

Mayor
James Kallander

Council Members
Keith van den Broek
James Kacsh
David Allison
Bret Bradford
EJ Cheshier
David Reggiani
Robert Beedle

City Manager
Mark Lynch

City Clerk
Susan Bourgeois

Deputy Clerk
Robyn Kincaid

Student Council
Dustin Marchant
Carl Ranney

**REGULAR COUNCIL MEETING
MARCH 21, 2012 IMMEDIATELY FOLLOWING
THE COUNCIL WORK SESSION AT 7:00PM
LIBRARY MEETING ROOM**



AGENDA

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 Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and Robert Beedle

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)
 - a. Student Council Representative

G. APPROVAL OF CONSENT CALENDAR..... (roll call vote)

4. Resolution 03-12-15..... (page 1)
A resolution of the City Council of the City of Cordova, Alaska, requesting FY 13 payment in lieu of taxes funding from the Department of Commerce, Community, and Economic Development
5. Resolution 03-12-18..... (page 9)
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a 10 year lease of property legally described as Lots 3, 4 & 5, Block 8, Original Townsite of Cordova with the Cordova Chamber of Commerce
6. Resolution 03-12-19..... (page 21)
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a 20 year lease of property legally described as Lot 12, Block 2, Ocean Dock Subdivision within Tract B, Tideland Survey No. 1589 with Chugach Alaska Corporation
7. Resolution 03-12-21..... (page 39)
A resolution of the city of Cordova, Alaska, authorizing the establishment of a line of credit with UBS Bank USA in a principal amount of not to exceed \$2,793,918.60 for the purpose of borrowing in anticipation of the receipt of revenues of the City to finance part of the cost of the Cordova Center project, and providing for related matters

H. APPROVAL OF MINUTES

8. Minutes of December 27, 2011 City Council Work Session..... (page 44)
9. Minutes of January 14, 2012 City Council Special Meeting..... (page 46)

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

10. Mayor's Report
11. Manager's Report..... (page 48)
12. City Clerk's Report..... (page 49)

13. Staff Reports

- a. **Josh Hallquist**, COR, Cordova Center Project
- b. **Cathy Sherman**, Cordova Center Phase 2

K. CORRESPONDENCE

- 14. Letter from George Covell in re E-911 surcharge 03-04-12..... (page 50)
- 15. Letter and proposed City Resolution against NDAA from John Whissel 03-01-12..... (page 51)
- 16. Letter from Senator Kookesh to the Governor in re nonresident workers 03-09-12..... (page 54)
- 17. SBA Disaster Assistance Announcement 03-12-12..... (page 56)
- 18. Letter to Senator Murkowski in re J-1 program changes..... (page 60)

L. ORDINANCES AND RESOLUTIONS

- 19. Resolution 03-12-20..... (voice vote)(page 62)
A resolution of the City Council of the City of Cordova, Alaska, suspending the collection of
an E-911 surcharge on all landlines and wireless telephones in Cordova

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

- 20. Council concurrence of Mayor's appointments to fill vacancies on the HSB..... (voice vote)(page 69)
- 21. Approving contract with CH2MHill for hospital roof..... (voice vote)(page 71)
- 22. Council's acceptance of P&Z Commission's Resolution 12-02..... (voice vote)(page 77)
- 23. Council action on P&Z Commission's recommendation in re..... (voice vote)(page 80)
Water line code change
- 24. Pending Agenda and Calendar..... (page 81)

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

- 25. Council Comments

Q. EXECUTIVE SESSION

- 26. Cordova Center Financial Update
- 27. Union contract negotiations
- 28. Options regarding Porterhouse tax and business license delinquencies
- 29. City Manager goals and expectations

R. ADJOURNMENT

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.

**If you have a disability that makes it difficult to attend city-sponsored functions,
you may contact 424-6200 for assistance.**

Full City Council agendas and packets available online at www.cityofcordova.net

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: March 14, 2012
TO: Mayor and City Council
SUBJECT: Resolution 03-12-15

The attached resolution requests payment in lieu of taxes from the Department of Commerce, Community, and Economic Development for FY13.

These funds are provided by the federal government to the state annually for distribution of payment in lieu of taxes income to cities in the Unorganized Borough that have federally owned lands within their jurisdictions. The PILT funds serve as compensation for lost revenues due to the fact that federal lands cannot be developed, thus restricting economic development.

The formula is based on price per acre, and the actual payment is calculated within the census areas and then divided among the communities within the census area based on population as certified by the commissioner of DCCED during the state fiscal year immediately preceding the state fiscal year in which the distribution to the city is to be made. Cordova's population (2,289) gives us a PILT allocation for FY13 of \$400,877.92. In our census area (Cordova, Whittier and Valdez) Cordova accounts for 35.18% of the population. The checks will be mailed in July.

Recommended Motion: Move to approve the consent Calendar.

Required Action: Majority roll call vote on the Consent Calendar.

**FY 12 PAYMENT IN LIEU OF TAXES
FUNDING RESOLUTION**

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
REQUESTING FY 13 PAYMENT IN LIEU OF TAXES FUNDING FROM THE
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC
DEVELOPMENT.**

WHEREAS, 3 AAC 152.100 requires the governing body of a city to adopt a resolution requesting funding from the Payment in Lieu of Taxes Program for cities in the unorganized borough and to submit the resolution to the Department of Commerce, Community, and Economic Development; and,

WHEREAS, the City has conducted a regular election during the preceding state fiscal year and has reported the results of the election to the commissioner; and,

WHEREAS, regular meetings of the governing body are held in the city and a record of the proceedings is maintained; and,

WHEREAS, ordinances adopted by the city have been codified in accordance with AS 29.25.050;

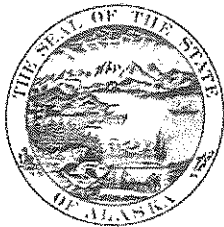
NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, by this resolution hereby requests distribution from the FY 13 Payment in Lieu of Taxes Program by the Department of Commerce, Community, and Economic Development on the date required by law.

**PASSED AND APPROVED by a duly constituted quorum of the City Council
this 21st day of March, 2012.**

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

Sean Parnell, Governor
Susan K. Bell, Commissioner
Scott Ruby, Director

March 5, 2012

Dear Municipal Official:

RE: FY 13 PAYMENT IN LIEU OF TAXES PROGRAM
FOR CITIES IN THE UNORGANIZED BOROUGH

RECEIVED
MAR 08 2012
City of Cordova

Enclosed is a sample resolution for the FY 13 Payment in Lieu of Taxes (PILT) Program for Cities in the Unorganized Borough. FY 13 PILT payments will be available for distribution in July, 2012. Funding for this program originates from the U.S. Department of the Interior and the CFDA number is 15.226.

Program regulations require that to receive a FY 13 PILT payment, a city must submit to the Department a resolution which requests payment and certifies that certain minimum standards have been met. Program regulations also require that a city submit to the Department a copy of its FY 13 approved budget (2012 budget for cities operating on a calendar fiscal year) and a copy of its FY 11 audit or certified financial statement. **However, if you have already submitted these documents to the Department, you do not have to submit them again.**

The adopted resolution, FY 13 budget, and FY 11 audit or certified financial statement should be submitted to:

Department of Commerce, Community, and Economic Development
Division of Community & Regional Affairs
Payment in Lieu of Taxes Program
P.O. Box 110809
Juneau, AK 99811

Under the Emergency Economic Stabilization Act of 2008 (Public Law 110-343), Congress authorized full funding of the PILT Program through FY 13. However, the level of funding beyond that date is uncertain and may decline substantially, so please plan accordingly.

Should you have any questions regarding the FY 13 PILT program, please feel free to call me in Juneau at 907-465-4751.

Sincerely,

Lawrence Blood
Local Government Specialist IV

Enclosure: Sample FY 13 PILT Resolution

Susan,

Please see the table below for the Valdez/Cordova census area. It provides estimated FY 13 payments, population, and percentage of population data.

I have also attached an overview of the Payment In Lieu of Taxes Program for cities in the unorganized borough, including relevant Alaska statutes and regulations.

The entitlement land acreage for the Valdez/Cordova census area is 15,014,997 acres; however, I cannot provide you with a cost per acre value. The U.S. Department of the Interior calculates the payments to the census areas in the unorganized borough using one of two alternative computation methods. You can get additional information on the computation methods by visiting the FAQs on the Department of the Interior's webpage at <http://www.doi.gov/pilt/faqs.html>.

| | | | | |
|-----------------------|----------|--------------|-------------|-----------------------|
| Valdez/Cordova | Cordova | 2,289 | 35.18% | \$400,877.92 |
| | Valdez | 3,992 | 61.36% | \$699,128.30 |
| | Whittier | 225 | 3.46% | \$39,404.78 |
| | | 6,506 | 100% | \$1,139,411.00 |

Please let me know if you have any other questions,

Lawrence Blood

Local Government Specialist IV

Department of Commerce, Community, and Economic Development

Division of Community and Regional Affairs

907-465-4751

907-465-4761 fax

PAYMENT IN LIEU OF TAXES FOR CITIES IN THE UNORGANIZED BOROUGH PROGRAM

3 AAC 152.010 - 152.900

The federal Payment in Lieu of Taxes (PILT) Program provides payments to local governments, typically counties or boroughs, containing certain federally-owned lands, also known as "entitlement lands". The PILT payments are calculated by the U.S. Department of the Interior and are intended to supplement other federal land payments local governments may be receiving. Federal law provides that PILT payments may be used by local governments for any governmental purpose.

The federal PILT formula calculates payments based upon the population and number of acres of entitlement lands located within the local government. Entitlement lands include lands in the National Forest System, National Park System, lands administered by the Bureau of Land Management, and certain National Wildlife Reserve areas.

In the 104th Congress, Division of Community and Regional Affairs staff worked closely with the late Senator Stevens who sponsored legislation amending the federal PILT program, 31 USC 6901 et seq., to permit the payment of PILT monies to the State of Alaska for distribution to cities within the State's unorganized borough. The amendment passed as part of the Omnibus Parks and Public Lands Management Act of 1996 (P.L. 104-333, sec 1033). The amendments provide that the eleven federal census areas comprising Alaska's unorganized borough are to be considered units of local government for purposes of this program. A PILT payment is made to the State for each of the eleven federal census areas. The federal law then provides that the State "shall distribute such payment to home rule cities and general law cities (as such cities are defined by the State) located within the boundaries of the unit of local government for which the payment was received".

Accordingly, the Department adopted regulations implementing the newly expanded PILT program. Department regulations provide that each census area payment be distributed among the eligible cities located within the boundaries of the census area on the basis of population.

Distributions under the Payment in Lieu of Taxes Program are made beginning in July of each fiscal year.

PAYMENT IN LIEU OF TAXES FOR CITIES IN THE UNORGANIZED BOROUGH PROGRAM REGULATIONS

Alaska Administrative Code

3 AAC 152.010. Purpose

3 AAC 152.100. Eligibility requirements

3 AAC 152.200. Calculation of payment in lieu of taxes allocations

3 AAC 152.210. Distribution of payments

3 AAC 152.220. Use of payments

3 AAC 152.900. Definitions

PAYMENT IN LIEU OF TAXES FOR CITIES IN THE UNORGANIZED BOROUGH REGULATIONS PROGRAM

3 AAC 152.010. Purpose

3 AAC 152.010 - 3 AAC 152.900 provide for annual distribution of payment in lieu of taxes income received by the state from the federal government under 31 U.S.C. 6901 - 6902, to eligible home rule and general law cities located within the unorganized borough.

3 AAC 152.100. Eligibility requirements

To be eligible to receive a distribution under the payment in lieu of taxes for cities in the unorganized borough program, a city must

(1) be located within the circumference of the boundaries of a federally designated area in the unorganized borough;

(2) be incorporated as a city under AS 29.04.010 - 29.04.020 before July 1 of the state fiscal year in which the distribution is requested;

(3) submit a resolution to the department that requests the distribution and verifies that

(A) the city has conducted a regular election during the state fiscal year preceding the state fiscal year in which the distribution is requested and has reported the results of the election to the commissioner;

(B) regular meetings of the city's governing body are held in the city and a record of the proceedings is maintained; and

(C) local ordinances adopted by the city have been codified in accordance with AS 29.25.050 ;

(4) adopt and submit to the department a copy of the city's budget for its fiscal year in which the distribution is requested;

(5) for a home rule or first class city, file with the department a copy of the city's audit for the city's second fiscal year preceding its fiscal year in which the distribution is requested; and

(6) for a second class city, file with the department a copy of the city's audit or certified statement of annual income and expenditures for the city's second fiscal year preceding its fiscal year in which the distribution is requested.

3 AAC 152.200. Calculation of payment in lieu of taxes allocations

Subject to appropriations, each payment received by the state under 31 U.S.C. 6901 - 6902 for a federally designated area in the unorganized borough will be fully allocated by the department among the eligible home rule and general law cities located within the boundaries of that area on the basis of the population of each of those cities. For the purpose of this section, the population of a city is the population residing within the city and within the federally designated area, as certified by the commissioner during the state fiscal year immediately preceding the state fiscal year in which the distribution to the city is to be made.

3 AAC 152.210. Distribution of payments

Subject to the receipt of appropriations, distribution to cities of payment in lieu of taxes income under this chapter will be made by the department to eligible cities on or after July 1 of the state fiscal year in which the department receives the federal payment for a federally designated area.

3 AAC 152.220. Use of payments

A distribution received by a city under 3 AAC 152.010 - 3 AAC 152.900 may be used for any purpose authorized by law for which the city otherwise has the power to expend money.

3 AAC 152.900. Definitions

In this chapter,

(1) "commissioner" means the commissioner of the department;

(2) "department" means the Department of Commerce, Community, and Economic Development;

(3) "federally designated area" means a census area designated by the federal government for use in making payments to the state under 31 U.S.C. 6901 - 6902.

Memorandum

To: City Council
From: Faith Wheeler-Jeppson, Assistant Planner
Date: 3/15/2012
Re: Lease for Lots 3, 4 & 5, Block 8, Original Townsite

Attachments

Draft Resolution
Draft Lease

PART I. BACKGROUND:

The Cordova Chamber of Commerce has been leasing the property located at 404 First Street yearly for over a decade. Planning Department Staff feels that it would be beneficial for the City to have a long-term lease with the Chamber of Commerce rather than an annual lease.

The draft Resolution and Lease Contract have been prepared by Planning Department staff and reviewed by the City Attorney.

PART II. SUGGESTED MOTION:

“I move to approve Resolution 3-12-18”

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-18**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CITY MANAGER TO ENTER INTO A 10 YEAR LEASE OF PROPERTY
LEGALLY DESCRIBED AS LOTS 3, 4 & 5, BLOCK 8, ORIGINAL TOWNSITE OF CORDOVA
WITH THE CORDOVA CHAMBER OF COMMERCE**

WHEREAS, the Cordova Chamber of Commerce lease terms have been yearly, City Staff feels that a long term lease would benefit the Chamber of Commerce as well as the City of Cordova; and

WHEREAS, the lease between the City of Cordova and Cordova Chamber of Commerce will allow the use of the City's real property for a purpose beneficial to the city pursuant to CMC 5.22.070(A); and

WHEREAS, the current lease term with the Chamber of Commerce will expire on October 31, 2012, the new lease would carry their tenancy through March 31, 2022; and

WHEREAS, the annual rental rate of One Dollar (\$1.00) will remain the same; and

WHEREAS, the City Administration proposes entering into the lease so long as the terms of the original lease remain in force; and

WHEREAS, the lease between the City of Cordova and the Cordova Chamber of Commerce is hereto attached as Attachment A.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska hereby authorizes and directs the City Manager to lease the Property to the Chamber of Commerce in accordance with the terms in the Lease. The form and content of the Lease now before this meeting is in all respects authorized, approved and confirmed by this resolution, 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.

