health facilities administration and in connection therewith, pay dues and fees thereto.

(Ord. No. 1106, § 1, 2-20-2013)

#### **15.20.015 - Absences to terminate membership.**

**A. If a board member is absent from more than one-half of all the regular meetings of the health services board held within the period of one year, without being excused from attending such meetings, the chair of the board shall declare the board member's seat vacant. The board shall determine whether any absence is excused.**



**B. For purposes of this section, an absence will be considered excused if due to the following causes and shall require approval by the board at the next regularly scheduled meeting:**

- 1. The illness or injury of the board member or a family member;**
- 2. The death of a family member;**
- 3. An employment-related commitment;**
- 4. A commitment for city business; or**
- 5. Other good cause approved by the board.**

**C. Whenever possible, absences should be noticed to the board chair prior to the meeting for purposes of securing a quorum at the meeting.**

**D. A board member may participate in a board meeting by teleconference.**

Section 2: This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published within ten (10) days after its passage.

1st reading: March 2, 2016

2nd reading and public hearing:

**PASSED AND APPROVED THIS \_\_\_\_ DAY OF \_\_\_\_, 2016**

\_\_\_\_\_  
James Kacsh, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk



**CITY OF CORDOVA, ALASKA  
RESOLUTION 02-16-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA  
DIRECTING STAFF TO DRAFT THE NECESSARY ORDINANCE CHANGES THAT  
WOULD ALLOW CREATION OF AN ELECTED HEALTH SERVICES BOARD.**

**WHEREAS**, the City Council has served as the existing Health Services Board since 2013;  
and

**WHEREAS**, the Cordova Community Medical Center is one of the most important entities  
within the City of Cordova; and

**WHEREAS**, the Cordova Community Medical Center operation and staff are deserving  
of a focused, dedicated, and well-trained Board consisting of members of the community of  
Cordova; and

**WHEREAS**, a plan to systematically transition governance from the City Council  
members to elected Health Services Board members over a period of time to be determined by  
City Council would be beneficial; and


**WHEREAS**, a charter amendment in May 2015 allows the City to change how the hospital  
and other healthcare facilities are administered by ordinance; and

**WHEREAS**, City Attorney's will be consulted to formulate this plan and timely offer the  
required ordinances and resolutions as needed to accomplish Council's goals.


**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cordova,  
Alaska that City Staff including City Attorneys will provide code change that will accomplish  
Council's goal toward attaining an elected Health Services Board that can better serve the  
operation and staff at CCMC and thereby better serve the citizens of Cordova.

**PASSED AND APPROVED THIS 17<sup>th</sup> DAY OF FEBRUARY, 2016.**



  
\_\_\_\_\_  
James Kacsh, Mayor

ATTEST:

  
\_\_\_\_\_  
Susan Bourgeois, City Clerk



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## A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

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DATE: February 24, 2016

TO: Mayor and City Council

SUBJECT: Rescinding the motion to award disposal to Facility Contractors, LLC

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Council took action to award disposal of the old Museum/Library building to Facility Contractors, LLC at the February 17, 2016 regular meeting. Council member **Burton** has asked to have an item on this, the March 2, 2016 meeting, to rescind that motion from the February 17, 2016 meeting awarding the disposal. Council member **Beedle** agreed to that agenda item and therefore, this is before you tonight. Per Cordova Municipal Code 3.12.035 **Meetings – Agenda**...Two members of the council, the mayor, or the manager may submit items to the clerk to be placed on the agenda...

Recommended motion: Move to rescind the motion that was approved at the February 17, 2016 meeting: to award the disposal to Facility Contractors, LLC of Lots 12-18, Block 6, Original Townsite and the improvements thereon.

Required action: majority voice vote

Effect of an affirmative vote on the motion to rescind: Council should now give staff direction on what they want as the next step regarding these City lots.

Effect of a negative vote on the motion to rescind: Council action on disposal of the Lots 12-18, Block 6, Original Townsite and the improvements thereon at the February 17, 2016 meeting stands.



## **Pending agenda:**

**Winter/Spring 2016:** Code change regarding HSB and/or creation of a Health Care Advisory Board – awaiting QHR input (possibly more info forthcoming after **Jan 11** QHR meeting w-council)

### **Ordinance 1143 before Council 03-02-16**

HSB Quarterly regular meetings **Apr 6, 2016; July 6, 2016; Oct 5, 2016; Jan 4, 2017**

Presently the board is meeting monthly – special meetings between the regular quarterly meetings

Staff quarterly reports in packets: **April 20, 2016; Jul 20, 2016; Oct 19, 2016; Jan 18, 2017**

**April** (tbd) – City Attorney to present a community forum on Marijuana regulations, etc.

Capital Priorities List Meeting **Jun 1, 2016; Sep 7, 2016; Dec 7, 2016; Mar 1, 2017** – on hold due to limited (none) capital budget at state level