PASSED AND APPROVED THIS 21st DAY OF MARCH, 2012.

James Kallander, Mayor

Attest:

Susan Bourgeois, City Clerk

Attachment A

**CITY OF CORDOVA
Cordova, Alaska**

LEASE

THIS LEASE ("Lease") by and between the **CITY OF CORDOVA**, a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and **CORDOVA CHAMBER OF COMMERCE** doing business in Cordova, Alaska ("Lessee").

RECITALS

WHEREAS, the City owns that certain parcel of land in Cordova, Alaska generally described as Lots 3, 4 & 5, Block 8, Original Townsite, U.S.S. 449, which (referred to hereinafter as the "Premises"); and

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

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

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

1. LEASE OF PREMISES

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

2. LEASE TERM

The term of this Lease shall be ten (10) years, commencing on March 31, 2012 (the "Commencement Date") and expiring ten (10) years later, on March 31, 2022, unless earlier terminated in accordance with the terms of this Lease.

3. RENT

Base Rent. The Lessee shall pay the Lessor an annual rent of One Dollar (\$1.00).

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Use of the Premises shall be limited to the day to day operations of the Cordova Chamber of Commerce which will also include but not be limited to major community events such as the Iceworm Festival, Shorebird Festival, the Fourth of July Celebration and the Christmas Kickoff. The Premises shall not, without the prior written consent of the City, be used for any other purposes. Lessee shall not construct or install, or cause to be constructed or installed on the Premises, any improvements or other permanent alteration of the Premises without written permission from the city. Lessee shall not conduct any enterprise or activity on the Premises that cannot be terminated on thirty (30) days' notice.

B. Inspections. The City and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at all reasonable times to inspect the use and condition of the Premises; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Premises. The City

shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents.

C. Compliance with Laws. 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 leave the Premises unoccupied or vacant without the City's prior written consent. 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 of the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, is suitable or usable or any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute §9.65.070, or any amendment thereto.

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

5. 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 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.

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

7. RESERVED

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 CMC §5.40.125, or property tax liens under CMC §5.36.260. If the City posts any notice of non-responsibility on the Premises, 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, attorney's 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 attorney 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. Lessee has had full opportunity to examine the Premises for the presence of any Hazardous Material (as hereafter defined) and accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. 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, attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the term of this Lease, that result from the use, keeping, storage, or disposal of Hazardous Material in, on or about the Premises by 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 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, attorney's fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to (i) the presence, disposal, release, or threatened release of any such Hazardous Material which is on or from the Premises, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Lessee or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees, or authorized representatives.

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

10. 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:

- (1) 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 (\$1,000,000.00) per accident or occurrence for bodily injury and death, and property damage for each occurrence;

(2) 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 terms as are satisfactory to the City;

(3) Personal property insurance covering Lessee's trade fixtures, furnishings, equipment, and other items of personal property of Lessee located on the Premises; and

(4) Workers compensation insurance, and such other insurance as is 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. Prior to commencement of the Lease term, Lessee shall provide the City with proof of the insurance required by this Section 10.

11. REMOVAL OF PROPERTY

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

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

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

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

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

(vii) The breach or violation of any statutes, laws, regulations, rules or ordinances of any kind applicable to Lessee's use or occupancy of the Premises; or

(viii) The failure to observe or perform any covenant, promise, agreement, obligation or condition set forth in this Lease, other than the payment of rent, if such failure shall not be cured within ten (10) days after written notice has been given to Lessee. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Lessee perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly makes such election in the notice.

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

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

(ii) Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at 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 and expel Lessee without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant;

(iii) Declare this Lease terminated;

(iv) Recover, whether this Lease is terminated or not, reasonable attorney's fees and all other expenses incurred by the City by reason of the default or breach by Lessee;

(v) Recover an amount to be due immediately upon breach equal to the sum of all 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;

(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, nor for any injury caused thereby to the property of the Lessee or any sub-lessee, or that of any other person. The City is not obligated to replace, refill, or improve any part of the Premises during Lessee's occupancy in the event of such 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 made after the Commencement Date, 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 such expenses.

15. RESERVATION OF RIGHTS

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensation to 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. 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 term 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 rental amount applicable immediately prior to such expiration or termination, subject to adjustment in accordance with CMC § 5.22.040(c) or such successor provision of the code then in effect, and shall be terminable on 30 days' written notice given at any time by either party. All other provisions of this Lease except those pertaining to term and rent shall apply to the month-to-month tenancy. If 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.

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 preparation, operation and enforcement of this Lease.

20. MISCELLANEOUS

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

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

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

D. Relationship of Parties. Nothing in this Lease shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between 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:

**Cordova Chamber of Commerce
Attn: Martin Moe
P.O. Box 99
Cordova, AK 99574**

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

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

G. No Waiver of Breach. No failure by the City to insist upon the strict performance of any term,

covenant or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant or condition. No waiver of any breach shall effect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

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

I. Late Payment. In the event that any rent or other payment due under this Lease is not received by the City when due, a late fee of five percent (5%) per month of the principal amount due shall be due and payable until the full amount of rent or other payment is received by the City.

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

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

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

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

N. Authority. Lessee represents that Lessee is a for-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Washington, and is duly authorized by the State of Alaska to do business as a foreign corporation in the State of Alaska, and that Lessee has all necessary power and is duly authorized to enter into this Lease and to carry out the obligations of Lessee hereunder. Prior to executing this Lease, Lessee shall provide the City with a certificate of authority issued by the State of Alaska, and shall provide the City with a resolution of Lessee's Board of Directors authorizing Lessee to enter into this Lease and to carry out its obligations hereunder as set forth above, and authorizing and directing the officer of Lessee whose name and signature appear at the end of this Lease to execute this Lease on Lessee's behalf.

O. Exhibits. Exhibit A to this Lease is hereby specifically incorporated into this Lease.

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

Q. 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.

R. 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.

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

21. ADDITIONAL CONDITIONS

In addition to the terms specified above, the City and the Lessee agree to the additional terms and conditions contained in Exhibit (A). If there is a conflict between the conditions stated in the body of the lease, and the conditions listed in Exhibit (A), those conditions listed in Exhibit (A) shall prevail.

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

CITY:

CITY OF CORDOVA

Dated: _____

By: _____

Its: City Manager

Attest: _____

City Clerk

LESSEE:

Cordova Chamber of Commerce

Dated: _____

By: _____

Its: _____

EXHIBIT (A)

The following agreement is entered into by the City of Cordova and the Cordova Chamber of Commerce regarding responsibilities and costs associated with the Chamber's use of the building at 404 First Street.

It is the intent of the Chamber and the City that this agreement be binding on both parties and be revisited yearly for potential revision.

The Chamber of Commerce agrees to be responsible for the following items:

- (1) To staff the building with Chamber personnel or volunteers on the following minimum schedule: Monday through Friday, four hours per day, excluding December 13 through January 13 and various vacation, holiday and sick days. Weekends during major community events (such as Iceworm Festival, Shorebird Festival), hours scheduled as needed;
- (2) All electricity costs of the building;
- (3) All costs associated with telephones, faxes and computer lines inside the building;
- (4) All costs associated with regular cleaning of the restrooms either by Chamber personnel, volunteers, or outside contractors;
- (5) All costs associated with cleaning supplies for the restrooms;
- (6) Costs associated with minor maintenance items (painting, minor repairs, etc. unrelated to the furnace) not to exceed \$500.00 per year on a calendar year basis;
- (7) Snow shoveling, as needed, of the access ramp leading to the building.

The City of Cordova agrees to be responsible for the following items:

- (1) All heating fuel costs for the building;
- (2) All costs associated with maintenance or repair of the furnace;
- (3) Costs associated with major maintenance or repair items to the building;
- (4) All costs associated with sewer, water and trash service for the building;
- (5) To continue to provide routine maintenance and snow plowing of the parking area adjacent to the building;
- (6) To carry normal insurance, (fire/liability) on the building as a city owned structure;
- (7) To provide normal building security to the extent provided other City buildings.

Memorandum

To: City Council

From: Planning Staff

Date: 3/15/2012

Re: City lease of Lot 12. Block 2 Ocean Dock Subdivisions (Chugach Lot)

Attachments

Draft Resoluton

Draft Lease

PART I. BACKGROUND:

The City of Cordova is entering into a lease agreement with Chugach Corporation to lease Lot 12, Block 2 of the Ocean Dock Subdivision. Leasing this lot will allow the city to have additional space at the boat haul out facility.

The draft resolution and Lease Contract have been prepared by Planning Department staff and reviewed by the City Attorney.

PART II. SUGGESTED MOTION:

“I move to approve Resolution 3-12-19”

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-19**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CITY MANAGER TO ENTER INTO A 20 YEAR LEASE OF
PROPERTY LEGALLY DESCRIBED AS LOT 12, BLOCK 2, OCEAN DOCK SUBDIVISION
WITHIN TRACT B, TIDELAND SURVEY NO. 1589 WITH CHUGACH ALASKA
CORPORATION**

WHEREAS, the City of Cordova (“City”) has negotiated a lease with Chugach Alaska Corporation for the use of property for boat haul-out, maintenance, storage services and facilities, and such other uses incidental to these uses, and

WHEREAS, the City is paying no more than fair market value for the lease of the property described in the Lease Between the City and Chugach Alaska Corporation (“Lease”), attached as Attachment A and incorporated hereto, and

WHEREAS, the services provided by Chugach Alaska Corporation under the terms of the Lease are in the City’s best interests, and

WHEREAS, the form of the Lease to be executed in connection with the City’s lease of property owned by Chugach Alaska Corporation is attached to this Resolution and it appears that the Lease is in an appropriate form and is an appropriate instrument for the purposes intended;

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, hereby authorizes and directs the City Manager to lease the Property from Chugach Alaska Corporation in accordance with the terms in the Lease. The form and content of the Lease now before this meeting is in all respects authorized, approved and confirmed by this resolution, 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.

PASSED AND APPROVED THIS 21st DAY OF MARCH, 2012.

James Kallander, Mayor

Attest:

Susan Bourgeois, City Clerk

GROUND LEASE

This GROUND LEASE (the "Lease") is made and entered into and effective as of the ____ day of _____, 2012 (the "Effective Date"), by and between CHUGACH ALASKA CORPORATION, an Alaska corporation ("Lessor"), and the CITY OF CORDOVA, a municipal corporation ("Lessee").

1. Premises. Lessor, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Lessee, does hereby let, lease and demise to Lessee, and Lessee does hereby lease from Lessor, the unimproved real estate located in Cordova, Alaska, more particularly described on Exhibit A attached hereto, together with all rights, rights-of-way, easements, alleys, reversionary rights and privileges, and appurtenances now or hereafter belonging or appertaining thereto, pursuant to this Lease (the "Premises" or the "Leased Premises").

2. Use and Acceptance of Premises.

2.1 Use. Lessee may use and occupy the Premises solely for boat haulout, maintenance and storage services and facilities, and such other uses incidental thereto, and the Premises shall not be used for any other purposes without the prior written consent of Lessor, which consent Lessor may withhold in its sole discretion. Lessee shall keep the entire Premises in a clean, safe and orderly condition and in good maintenance, repair and condition at all times. Lessee shall comply with all applicable federal, state and local statutes, laws, rules, regulations, orders and ordinances ("Laws") in any manner affecting any of the Premises, Lessee's property and/or Lessee's operations. Lessee shall not use or permit any part of the Premises to be used for any unlawful or unauthorized purpose nor perform, permit or suffer any act or omission upon or about the Premises or improvements which would result in a nuisance or a violation of any applicable laws, ordinances or regulations. Lessee shall not cause or permit any waste, damage or injury to the Premises and shall not vacate or abandon the Premises at any time during the Term hereof.

2.2 Acceptance. Lessee has inspected the Premises and Lessee accepts the same "AS IS WITH ALL FAULTS." Lessor makes no warranties, expressed or implied, concerning the title or condition of the Premises, including survey, access,

utility availability, or suitability for use, including those uses authorized by this Lease. Lessor shall have no liability or obligation with respect to the condition, maintenance or use of the Premises or any improvements hereinafter placed on the Premises except as otherwise provided in this Lease.

3. Term. Unless earlier terminated as set forth herein, the term of this Lease shall be for a period of twenty (20) years, beginning on the Effective Date and expiring at 11:59 pm, _____, 2032 (the "Term").

4. Rent.

4.1 In General. Lessee shall pay all rent ("Rent") to Lessor annually in advance on the first (1st) day of the anniversary month during the Term of this Lease. Rent shall be paid at the address shown in Section 18 below, or such other place as Lessor may designate in writing from time to time. All Rent shall be paid without prior demand or notice and without any deduction or offset whatsoever. All Rent shall be paid in lawful currency of the United States of America. Rent due for any partial month shall be pro rated on the basis of the number of days included in the term of the Lease.

4.2 Rental Amount and Adjustments. Annual Rent for the first (1st) year of this Lease shall be Four Thousand Forty and 00/100 Dollars (\$4,040.00). On the first (1st) anniversary of the Effective Date and on each anniversary of the Effective Date thereafter, except for the fifth (5th), the tenth (10th) and the fifteenth (15th) anniversary dates, the then current annual Rent shall be increased by two percent (2%). The annual Rent for the sixth (6th), the eleventh (11th) and the sixteenth (16th) years of the Term respectively shall be recalculated and established, based upon the fair market value of the Premises, as follows: on or before the date that is sixty (60) days prior to the applicable anniversary date, Lessee shall deliver to Lessor in writing Lessee's proposed fair market value of the Premises ("Lessee's Proposal"). Lessor shall have fifteen (15) days after receipt of Lessee's Proposal in which to accept or object to Lessee's Proposal, provided that if Lessor does not object to Lessee's Proposal in writing within such fifteen (15) day period, the amount stated in Lessee's Proposal shall be conclusively established as the fair market value of the Premises for the purpose of establishing the annual Rent for the following year. If Lessor objects to Lessee's Proposal within such fifteen (15) day period, the parties shall confer within five (5) days

of Lessee's receipt of Lessor's written objection for the purpose of reaching mutual agreement on the fair market value of the Premises for the purpose of establishing the annual Rent for the following year. If the parties fail to reach an agreement within ten (10) days of Lessor's objection, Lessor shall promptly engage an MAI certified appraiser to determine the fair market value of the Premises for the purpose of establishing the Rent for the following year. If the fair market value reported by Lessor's appraiser is not more than one hundred fifteen percent (115%) of Lessor's Proposal, then the average of the two values shall be the fair market value of the Premises for the purpose of establishing the annual Rent for the following year. If the fair market value reported by Lessor's appraiser is more than one hundred fifteen percent (115%) of Lessee's Proposal, the parties shall mutually select and share the expense of an MAI certified appraiser who shall conclusively determine the fair market value of the Premises for the purpose of establishing the annual Rent for the following year. Fair market value shall be based on the condition of the Premises as of commencement of the Term and without regard to this Lease or the terms and conditions hereof including without limitation Section 2. Upon final determination of the fair market value of the Premises as provided in this Section 4.2, the annual Rent shall be established at ten percent (10%) of such fair market value, provided that in no event shall the annual Rent be less than one hundred two percent (102%) of the Rent for the previous year of the Lease. Once determined and established, the parties shall memorialize the fair market value and annual Rent for the applicable year in writing signed by both parties. In the event of failure to conclusively determine the Rent prior to the commencement of the applicable year, Lessee shall pay to Lessor the current Rent until the annual Rent is conclusively determined, at which time Lessee shall pay the required adjustment to Lessor in a lump sum. The parties agree to a standard of good faith and reasonableness in their attempts to affirmatively resolve the issue of Rent.

5. Taxes and Other Charges.

5.1 Property Taxes and Assessments. Beginning on the Effective Date, as additional Rent, Lessee agrees to pay to the public authorities charged with the collection thereof, promptly as the same become due and payable, all taxes, assessments (general and special), permits, inspection and license fees and other

public charges, whether of a like or different nature, levied upon or assessed against the Leased Premises and any buildings, structures, fixtures or improvements now or hereafter located thereon, or arising in respect of the occupancy, use or possession of the Premises, and which are assessed and are, or may become, a lien during the Term of this Lease; Lessee agrees to exhibit to Lessor, on demand, receipts evidencing payment of all taxes, assessments and public charges so payable by Lessee.

5.2 Other Taxes. As additional Rent, Lessee further agrees to pay any sales, use, gross receipts, or business revenues tax that may in the future be imposed by any public authority upon the rents or revenues payable to Lessor hereunder, it being understood that the payment of Rent to Lessor shall be net of any such tax that may be imposed upon gross rents or revenues, which tax shall be paid by Lessee to Lessor as additional Rent.

5.3 Utilities. All costs for utilities and other services necessary for the operation of the Premises, improvements thereon, and Lessee's activities thereon, including without limitation, gas, heating oil, electric, water, sewer, garbage, janitorial, snow removal, telephone, cable and satellite, shall be provided by Lessee at Lessee's sole cost and expense. Lessee shall be solely responsible, at Lessee's sole cost and expense, for necessary utility hook-ups and connection, including without limitation, those necessary for water and sewer.

5.4 Payment by Lessor. Lessor shall have the right to pay any taxes, assessments, levies or other charges upon the Premises, or other charges payable by Lessee under the terms of this Lease, and to pay, cancel and clear off all tax sales, liens, charges and claims upon or against the Premises or any building or improvement that may be placed thereon, and redeem the Premises from the same, from time to time without being obligated to inquire as to the validity of the same. Any sum so paid by Lessor shall become additional Rent due and payable by Lessee on the next day after any such payment by Lessor.

5.5 Contest of Taxes. Lessee has the right to contest any taxes or assessments that Lessee is obligated to pay under Section 5 of this Lease entitled "Taxes and Other Charges." Such proceedings must, if instituted, be conducted promptly at Lessee's own expense and free from all expense to Lessor. Before

instituting any such proceedings, Lessee must pay under protest any such taxes or assessments, or must furnish to Lessor a surety bond written by a company acceptable to Lessor other security acceptable to Lessor, sufficient to cover the amount of such taxes or assessments, with interest for the period that such proceedings may reasonably be expected to take, and costs, securing the payment of such taxes or assessments, interest and costs in connection therewith when finally determined. Notwithstanding the furnishing of any such bond or security, Lessee must pay any such taxes or assessments at least thirty (30) days before the time when the Property or any part thereof, might be forfeited. The proceedings referred to in this section may include appropriate appeals from any order or judgments therein, but all such proceedings must be begun as soon as reasonably possible after the imposition or assessment of any such taxes or assessments and must be prosecuted to final adjudication promptly. In the event of any reduction, cancellation or discharge, Lessee must pay the amount that is finally levied or assessed against the Property or adjudicated to be due and payable, and if there is any refund payable by the governmental authority with respect thereto, Lessee will be entitled to receive and retain the same.

5.6 Lease is "Triple Net." In construing the terms of this Lease, it is the intent of the parties that the Lease is a "triple net lease" providing for Lessee to pay the ground rental to Lessor without offset or reduction of any kind or nature and all costs associated with Lessee's lease, use or occupancy of the Premises.

6. Quiet Enjoyment. Lessor hereby represents and warrants to Lessee that Lessee, upon paying the Rent and other charges provided for in this Lease and observing and keeping all of the covenants and conditions of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term without hindrance or interference by Lessor or by any person or entity claiming a right, title or interest in or to the Premises through Lessor.

7. Construction; Ownership. Lessee may, upon advanced written consent and approval of Lessor, construct, erect, place or affix improvements, buildings, fixtures and structures on the Premises subject to the following: (i) the entire cost of all such improvements shall be borne and paid for by Lessee; (ii) all development shall comply with all applicable structural, building, plumbing, mechanical and electrical codes and

other applicable federal, state and local statutes, laws, rules, regulations, codes, orders and ordinances; (iii) Lessee shall not permit any lien to be filed against any part of the Premises or the Lessee's leasehold interest, by reason of work, labor, services or materials supplied or delivered to Lessee or the Premises. If any such lien is filed, Lessee shall indemnify and defend Lessor in any court proceedings brought to collect on any such lien(s) and Lessee shall cause the same to be discharged of record within sixty (60) days after the date of filing; and (iv) Lessee shall obtain any and all permits as necessary for development of the Premises. All improvements, facilities, buildings, fixtures and structures constructed, placed, erected on the Premises or affixed to Premises by Lessee pursuant to this Lease shall be the sole property of Lessee.

8. Insurance. Lessee shall procure and maintain public liability insurance coverage, naming Lessor as an additional insured, which coverage shall not be less than \$1,000,000 per person, \$3,000,000 in the aggregate per accident, and \$2,000,000 property damage. Upon the commencement of the sixth (6th), the eleventh (11th), and the sixteenth (16th) years of the Term, upon request of either party, Lessor and Lessee shall agree upon new limits for such insurance coverage, which new limits shall, at a minimum, reflect increases (but not decreases) to the cost of living during the previous five (5) year period. Lessee shall procure and maintain property insurance on any buildings and improvements on the Premises in a minimum amount equal to the replacement value of such building and improvements, and Lessee shall name Lessor and Lessee as insureds on all insurance policies that Lessee is required to maintain under the provisions of this Section 8. All of the insurance policies required pursuant to this Lease shall provide that the insurers waive their rights of subrogation against Lessor. Lessee shall furnish copies of certificates evidencing insurance coverage to Lessor automatically, without demand of Lessor, within thirty (30) days of the Effective Date or any agreed-upon changes in coverage.

9. Indemnification.

9.1 Lessee agrees to protect, indemnify and hold Lessor harmless from and against any and all liability arising from acts or omissions of any person and of any nature whatsoever occurring on the Property during the Term or during Lessee's possession of the Property, or arising out of or relating to the Lessee's use of the

Property, causing injury to, or death of persons, or loss of, or damage to, property, and from any expense, including attorney's fees, incidental to the defense of and by Lessor therefrom, excepting only liability arising from the negligence of Lessor. If any action or proceeding is brought against Lessor by reason of any such occurrences, Lessor will promptly notify Lessee in writing of such action or proceeding.

9.2 Use of Hazardous Materials on the Premises.

9.2.1 Lessee must not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by Lessee or its authorized representatives, customers, invitees or sublessees, except for such Hazardous Material as is reasonably necessary or useful to Lessee's lawful use of the Property.

9.2.2 Any Hazardous Material permitted on the Premises as provided in this Section 9.2, and all containers therefor, must be handled, used, kept, stored and disposed of in a manner that complies with all laws or regulations applicable to any such Hazardous Material. Such Hazardous Material must be handled only by properly trained personnel.

9.2.3 Lessee must not discharge, leak or emit, or permit to be discharged, leaked or emitted, any Hazardous Material into the atmosphere, ground, sewer system or any body of water, on or from the Premises.

9.2.4 If any discharge, leak, spill, emission, or pollution of any type occurs upon or from the Premises during the Lease term or any holdover, Lessee will immediately notify Lessor and all appropriate federal, state, and local authorities, and will act immediately to contain the spill, repair any damage, absorb and clean up the spill area and restore the Premises to comply with the applicable portions of any federal, state, or local law or regulation then in effect.

9.2.5 Lessee hereby agrees that it will be fully liable for all costs and expenses related to the handling, use, storage, and disposal of Hazardous Material brought or kept on the Premises by the Lessee, its authorized representatives, customers, invitees and sublessees, and the Lessee must give immediate notice to the Lessor of any violation or potential violation of the provisions of this Section 9.2.

9.3 Indemnification of Lessor Regarding Hazardous Materials. Any other provisions of the Lease to the contrary notwithstanding, Lessee must defend, indemnify and hold harmless Lessor and its authorized representatives, from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorney, consultant and expert fees, court costs and litigation expenses) of whatever kind of nature, known or unknown, contingent or otherwise, arising out of or in any way related to: (a) the presence, disposal, release, or threatened release of any such Hazardous Material that is on, from, or affecting the Premises, soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (b) any bodily injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Material; and/or (d) any violation of any laws applicable thereto. However, this paragraph will apply only if the acts or omissions giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses: (i) occur in whole or in part during the Term of this Lease or during any time of Lessee's possession or occupancy of the Premises prior to or after the Term of this Lease; or (ii) are caused in whole or in part by the occupancy of, use of, operations on, or actions on or arising out of the Premises by Lessee or its employees, agents, customers, invitees or contractors. The provisions of this Section 9.3 will be in addition to any other obligations and liabilities Lessee may have to Lessor at law or equity and will survive the termination of this Lease.

9.4 Hazardous Material Defined. "Hazardous Material" is any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Alaska, or the United States government. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substance" pursuant to local, state or federal law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder. "Hazardous

Material" also includes, but is not restricted to, asbestos, polychlorobiphenyls ("PCB's") and petroleum and petroleum products.

9.5 Survival. All of the foregoing indemnification, defense and hold harmless obligations in Sections 9.1 through 9.4 above shall survive the expiration or early termination of this Lease.

10. Inspection. Lessor and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at all reasonable times to inspect the use and condition of the Premises; to serve, post or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Premises.

11. Condemnation. If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises, and all Rent shall be paid which is due and owing through that date. In the case of a taking of less than that portion of the Premises required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the Rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for the improvements or for Lessee's moving expenses to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

12. Assignment or Subletting. Except as provided below, Lessee shall not sublet, mortgage, pledge or assign its rights under this Lease without the prior written consent of Lessor, which consent may be withheld in Lessor's sole and absolute discretion, and any purported sublease, mortgage, pledge or assignment without such

consent shall be null and void and of no force or effect. Notwithstanding the foregoing, Lessee is authorized to rent space within the Premises to customers via license or permit for purposes consistent with the uses set forth in Section 2, provided such rentals are subject to the terms and conditions of this Lease, and such rentals shall not relieve Lessee of any obligations, duties or liabilities under this Lease. Lessee shall indemnify, defend and hold harmless Lessor from all claims whatsoever arising under any rental arrangement Lessee may have with third parties under this Lease, including without limitation, personal injury, including death, property damage, landlord tenant claims and any other claims arising under such rentals.

13. Liens. Lessee shall keep the Premises and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any such lien be recorded or should a lien be recorded by Lessee, Lessee shall forthwith and within ten (10) days of learning of such recording cause the same to be cancelled and discharged of record at Lessee's sole cost and expense.

14. Surrender of Premises. Upon the expiration or sooner termination of the Term, Lessee shall quit and surrender the Premises to Lessor, clean, in the condition existing on the Effective Date, ordinary wear and tear excepted and shall remove all property of Lessee and, at Lessor's option, shall remove any alteration, addition and improvement made by Lessee and shall repair all damages to the Premises caused by such removal. Any improvements or installations which are required to be but are not so removed shall be deemed to have been abandoned by Lessee and may be retained or disposed of by Lessor, as Lessor shall desire, but Lessee shall be responsible for the cost of restoration of the Premises and removal and disposal.

15. Holding Over. If Lessee fails to surrender the Premises at the expiration of earlier termination of this Lease, occupancy of the Premises shall be deemed to be that of a month-to-month tenancy. Lessee's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease, except Rent shall be one hundred fifty percent (150%) of the then-current Rent. No holdover by Lessee or payment by lessee after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Lessor from immediately recovery of possession of the Premises by summary proceedings or otherwise.

16. Subsidence. Lessor shall not be responsible for any washout, subsidence, evulsion, settling or reliction to the Premises, nor for any injury caused thereby to the property of Lessee or any other person. Lessor is not obligated to replace, refill or improve any part of the Premises during Lessee's occupancy in the event of such washout, subsidence, evulsion, settling or reliction. Lessee shall not be responsible to Lessor any washout, subsidence, evulsion, settling or reliction that is not caused by Lessee or its employees, agents, customers, invitees or contractors, during the Term of this Lease.

17. Default and Remedies.

17.1 Events of Default. The occurrence of any of the following shall constitute a default by Lessee:

17.1.1 If Lessee at any time during the Term of this Lease shall fail to make payment of any installment of Rent or of any other sum herein specified to be paid by Tenant within ten (10) days after such payment is due; or

17.1.2 If Lessee at any time during the term of this Lease shall fail to observe or perform any of Lessee's other material covenants, agreements or obligations hereunder, and if within forty-five (45) days after Lessor shall have given to Lessee written notice specifying such failure or failures, Lessee shall not have commenced to correct the same and proceed diligently to correct the same.

17.2 Remedies. In the event Lessee is in default as defined in Section 17.1 above, Lessor shall have the right at its sole election, then or at any time thereafter, and while such default, defaults or events shall continue, to avail itself of the following remedies:

17.2.1 Lessor may give Lessee notice of Lessor's intention to terminate this Lease and all Lessee's rights hereunder on a date specified in such notice, which date shall not be less than thirty (30) days after the date of giving of such notice, and on the date specified in such notice, the Term of this Lease and all rights granted Lessee hereunder shall come to an end as fully as if the Lease then expired by its own terms. Upon such termination, Lessor shall also be entitled to sue for and recover all rents and other sums accrued up to the time of such termination, and

damages arising out of any breach of the part of Lessee, including damages for rent not then accrued; and

17.2.2 Lessor may, upon written notice to Lessee, without terminating the Lease, immediately terminate Lessee's right to possession of the Premises and retake possession of the same and eject all persons therefrom, and Lessor may then relet or attempt to relet the Premises for benefit of Lessee for the remainder of the Term or for a longer or shorter period as Lessor may decide is appropriate; notwithstanding the termination of Lessee's right to possession, Lessee shall nevertheless pay to Lessor on the due dates specified in this Lease all Rent and other sums required to be paid under this Lease together with the costs of reletting, less the proceeds of any reletting, and Lessee shall continue to perform all other obligations imposed on it under the Lease; and

17.2.3 Lessor may, whether or not it has terminated this Lease or retaken possession of the Premises, sue Lessee for and recover all rents and other sums, including damages, at any time and from time to time accruing hereunder.