Joint Work Session with the **Native Village of Eyak Tribal Council** – met 11-9-15 (no City Council quorum); to meet quarterly – next tba (**February?**)

**Date TBD** - discussion regarding water charges at the harbor

Formation of a **marijuana**-related committee

**October 1, 2016** - effective date of substitute ordinance 1137 (plastic bag and polystyrene container ban) Council wants this on Pending Agenda so as to keep an eye on public opinion/effectiveness of the enactment of this ordinance

## **Committees:**

**Cordova Center Committee:** Tim Joyce, Sylvia Lange, Randy Robertson, Kristin Carpenter, Native Village of Eyak Representative, Chamber of Commerce Representative, Business Community Representative, PWSSC Representative, Stage of the Tides Representative.

**Fisheries Advisory Committee:** David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Chair, Marine Advisory Program Coordinator; Chelsea Haisman; and Jeremy Botz, ADF&G

**Cordova Trails Committee:** Elizabeth Senear, VACANCY, VACANCY, Toni Godes, and David Zastrow

**AMHS Committee:** (9 member board) **1)** Steve Graves (chamber seat), **2)** Wendy Ranney (community seat), **3)** Mike Anderson (community seat), **4)** Pete Hoepfner (school seat), other seats to be filled in 2016 as names are brought forward.

**Marijuana Committee:** pending

## **Calendars:**

3 months of calendars are attached hereto  
Mar 2016; Apr 2016; May 2016



# MARCH 2016

CALENDAR MONTH	<b>MARCH</b>
CALENDAR YEAR	<b>2016</b>
1ST DAY OF WEEK	<b>SUNDAY</b>

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	1	2	3	4	5
		ELECTION DAY 7am - 8pm CCA	6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	12:00 Mayor lunch w- chairs of bds&cms CCB		
6	7	8	9	10	11	12
		6:30 P&Z CCB	7:00 Sch Bd HSL 7:00 Harbor Cms CCB	12:00 Council spec mtg CCAB - certifying election results	CSD Basketball Conference Tourney @ Tok	
13	14	15	16	17	18	19
	CSD Spring Break	CSD Spring Break	CSD Spring Break 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	St. Patrick's Day CSD Spring Break	CSD end 3Q CSD Spring Break	IFQ halibut/sablefish season opens
20	21	22	23	24	25	26
27	28	29	30	31	1	2
Easter Sunday	Seward's Day-City Hall Offices Closed		CSD parent/teacher conferences 3/30, 3/31, 4/1			
3	4	Notes				

Legend:  
CCAB-Cordova Center  
Community Rms A&B  
HSL-High School Library


CCA-Cordova Center  
Community Rm A  
CCB-Cordova Center  
Community Rm B

CCM-Cordova Center Mayor's  
Conference Rm



# APRIL 2016


CALENDAR MONTH	APRIL
CALENDAR YEAR	2016
1ST DAY OF WEEK	SUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1 Alaska Shield Exercise	2 Alaska Shield Exercise
			CSD parent/teacher conferences 3/30, 3/31, 4/1			
3	4	5	6 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	7	8	9 CSD ACT test
10	11	12 6:30 P&Z CCB	13 7:00 Sch Bd HSL 7:00 Harbor Cms CCB	14	15 CSD Inservice	16 Health Fair
17	18	19	20 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	21	22	23  CHS Prom
24	25	26	27	28	29	30
1	2	<b>Notes</b>  Legend: CCAB-Cordova Center Community Rms A&B HSL-High School Library				
			CCA-Cordova Center Community Rm A CCB-Cordova Center Community Rm B	CCM-Cordova Center Mayor's Conference Rm		



# MAY 2016

CALENDAR MONTH	MAY
CALENDAR YEAR	2016
1ST DAY OF WEEK	SUNDAY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	5	6	7 CSD SAT test
8  Mother's Day	9	10	11 7:00 Sch Bd HSL 7:00 Harbor Cms CCB	12	13	14
15	16	17 6:30 P&Z CCB	18 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	19	20	21
22	23	24	25	26 CSD last day of School	27	28
29	30 Memorial Day-City Hall Offices Closed	31	1	2	3	4
5	6	Notes				