18. Notices. Any and all notices and other communications under this Lease, must be in writing and will be deemed to have been duly given when (a) delivered by hand, (b) sent by email (with emailed delivery receipt), (c) sent by mail, certified or registered, postage prepaid, or (d) when received by the addressee, if sent by a nationally recognized overnight delivery service, as follows:

Lessor: CHUGACH ALASKA CORPORATION
3800 Centerpoint Drive, Suite 601
Anchorage, AK 99503-4196
Attention: David Phillips
Email: dphillips@chugach-ak.com

with a copy to: Landye Bennett Blumstein LLP
701 West 8th Avenue, Suite 1200
Anchorage, AK 99501
Attention: Philip Blumstein

Lessee: CITY OF CORDOVA
P.O. Box 1210
Cordova, AK 99574
Attention: City Manager
Facsimile: (907) 424-6000
Email: citymanager@cityofcordova.net

Any party may change its notice information by giving notice in accordance with this Section.

19. Miscellaneous.

19.1 Entire Agreement. This Lease contains the entire agreement of the parties with respect to the subject matter hereof, and except as set forth herein, there are no other agreements, promises, representations or covenants of any party with respect to the matters covered by this Lease. This Lease may not be amended, modified or terminated unless by an agreement in writing signed by the parties.

19.2 Attorneys' Fees, Costs and Expenses. In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, a reasonable sum for attorneys' fees and costs to be fixed by the court in the same action.

19.3 Rights and Remedies. No right or remedy herein conferred upon or reserved to a party hereunder is intended to be exclusive of any other right or remedy, and such and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

19.4 No Waiver. No failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of rent during the continuance of any such breach, shall constitute a waiver by Lessor of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the rights of Lessor or Lessee with respect to any other then-existing or subsequent breach.

19.5 Successors in Interest. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted sublessees and assigns of the parties hereto.

19.6 Late Payment. In the event that any Rent or other payment due under this Lease is not received by Lessor when due, a late fee of three percent (3%) per month of the principal amount due shall be due and payable until the full amount of Rent or other payment is received by Lessor.

19.7 Applicable Law. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

19.8 Authority. Lessee covenants and acknowledges that it has the full, complete and absolute authority to enter into this Lease; this Lease has been duly authorized by its governing body; this Lease is a binding and enforceable agreement of and against Lessee; and the person executing the Lease on Lessee's behalf is duly and properly authorized to do so.

19.9 No Partnership, Joint Venture, Etc. Nothing in this Lease shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

19.10 No Third Party Beneficiaries. This Lease does not create, and shall not be construed as creating, any rights or interests enforceable by any person not a party to this Lease.

19.11 Severability. 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 of this Lease shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

19.12 Remedies Not Exclusive. Each remedy provided any party in this Lease shall be cumulative and shall be in addition to every other right or remedy provided herein or now or hereafter existing at law or in equity or by statute or otherwise.

19.13 No Brokers. Each party represents that it has dealt with no broker in connection with this Lease. Each party agrees to indemnify, defend and hold harmless the other party from claims of any person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such person in connection with this Lease.

19.14 No Recording. The parties agree that this Lease shall not be recorded as a title document with any governmental authority.

19.15 Counterparts. This Lease may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which when so executed shall be deemed to be an original and all of which taken together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the Effective Date.

LESSEE: CITY OF CORDOVA

By: _____
Its: _____

LESSOR: CHUGACH ALASKA CORPORATION

By: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

Lot 12, Block 2, Ocean Dock Subdivision within Tract B, Alaska Tideland Survey No. 1589, containing approximately 9,376 sq. ft., filed under Plat No. 2000-1, Records of the Cordova Recording District, Third Judicial District, State of Alaska.

M:\CLIENTS\61207 CAC\193 Ocean Dock Lot\Lease\Ground Lease (2011.12.30).DOC

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: March 13, 2012
TO: Mayor and City Council
SUBJECT: Resolution 03-12-21

The attached resolution was prepared by City Attorney Tom Klinkner. The resolution authorizes the line of credit agreement with UBS. Also included are the line of credit agreement and an addendum to the line of credit. Substitute Ordinance 1091 was approved at second reading by Council on January 4, 2012, was advertised on January 6, 2012 and therefore, became effective on February 7, 2012. Section 2 of the ordinance reads as follows:

Section 2. The City Manager is authorized to negotiate a contract for the loan which is in the best interest of the City, such contract to be subject to approval by the Council by ***resolution***.

Resolution 03-12-21 is before you tonight as the aforementioned ***resolution*** which would approve the contract that the manager has negotiated with UBS for such a loan.

Recommended Motion: Move to approve the consent Calendar.

Required Action: Majority roll call vote on the Consent Calendar.

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-21**

A RESOLUTION OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE ESTABLISHMENT OF A LINE OF CREDIT WITH UBS BANK USA IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,793,918.60 FOR THE PURPOSE OF BORROWING IN ANTICIPATION OF THE RECEIPT OF REVENUES OF THE CITY TO FINANCE PART OF THE COST OF THE CORDOVA CENTER PROJECT, AND PROVIDING FOR RELATED MATTERS.

WHEREAS, on January 4, 2012, the City adopted Substitute Ordinance 1091 authorizing the City to borrow in anticipation of the receipt of revenues of the City in an aggregate principal amount not exceeding \$2,793,918.60 to finance part of the cost of the Cordova Center Project, with the terms and conditions of the borrowing to be determined by resolution; and

WHEREAS, the City has negotiated the terms and conditions of a line of credit with UBS Bank USA under the authority of Substitute Ordinance 1091, and a Credit Line Agreement (the "Agreement") stating those terms and conditions is now before this meeting; and

WHEREAS, it appears that the Agreement, which now is before this meeting, is appropriate in form and content and is an appropriate instrument for the purposes intended.

NOW, THEREFORE BE IT RESOLVED THAT

Section 1. The City hereby is authorized (i) to borrow, on the terms and conditions stated in the Agreement, the principal amount outstanding at any one time of not to exceed \$2,793,918.60 to meet the appropriation from grant funds to be received from the Exxon Valdez Oil Spill Trustee Council to pay costs of the Cordova Center Project, (ii) to pledge and grant a security interest in the property of the City described in Section 8 of the Agreement as security for any liability of the City to UBS Bank USA, (iii) to establish one or more loan accounts at UBS Bank USA for the benefit of the City, and (iv) to enter into such other agreements or documents as may be necessary to implement or give effect to the Agreement.

Section 2. The form and content of the Agreement are in all respects authorized, approved and confirmed, and the City Manager or his designee hereby is authorized, empowered and directed to execute and deliver to the counterparty the Agreement 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 shall to him seem 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 the Agreement now before this meeting, and from and after the execution and delivery of the Agreement, the City Manager and the City Clerk, and their respective designees, each hereby is authorized, empowered and directed to do all acts and things and to execute all agreements and documents as may be necessary to carry out and comply with the provisions of the Agreement as executed.

Section 3. The Mayor, Manager, Finance Director and Clerk or any other person authorized by the City each hereby is authorized, individually and without counter signature or co-signature, to execute and deliver for and on behalf of the City any and all additional agreements certificates, documents, opinions or other papers and perform all other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

Section 4. UBS Bank USA is authorized to rely upon the authority conferred by these resolutions until UBS Bank USA receives a certified copy of resolutions of the City Council revoking or modifying this resolution.

Section 5. This resolution shall take effect upon passage and approval.

PASSED AND APPROVED THIS 21st DAY OF MARCH 2012.

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

**CITY OF CORDOVA, ALASKA
SUBSTITUTE ORDINANCE 1091**

**AN ORDINANCE OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING A
BORROWING IN ANTICIPATION OF THE RECEIPT OF REVENUES OF THE CITY
IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,793,918.60 TO
FINANCE PART OF THE COST OF THE CORDOVA CENTER PROJECT; AND
PROVIDING FOR RELATED MATTERS.**

WHEREAS, the City of Cordova (the "City") has determined that it is necessary and desirable that the Cordova Center Project (the "Project") be acquired and constructed; and

WHEREAS, the City will fund a portion of the cost of the Project through a grant from the *Exxon Valdez* Oil Spill Trustee Council in the amount of \$7,000,000; and

WHEREAS, the City has appropriated the sum of \$7,000,000 from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project; and

WHEREAS, under Article VI, Section 6-2 of the City Charter, the City has the power to borrow money to meet appropriations for any fiscal year in anticipation of the collection of revenues for that year, when authorized by the council by ordinance, and without submitting the question to the voters; and

WHEREAS, in accordance with Article VI, Section 6-2 of the City Charter, the principal amount of the loan, combined with the outstanding principal amount of all other revenue anticipation indebtedness of the City, does not exceed \$2,793,918.60, which is one percent of the assessed value of all real and personal property in the City; and

WHEREAS, it is necessary and in the best interest of the City that City borrow the sum of \$2,793,918.60 in anticipation of the collection of revenues to meet the appropriation from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project.

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

Section 1. the City Council of the City of Cordova, Alaska, hereby authorizes the borrowing by the City of the sum of not to exceed \$2,793,918.60 in anticipation of the collection of revenues to meet the appropriation from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Project. The loan shall mature no later than the end of the fiscal year following the fiscal year in which the term of the loan commences.

Section 2. The City Manager is authorized to negotiate a contract for the loan which is in the best interest of the City, such contract to be subject to approval by the Council by resolution.

Section 3. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of

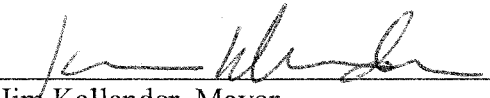
the City of Cordova, Alaska, and published in the Cordova Times, a newspaper of general circulation in the City, within ten (10) days after its passage.

1st reading: December 21, 2011

2nd reading and public hearing: January 4, 2012

PASSED AND APPROVED THIS 4th DAY OF JANUARY, 2012.





Jim Kallander, Mayor

ATTEST:



Susan Bourgeois, City Clerk

**CITY COUNCIL WORK SESSION
DECEMBER 27, 2011 @ 12:00 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Vice-Mayor David Reggiani called the Council Work Session to order at 12:06 pm on December 27, 2011 in the Library Meeting Room.

B. ROLL CALL

Present for roll call were Council members *Keith van den Broek*, *David Allison*, *Bret Bradford* and *David Reggiani*. Mayor *James Kallander* and Council members *James Kacsh*, *EJ Cheshier* and *Robert Beedle* were absent. Also present was City Manager *Mark Lynch*, City Clerk *Susan Bourgeois* and City Attorney *Holly Wells* (via teleconference).

C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience Comments regarding agenda items – none

Mayor Kallander joined the meeting at 12:10 PM

D. WORK SESSION TOPIC

2. Attorney explanation of Code changes necessary for Hospital Management

Wells explained that the process started with negotiations with Providence leading up to an agreement that will be before Council as a resolution at the next meeting. The next step is to come up with a strategy to deal with 2 issues; governing bodies effective management of the hospital and the PERS activity. With PERS if you remove a position you have to pay a termination study and roughly 22% of the on-going salary of that person. That is difficult and challenging with one person but when you are talking 60 some employees it could become crippling. We have had many meetings with PERS and Providence to make sure all three entities can be satisfied in the agreement. We want to change the management of the hospital without somehow removing all the employees from PERS and triggering a multimillion dollar issue with PERS. Thanks to those meetings we have been told by PERS that we will not have issues by transferring the management but we will have to deal with the removal of the CEO position. The next step is going through the City ordinances as they were not written with a management company in mind. We don't want to just fix the ambiguity in Title 14 of our City Code we will completely replace that section to reflect what will happen in reality. That replacement will come later down the road. What we are looking at changing now is just what is needed in order to allow the City to sign an agreement with a management company. This will be the second ordinance that will deal with the increase in the City Manager's spending authority from \$15K to \$25K. That amount can be approved by the City Manager or by his designee according to Code. This would allow him to tell Providence to go ahead and buy the medical supplies and such that they need. *Reggiani* thanked her and said the need for the City Manager's spending limit increase makes sense to him now. He clarified that the need to do these few ordinance changes before the actual replacement is because we are dealing with a time sensitive issue on the agreement. *Wells* confirmed *Reggiani's* clarification and added that she wants PERS to hold our hand every step of the way in communications so there are no surprises. We can't rely on them to be timely in their response so we need to give ourselves time in a step by step process. *Reggiani* asked if there was a downside to going in a step by step process. *Wells* responded that there is not because it is protecting the City from PERS having problems with the process. *Allison* stated that these changes are just to Code not the Charter so there will still be a conflict in his mind until the complete section replacement takes place. *Wells* responded that it will still be subject to interpretation but feels we have a defensible position. *Allison* stated that he does not like being in a defensible

position, he would rather be in a position that we do not have to defend. He added that he is concerned that Providence may not give 100% till they have full governance. There is no real mitigation to the concern, both sides are working in good faith, but the concern still stands. **Wells** responded that both sides are working in good faith and the relationship between the City and Providence has been very good thus far. It would be a bad business decision for them to not give 100% and she does not see that happening. **Mayor Kallander** stated that he conceded this point with Providence early on. We wanted to get them into place as soon as possible. **Lynch** offered that if at any point Council would like to know the numbers on PERS to let him know. Either way it will cost us money. Council concurred that they are aware it will cost a lot of money. **Bradford** asked about the City Manager spending limit increase, which he doesn't mind doing for the City Manager, but has a concern with him turning that authority over to someone else which ultimately would allow that person to spend up to \$25K. **Wells** responded in the affirmative but added that it would be up to **Lynch's** discretion. It would just allow them to move freely in that dollar range, if they were to spend more than that they would still have to come to Council. **Allison** added that they will still have a budget that gets approved by Council and if they spend too much they will have to ask for an amendment. **Wells** agreed with **Allison** adding that ultimately it is the City's money and we have to watch it. **Wells** stated that later down the road we may want to have a work session to discuss how the City Council will be sitting as the Health Services Board (HSB) in regards to meetings, roles and involvement. Council may want to add a member with more experience when they sit as the HSB. **Reggiani** agreed with **Wells** that that would be a worthwhile work session. **Lynch** stated that part of that work session might be a discussion on the Charter change too. It would probably require a City Special Election if it were to be done before March of 2013. **Wells** stated that if Council wished to approve the agreement with Providence she recommends they pass the ordinance to increase the City Manager's spending limit. **Reggiani** stated **Wells** addressed his concerns and that he will support this ordinance at the second reading. **Bradford** stated he feels comfortable moving forward. **Allison** stated he will support it because he is in support of the end goal. He is still uncomfortable with the conflicts and ambiguity between Code and Charter. **Van den Broek** stated he feels comfortable with the process. He does have a little concern with the \$25K increase just because it could encompass any department. He would feel more comfortable if the wording were changed to be medical specific. **Lynch** stated that he can't think of very many instances where a purchase of \$25K would not come to Council as a budget change. The budget is the overriding factor. Council discussed a future work session. **Mayor Kallander** stated that Council needs to understand a public corporation and how that looks as opposed to the City Council just taking over the responsibilities of the HSB. Everything needs to go past PERS. He asked **Wells** to explore the governance options and put them into a simple format for Council. She agreed to have the information to the Clerk by the 4th. They discussed a resolution to turn the HSB responsibilities over to the City Council to be passed by both the HSB and the City Council.

E. AUDIENCE PARTICIPATION - None

F. COUNCIL COMMENTS

G. ADJOURNMENT

M/Allison S/Bradford to adjourn the work session.

Hearing no objections the meeting was adjourned at 12:57 PM

Approved: March 21, 2012

Attest: _____

Robyn Kincaid, Deputy City Clerk

**CITY COUNCIL SPECIAL MEETING
JANUARY 14, 2012 @ 2:00 PM
PWSAC CONFERENCE ROOM – 500 FIRST ST
MINUTES**

A. CALL TO ORDER

Vice-Mayor David Reggiani called the Council Special Meeting to order at 2:00 pm on January 14, 2012 in the PWSAC Conference Room.

B. ROLL CALL

Present for roll call were Council members *Keith van den Broek, David Allison, David Reggiani* and *Robert Beedle*. Mayor *James Kallander* and Council members *James Kacsh, Bret Bradford* and *EJ Cheshier* were absent. Also present was City Clerk *Susan Bourgeois*.

C. APPROVAL OF AGENDA

M/Beedle S/Allison to approve the Agenda
Hearing no objection the agenda was approved.

D. DISCLOSURES OF CONFLICTS OF INTEREST - None**E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience Comments regarding agenda items - None

F. NEW BUSINESS

2. Resolution 01-12-07

A resolution of the City Council of the City of Cordova, Alaska, authorizing the transfer, as a loan, of up to \$200,000.00 from the General Fund Balance to Cordova Community Medical Center

M/Allison S/Beedle to approve resolution 01-12-07, a resolution of the City Council of the City of Cordova, Alaska, authorizing the transfer, as a loan, of up to \$200,000.00 from the General Fund Balance to Cordova Community Medical Center

M/Reggiani S/Allison to amend resolution 01-12-07 to delete the first 2 WHEREAS's and insert 3 WHEREAS's to read as follows:

WHEREAS, the approved City of Cordova Fiscal Year 2012 Operating Budget includes \$800,000 in funding designated for the CCMC and the Management Contract with Providence Health Services – Alaska; and,

WHEREAS, the intent of City Council at the time of the budget development was to commit \$400,000 of the \$800,000 in two equal installments to the CCMC in January and July of 2012; and,

WHEREAS, the City Council anticipates that the CCMC will eventually be in a positive financial position and without the need of annual funding contributions from the City of Cordova; and,

WHEREAS, the City Council, will provide the money to CCMC in the form of a loan to be carried on the balance sheet of the General Fund as a Loan Receivable from CCMC, an asset, the terms of payback to be worked out between the CCMC Administrator and the City Manager.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, does hereby authorize the transfer as a loan of up to \$200,000.00 from the General Fund Balance to Cordova Community Medical Center.

Vote on Amendment: 4 yeas, 0 nays, 3 absent (Cheshier, Kacsh and Bradford). Motion passes.

Kacsh joined the meeting at 2:05 pm

Allison explained that during the snow emergency a hospital employee was actively involved in the EOC. Through some miscommunication a request was made to the City to cover that employee's overtime and the extra meals the hospital provided to for the emergency responders. He believes that originally they asked for \$25K. Traditionally the City budgets to give money to CCMC but this year, with the hope of the hospital becoming profitable, that money will have its wording changed to become a loan. With Providence coming into the picture we can fully expect, whatever money from that loan they choose to use, will be paid back. The request from the emergency and the regular money the City gives to CCMC morphed into a single item. He added that he talked with **Sundby** and they do not feel they will need this money till after Providence takes over. **Reggiani** followed up stating that there was some miscommunication on the need for this resolution as well. The request came across as CCMC having cash flow issues; which is not the case. He has prided himself in telling the Hospital Administrator that if they ever needed Council they could meet very quickly to help. To clear things up, CCMC is not in dire straits, that was a miscommunication. He added that the change from handing the money over to CCMC to the money being in loan form is in the hopes that the hospital will become profitable. If that day never comes we can write it off later. **Allison** clarified that this is not an additional amount to what was already budgeted. **Kacsh** stated he likes the loan. **Beedle** asked if there would be interest charged. **Reggiani** stated he did not think the City has done that in the past. **Allison** agreed that if it was something it wasn't much. **Allison** stated that he talked to **Sundby** that morning and they will be getting big checks on Tuesday so they may not need the funds. They are not requesting a check from the City at this point. This will approve it in case they need the check later on. **Reggiani** stated that the expenses CCMC incurred from the emergency will be reimbursable after the event. We are hoping the State will reimburse us.

Vote on Main Motion: 5 yeas, 0 nays, 2 absent (Cheshier and Bradford). Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes and Allison – yes. Motion passes.

G. AUDIENCE PARTICIPATION - None

H. COUNCIL COMMENTS

Reggiani thanked Council for taking time out of their weekend to attend this meeting.

Van den Broek commented that the City has sent out notices that the burn pile is closed until further notice. However, he has observed that people are still dumping out there. He would like to see the City take a few scoops of snow off the road to make it safe for those that are not listening to the notices.

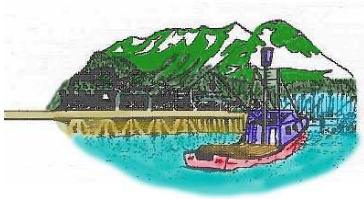
I. ADJOURNMENT

M/Allison S/van den Broek to adjourn the work session

Hearing no objection the meeting was adjourned at 2:17 PM.

Approved: March 21, 2012

Attest: _____
Robyn Kincaid, Deputy City Clerk



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574

Phone: (907) 424-6200
Fax: (907) 424-6000
Email:

citymanager@cityofcordova.net

CITY OF CORDOVA

Office of City Manager

March 14, 2012 Manager's Report (for 03/21/12 Council meeting)

Personnel issues: We are still working on filling positions in Public Works.

Union Contract/Grievances: This continues to consume a majority of my time. I have met with Union representatives on several occasions. Grievance arbitration concerning management's right to assign work in the best interest of the City is set to begin in mid-June. We are working on a potential use of FMCS (Federal Mediation and Conciliation Service) to help potentially settle grievances at a lower cost than arbitration. Contract talks continue with the next meeting scheduled for March 27th.

Water/Sewer Service Lines: Staff made a presentation to P&Z at their March 6 meeting, and their recommendation to Council is included in your packet. Staff will address the added costs to water/sewer customers that will be necessary if the P&Z recommendation is implemented.

Hospital Contract: Providence has begun CCMC management. The new CCMC Administrator will start April 8th.

Hospital Roof: I worked with CH2MHILL to negotiate an agreement for their professional services. The timeline included is based on a process of taking quotes rather than a full Bid or RFP process. There is a time savings of at least two weeks by using this process. The City will provide project management, and the project manager will be involved in the quote process to be sure it proceeds in the City's best interest. The contractors will know that their competitors are also being asked for quotes, so the resulting price should be very similar to a full RFP process.

Sound Developer / Spartan: Contract for salvage executed. Due to weather and Ferry availability the contractor plans to arrive on March 18th. I have sent requests for quotes to local contractors to refill and compact the trench by April 15th.

Southfill Expansion Project: Staff presented a broad conceptual plan for a Southfill expansion to P&Z on March 6th. Their recommendation to move this into a formal planning phase is in your packet.

Harbor Study & Boardwalks: Contact has been made with an engineering firm who will be visiting Cordova to visually see the Harbor, and begin discussions concerning how best to proceed.

Breakwater/Fill: Proposals have been returned and I am in the negotiation process (CMC 5.12.130(E)) with Eagle Contracting, who had the highest scored proposal. Details of the successful proposal will be announced once negotiations are completed (CMC 5.12.130(D)).

North Fill Floating Dock: RFP had been advertised, and to date I have sent out RFP packets to 18 companies. Proposals are due in by April 20th.

Snow Emergency: Snow dumps have been reduced to acceptable levels, but we continue to hire contractors to keep the snow dumps usable. DHS&EM, FEMA, and SBA have been to town to view damages and collect information on associated costs. The Governor's Emergency declaration only covers January 6-10, 2012, so most of the associated costs may not be covered. SBA has also declared an emergency for our area, and a copy of that declaration is included in your packet under correspondence. SBA is in town working with applicants from March 14-23. They will be using the Library meeting room during the day. The City is also looking into the possibility of getting a State declaration for individual assistance (this would provide support to private property owners).



City of Cordova,
Office of the City Clerk
Cordova, AK 99574
602 Railroad Avenue * PO Box 1210

Phone: 907.424.6248
Fax: 907.424.6000
Cell: 907.253.6248
E-mail: cityclerk@cityofcordova.net

CITY CLERK'S REPORT TO COUNCIL

March 21, 2012 Regular Council Meeting

Date of Report: March 15, 2012

Things I have been working on:

- Election Day – all votes counted, resolution certifying the results was March 15, 2012
- signed paychecks/other AP checks
- prepared agendas and packets for special meeting on March 15 and work session and regular meeting on March 21 (prepared resolutions, memos, etc.)
- worked with Planning staff on agenda items for tonight's Council meeting
- assessment notices were sent March 9; no appeals as of writing of this report
- 2011 foreclosures ad has begun
- prepared PILT resolution; got info from DCRA explaining the program
- helped with Mayor's J-1 letter in packet tonight – sent to Clerks around state to see if their communities are interested in preparing similar letters
- worked with Reggiani on E-911 resolution in tonight's packet
- made travel plans for Mayor's trip to Juneau March 15-18
- March 8 work session canceled working with Moe and DoT to reschedule as soon as possible
- advertised public notices/meeting agendas etc. on website and posted around town and on scanner and radios – City, HSB, SB et al

March 4, 2012

Mayor Kallander and
Cordova City Council Members
PO Box 1210
Cordova, AK 99574

RE: E-911 Surcharge

Mayor Kallander and Council Members:

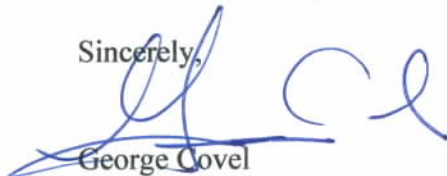
On October 20, 2010, the Cordova City Council approved Resolution 08-10-49 which authorizes the third-party collection of a surcharge on all landline and wireless telephones for purposes of supporting an enhanced 911 system. During council discussions on the matter, the adoption of a surcharge was represented to be a precondition of application for unnamed grants which would pay for much of the enhanced 911 system.

Now, nearly a year-and-a-half later, the City of Cordova is no closer to implementing enhanced 911 services than it was when the discussion began. No grants have been secured, equipment purchased or services provided yet the City, by way of surrogates, continues to collect the surcharge. After discussing the matter with the city manager, council members and communications service providers, it is clear that acquisition and activation of an enhanced 911 system is unlikely anytime soon. Therefore, I recommend that the Council rescind Resolution 08-10-49, cease collection of surcharges and refund those surcharges already collected until such time as the City has adopted a credible plan and realistic timeline for providing the stated services.

A surcharge, also known as a dedicated tax, goes hand-in-hand with services provided in return. In this instance, the City is in no way prepared or equipped to provide the purported services and should immediately stop taxing our citizens in this manner.

I'm confident that good intentions guided the initial contemplation of this matter by the council and that supportable assumptions regarding cost, benefit and suitability were key to their reasoning – even if not apparent in the language of the resolution. I am also confident that by suspending the collection of the surcharge, city government can be returned to its proper function and that discussion about emergency response services can continue objectively and in accord with the needs of the community.

Sincerely,



George Covell

Hello,

I'm bothered by the National Defense Authorization Act. I don't generally get very political, and hold no loyalty to any political party, I'm deeply disturbed that the feds are now allowed to come to our houses and take us away, and am not comforted by our current president's statement that he will not execute his authority to detain individuals under NDAA. This law should not be on the books.

Attached is a proposed resolution for my councilman's consideration with apologies for adding a little to your workload.

Thanks for looking!

Proposed City of Cordova resolution to restore due process and the right to trial

Submitted by John Whissel, 1 March 2012

WHEREAS, the Constitution of the United States is the foundation of our nation's rights and freedom, and the basis of our representative democracy; AND

WHEREAS, the indefinite military detention without trial of any person, including US citizens, could be allowed by Sections 1021 and 1022 of the National Defense Authorization Act (NDAA); AND

WHEREAS, the indefinite military detention of any person without trial violates the 5th and 6th amendments of the Constitution of the United States, Article III of the Constitution of the United States, and the Posse Comitatus Act; AND

WHEREAS, the NDAA corrodes the ideals of presumed innocence and right to a fair trial on which our nation was founded, and which generations of activists and military servicemen and women have fought to preserve; AND

WHEREAS the City of Cordova re-affirms its gratitude for the supreme sacrifice of those in the Armed Forces who have died in battle in the name of those same cherished rights and liberties; AND

WHEREAS, the NDAA's detention provisions could, under Humanitarian Law Project v. Holder, allow the targeted detention of activists, journalists and other Americans exercising their First Amendment rights; AND

WHEREAS, the detention provisions could force US military servicemembers to serve as domestic jailers, a role for which they are neither trained nor equipped, nor is ever appropriate; AND

WHEREAS, the FBI Director, the Defense Secretary, the Director of National Intelligence, the Department of Defense, and many of our

nation's generals, admirals, and servicemen and women have opposed the NDAA's detention provisions; AND

WHEREAS, the City of Cordova has an extensive history of protecting its residents' civil rights and liberties;

THEREFORE BE IT RESOLVED that the City Council of the City of Cordova, Alaska, acting in the spirit and history of our community, does hereby declare that we:

Strongly affirm our loyalty to the rights and liberties enshrined within the Constitution of the United States, including the Fifth Amendment right to due process and the Sixth Amendment right to trial;

Instruct all our public agencies to decline requests by federal agencies acting under detention powers granted by the NDAA that could infringe upon residents' freedom of speech, religion, assembly, privacy, or rights to counsel;

Expect all federal and state law enforcement officials acting within The City of Cordova to work in accordance with local law, and in cooperation with the Police Department, by allowing any detainees among The City of Cordova's residents or visitors access to a trial, counsel and due process, as provided by Article III of the Constitution of the United States; and

Request that our representatives in the United States Congress and Senate monitor the implementation of the NDAA and actively work for the repeal of the NDAA's detention provisions, as they pertain to all persons within the United States, to restore fundamental rights and liberties embodied in the Constitutions of the State of Alaska and the United States. To that end, the mayor shall send copies of this resolution to the US Senate Committee on the Judiciary, the US Senate Select Committee on Intelligence, the US House of Representatives Committee on the Judiciary, the US House of Representatives Permanent Select Committee on Intelligence, the US Attorney General, and the President of the United States.