Legend:  
CCAB-Cordova Center  
Community Rms A&B  
HSL-High School Library

CCA-Cordova Center  
Community Rm A  
CCB-Cordova Center  
Community Rm B

CCM-Cordova Center Mayor's  
Conference Rm



**CITY OF CORDOVA, ALASKA – ELECTED OFFICIALS  
& APPOINTED MEMBERS OF CITY BOARDS and COMMISSIONS**

**MAYOR AND CITY COUNCIL - ELECTED**

seat/length of term	email	Date Elected	Term Expires
<b>Mayor:</b> 3 years	<b>James Kacsh</b> <a href="mailto:Mayor@cityofcordova.net">Mayor@cityofcordova.net</a>	March 5, 2013	March-16
Council members:			
Seat A: 3 years	<b>Kristin Carpenter</b> <a href="mailto:CouncilSeatA@cityofcordova.net">CouncilSeatA@cityofcordova.net</a>	March 5, 2013	March-16
Seat B: 3 years	<b>Timothy Joyce</b> <a href="mailto:CouncilSeatB@cityofcordova.net">CouncilSeatB@cityofcordova.net</a>	March 4, 2014 March 14, 2013 August 2, 2012	March-17 filled vacancy appt to A
Seat C: 3 years	<b>Tom Bailer</b> <a href="mailto:CouncilSeatC@cityofcordova.net">CouncilSeatC@cityofcordova.net</a>	March 4, 2014	March-17
Seat D: 3 years	<b>Robert Beedle</b> <a href="mailto:CouncilSeatD@cityofcordova.net">CouncilSeatD@cityofcordova.net</a>	March 3, 2015	March-18
Seat E: 3 years	<b>Josh Hallquist</b> <a href="mailto:CouncilSeatE@cityofcordova.net">CouncilSeatE@cityofcordova.net</a>	March 3, 2015	March-18
Seat F: 3 years	<b>David Reggiani</b> <a href="mailto:CouncilSeatF@cityofcordova.net">CouncilSeatF@cityofcordova.net</a>	March 5, 2013 March 2, 2010 March 3, 2009	March-16 1 yr trm
Seat G: 3 years	<b>James Burton, Vice-Mayor</b> <a href="mailto:CouncilSeatG@cityofcordova.net">CouncilSeatG@cityofcordova.net</a>	March 5, 2013	March-16

**SCHOOL BOARD - ELECTED**

length of term		Date Elected	Term Expires
3 years	<b>Bret Bradford</b>	March 3, 2015	March-18
3 years	<b>Tammy Altermott</b>	March 5, 2013	March-16
3 years	<b>Peter Hoepfner</b>	March 3, 2015 March 6, 2012 March 3, 2009 March 7, 2006	March-18
3 years	<b>Sheryl Glasen</b>	March 4, 2014	March-17
3 years	<b>Barb Jewell, President</b>	March 5, 2013	March-16
3 years	<b>Vacant (appointed, non-voting) City Council Rep</b>		

**LIBRARY BOARD - APPOINTED**

length of term		Date Appointed	Term Expires
3 years	<b>Wendy Ranney</b>	November-15 April-13	November-18
3 years	<b>Shannon Mallory</b>	November-13	November-16
3 years	<b>Krysta Williams</b>	December-14 November-11	November-17
3 years	<b>Kay Groff</b>	December-14 December-11 January-09	November-17
3 years	<b>Mary Anne Bishop, Chair</b>	November-13 November-10 November-06	November-16



## CORDOVA COMMUNITY MEDICAL CENTER – HEALTH SERVICES BOARD - with Council election

length of term		Date Appointed	Term Expires
3 years	<b>Kristin Carpenter, President</b>		with Council office
3 years	<b>Tom Bailer</b>		with Council office
3 years	<b>Tim Joyce</b>		with Council office
3 years	<b>James Burton</b>		with Council office
3 years	<b>Robert Beedle</b>		with Council office
3 years	<b>Josh Hallquist</b>		with Council office
3 years	<b>David Reggiani</b>		with Council office

### PLANNING AND ZONING COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Allen Roemhildt</b>	January-14	November-16
3 years	<b>Scott Pegau</b>	December-14 December-11	November-17
3 years	<b>John Baenen</b>	November-15 December-12	November-18
3 years	<b>Tom Bailer, chair</b>	November-13 December-11 November-08	November-16
3 years	<b>Tom McGann, vice chair</b>	December-14 December-11 April-11	November-17
3 years	<b>Heath Kocan</b>	November-15	November-18
3 years	<b>Mark Frohnapfel</b>	February-15	November-17

### HARBOR COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Robert Beedle, chair</b>	January-14	November-17
3 years	<b>Greg LoForte</b>	February-13 January-10 January-07	November-16
3 years	<b>Max Wiese</b>	January-14 March-11	November-17
3 years	<b>Ken Jones</b>	February-13	November-16
3 years	<b>Jacob Betts</b>	November-15	November-18

### PARKS AND RECREATION COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Kara Johnson</b>	February-15 December-12	November-17
3 years	<b>Miriam Dunbar</b>	November-15 August-14	November-18
3 years	<b>Wendy Ranney, Chair</b>	November-15 August-14	November-18
3 years	<b>Stephen Phillips</b>	November-15	November-18
3 years	<b>Marvin VanDenBroek</b>	February-14	November-16
3 years	<b>Karen Hallquist</b>	November-13	November-16
3 years	<b>Dave Zastrow</b>	February-15 September-14	November-17

seat up for re-election in 2016

termed out in 2016