ALASKA STATE LEGISLATURE

Senator Albert M. Kookesh

State Capitol, Room 7
Juneau, Alaska 99801-1182

(907) 465-3473
Toll Free: 1-888-288-3473
Fax (907) 465-2827

E-mail: Senator_Albert_Kookesh@legis.state.ak.us



Standing Committees:
Transportation
Community & Regional Affairs

DISTRICT C

Alatna
Allakaket
Aniak
Angoon
Anvik
Arctic Village
Beaver
Beluga
Bettles
Big Delta
Birch Creek
Boundary
Cape Pole
Central
Chalkyitsik
Chandalar Lake
Chenega Bay
Chicken
Chisana
Chistochina
Chitina
Chuathbaluk
Circle
Coffman Cove
Cordova
Cube Cove
Coldfoot
Copper Center
Craig
Crooked Creek
Delta Junction
Deltana
Dot Lake
Dry Creek
Eagle
Eagle Village
Edna Bay
Ellamar
Ernestine
Excursion Inlet
Eureka
Evansville
Eyak
Flat
Fort Greely
Fort Yukon
Fortuna Ledge
Hunter Bay
Gakona
Galena
Grayling
Gulkana
Gustavus
Haines
Healy Lake
Hogatza
Hobart Bay
Holy Cross
Hoonah
Hughes
Huslia
Hydaburg

March 9, 2012

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

Last year I wrote expressing my concern and disappointment of the number of nonresident workers on the North Slope as well as other areas and industries in the state. Last year the nonresident new hire number on the North Slope was 51%, this year its 56%, (McDowell Group report, January 2012) this is outrageous and unacceptable.

In response to my letter Commissioner Bishop agreed the numbers are unacceptably and said he is working on it. Five years ago he said it's his priority to decrease the nonresident numbers unfortunately they keep increasing. Governor whatever the state is doing is not working. I would like to see a short and long term plan to address the disparities in nonresident hire in the state and a plan to put Alaskans to work now.

Commissioner Bishop also mentioned training opportunities if an Alaska natural gas pipeline is built, firefighter's academies, and a core drillers program. While I appreciate and commend the efforts they fall extremely short of what is needed now. He also mentioned the Alaska Performance scholarships and the other partnerships with the University of Alaska and other entities. This is great for the future but what about the present labor force? If we don't have enough training facilities in the state; we either construct more or make funds available to send trainees out of state.

With your aggressive resource development plan I suggest you have an aggressive Alaskan workforce development plan as well to insure Alaskans get the jobs. According to the Labor report nonresidents currently hold jobs for which residents are qualified for, there has to be a plan for this inequality as well.

Hyder
Kake
Kaltag
Kasaan
Katalla
Kennicott
Kenny Lake
Klawock
Klukwan
Koyukuk
Labouchere Bay
Lake Minchumina
Lime Village
Livengood
Long Island
Mankomen Lake
Manley Hot Springs
Marshall
McCarthy
McGrath
Medfra
Metlakatla
Mentasta
Minto
Nabesna
Naukatik Bay
Nenana
Nikolai
Northway
Nulato
Ophir
Point Baker
Polk Inlet
Port Alice
Port Protection
Rampart
Red Devil
Ruby
Russian Mission
Shageluk
Skagway
Slana
Sleetmute
Stevens Village
Stony River
Strelina
Takotna
Tanacross
Tanana
Tatitlek
Tazlina
Telida
Tenakee Springs
Tetlin Junction
Tok
Tonsina
Tyonek
Utopia Creek
Venetie
View Cove
Waterfall
Whale Pass
Wiseman
Yakutat

Your attention to this vital disparity in training and Alaskan priority in the workforce is greatly appreciated and I look forward to a response.

Sincerely,

A handwritten signature in dark ink, appearing to read "Albert Kookesh". The signature is fluid and cursive, with the first name "Albert" written in a larger, more prominent script than the last name "Kookesh".

Albert Kookesh
Senator

cc: Alaska State Legislature
Commissioner Click Bishop, Dept of Labor
Commissioner Dan Sullivan, Dept of Natural Resources
Attorney General Michael Geraghty
John Moller, Special Assist to the Governor for Rural Affairs



DISASTER NEWS

Loans for Homeowners, Renters and Businesses of All Sizes

Release Date: March 12, 2012
Release Number: AK 13037-01

Media Contact: Richard Jenkins
Phone: (916) 735-1500

SBA Offers Disaster Assistance to Alaska Residents and Businesses Affected by the 2012 Prince William Sound Winter Storm

Sacramento, CA – Low-interest federal disaster loans are now available to Alaska residents and business owners affected by the winter storm at Prince William Sound from January 6 – 10, 2012, U. S. Small Business Administration (SBA) Administrator Karen G. Mills announced today. SBA acted under its own authority to declare a disaster in response to a request SBA received from Gov. Sean Parnell on March 8.

The disaster declaration makes SBA assistance available in the following areas: **Chugach REAA, Copper River REAA, Kenai Peninsula Borough, Matanuska-Susitna Borough, Municipality of Anchorage, and the City and Borough of Yakutat.**

“The U. S. Small Business Administration is strongly committed to providing Alaskans with the most effective and customer-focused response possible, and we will be there to provide access to federal disaster loans to help finance recovery for residents and businesses affected by the disaster,” said Mills. “Getting our businesses and communities up and running after a disaster is our highest priority at SBA.”

“Low-interest federal disaster loans are available to homeowners, renters, businesses of all sizes and private, nonprofit organizations whose property was damaged or destroyed by this disaster,” said SBA’s Alaska District Director Karen N. Forsland. “Beginning Wednesday, March 14, SBA representatives will be on hand at the following Disaster Loan Outreach Centers to issue loan applications, answer questions about SBA’s disaster loan program, explain the application process and help each individual complete their application,” Forsland continued. The centers will be open on the days and times indicated. No appointment is necessary.

Cordova Disaster Loan Outreach Center

Cordova Historical Museum
(Centennial Building)
622 1st Street
Cordova, AK 99574

Opens Wednesday, March 14, 2:30 pm

Hours: 2:30 pm - 5:30 pm, Monday thru Friday
(closed Saturday and Sunday)

Closes Wednesday, March 21 at 5:30 pm

Valdez Disaster Loan Outreach Center

Valdez Consortium Library
202 Fairbanks Drive
Valdez, AK 99686

Opens Wednesday, March 14, 2:30 pm

Hours: 2:30 pm - 5:30 pm, Monday thru Friday
(closed Saturday and Sunday)

Closes Wednesday, March 21 at 5:30 pm

(-- more --)

Disaster loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible for up to \$40,000 to repair or replace damaged or destroyed personal property.

Businesses of any size and private, nonprofit organizations may borrow up to \$2 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. SBA can also lend additional funds to homeowners and businesses to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring in the future.

For small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of any size, SBA offers Economic Injury Disaster Loans (EIDLs) to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business suffered any property damage.

Interest rates can be as low as 2.063 percent for homeowners and renters, 3 percent for private, nonprofit organizations and 4 percent for businesses, with terms up to 30 years. Loan amounts and terms are set by SBA and are based on each applicant's financial condition.

Applicants may apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

Disaster loan information and application forms are also available from SBA's Customer Service Center by calling (800) 659-2955, emailing disastercustomerservice@sba.gov or visiting SBA's Web site at www.sba.gov/services/disasterassistance. Individuals who are deaf or hard-of-hearing may call (800) 877-8339.

The filing deadline to return applications for property damage is **May 14, 2012**. The deadline to return economic injury applications is **December 13, 2012**.

For more information, visit SBA's Web site at www.sba.gov.
SBA Field Operations Center - West, P.O. Box 419004, Sacramento, CA 95841

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Billing Code 8025-01-P

U.S. SMALL BUSINESS ADMINISTRATION

Disaster Declaration # 13037 and # 13038

ALASKA Disaster # AK-00024

AGENCY: U.S. SMALL BUSINESS ADMINISTRATION

ACTION: Notice

SUMMARY: This is a notice of an Administrative declaration of a disaster for the State of ALASKA dated 03/13/2012.

INCIDENT: 2012 Prince William Sound Winter Storm

INCIDENT PERIOD: 01/06/2012 through 01/10/2012

EFFECTIVE DATE: 03/13/2012

PHYSICAL LOAN APPLICATION DEADLINE DATE: 05/14/2012

ECONOMIC INJURY (EIDL) LOAN APPLICATION DEADLINE DATE: 12/13/2012

ADDRESSES: Submit completed loan applications to :

U.S. SMALL BUSINESS ADMINISTRATION
PROCESSING AND DISBURSEMENT CENTER
14925 KINGSFORT ROAD
FORT WORTH, TX 76155

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance,
U.S. Small Business Administration, 409 3rd Street, SW, Suite 6050, Washington, DC 20416

SUPPLEMENTARY INFORMATION: Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

Primary Counties:

CHUGACH REAA

Contiguous Counties:

ALASKA

CITY AND BOROUGH OF YAKUTAT
KENAI PENINSULA BOROUGH
MUNICIPALITY OF ANCHORAGE

COPPER RIVER REAA
MATANUSKA-SUSITNA BOROUGH

The Interest Rates are:

For Physical Damage:

| | |
|---|-------|
| HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE | 4.125 |
| HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE | 2.063 |
| BUSINESSES WITH CREDIT AVAILABLE ELSEWHERE | 6.000 |
| BUSINESSES WITHOUT CREDIT AVAILABLE ELSEWHERE | 4.000 |
| NON-PROFIT ORGANIZATIONS WITH CREDIT AVAILABLE ELSEWHERE | 3.125 |
| NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE | 3.000 |

For Economic Injury:

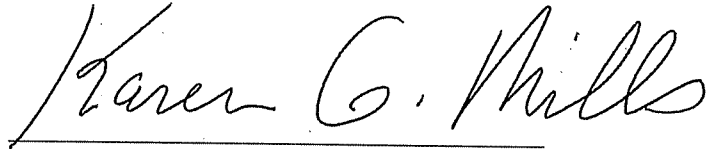
| | |
|---|-------|
| BUSINESSES & SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE | 4.000 |
| NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE | 3.000 |

The number assigned to this disaster for physical damage is 13037B and for economic injury is 130380.

The State which received an EIDL Declaration # is ALASKA

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

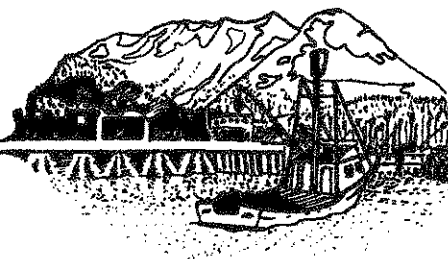
MAR 13 2012



Karen G. Mills

Administrator

CITY OF CORDOVA



March 15, 2012

Senator Lisa Murkowski
709 Hart Senate Building
Washington, DC 20510

SUBJECT: J-1 Visa Program

Senator Murkowski:

I am writing to express Cordova's concern regarding the proposed changes to the J-1 Visa Program.

Cordova is a remote community in Alaska of about 2,300 year round residents. During the fishing season (April/May until September/October) our population more than doubles with the influx of fishermen and laborers for the four fish processing plants located in Cordova. Commercial fishing is the mainstay of Cordova's economy; in 2010 we ranked 8th in the nation for seafood production by volume.

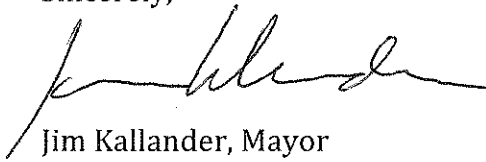
Needless to say, labor for the seafood processors is as important to the fishing industry as are robust fish returns. Cordovans are very concerned about the potential loss of labor if changes to the J-1 program occur. It is particularly disheartening that these changes might occur at this late date, when the season is almost upon us. The processors have already invested time and money on recruiting trips to secure student-workers from varied European countries who will fully-staff their busy plants this summer. Annually, our processors host about 450 students for the summer season through the J-1 program. These industrious employees typically gross between \$6,000 and \$10,000 for a summers' work. Additionally, about 500 more fish processing plant employees come to Cordova from elsewhere in the United States and various Central and South American countries. It has been impossible for our processors to recruit a full labor force from the United States alone for many years. They have reported that most US residents will not leave their homes for a 4 - 5 month job.

The J-1 program is vitally important to Cordova's economy. However, it is also important to Cordova for other reasons. The J-1 program provides a great cultural opportunity for these students, who from our experience, come from primarily Eastern European countries. These students have become an important part of the Cordova community, and we are certain we have become important to them. They

integrate well into Cordova society; we meet them on our hiking trails, on our City soccer field and at community events such as our 4th of July Picnic and Salmon Festival. Cordova's youth also benefit when they hear different languages spoken and learn tolerance and acceptance when they see these students who look, dress and act a bit differently. Recently, a foreign student who had come to Cordova through the J-1 program married a local man and will soon be making a life here for herself, her husband and their new baby. These students often already speak English or are learning English and are eager to converse with and practice on the locals.

I think it is abundantly clear how critically important the J-1 program is to the Alaska fishing industry in general and more specifically to Cordova. In talks I have had with the four processors here it has become evident that the small and mid-size companies will suffer the most if the J-1 program is changed and causes a drastic labor shortage. Without extremely strong Human Resources departments these companies will not be able to recruit enough labor at this late date. I am very concerned that Cordova's fishing fleet will not be able to harvest all of the resources available due to a labor shortage. A failure of even a portion of the fishing season compounds itself into every facet of Cordova's economy. We would experience loss of jobs for fishermen as well as the rest of Cordova's industries such as shipping, retail, service, hospitality and tourism. We ask that you give this issue which could be crippling to Cordova, your immediate attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Kallander', written over a horizontal line.

Jim Kallander, Mayor
City of Cordova

cc: Senator Mark Begich
Representative Don Young

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: March 13, 2012
TO: Mayor and City Council
SUBJECT: Resolution 03-12-20

At the March 7 Council meeting Council member **Reggiani** mentioned a letter that Council received from **George Covel** concerning the E-911 surcharge. That letter is in tonight's packet under correspondence. Council member **Reggiani** asked that a resolution be placed on the next regular agenda suspending the E-911 surcharge. Council member **Cheshier** agreed that he would also like such a resolution at the next regular meeting. Per Cordova Municipal Code 3.12.035 (*...Two members of the council, the mayor, or the manager may submit items to the clerk to be placed on the agenda...*) I have done so. **Chief Bob Griffiths** has provided a memo for Council information on E-911. The Cordova Volunteer Fire Department is also working on a memo that explains their point of view (it may be included here or else will be a handout at the meeting). Lastly, I have included the resolution which was passed in 2010 which instituted the E-911 surcharge (Resolution 08-10-49).

Recommended Motion: Move to approve Resolution 03-12-20.

Required Action: Majority voice vote.

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
SUSPENDING THE COLLECTION OF AN E-911 SURCHARGE ON ALL LANDLINES
AND WIRELESS TELEPHONES IN CORDOVA**

WHEREAS, On October 20, 2010, the Cordova City Council approved resolution 08-10-49 which authorized the third party collection of a surcharge on all landlines and wireless telephones for the purposes of supporting an enhanced 911 system and;

WHEREAS, the City of Cordova has not secured any grants or budgeted any City funds in the Fiscal Year 2012 Budgets toward implementing an enhanced 911 service; and

WHEREAS, acquisition of and activation of an enhanced 911 system is unlikely to occur in the near future.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of Cordova, Alaska, hereby suspends the surcharge collection authorization until an enhanced 911 system has been acquired and activated.

PASSED AND APPROVED THIS 21st DAY OF MARCH, 2012.

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6100
Fax: (907) 424-6000
Email: policechief@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of Chief of Police

Date: March 14, 2012

To: Cordova City Council via
Through: Mark Lynch, City Manager
From: Bob Griffiths, Chief

Re: Cordova Enhanced 9-1-1 System

Modernizing Cordova's emergency E-9-1-1 telephone system has been a long standing topic of discussion. In 2011, the procurement process for a new system ended when Council decided not to award the contract to the selected vendor. I understand this was due, in part, to lack of confidence in the technology being proposed to actually deliver the promised capabilities to Cordova. Also cited was that the "status quo" of emergency telephone service was adequate to meet Cordova's emergency response needs.

This communications' purpose is to emphasize the fact that our systems' "status quo" is grossly inadequate and does not meet minimally acceptable standards for 9-1-1 across the United States and, even most communities of our size in Alaska. We desperately need to improve our ability to respond quickly to calls received on 9-1-1. Proposed technology can and will resolve this problem and improve the efficiency of emergency services in our community. Failure to implement an enhanced 9-1-1 system not only continues to subject our constituents to less than acceptable emergency response but also exposes the city to potential litigation should emergency responders be delayed and the worst occurs.

The Status Quo:

Landline Telephones: Our current '9-1-1' system provides less information to our dispatchers than you receive on your home phone equipped with caller ID. Calls received from landline and cellular telephones which have not had their number blocked will only display a call-back number. Through an arrangement with CTC and GCI, if the call originated from a landline telephone, we can manually query a separate Excel file to determine the owner of the phone and their home address. This process takes from a minute to several minutes for the single dispatcher, depending upon how many 9-1-1 calls are streaming in. If the address is unfamiliar

to the dispatcher, then they must consult either large maps or another computer database to determine how to get to the address, occasionally extending response time.

In the proposed solution this entire process would be automated for all landline telephone calls; the phone's owner, address and map would pop up in front of the dispatcher at the same time the call is received.

Cellular Telephones: Increasingly in Cordova, as in the rest of the country, the majority of 9-1-1 calls received are from cell phones. As with landline phones, our dispatchers only receive a display of the number calling if the number has not been blocked. Unlike landline phones we have no resources to identify the owner of the phone unless it happens to reside in our records system from previous contacts with CPD. We have no way to locate from where the call originated. Another little known fact is that FCC regulations require that a cell phone that is not registered with any system (disconnected service) is still capable of dialing and connecting with 9-1-1, unfortunately the 9-1-1 center cannot call that number back, due to its disconnected status. This has resulted in some spectacularly frustrating, and in some cases life threatening, delays in responding emergency services. It has also occasionally provided malicious callers with the means to generate false emergency calls resulting in massive emergency responses to unfounded incidents to intentionally redirect police from other matters.

The proposed technology will provide the same 9-1-1 functionality to cell phone callers as to those with land lines. That is we will receive a nearly simultaneous display of the number calling, the owner and their address, the approximate location where the call originated and that location being displayed on an electronic map.

The Proposed Solution:

All 9-1-1 systems are actually a 'system of systems.' Different systems handle landline calls and route them to a map display and data management system. Other systems handle calls received from cellular callers and process that information. This process is more complex involving the automatic retrieval of subscriber information from national databases and pairing it with location data provided by the cellular carriers. This collected data then is passed to the same map display and data management system. The result is that in all calls, the dispatcher knows who called, from where, and has a map display in front of them to provide directions to first responders if needed.

I've had conversations with members of the public and several Council Members expressing skepticism that the cell phone location technology can work in Cordova. I can assure you that it can indeed work in Cordova, just as it does in Sitka, Ketchikan and other rural communities throughout Alaska and the Lower 48.

How does it work for cell phones?

In non-technical and very brief detail: When you purchase a cell phone your provider registers you in their system, which in turn registers you with national systems that allow you to seamlessly roam across carriers and those carriers to track calls for billing purposes. This same system provides subscriber information to many 9-1-1 systems, including that proposed for Cordova.

Locating cell phone calls currently uses three technologies (one or all are used simultaneously) already integrated into most modern cell sites. In order of accuracy, they include:

1. GPS Signal provided from calling phone (All cell phones sold in the US in the last three years have this feature. It is turned on by default, but can be disabled by the owner).
2. Triangulation of signals between two different cell sites, and
3. Signal strength and angle of signal to cell site.

Funding:

The 9-1-1 telephone surcharge, to date, has generated \$67,647.29, which is the current balance of ready funds available to implement the system. If the rate from the past 12 months is used for projecting annual revenue from the surcharge, the fund will accrue about \$66,000 per year. If a system is in place it is likely that many residents who have elected to opt-out of paying the surcharge would begin to do so. Ongoing funding could be utilized to retire the capital costs, pay annual maintenance on the system and build up a maintenance/replacement fund for renewing systems as they become obsolete.

A thorough search of available grant funding sources has revealed NO available or anticipated grant funds for 9-1-1 systems in the US. RUS E 9-1-1 implementation funds are available to communities who wish to borrow them at low interest to be repaid over time using either telephone surcharges or operations funds.

If the surcharge is eliminated, Council would have to weigh other options in how to fund a 9-1-1 system and consider ongoing maintenance as part of annual operational budgets.

From: [Tim White](#)
To: [Bob Griffiths](#)
Subject: NG911 Questions
Date: Wednesday, March 14, 2012 4:00:48 PM

Chief Griffiths,

This email is in response to your questions earlier about our 911 system. We moved to Phase 2 E911 in the summer of 2006. We recently upgraded to a NG911 system. After a competitive bid process, the contract for the NG911 system was awarded to ProComm out of Anchorage.

Until recently, we only had one cell tower site in Sitka. This did not affect the accuracy of the location of the cell phone caller. We have been consistently able to locate the callers within 100 feet. The NG911 system is integrated into our CAD and Mapping program so that we get a visual and a numerical location for the callers. This has been helpful for our dispatchers for all of our 911 calls including the landline calls. The location is displayed on the map so that our dispatchers can give accurate directions.

Tim White
Police Technician
Sitka Police Department
304 Lake St, Rm 102
Sitka, AK 99835
Phone: (907) 966-5704
Fax: (907) 747-7122



**CITY OF CORDOVA, ALASKA
RESOLUTION 08-10-49**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
DIRECTING THE IMPOSITION OF AN E-911 SURCHARGE**

WHEREAS, a reliable 911 system is vital to the safety of a community, and any 911 system is useless unless the emergency dispatcher can determine the location of the caller; and

WHEREAS, the Emergency Dispatch center of the City of Cordova Police Department no longer has the ability to identify and locate an unconscious or disabled 911 caller if they are unable to speak or if they have their phone number "blocked" for Caller I.D.; and

WHEREAS, an enhanced 911 system is desperately needed so that in the event of a serious incident or medical emergency, our family, friends and community can be assured that their police, fire and emergency medical personnel will know exactly who they are and where they are so help can be sent to them immediately; and

WHEREAS, the City of Cordova faces a tremendous liability exposure in the event of disability or death of a 911 caller due to the inability to get to the scene in a timely manner; and

WHEREAS, the Enhanced 911 system will have reverse 911 capability, greatly enhancing communication of imminent danger to residents of Cordova; and

WHEREAS, AS29.35.131(a) authorizes a municipality to impose a 911 surcharge of up to \$2.00 (Two Dollars) per month for each wire line and wireless phone in the community to be used for acquisition and maintenance of an Enhanced 911 system; and

WHEREAS, AS29.35.131(b) states that "a local exchange telephone company providing service in a municipality that has imposed an enhanced 911 surcharge shall bill each month and collect the surcharge from customers in the enhanced 911 service area. A wireless telephone company that provides telephone service to wireless telephone customers with billing addresses within the enhanced 911 service area shall impose an enhanced 911 surcharge each month and collect the surcharge from customers in the enhanced 911 service area."; and

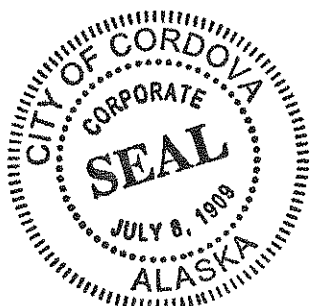
WHEREAS, all land based telephone companies and wireless telephone companies that collect the enhanced 911 surcharge shall remit the amount collected to the city no later than 60 days after the end of the month in which the amount was collected.

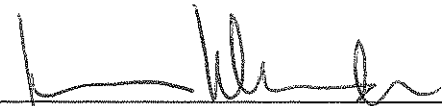
NOW, THEREFORE BE IT RESOLVED THAT the City Council of Cordova, Alaska, hereby approves and supports the efforts of City staff to pursue and acquire an enhanced 911 system for the benefit of the people of the community of Cordova, Alaska. It is further resolved that the City of Cordova, in order to fund and maintain an enhanced 911 system, shall implement a \$2.00 (Two Dollars) per wire line and wireless line telephone surcharge in accordance with AS29.35.131.

PASSED AND APPROVED THIS 20th DAY OF October, 2010.

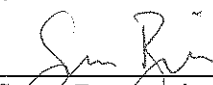
First Reading - 08/04/10, 10/06/10

Second Reading and Public Hearing - 10/20/10




James Kallander, Mayor

ATTEST:


Susan Bourgeois, City Clerk

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: March 15, 2012
TO: Mayor and City Council
SUBJECT: Health Services Board

There are three vacancies on the Health Services Board due to the resignations of Kristin Smith, Nichole Hunt and Tim Joyce. **Mayor Kallander** would like to make appointments so as to fill these vacancies.

He suggests the following:

Appoint:

Keith van den Broek
Bret Bradford
David Reggiani

for a term to expire:

August 2012
August 2014
August 2012

Mayor Kallander would also like to reappoint **David Allison** as the Council representative on the HSB for a term to expire on March 2013.

This action still leaves one vacancy on the HSB which by code (14.28.010) needs to be held by a member of the Native Village of Eyak Tribal Council. **Mayor Kallander** has asked for such an appointment from the Native Village and has requested a response by April 11, 2012. If there is no name offered, Council may choose to ask the City Attorney to amend the code section (i.e. requiring that one HSB member be a representative of the Native Village of Eyak Tribal Council) in order to be able to seat a full Health Services Board.

RECOMMENDED MOTION: Move to approve Mayor Kallander's appointments to the HSB as listed in this memo.

REQUIRED ACTION: Majority voice vote.

Susan Bourgeois

From: Susan Bourgeois
Sent: Thursday, March 15, 2012 11:31 AM
To: 'Angela Arnold'
Cc: James Kallander
Subject: Community Health Services Board

Angela,
Mayor Kallander asked that I send you a quick email requesting the name of a Tribal Council member who would be interested in serving on the Community Health Services Board. I hope to receive a response from you by April 11, 2012.

Thanks,
Susan

Susan Bourgeois, City Clerk
City of Cordova, Alaska
PO Box 1210
Cordova, AK 99574
907-424-6248
Cell 907-253-6248



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

March 14, 2012

Memo to City Council
Re: CCMC Reroofing Project

CMC 5.12.040 “Council approval of contracts” says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

I recommend the city enter into a contract with CH2MHILL of Anchorage, Alaska, to perform Professional Services associated with replacement of the Cordova Community Medical Center Roof for Design, Bid, and Construction Phases.

The contract price is \$105,000 lump sum for: Professional Service – Design and Bid Phases.

The contract price is \$42,000 T&M for: Professional Service – Construction Phase.

The contract price is \$10,000 T&M for: Professional Service – Allowance for Additional Services.

The nature and quantity of the performance the city shall receive is set forth in the attached “Reroofing Proposal - Tasks and Deliverables” (Exhibit A) and “Cordova Community Hospital - Roof Repair Proposal” (Exhibit B).

The time for performance under the contract will be until the project is estimated to be September 28, 2012.

Recommended action: Voice Vote.

I move to direct the City Manager to enter into the attached contract with CH2MHILL for Professional Services (Exhibit B) for Roof Replacement at Cordova Community Medical Center.

Thank you,

Mark Lynch
City Manager

Exhibit A

MEMORANDUM

CH2MHILL

TO: Mark Lynch, City Manager
City of Cordova, Alaska

FROM: Monique Lussier and Chas Filanowicz, architects
on behalf of Floyd Damron, VP and Senior Project Manager

DATE: March 12, 2012

RE: Cordova Community Hospital – Reroofing Proposal
Tasks and Deliverables

The following tasks delineate professional services during design and construction for the referenced project to clarify the Proposal letter dated 6 March 2012 and Roofing Recommendation Technical Memo dated 13 May 2011.

Project Setup (internal CH2M Hill activity)

Project Setup/Startup - includes Project Instructions/Project Execution Plan, risk register, quality management plan, health and safety plan, project schedule, and project financials setup.

On-Site Meetings Summary (denoted by Task below)

1. Project Kick-off Meeting and Site Visit.
2. Pre-Bid Conference.
3. Pre-Construction Meeting.
4. Structural Inspection.
5. 50% Completion.
6. 100% Completion/Punch List.
7. Final Inspection (Cordova administrator may elect to do this).

Task 1: Project Kick-off Meeting and Site Visit

Meet on-site with City of Cordova Project Administrator, Hospital Engineering Staff, and CH2M HILL Project Manager and architect to discuss all aspects of the reroof project and process. After the kick-off meeting, CH2M HILL staff will document in detail the existing conditions, measure the items of the building that will be part of the reroof project, and take photographs.

Task 2: Reroof Design

The reroof design will include the following tasks:

1. Internal kick-off meeting to discuss the project schedule, budget, responsibilities, and deliverables. Meeting will be attended by PM, architect,

-
- lead tech/CAD personnel, structural engineer, mechanical engineer, and project assistant.
2. Document existing conditions. Basis of documentation is roof plan and draft details issued with the Roofing Recommendation Technical Memo, supplement with information recorded during the site visit.
 3. Complete code review; discuss areas of interest with the State of Alaska Fire Marshal.
 4. Develop design drawings. Drawings (13-14) 22"x34" sheets will include the following:
 - a. Title sheet with location map and index.
 - b. General notes, symbols, and code information.
 - c. Roof Demolition plan and demolition notes.
 - d. Building Elevations with demo notes.
 - e. Photographs on drawings sheets with demo notes (2 sheets).
 - f. Roof reconstruction Plan and notes.
 - g. Building Elevations with reconstruction notes.
 - h. Mechanical Cupola framing plan and details.
 - i. Typical wall/soffit sections.
 - j. Detail sheets showing typical roof curbs for skylights, exhaust fans, boiler/generator exhaust, pipe seals, snow guards, eave, rake, ridge, wall, and valley details, louver details, soffit vent detail, gutter and downspout details.
 5. Develop technical specifications, including bid requirements and Division 1 sections provided by the City of Cordova Project Administrator.
 6. Develop cost estimate based on design documents.

Task 4: Internal Quality Control (QC) Review

Print a set of documents at the 90% complete and distribute to internal QC reviewers. Receive review comments, adjudicate and incorporate corrections into the final design.

Note: simultaneously issue this set to the city as a progress set and conduct a conference call to review the design.

Task 5: Finalize Design and Issue Design Documents for Bidding

Finalize the drawings and specifications for issue to the City for distribution to bidders. Update and re-issue the cost estimate.

Task 6: Bid Phase

Attend a pre-bid meeting at the site with City of Cordova Project Administrator and interested bidders. Assist in answering questions relating to the bid documents and issue addendums if necessary. Assist city with review of bids and awarding of the contract.

Task 7: Construction Phase

Assist the City of Cordova Project Administrator during construction by attending bi-weekly telephonic progress meetings, review submittals/shop drawings, answering RFI's, review payment requests, and conduct two punch list inspections (at 50% construction completion and at substantial completion), and monitor the completion of any punch list items.

Task 8: Project Closeout

Assist the City of Cordova Project Administrator in obtaining all roof warranties, monitoring remaining punch-list items, and assembling an operations and maintenance manual. Archive the project documents/record.

Exhibit B



CH2MHILL

CH2M HILL
949 E. 36th Avenue
Suite 500
Anchorage, AK 99508
Tel 907-762-1500
Fax 907-257-2000

March 13, 2012

CITY OF CORDOVA
P.O Box 1210
Cordova, Alaska 99574
Attention: Mark Lynch, City Manager
Subject: Cordova Community Hospital
Roof Repair Proposal

Dear Mr. Lynch:

CH2M HILL is pleased to submit an updated offer to provide design, bid, and construction phase services described in the roof recommendation portion of the Roof Repair Evaluation and Recommendation Technical Memorandum for the Cordova Community Hospital dated 13 May 2011 and Tasks & Deliverables Memorandum dated 12 March 2012.

The hospital roof has endured an exceptional winter of heavy snow. Last week I observed new damage to the eaves though most of the roof remains snow-covered, perhaps concealing additional new damage. Despite these unknowns, the basic premise of the referenced technical memo describing roof repair is still valid. The proposed project schedule is adjusted to reflect an earlier start from last year's proposal.

| Alternate Project Schedule – Invited Bidders | Date (2012)* |
|--|------------------|
| City Council Meeting – Design and Bid Services NTP | 21 March |
| Design Phase (6 weeks) | 26 March – 4 May |
| Bid Period | 7 May – 21 May |
| Pre-Bid Meeting (on-site) | 10 May |
| Receive Bids | 21 May |
| City Council Special Session – Review Bids, Award | 25 May |
| Issue Contractor NTP | 29 May |
| Construction – 18 weeks, estimated | 29 May – 28 Sept |

* Dates are based on 21 March 2012 NTP.

The proposed fee is adjusted to reflect this year's billing rates and provides for additional investigation for structural damage. The construction phase level of effort has been reduced in anticipation of an increased role by the City's project administrator.

| Proposed Cost Summary | Estimated Cost ^a |
|---|-----------------------------|
| Material Option A: 22ga Steel Roof Panel ^d | \$1,250,000 ^b |
| Material Option B: 0.40-inch Aluminum Roof Panel ^d | \$1,450,000 ^b |
| Allowance for Sheathing Replacement, Miscellaneous Carpentry | \$40,000 ^c |
| Construction Contingency – 10% | \$150,000 |
| Professional Services – Design and Bid Phases | \$105,000 Lump Sum |
| Professional Services – Construction Phase | \$42,000 Time & Materials |
| Professional Services – Allowance for Additional Services | \$10,000 |
| Permit and Bid Advertising Fees ^f | \$10,000 |
| Estimated Total: Material Option A | \$1,607,000 |
| Estimated Total: Material Option B | \$1,807,000 |

- Estimated costs are based on work being performed in 2012.
- From Rainproof Roofing estimate: CH2M HILL validated Rainproof roofing's estimated cost with an independent cost estimate – May 2011.
- CH2M HILL estimates 1,500 SF roof sheathing requiring replacement; this amount cannot be confirmed until the existing roof is removed.
- The City of Cordova (mayor and city manager) stated a preference for the Material Option A – steel roof. The estimated cost for Material Option B – aluminum remains for general information only.
- Contingency services must be authorized by City Manager.
- Project advertising and permit fees paid by City of Cordova.

At this time we cannot safely estimate the roof replacement project can be executed within the \$2-million budgeted by the City of Cordova but we will make every reasonable effort to do so. If the City is able to issue a Notice to Proceed by March 21, chances the roof replacement can be completed this season and within budget are greatly improved.

CH2M HILL appreciates this opportunity to continue working with the City of Cordova.

Sincerely,

CH2M HILL

Monique Lussier
on behalf of Floyd Damron

Floyd J. Damron, PE
VP and Senior Project Manager

Attachments:

- Technical Memo – Cordova Community Hospital Roof Replacement Recommendation, dated 13 May 2011
- Memo – Proposal Tasks and Deliverables, dated 12 March 2012
- Amendment 1 – Standard Agreement for Professional Services between CH2M Hill and City of Cordova

Memorandum

To: City Council
From: Sam Greenwood, City Planner
Date: 3/15/2012
Re: Southfill Development Park

PART I. BACKGROUND:

- At the March 6th 2012 P&Z meeting a discussion about expanding the South Fill Development Park, implementing the formal planning process occurred. A resolution was also approved.

The South Fill Development Park has had an influx of business development and growth in the recent past. The number of lots on the South Fill that are available for sale has been reduced, yet it appears that there is still a demand for commercial property. There have been a variety of ideas, projects and discussion about the expansion of the South Fill and the surrounding area. These ideas include sidewalks that would connect the South Fill to Council Avenue and the new Cordova Center, Sawmill extension trail and/or road, and boardwalks around the harbor. All of these ideas serve to create an area that will eventually provide a connection between the Sawmill Avenue, Cordova Center, Downtown, and the Old and New Harbor.

The idea of expanding the South Fill has been mentioned many times at a variety of venues, while some of these projects such as the sidewalks and boardwalks have been approved to move into the design phase, the concept of expanding the South Fill and connecting Sawmill Avenue has not yet been formally begun. Staff would like to start “formally” planning the development of the South Fill and incorporating the many projects in the area into an overall plan by having City Council accept the resolution that Planning and Zoning is presenting.

PART II. GENERAL INFORMATION:

The first consideration that P&Z addressed at their March meeting was that the commission believed that expanding the South Fill would be a good plan for the community’s future economic growth. The resolution that Planning and Zoning is providing will be the initial step in the formal planning process for the expansion of the South Fill Development Park.

There are numerous known and unknown details that will have to be worked out in the future. The Planning and Zoning Commission feels that Resolution 12-02 with the following recommendations is needed to start the formal planning process and start working through the feasibility of the expansion.

- A. Expand the South Fill Development Park and incorporate other projects into an overall plan to Cordova’s commercial, downtown and harbor areas.

- B. Support public hearings and work sessions throughout the process.
- C. Maintain this project as a high priority on the City's Capital Project list.
- D. Ask City Council to commit funds to proceed with formal planning.

PART III. SUGGESTED MOTION:

"I move city council accept resolution 12-02 from the Planning and Zoning Commission."

**CITY OF CORDOVA, ALASKA
PLANNING AND ZONING COMMISSION
RESOLUTION 12-02**

**A RESOLUTION OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF
CORDOVA, ALASKA, RECOMMENDING THE FORMAL PLANNING OF THE EXPANSION OF
THE SOUTHFILL DEVELOPMENT PARK TO THE CITY COUNCIL OF THE CITY OF
CORDOVA, ALASKA**

WHEREAS, the City of Cordova developed the Southfill Development Park in the early 1980s to provide for economic development and business growth for the City of Cordova, and businesses have since developed and flourished there.

WHEREAS, most lots in the Southfill Development Park have been sold, yet there is still demand for commercial property; and

WHEREAS, the concept of expanding the Southfill Development Park has been a topic of discussion in multiple venues, and while some projects such as the Southfill Development Park sidewalks, Harbor Study, and Harbor boardwalks have been moved into the design phase, the planning of the expansion of the Southfill Development Park and associated extension of Sawmill Avenue has not yet formally begun; and

WHEREAS, the Planning Department staff and the Planning and Zoning Commission would now like to start “formally” planning the development of the Southfill Development Park and incorporating the many projects in the area into an overall plan; and

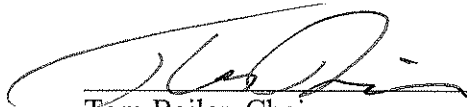
WHEREAS, the Planning and Zoning Commission believes that a long term planning process incorporating the future economic development and the connectivity of Cordova’s commercial, downtown and harbor areas will benefit the citizens of Cordova; and

WHEREAS, the Planning and Zoning Commission recommends to the Cordova City Council the below items in order to officially begin the planning process for the Southfill Development Park:

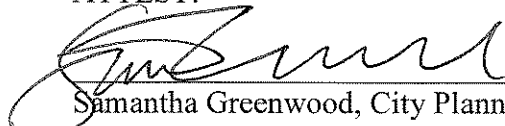
- A. Expand the Southfill Development Park and incorporating other projects into an overall plan to Cordova’s commercial, downtown and harbor areas.
- B. Support public hearings and work sessions throughout the process.
- C. Maintain this project as a high priority on the City’ Capital Project list.
- D. Ask City Council to commit funds to proceed with formal planning.

NOW, THEREFORE, BE IT RESOLVED THAT the Planning and Zoning Commission of the City of Cordova does hereby recommend the formal planning of the expansion of the Southfill Development Park to the City Council of the City of Cordova, Alaska

PASSED AND APPROVED THIS 6th DAY OF MARCH, 2012


Tom Bailer, Chairman

ATTEST:


Samantha Greenwood, City Planner

Memorandum

To: City Council
From: Sam Greenwood, City Planner
Date: 3/15/2012
Re: Water Sewer Code

PART I. BACKGROUND:

At the 12/7/2012 City Council meeting, City Council asked the Planning and Zoning commission to review the current water/sewer code concerning financial responsibility of repairing leaks to service connections. At the March 6th 2012 P&Z meeting, the commission discussed the current water/sewer code.

14.04.070 (F) Water and Sewer Connections

F. The customer is responsible for repairing and maintaining each connection by which the customer receives city water or sewer service. If the customer does not perform any necessary repair or maintenance of a connection, the city, upon twenty-four hours' written notice, or immediately if the public health requires it, may commence such repairs and maintenance and charge the costs thereof to the customer.

Below are some definitions from the City Code.

"Connected service" means a single-service connection to a city water main serving potable water to a facility or purpose, or a single service connection delivering wastewater from a facility to the city's sewer system main.

"Main" means those city-owned pipes along public streets or rights-of-way used for distributing water to or collecting sewage from various facilities.

"Service line" means all pipe, fittings and appurtenances for conveying water from the city's water system main to the plumbing of a facility, or conveying wastewater from a facility to the city's sewer system main.

PART II. GENERAL INFORMATION:

At the Planning and Zoning meeting information was presented and a discussion took place. This motion was made

M/Greenwood S/ Reggiani "I Move to recommend to Council that Water and Sewer service lines be the responsibility of the City to the private property line."

Upon Voice Vote: Motion Passed 7-0

PART III. STAFF SUGGESTED MOTION:

"I move that the City Council accept the formal recommendation of the Planning and Zoning Commission and direct staff to prepare an ordinance to enact these changes."

Pending agenda:

~~Council Work Session with State of AKDOT&PF — the advertising is calling it a “**Town Hall Meeting**” in Cordova to discuss/answer community questions about CRH 36 mile bridge closure/repair **March 8, 2012** — 6pm in the Library Meeting Room (Mt. Eccles Commons was not available) — this was canceled and will be rescheduled — will advertise as soon as we get a new date~~

Council Work Session with State of Alaska Department of Transportation and Public Facilities – specifically, **Captain Michael Neussl**, Deputy Commission, Marine Operations – confirmed for **March 22, 2012** – 6pm Mt. Eccles Commons

Capital Priorities List Meeting – **June 2012, September 2012, December 2012**

Committees:

Cordova Center Committee: Tim Joyce, Sylvia Lange, VACANCY, Darrel Olsen, Larue Barnes, VACANCY, Valerie Covell, David Roemhildt, Dan Logan, Nancy Bird, and Cathy Sherman

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

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

Public Services Building Design Committee: David Reggiani - Chairman, Chief Bob (Griffiths), Martin Moe, Jim Kacsh, Dick Groff, Mike Hicks, Tom Bailer

Calendars: 3 months’ worth of calendars attached hereto

March 2012

April 2012

May 2012

March 2012

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---|--|--|---|---|---|-----|
| Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib | | | | 1 | 2 | 3 |
| 4 | 5 | 6 ELECTION DAY Polls open 7am—8pm Library Mtg Room P&Z Mtg 7pm CH | 7 7:30 reg mtg LMR | 8 6:00 WKSN Town Hall mtg w DoT in re 36 mi bridge Mt. Eccles Commons | 9 2012 Property Tax Assessment Notices in the mail (30 day appeal period begins) | 10 |
| 11 | 12 —spring break— | 13 —spring break— | 14 HSB 7pm LMR Sch Bd 7pm HSL Hrbr Cms 7pm CH —spring break— | 15 7:00 spec mtg to certify election results —spring break— | 16 —spring break— | 17 |
| 18 | 19 Community forum for superintendent candidates—school | 20 5:30 Prks & Rec LMR | 21 7:00 wksn LMR Immediately after—reg mtg LMR | 22 6:00 AMHS work session w Neussl LMR | 23 | 24 |
| 25 | 26 Seward's Day—City Hall Offices Closed | 27 | 28 | 29 | 30 | 31 |

April 2012

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|-----|---|---------------------------|--|-----|-----|---|
| 1 | 2 | 3 | 4 7:30 reg mtg LMR | 5 | 6 | 7 |
| 8 | 9 Last day to appeal property assessments | 10 P&Z Mtg 7pm CH | 11 HSB 7pm LMR Sch Bd 7pm HSL Hrbr Cms 7pm CH | 12 | 13 | 14 |
| 15 | 16 7pm BOE meeting LMR | 17 5:30 Prks & Rec LMR | 18 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | Location Legend CH—City Hall Confer- ence Room LMR—Library Meeting Room HSL—High Sch Lib |

May 2012

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|---|---|-------------------------------|--|-----|-----|---|
| Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib | | 1 | 2 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR | 3 | 4 | 5 |
| 6 | 7 | 8 P&Z Mtg 7pm CH | 9 HSB 7pm HSB Sch Bd 7pm HSL Hrbr Cms 7pm CH | 10 | 11 | 12 |
| 13 | 14 | 15 5:30 Prks & Rec LMR | 16 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 Memorial Day holiday—City Hall Offices Closed | 29 | 30 | 31 | | Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib |