Chairman	PLANNING COMMISSION REGULAR MEETING		
John Greenwood	MAY 19, 2015 AT 6:45 PM		
Commissioners	LIBRARY MEETING ROOM		
Tom Bailer Tom McGann			
Scott Pegau	<u>AGENDA</u>		
John Baenen			
Allen Roemhildt Mark Frohnapfel	1. CALL TO ORDER		
City Planner	2. ROLL CALL		
Samantha Greenwood	Chairman John Greenwood, Commissioners Tom Bailer, Tom McGanr	1,	
Assistant Planner	Scott Pegau, John Baenen, Allen Roemhildt, and Mark Frohnapfel	,	
Leif Stavig	3. APPROVAL OF AGENDA (voice vote)		
4. APPROVAL O	F CONSENT CALENDAR (voice vote)		
	April 14, 2015 Public Hearing	. Page 2	
	April 14, 2015 Regular Meeting	-	
	S OF CONFLICTS OF INTEREST		
6. CORRESPON			
	ska DOT Public Notice	Page 9-10	
	amber of Commerce – Letter of Support for Bayside Storage	•	
	ghts Electrical – Letter of Support for Bayside Storage	-	
	xwell – Letter of Support for Bayside Storage		
	ATIONS BY AND PETITIONS FROM VISITORS	.1 450 15	
a. Guest Speak			
1	Carpenter – Copper River Watershed Project	Page $1/_{-}26$	
	omments regarding agenda items (3 minutes per speaker)	.1 age 14-20	
		Daga 27	
	REPORT	. rage 27	
		$\mathbf{D}_{2} \approx 29.62$	
	roposal for Lot 4A, Block 5, North Fill Development Park Addition No. 2	. Page 28-62	
	from Bayside Storage	D (2.01	
	roposal for a Portion of Tract 1A, Ocean Dock Subdivision Addition #2	. Page 63-91	
	from Alpine Diesel	D 00 110	
	roposal for Lot 13, Block 12, Original Townsite	. Page 92-119	
	from Joe Arvidson	D	
	equest for 'Subdivision of US Survey 901'		
	equest for 'Plat of Subdivision of Tract B-2 of Pebo Subdivision'	•	
	5-08 – Code Change for RR3 Rural Residential District	. Page 126-131	
	n of the Planning Commission of the City of Cordova, Alaska recommending		
2	Council of the City of Cordova, Alaska to amend Cordova Municipal Code		
	.21 by repealing Subsection 18.21.070(B) and amending section 18.21.080 in		
	minate the minimum lot width requirement and reduce the yard requirements		
in the RR3	Rural Residential District		
10. PENDING CA			
	alendar		
b. June 2015 Calendar			
11. AUDIENCE I	PARTICIPATION		
12. COMMISSIO	N COMMENTS		
13. ADJOURNM	ENT		

PLANNING COMMISSION PUBLIC HEARING APRIL 14, 2015 AT 6:30 PM LIBRARY MEETING ROOM MINUTES

1. CALL TO ORDER

Chairman *John Greenwood* called the Planning Commission Public Hearing to order at 6:30 PM on April 14, 2015 in the Library Meeting Room.

2. ROLL CALL

Present for roll call were Chairman John Greenwood and Commissioners Tom Bailer, Tom McGann, Scott Pegau, John Baenen, Allen Roemhildt, and Mark Frohnapfel.

Also present were City Planner, Samantha Greenwood, and Assistant Planner, Leif Stavig.

2 people were in the audience.

3. PUBLIC HEARING

a. Proposed Changes to the Waterfront Commercial Park District

<u>M/Bailer S/Baenen to take a 10 minute break.</u> <u>Upon voice vote, motion passed 7-0.</u> Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

J. Greenwood called the Public Hearing back to order at 6:43 PM.

David Roemhildt, Mile 6 Copper River Highway, asked if the intention of the changes to the Waterfront Commercial Park District permitted principal uses was to consolidate. **Bailer** said that the changes open it up for more uses. **Roemhildt** said that was good and that changing the parking requirements also seemed to be a good idea. He asked why they eliminated the drainage plan. **S. Greenwood** answered that it was required in the Site Plan Review. **Roemhildt** said that he had one comment on the Site Plan application and that was to make sure the verbiage in the application was the same as what was in the code.

4. ADJOURNMENT

<u>*M/Bailer S/Frohnapfel*</u> to adjourn the Regular Meeting at 6:45 PM; with no objection, the meeting was adjourned.

Approved:

John Greenwood, Chair

Leif Stavig, Assistant Planner

PLANNING COMMISSION REGULAR MEETING APRIL 14, 2015 AT 6:45 PM LIBRARY MEETING ROOM MINUTES

1. CALL TO ORDER

Chairman *John Greenwood* called the Planning Commission Regular Meeting to order at 6:45 PM on April 14, 2015 in the Library Meeting Room.

2. ROLL CALL

Present for roll call were Chairman John Greenwood and Commissioners Tom Bailer, Tom McGann, Scott Pegau, John Baenen, Allen Roemhildt, and Mark Frohnapfel.

Also present were City Planner, Samantha Greenwood, and Assistant Planner, Leif Stavig.

3 people were in the audience.

3. APPROVAL OF AGENDA

<u>*M/Bailer S/Pegau* to approve the agenda for April 14th, 2015.</u> <u>Upon voice vote, motion passed 7-0.</u> Yea: *Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel*

4. APPROVAL OF CONSENT CALENDAR

<u>M/Bailer S/McGann to approve the Consent Calendar.</u> <u>Upon voice vote, motion passed 7-0.</u> Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

5. DISCLOSURES OF CONFLICTS OF INTEREST

6. CORRESPONDENCE

- a. Letter of Interest from Laura and Ardy Hanson
- b. US Army Corps of Engineers Public Notice

7. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

a. Audience Comments regarding agenda items

Ardy Hanson, 310 Railroad Row, thanked the commission for hearing him today. Hanson said that he has been trying to buy the land behind his house for a while now to maintain the green area. He does not want to see it developed. He would be interested in purchasing a portion of it or come to some sort of agreement about it. He has done some research and one issue he has is that once land has been titled it is hard for any stipulations to be on the land. If you want to maintain a greenbelt if it is in a private title the owner can take out what they want.

David Roemhildt, Mile 6 Copper River Highway, spoke in favor of the changes in code to the Waterfront Commercial Park District. He also wanted to voice caution on the agenda item to make the Library and Museum lots 'Available.' His suggestion is that the Planning Commission should do all the heavy thinking on this and not just pass it to council. They should consider all of the options that could come into play for

the property. From attending the meetings it appears that from the City Council side there is not as much of an understanding of what's going on with land development.

8. PLANNER'S REPORT

S. Greenwood said that there was a Robert's Rules of Order training with the City's attorney. She said that there was a water leak on Second Street.

Frohnapfel verified that the land owner request to purchase that withdrew was *Brent Davis*. *McGann* asked if they had adequate setbacks. *S. Greenwood* said that they met the setbacks prior to their interest in purchasing the lots.

9. NEW/MISCELLANEOUS BUSINESS

a. Resolution 15-05 – Making Lots 12-18, Block 6, Original Townsite 'Available' A resolution of the Planning Commission of the City of Cordova, Alaska recommending to the City Council of the City of Cordova, Alaska that Lots 12-18, Block 6, Original Townsite be updated to 'Available' and added to the 2015 Land Disposal Maps

M/McGann S/Bailer to approve Resolution 15-05.

McGann said that just making it 'Available' doesn't do anything. They can take their sweet time to decide what they want. They don't have to accept any proposals. **Bailer** agreed with **McGann**. He said that basically this is putting a sign up saying that this is "For Sale." There is a lot of work to be done. **Pegau** said that they have been working hard to make lots 'Available' once a year rather than every meeting. He encourages them to stick to that. With this particular lot he is really concerned about parking with the Cordova Center. They need to look at if they have everything the City needs in that area before they open this up. They should take their time and not put the "For Sale" sign up while the lights are still on and the building is still occupied. **Baenen** said that they can move forward with getting the buildings out of there. He doesn't want to see the buildings there anymore. He wants to move forward with as soon as the City is out of the building to put the buildings up for sale to see if anyone is interested in taking them. Then they would have the clean lot and they could decide what they wanted there. **Frohnapfel** said that he thinks they owe it to the community to make the buildings go away once the Cordova Center is done.

Pegau said that they were talking about the building, but that the resolution was for the land. **McGann** said by making it 'Available' it does free them up for the next agenda item. **S. Greenwood** said that her interpretation of 'Available' means the building and the land. She never thought of it as only the land. **Pegau** said that he didn't think the building was a building that you could just purchase and move. **Baenen** said that it was moveable. He said he just wanted to make the building 'Available' and not the land. **Bailer** said that making the land 'Available' is exactly what you want to do to get the developers thinking. **Randy Robertson**, City Manager, said that council's intent was to start the process now.

<u>Upon voice vote, resolution passed 6-1.</u> Yea: Greenwood, Bailer, McGann, Baenen, Roemhildt, Frohnapfel Nay: Pegau

b. Disposal of Lots 12-18, Block 6, Original Townsite (Library & Museum)

<u>*M/Bailer S/McGann*</u> to recommend to City Council to dispose of Lots 12-18, Block 6, Original Townsite and the improvements thereon by requesting sealed proposals to lease or purchase the property with the special conditions contained in the staff report.

McGann said that he wanted to change the special conditions so that they would only be disposing of the buildings.

Planning Commission Regular Meeting - Minutes April 14, 2015 Page **2** of **6**

M/Pegau S/McGann to amend the motion to strike 1b and 1c from the special conditions.

Bailer said he didn't understand why you want to limit it. The end result is to sell the property. **Pegau** said that the purpose is to ask whether or not there is interest in the buildings alone to give them more time to think about what they want to do with the land. **Baenen** said that they needed to ask for proposals on the building first.

<u>Upon voice vote, motion to amend passed 7-0.</u> Yea: *Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel*

<u>Upon voice vote, amended main motion passed 7-0.</u> Yea: *Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel*

c. Land Disposal of Lot 15, Block 6, USS 2981

<u>*M/Bailer S/Baenen*</u> to recommend to City Council to dispose of Lot 15, Block 6, USS 2981 by negotiating an agreement with Ardy and Laura Hanson.

Bailer asked if it was a buildable lot and if it was practical to build on. **S. Greenwood** said that it was 4,000 square feet, but that it was steep and access is difficult. **Bailer** asked why there was a letter from 10 years ago in the packet. **Hanson** said that the City told him at that time they were not in the business of selling land. **Frohnapfel** verified that the lot was not subdivided as the adjacent lots were. **Baenen** asked where this lot was in relation to the steep rock wall. **Stavig** said it was further down Chase Ave. from this lot. **Pegau** said that when they looked at the disposal of the lots adjacent to this one they added a special condition that a greenbelt easement be added.

M/Pegau S/Baenen to amend the motion by adding a special condition to put a 20 foot greenbelt easement on the section closest to Chase Avenue.

Bailer said because it was direct negotiation that could be something to get negotiated. **Bailer** asked the commission if for consistency they should put the lot out for proposals. **Frohnapfel** said that for the **Davis** lots they did direct negotiation. **Bailer** asked if the greenbelt was necessary and if it could be enforced. **J. Greenwood** suggested selling a portion of the lot. **Hanson** said with the greenbelt there is no obligation that the owner has to stick to it. **J. Greenwood** said that if they want to maintain a greenbelt than they need to maintain ownership. **S. Greenwood** said that it is currently zoned Parks and Open Spaces and there is no minimum lot size so a smaller lot would not be nonconforming. **Frohnapfel** said with the current zoning, **Hanson** would not be able to do anything with the lot besides own it and maintain it. Bailer said that to maintain a greenbelt they are able to the able it. 'Not Available.' Hanson said he would be fine using it as he already is, but he is worried about private property on either side and it could be developed.

Upon voice vote, motion to amend failed 0-7. Nay: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

M/Pegau S/McGann to amend the motion to read "a portion of Lot 15, Block 6, USS 2981."

S. Greenwood said she understood the intent of stating "a portion" and that staff could work with it during direct negotiation. *Bailer* said that he didn't know about doing direct negotiation for a piece of property adjacent to other privately owned lots. *S. Greenwood* said it was not zoned residential and the adjacent lots are.

<u>Upon voice vote, motion to amend passed 7-0.</u> Yea: *Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel*

<u>Upon voice vote, amended main motion passed 7-0.</u> Yea: *Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel*

d. Resolution 15-06 – Code Change for Waterfront Commercial Park District A resolution of the Planning Commission of the City of Cordova, Alaska recommending to the City Council of the City of Cordova, Alaska to amend Cordova Municipal Code Chapter 18.39 to change the requirements in the Waterfront Commercial Park District and to amend Chapter 18.08 to change and add definitions to Title 18

M/McGann S/Frohnapfel to approve Resolution 15-06.

The commission discussed hotels and motels and decided to pick the new, simplified definitions.

S. Greenwood told the commission that the way the code reads now is offices associated with a permitted principal use are a permitted use. *Pegau* recommended striking it. The commission agreed to remove it.

S. Greenwood said that they had a long discussion about setbacks and yards at the last meeting. The setback is the measurement from the building to the lot line and the vard is the space in between. She said she wanted to the commission to understand if they change it to "setback" they would be making nonconforming buildings. Anyone who has eaves currently in the setbacks are going to become nonconforming. *Pegau* asked if the setback was from the lot line to the first part of the building or to the foundation. S. Greenwood said that by taking out the vards section of code no part of a building could be within the required setbacks. Bailer said that if a building is built to the current code and the code changes that does not make the building nonconforming. S. Greenwood said that it would be nonconforming. Stavig said if a building is legally constructed and the code changes and the building doesn't meet the new requirements it is nonconforming. S. Greenwood said that the code doesn't allow nonconforming buildings to be added to. Baenen said he was not for the code change if it would change things like that. McGann said that they have setbacks for a reason. Allowing someone to put a three foot stairwell in a five foot setback does not make sense to him. Bailer said it was news to him that you could build a building that met code for 2000 and then in 2015 you change the code and it becomes nonconforming. He finds that troublesome. J. Greenwood said that it is too much of a burden for property owners. Pegau said that they need to be able to make code changes. There will be uncomfortable consequences to make change, but they have to be willing to do that to create the city that they want. Roemhildt asked if they could add a date to grandfather the buildings. Stavig said that nonconforming is grandfathering. S. Greenwood said if you want to tackle the restrictions on nonconforming that is a different section of code. J. Greenwood said that at some point they could look at the nonconforming part of code. Bailer said he needed to think about it.

McGann asked to add "mean maximum height" to the maximum height of buildings portion of the code.

S. Greenwood said that the site plan review section now just refers to the site plan chapter in code. She spoke with the Fire Marshall and stamped drawings are required for projects over \$150,000.

<u>M/Pegau S/Bailer to refer back to staff.</u> <u>Upon voice vote, motion to refer passed 7-0.</u> <u>Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel</u>

e. Resolution 15-07 - Code Updates Cost

A resolution of the Planning Commission of the City of Cordova, Alaska recommending to the City Council of the City of Cordova, Alaska to appropriate twenty-one thousand four hundred dollars for editing and updating Titles 16, 17, and 18 of the Cordova Municipal Code

S. Greenwood said that she needs a budget to do code work. She got a quote from *Holly Wells* (City attorney) for code work, but they need to read it closely because it is not what they just did with Waterfront Commercial Park District.

Planning Commission Regular Meeting - Minutes April 14, 2015 Page 4 of 6

M/Bailer S/Frohnapfel to approve Resolution 15-07

Bailer asked if the changes to zoning code have to go to the lawyer. **S. Greenwood** said that especially issues with zoning need to go through the lawyer. **Pegau** said when they went through the code in the past they had made changes to zoning boundaries and requirements. **S. Greenwood** said that this quote does not include changes like that. **Frohnapfel** said that while it is expensive, they need to compete and let their quest be known to City Council. Unless they ask for it, they are never going to get it. **Pegau** said he really wants to do this, but he is worried that they are only doing a quarter of the step. The modifications that they made would really impact development in Cordova if it does not involve rezoning. **Roemhildt** asked if they had to go to the lawyer. **Robertson** said that you would not want to touch this with a 10 foot pole without a legal review.

<u>Upon voice vote, resolution passed 7-0.</u> Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

10. PENDING CALENDAR

- a. April 2015 Calendar
- b. May 2015 Calendar
 - i. Reschedule Regular Meeting

The commission agreed to change their May regular meeting to Tuesday, May 19th.

S. Greenwood said they would wait to see what council decided with budgeting for code changes. If they did not go for it, then she would bring the snow load change back at the next meeting since it was an easy change.

Pegau said if the code gets budgeted at some point they will need to review all of the changes they made in the past.

11. AUDIENCE PARTICIPATION

D. Roemhildt said it would be helpful to have a large zoning map or topo map at the meetings. He thinks it would be helpful to have the full text of every code affected by decisions under their review. He would also like the coffee machine in the back of the room. His understanding is that home rule and first class cities have reserved to them all planning, platting, and land-use authorities. While it may be wise to go to lawyers, the code has to be consistent with itself. The process in which codes are adopted is a public process and as long as it is consistent you can do whatever you want.

Bailer told *D. Roemhildt* he was hung up on making an existing building nonconforming and asked for his opinion. *D. Roemhildt* said it would be very troublesome. His building conforms to the proposed changes, but Camtu's, Ilanka, and AC do not and they may need to expand.

12. COMMISSION COMMENTS

McGann said it was a good meeting.

Bailer said with the Library and Museum lots they have had a lot of conversation about what to do with them. He encouraged everyone to talk to others to see what they want. He doesn't know if they have a historic downtown code, but all of these things they need to look at.

Pegau said it looks like they are going to be busy.

13. ADJOURNMENT Planning Commission Regular Meeting - Minutes April 14, 2015 Page **5** of **6**

M/Frohnapfel S/McGann to adjourn the Regular Meeting at 8:45 PM; with no objection, the meeting was adjourned.

Approved:

John Greenwood, Chair

Leif Stavig, Assistant Planner



Department of Transportation and Public Facilities

STATEWIDE AVIATION Northern Region Aviation Leasing

> 2301 Peger Road Fairbanks, Alaska 99709-5399 Main: 907-451-2216 Fax: 907-451-2253

April 7, 2015

Re: Cordova Airport Lease ADA-72216 Public Notice

RECEIVED APR 1 3 2015

DISTRIBUTION

City of Cordova

Enclosed is a Public Notice regarding a leasehold interest disposal of State land. Public Notice is required by the Alaska Constitution.

We are sending you this copy for your information only; no action is required on your part. However, you are welcome to post this notice in the public view.

If you have any questions, please call me at (907) 451-5201.

Sincerely,

lacel 20262

Diana M. Osborne Airport Leasing Specialist

jkb

Enclosure: Public Notice

cc: Robert Mattson, Jr., Airport Manager

Distribution:

Chugach Alaska Corp., 3800 Centerpoint Dr., Ste. 601, Anchorage, AK 99503-5826 City of Cordova, PO Box 1210, Cordova, AK 99574 Eyak Corporation, PO Box 340, Cordova, AK 99574

"Keep Alaska Moving through service and infrastructure."

PROPOSAL TO LEASE STATE AIRPORT LAND: The Alaska Department of Transportation & Public Facilities proposes to lease Parcel B, consisting of approximately 2,992,136.40 square feet (ADA-72216 successive lease to ADA-71569), at Cordova Airport for five (5) years, to expire July 15, 2019. Applicant: Alaska Department of Fish and Game. Authorized uses: non-aviation – Operation and maintenance of a combination skeet, trap, pistol, archery, and rifle range. Annual rent: \$4,500.00.

This is an application filed under AS 02.15.090(c), which allows the Department to grant the proposed lease term extension without competition. Written comments must be received by 4:30 p.m., May 17, 2015, after which the Department will determine whether or not to extend the lease. The Department's decision will be sent only to persons who submit written comment or objection to the Department, at the address and by the date and time specified in this notice, and include their return address. Information is available from Diana M. Osborne, Aviation Leasing, 2301 Peger Road, Fairbanks, AK 99709-5399, (907) 451-5201. Anyone needing hearing impaired accommodation may call TDD (907) 451-2363.

The Department reserves the right to correct technical defects, term, or purposes and may reject any or all comments.

BY: Perulope adle

Penelope Adler, SR/WA, CM Chief, Northern Region Office Statewide Aviation Leasing

DATE: arril 7, 2015

PLEASE LEAVE POSTED AND FULLY VISIBLE THROUGH MAY 17, 2015

Note: A person who removes, obscures or causes to be removed or obscured a notice posted in a public place before the removal date stated in this notice is subject to disqualification from receiving any lease, permit, or concession related to this notice.



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

Board of Directors

Kelsey Appleton, SERVS Mimi Briggs, Alaskan Hotel/Cordova Museum Rob Eckley, Fisherman Jennifer Gibbins, The Cordova Times Steve Graves, Nichols Back Door Co. Chelsea Haisman, Haisman Photography Katrina Hoffman, Prince William Sound Science Center/OSRI LCDR James L. Jarnac, ex-officio, USCG Jim Kacsh, Mayor of Cordova, Anchor Marine/NAPA Kerin Kramer, Native Village of Eyak Cathy Long, Cordova Wireless Wendy Ranney, Orca Adventure Lodge/Cordova School Dist. Randy Robertson, ex-officio, Cordova City Manager Osa Schultz, Seaview Condo/Pet Projects Robert Skorkowsky, ex-officio, USFS Ryan Schuetze, Crow's Nest Printing Thea Thomas, Fisherman

Christa Hoover, Executive Director

City of Cordova Planning Department PO Box 1210 Cordova, AK 99574

In attending a recent Cordova City Council meeting it was satisfying to hear Councilman Reggiani as well as Councilman Bailer use the phrase, "Cordova is open for business". What a great message to get out to entrepreneurs and business owners.

In recent months, we understand that long time local business Mobile Grid was able to negotiate a long term lease and purchase agreement that will keep them in business here in Cordova, continuing to provide essential service to the commercial fishing fleet that is a critical economic driver in Cordova.

Bayside Storage is another long term valuable business to Cordova, to individuals, businesses, non-profits as well as commercial fishers who do not have the luxury of warehouses and vacant lots. The Cordova Chamber of Commerce as well as the Cordova Iceworm Festival have storage units that are necessary to the success of our event programing. Many commercial fishers run their summertime fishing businesses out of their efficient Bayside Storage units. Expansion of this business model seems to make great sense for Cordova, a business that is low impact on resources and offers a needed services.

In light of Cordova loosing at least 2 longtime businesses this past winter the thought of new business in Cordova and expanded business in Cordova is exciting. New and expanding businesses are both taking personal financial risk and demonstrating commitment to this community while adding to the tax base.

Thank you,

Christa Hoover

4/28/15

Northern Lights Electrical, LLC

Po Box 753 Cordova, AK 99574

907-424-6464 ph./907-424-6463fx.

Dear City Manager, City Planners and City Council Members,

As the owners of Northern Lights Electrical we strongly encourage the Planning Commission and the City Council to approve the Bayside Storage proposal for expansion on to Lot 4A Block 5 of the North Fill development area.

Northern Lights Electrical has operated our business from the large Warehouse space "F" for many years. Without this space we would be hard pressed to find a convenient affordable complex to conduct our business, while safely storing the many thousands of dollars of supplies we must have on hand.

Northern Lights Electrical employs five families year around and our place of business is officially the "F" locker at Bayside. Allowing Bayside to expand would be a welcome addition to Cordova and a very good use for the small lot being offered for sale. This land has been completely unproductive for nearly 40 years, please put it into production so other businesses can operate in Cordova as we do.

Thańk you, ebla Owner Administrator

RECEIVED

Dear City Manager, City Planners and Council Members,

APR 2 7 2015 City of Cordova

As manager of LFS I would like to express our support for the proposed expansion of Bayside Storage on Lot 4A Block 5 of the North Fill Development Park.

LFS has expanded our net hanging operation into the Bayside Storage Building #6, locker "H" in recent years. LFS now has 7 full time employees working from the Bayside facility, hanging new gill nets year around. We had out grown the other facility and the Bayside complex had what we needed to expand into when we needed it.

LFS collets thousands in sales taxes from the nets we build, we pay hundreds in sales taxes to Bayside for the space we rent and our employees are year around residence who spend their paychecks on Cordova.

We strongly encourage the Planning Commission and the City Council to approve the Bayside proposal to expand and to put this impound lot to work for all of the people of Cordova.

Thank you,

Minibul D. allevell 4-27-15



COPPER RIVER WATERSHED PROJECT @ Voices for a wild salmon economy (5)

May 15, 2015

John Greenwood, Chair Planning & Zoning Commission City of Cordova P.O. Box 1210 Cordova, AK 99574

Dear Mr. Greenwood and Planning & Zoning Commissioners,

I'm writing with an update on our work to reduce stormwater pollution from stored snow as it melts. In fall, 2013 we were awarded funding from the *Exxon Valdez* Oil Spill Trustee Council (EVOSTC) to analyze snow storage and handling practices around town and look for ways to mitigate the discharge of pollutants from melting snow into nearby aquatic habitat. We're concerned about the impacts on water quality from potentially petroleum-laden urban run-off which drains directly into eastern Prince William Sound at Orca Inlet.

The City of Cordova and the Alaska Department of Transportation & Public Facilities have been very collaborative partners to work with in this effort, and from interviews and site visits with partner staff the project engineer has compiled a Cordova Snow Management Practices Analysis Report. Now we're using this report to look at ways to implement procedural and structural best management practice recommendations to reduce pollution from snow melt run-off discharged into receiving waters. Three sites were identified as top priorities for physical improvements based on their volume of snow stored and proximity to receiving waters: the bank of Odiak Pond, behind the library/museum building on 2nd and Adams Streets, and waterfront storage near the harbor (several locations proposed for improvements).

Melting snow seems pretty harmless, but once it's been plowed from roads spread with sand, all the accumulated pollutants from vehicle fluids and sediment are concentrated in stored snow:

Snow cleared from urban areas typically includes pollutants such as sediment, oil, grease, nitrogen, phosphorous, salts, and metals, which are transported to receiving water bodies by snowmelt. . . Sediment itself is a pollutant and often carries other a[d]sorbed pollutants, including metals, oil, and grease. It is

P.O. Box 1560, Cordova, AK 99574 tel 907.424.3334 web www.copperriver.org

Board of Directors

Molly Mulvaney, President, Cordova Mark Johns, Vice Pres., Copper Center Alexis Cooper, Treasurer, Cordova Ruby Oatman, Gakona Maria Wessel, Cordova Brad Reynolds, Cordova Copper Basin seat, open Robin Underwood, Secretary, Kenny Lake

intimately associated with snowmelt in Alaska in urban areas and along roadways where it is deliberately applied as a traction aid. A majority of the water quality impacts from snow melt is thought to be associated with sediment (DOWL, 2015).

Our concern is for the drainage that conveys snow meltwater to Odiak Pond and to Orca Inlet with no opportunities for filtration of pollutants. With the EVOSTC funds we will be implementing a Best Management Practice design at the snow storage site adjacent to Odiak Pond that uses some vegetative and some mechanical filtration of snow melt run-off. This design has been reviewed by the City Public Works Department and by the Parks and Recreation Commission.

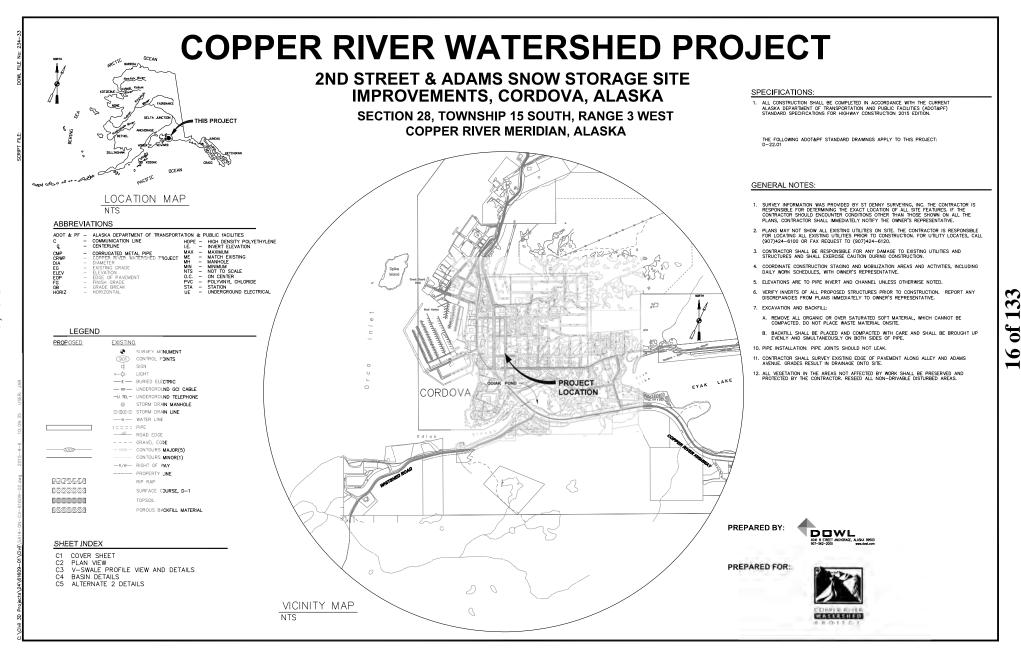
We also plan to seek funding for a mechanical filtration design created for the site behind the current library/museum at 2nd and Adams Streets. Those design drawings accompany this letter for your consideration. We wanted to confer with the Planning and Zoning Commission in particular about the possibility of spending money to help filter snow melt run-off on the City-owned lots behind the library/museum in case there was any thought of selling those lots in the near future if development on First or Second Street were proposed.

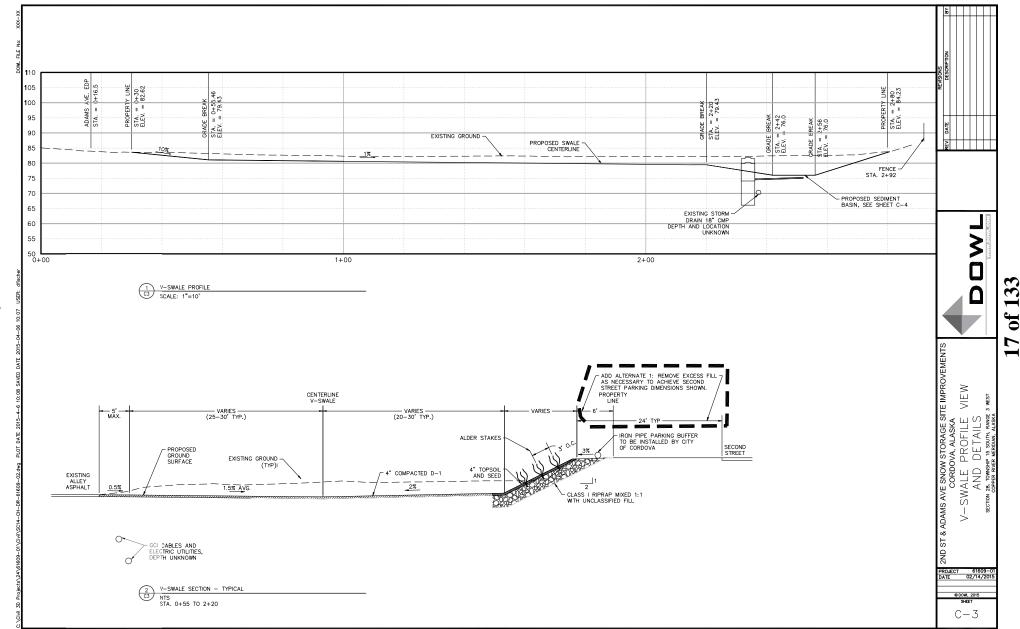
I look forward to discussing these proposed designs for reducing snow melt pollution with you on May 19, 2015.

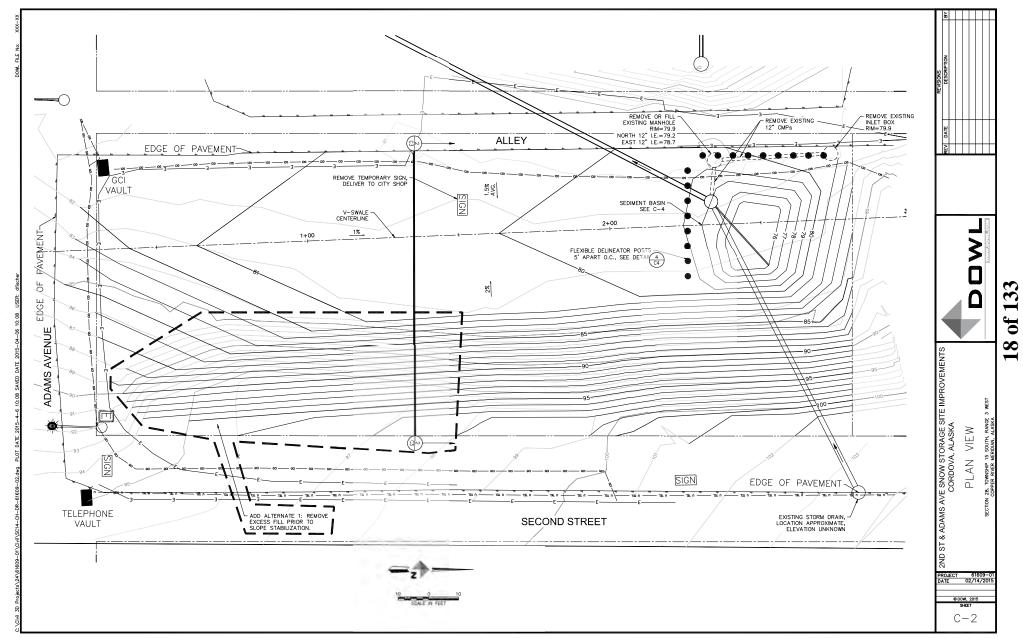
Sincerely,

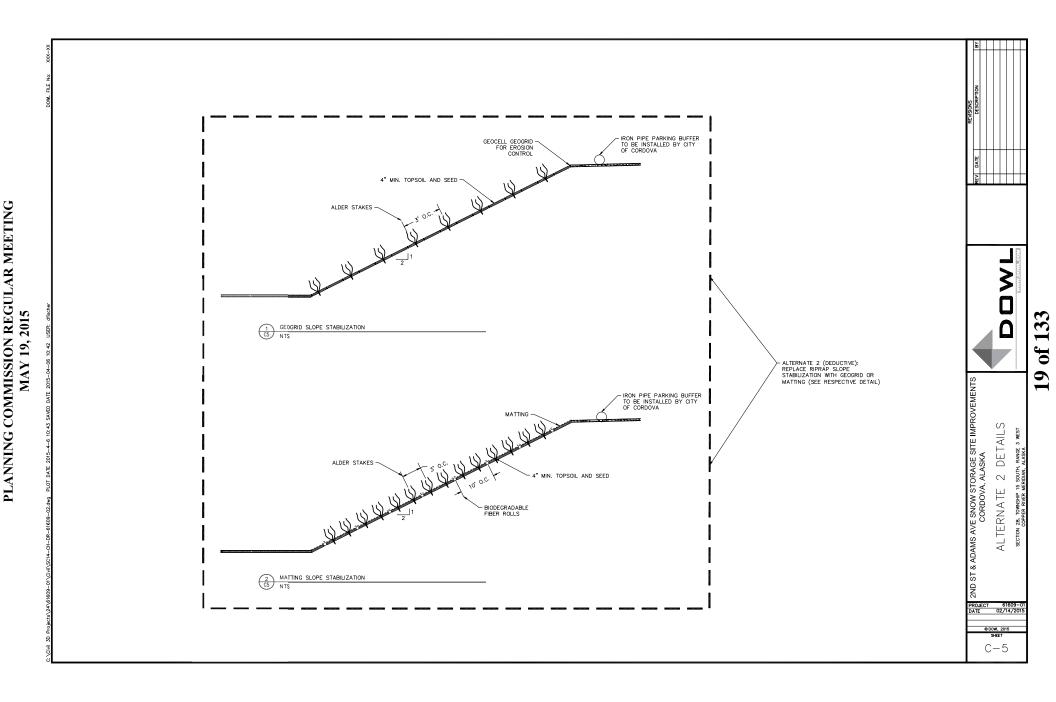
Kristen Carpenter

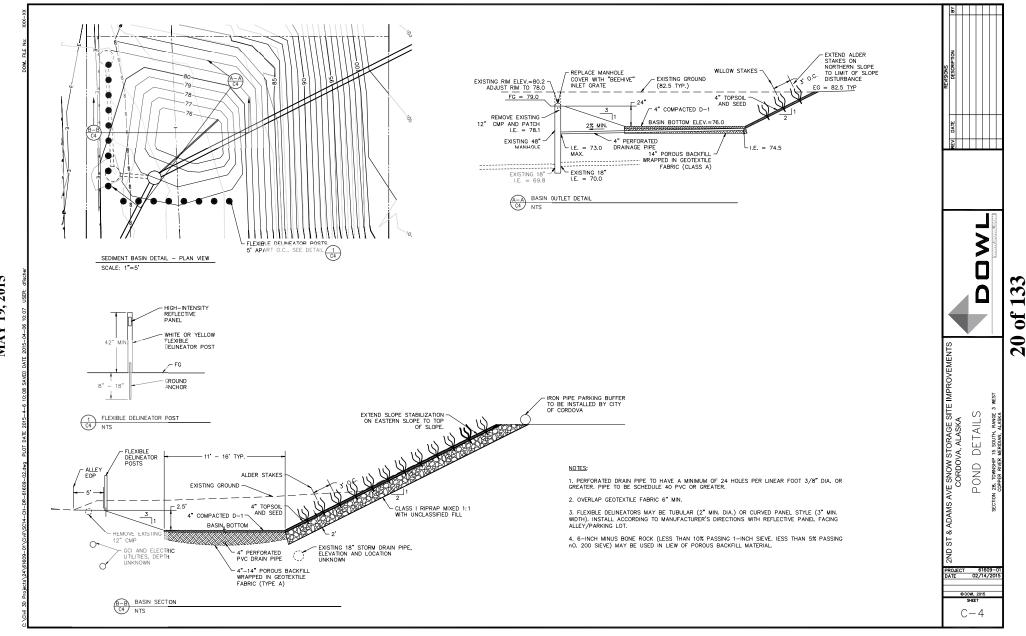
Kristin Carpenter Executive Director

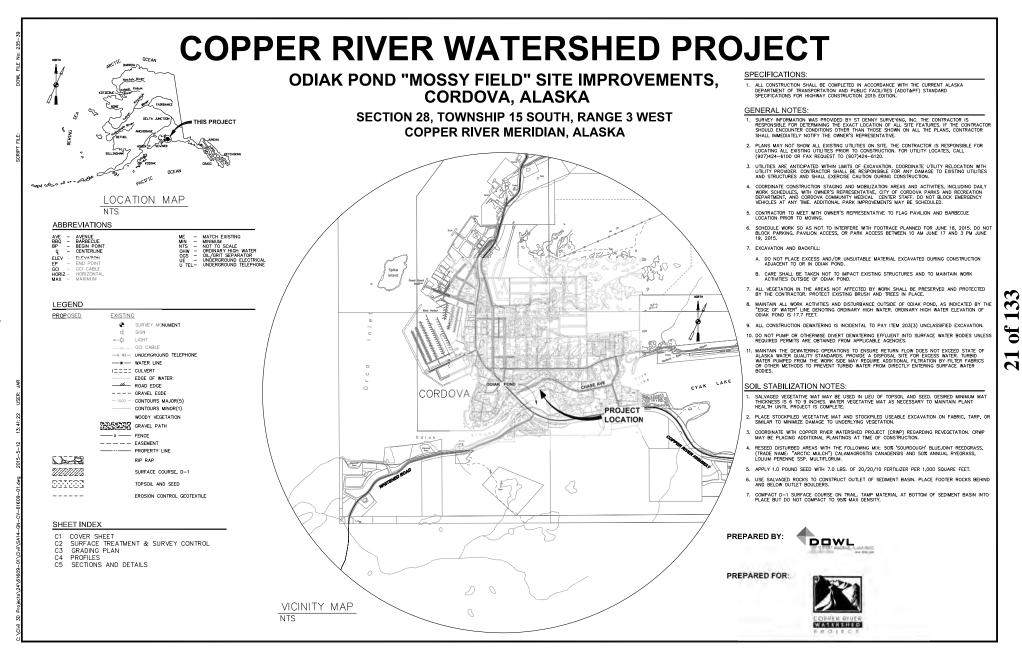


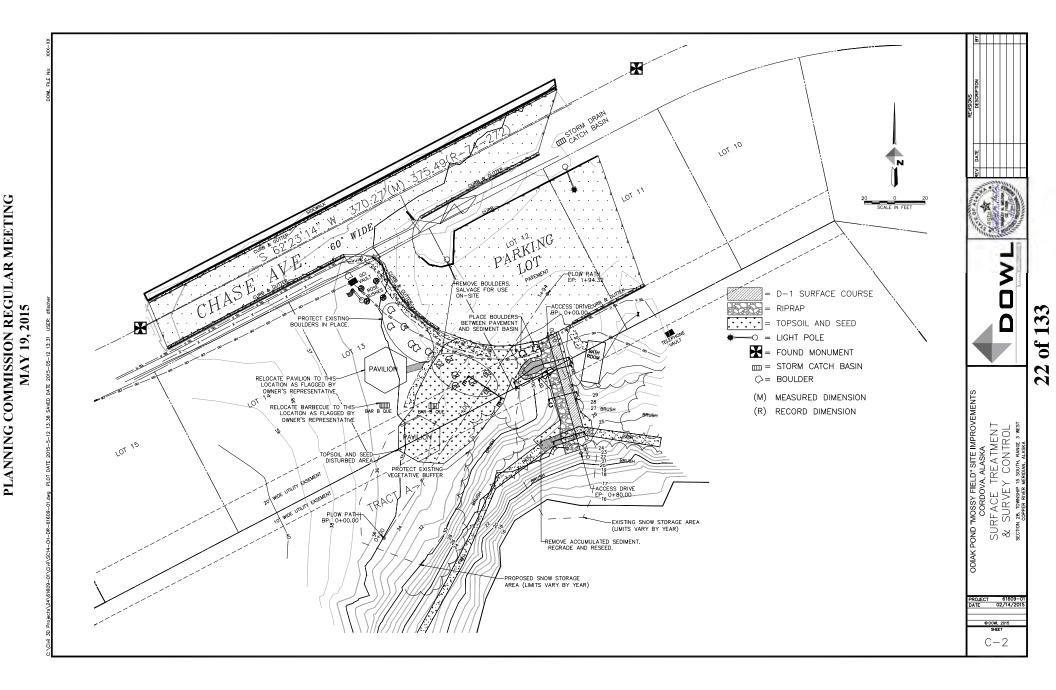


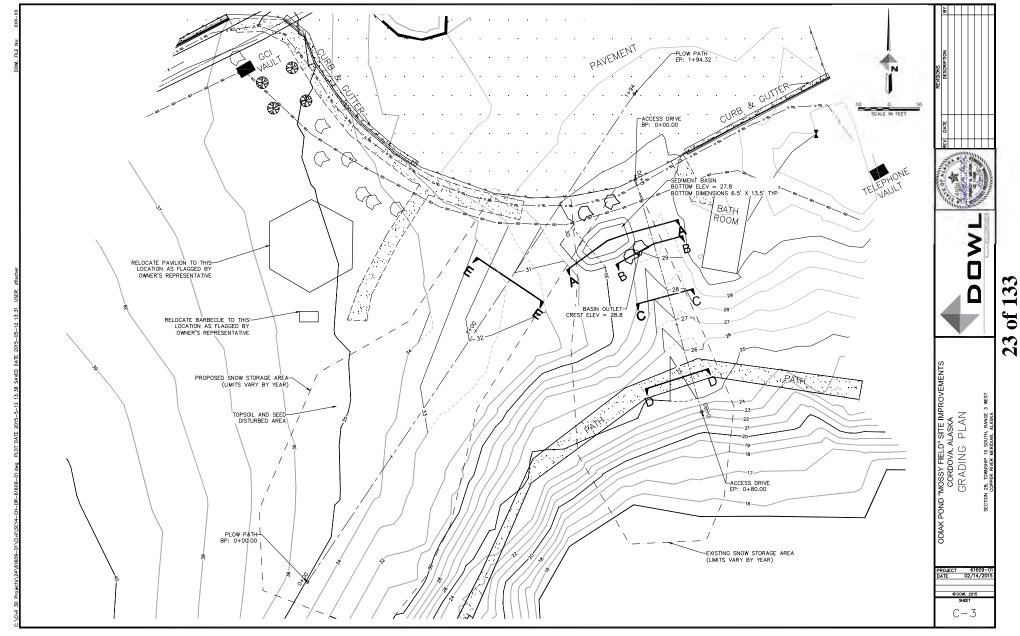


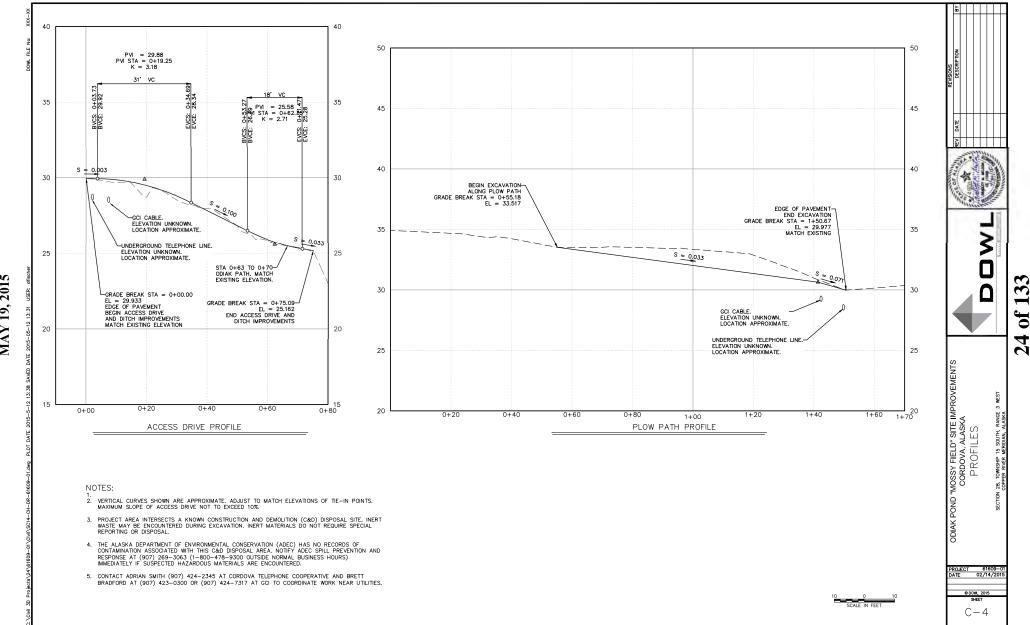


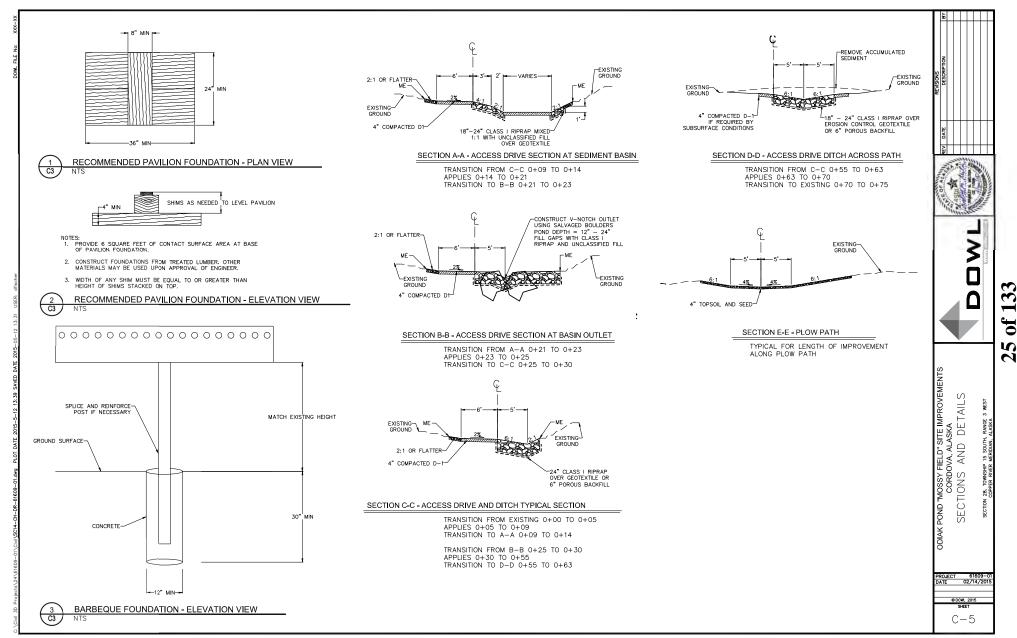


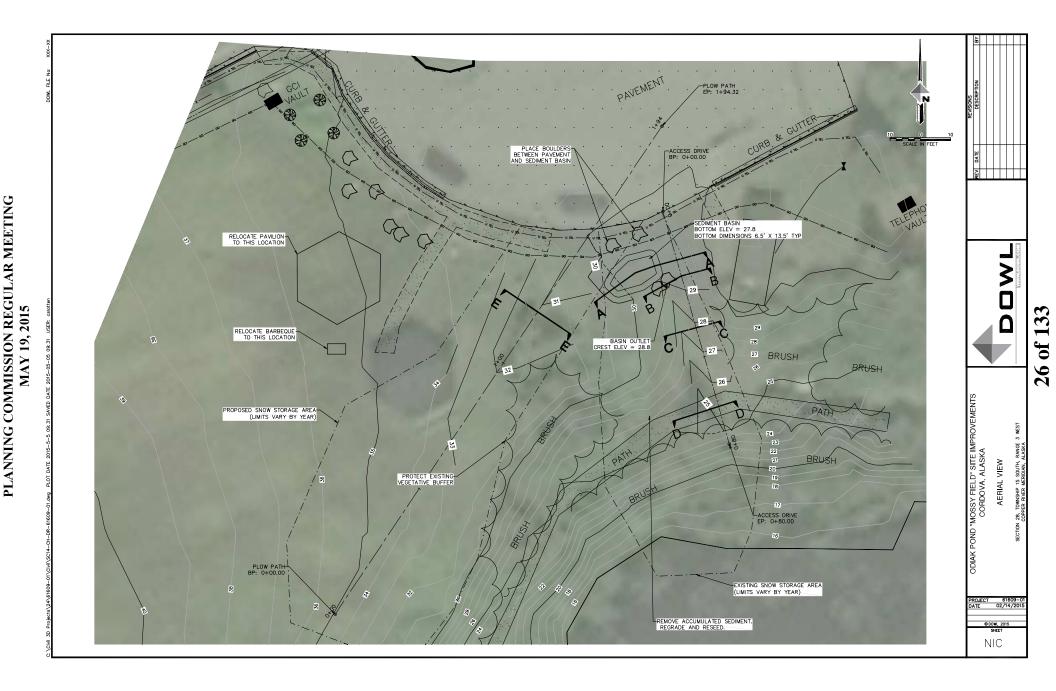












Planner's Report

To:	Planning Commission
From:	Planning Staff
Date:	5/14/2015
Re:	Recent Activities and Updates

- Three building permits issued since last Planning Commission Regular Meeting.
- Paving ITB for Nicholoff and Harbor loop is released
- Purchase request by Hanson's approved by council as direct negotiation.
- Mobile grid lease with option to purchase and ordinance has passed and is currently on 30 day wait period after public notification in local newspaper
- Submitted resolution approved by City Council on May 6th State supporting development in the additional tidelands requested outside of the tidelands where the harbor is encroached. The portion of the application concerning the encroached area is moving through agency review.
- Working with Rich and Weston on creating RFP for disposal of library museum building
- 95% completed drawings have been received for LT2 project. Drawings must be approved by ADEC prior to bid award
- Safe routes to School project gearing up, submittals SWPPP plans have been received and reviewed. Pre-construction meeting will be held.
- LT2 and Safe routes to school quarterly pay request and report submitted to the State.

Memorandum

To:	Planning Commission
From:	Planning Staff
Date:	5/14/15
Re:	Review of Proposal for Lot 4A, Block 5, North Fill Development Park Addition No. 2

PART I – GENERAL INFORMATION

Requested Actions:	Review Proposal and give a recommendation to City Council
Legal Description:	Lot 4A, Block 5, North Fill Development Park Addition No. 2
Parcel Number:	02-060-128
Zoning:	Waterfront Industrial District
Lot Area:	8,267 sq. ft.
Attachments:	Proposal Packet (The packet distributed to potential proposers)
	Proposal from Bayside Storage

The public notice period for this property disposal began April 1st and ended May 1st at 10 AM. The City received one proposal for the property. The lot has been used by the City as an impound lot for several years. The City will move the impound lot to the landfill as it becomes necessary.

While the lot is 8,267 sq. ft. and the minimum lot size for the Waterfront Industrial District is 10,000 sq. ft., the City is able to sell the lot. The City approved the subdivision of Lot 4 in 2001 thus approving two lots that did not meet the standard lot size for that zoning district. Any proposal for future development on the lot will be required to meet all the Waterfront Industrial code requirements except for the minimum lot size.

The proposed price from Bayside Storage was \$48,000 (minimum bid = \$48,000).

PART II – APPLICABLE CRITERIA

<u>Chapter 5.22 – REVENUE AND FINANCE – DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.</u>

D. A request for proposals to lease or purchase city real property shall specify the criteria upon which proposals shall be evaluated, which may include without limitation the type of proposed development and its benefit to the community, the qualifications and organization of the proposer, the value of the proposed improvements to the real property, and the required rent or purchase price. All proposals submitted in response to a request for proposals shall be reviewed by the planning commission, which shall recommend a proposal to the city council for award.

PART III – SUGGESTED MOTION

"I move to recommend City Council approve the proposal from Bayside Storage for Lot 4A, Block 5, North Fill Development Park Addition No. 2."



SEALED PROPOSAL FORM

All proposals must be received by the Planning Department by Friday, May 1st, 2015 at 10 AM.

Property: Lot 4A, Block 5, North Fill Development Park Addition No. 2. See attached map.

Name of Proposer:	
Name of Organization:	
Address:	Phone #:
	Email:

Note: All submitted proposals for this property will be reviewed by the Planning Commission using the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be subject to a Site Plan Review conducted in accordance with Chapter 18.42 of the Cordova Municipal Code. Prior to the issuance of a Building Permit, the City Council must approve the site plan for the project.

The fair market value for Lot 4A, Block 5, North Fill Development Park Addition No. 2 is <u>\$48,000.00</u> and will be the **minimum** price that will be accepted for the property. If the successful proposal amount is greater than the minimum price, that shall be the amount paid for the property.

The property fails to meet Cordova Municipal Code (CMC) 18.33.100.A.2. which mandates the minimum lot size in the zoning district. Compliance with CMC 18.33.100.A.2. is not required for the property. Compliance with all other CMC provisions is required unless the property owner obtains a variance under CMC 18.64.020.

All proposals shall include a deposit of \$1,000.00. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer, otherwise deposit will be credited to costs associated with the contract preparation.

The attached <u>Lease with Option to Purchase</u> is a template for the agreement that will be negotiated with the proposal that is awarded the property.

Proposed Price \$

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per CMC 5.22.100.

Please review the attached section of Code for the permitted uses within the Waterfront Industrial District.

1 of 26 29 of 133

Additional Information Required (please attach separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal.
Attachment B: A location map showing the subject property.
Attachment C: The property parcel with measurements.
Attachment D: Cordova Municipal Code - Waterfront Industrial District
Attachment E: Sample Lease with Option to Purchase Agreement

Please mail proposals to:City of CordovaAttn: City ManagerC/O ProposalsP.O. Box 1210Cordova, Alaska 99574

<u>Or email proposals to citymanager@cityofcordova.net and planning2@cityofcordova.net.</u> The email subject line shall be "Proposal for Lot 4A, Block 5," and the proposal shall be attached to the email as a PDF file.

Or deliver your proposal to the front desk at City Hall.

For questions or more information about the land disposal process, contact the City Planning Department at 424-6220, planning2@cityofcordova.net, or stop by in person.

Proposals received after Friday, May 1st, 2015 at 10 AM will not be considered.

2 of 26 30 of 133

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT A

Each proposal will be evaluated on the criteria in the table below. Each criteria will be scored from 1-10. The multiplier will then be applied to the scores to determine a final score.

Final Land Disposal Evaluation Criteria

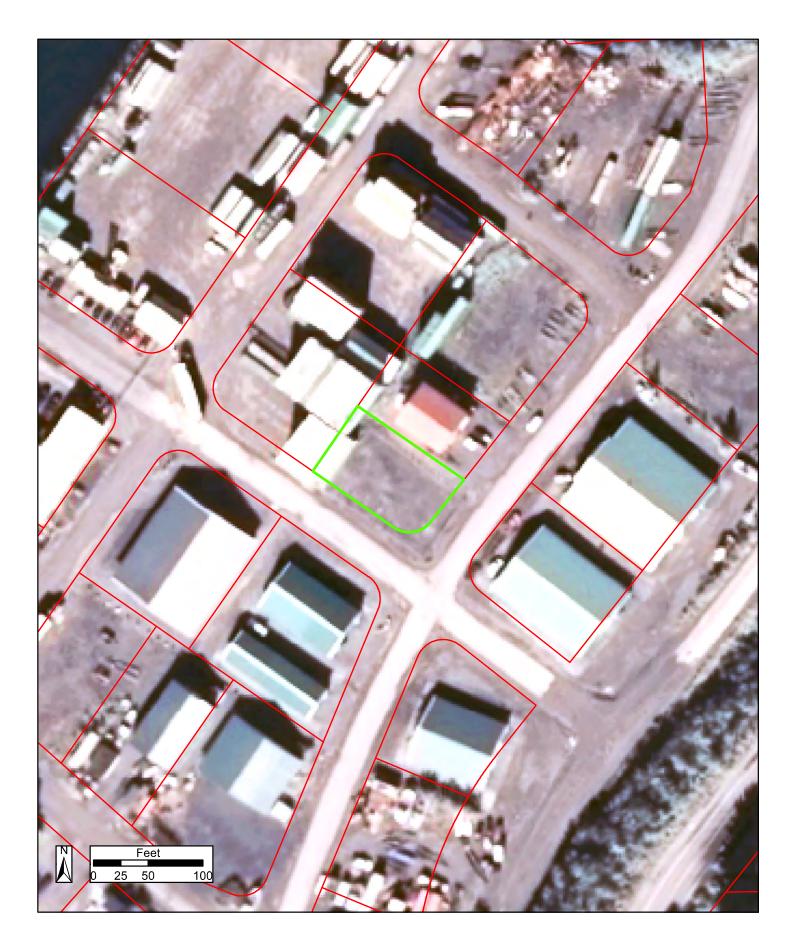
Criteria	Multiplier	Proposal Rank 1-10	Subtotal for Proposal
Value of improvements	1.75		
Number of Employees	1.5		
Sales Tax Revenue	1.25		
Importance to Community	1.75		
5yr Business Plan/Timeline	0.75		
Enhanced Architectural Design	1		
Proposal Price	1		
Consistency with	1		
Comprehensive Plan			
Total	10		

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT B



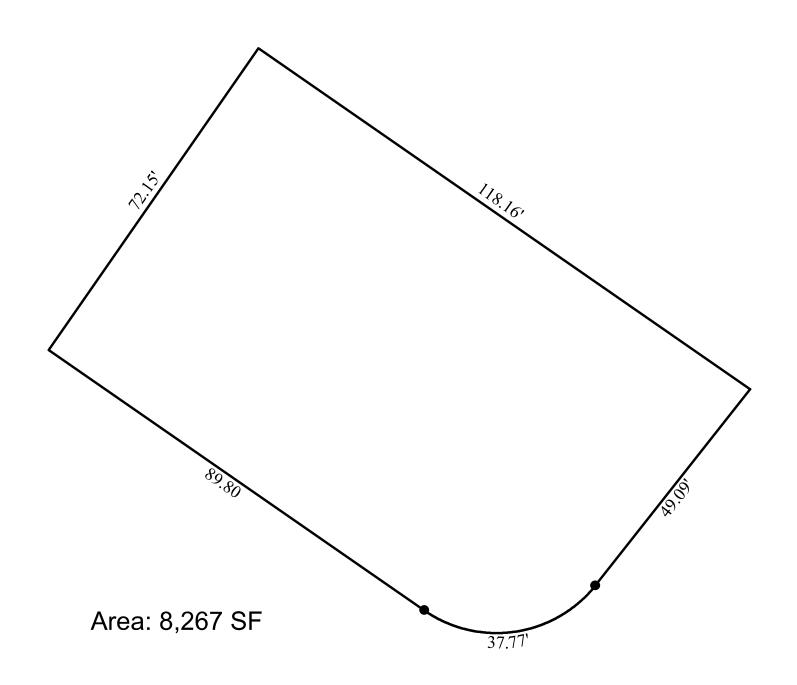
4 of 26 32 of 133

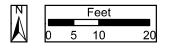
PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT B



5 of 26 33 of 133

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT C





6 of 26 34 of 133

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT D

Chapter 18.33 - WATERFRONT INDUSTRIAL DISTRICT

Sections:

18.33.010 - Purpose.

The following statement of intent and use regulations shall apply in the WI district:

The waterfront Industrial district is intended to be applied to land with direct access or close proximity to navigable tidal waters within the city. Uses within the waterfront industrial district are intended to be marine-dependent or marine-oriented, and primarily those uses which are particularly related to location or commercial enterprises that derive an economic benefit from a waterfront location.

(Ord. 634 (part), 1988).

18.33.020 - Permitted principal uses and structures.

The following are the permitted principal uses and structures in the waterfront industrial district:

- A. Marine sales;
- B. Open wet moorage;
- C. Covered wet moorage;
- D. Passenger staging facility;
- E. Haulout facilities;
- F. Marine construction, repair and dismantling;
- G. Cargo terminal;
- H. Cargo handling and marine-oriented staging area;
- I. Fish and seafood processing;
- J. Warehousing and wholesaling;
- K. Open storage for marine-related facilities;
- L. Fuel storage and sales.
- (Ord. 634 (part), 1988).

18.33.030 - Permitted accessory uses and structures.

- A. Bunkhouses in conjunction with permitted principal uses;
- B. Residential dwelling for watchman or caretaker employed on the premises, or owner-operator and members of his family, in conjunction with permitted principal uses;
- C. Retail business when accessory to a permitted principal use.

(Ord. 634 (part), 1988).

18.33.040 - Conditional uses and structures.

Subject to the requirements of the conditional use standards and procedures of this title, the following uses and structures may be permitted in the WI district:

- A. Log storage and rafting;
- B. Timber and mining manufacturing.

7 of 26 35 of 133

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015 ATTACHMENT D

(Ord. 634 (part), 1988).

18.33.050 - Prohibited uses and structures.

Any use or structure not of a character as indicated under permitted uses, accessory uses, or conditional uses.

(Ord. 634 (part), 1988).

18.33.060 - Setbacks.

- A. Minimum Setbacks.
 - 1. Front yard-Twenty feet.
 - 2. Side yard and rear yard: subject to Uniform Building Code regarding fire walls and separation of buildings.

(Ord. 634 (part), 1988).

18.33.070 - Lot coverage.

A. Maximum lot coverage by all buildings and structures as regulated by the Uniform Building Code.

(Ord. 634 (part), 1988).

18.33.080 - Height.

A. Maximum height of buildings and structures: subject to Uniform Building Code regarding building heights.

(Ord. 634 (part), 1988).

18.33.090 - Off-street parking and loading.

A. Off- street Parking and Loading. The requirements for off-street parking and loading in the waterfront industrial district shall be as set forth in Chapter 18.48 of this code.

(Ord. 634 (part), 1988).

- 18.33.100 Minimum lot requirements.
- A. Minimum Lot Requirements.
 - 1. Lot width: 100 feet;
 - 2. Lot size: 10,000 feet.

(Ord. 634 (part), 1988).

- 18.33.110 Signs.
- A. Signs. Signs may be allowed in the waterfront industrial district subject to the supplementary district regulations, the Uniform Sign Code, as set forth in Chapter 18.44 of this code.

(Ord. 634 (part), 1988).

18.33.120 - Floor elevations.

A. Minimum Finished Floor Elevations. In the waterfront industrial district, the following minimum finished floor elevations for the ground floor shall be adhered to:

North Fill Development Park

8 of 26 36 of 133

Block 1	
Lot 1	27.00′
Lot 2	26.50'
Lot 3	27.25'
Block 2	I
Lot 4	27.25′
Lot 1	26.50'
Block 3	I
Lot 2	26.25'
Lot 1	26.50'
Block 4	I
Lot 1	27.25′
Lot 2	27.25'
Lot 3	27.25'
Lot 4	27.25'
Lot 5	26.25'
Block 5	1
Lot 1	27.25′
Lot 2	27.25'
Block 6	1

Lot 2	26.50'	
Lot 1	26.25'	
Block 7	·	
Lot 2	26.50'	
Lot 3	26.25′	
Lot 1	26.75'	
Lot 3	27.25'	
Block 8		
Lot 1	27.00'	
Lot 2	26.75'	
Lot 3	26.50'	
Lot 4	26.25'	

Note: The elevation datum used is based on the following described bench mark:

USC & GS Standard Brass Disk Located in Sidewalk Adjacent to Fish Game Building near Southwest Corner of Intersection Railroad Avenue and Breakwater Avenue. Elevation 40.40 Above M.L.L.W.

(Ord. 634 (part), 1988).

18.33.130 - Site plan review.

- A. Prior to the issuance of a building for construction within the waterfront industrial district, the planning commission shall approve the development plan for the project. The site plan review shall be conducted in accordance with Chapter 18.42 of this code.
- B. The exterior siding and roof shall be finished in earthtone colors.

(Ord. 634 (part), 1988).

10 of 26 38 of 133

Terms Highlighted in Yellow will be negotiated after award and other sections may be considered in the negotiation process.

CITY OF CORDOVA Cordova, Alaska

LEASE WITH OPTION TO PURCHASE

This LEASE WITH OPTION TO PURCHASE ("Lease") is made by and between the CITY OF CORDOVA, a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and XXXXXXX., an Alaska corporation ("Lessee").

RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska generally described as XXXXX, located within Cordova Recording District, Cordova Alaska, (referred to hereinafter as the "Premises");

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

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

1. LEASE OF PREMISES

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

2. LEASE TERM

The Lease Term will be (XX) years, commencing on _____, 20XX, (the "Commencement Date") and terminating at 11:59 p.m. on _____, 20XX, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

3. RENT

A. <u>Base Rent</u>. The annual rent for the first ten years of the Lease Term will be XXXX Hundred Dollars and nine cents (\$XXX) or XXX Dollars (\$XXX) in twelve monthly installments ("Base Rent"). Base Rent is due on the first day of each calendar month during the Lease Term. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base

Page 1 of 16

11 of 26 39 of 133

Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

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

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

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

D. Adjustment of Base Rent Beginning on the tenth anniversary of the Commencement Date, Base Rent shall be adjusted annually by the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. Annual Base Rent adjustments will be equal to the percentage change between the then-current CPI-U and the CPI-U published for the same month during the previous year, except the first Base Rent adjustment, which will occur on the tenth anniversary of the Commencement Date, will be equal to the percentage increase in the CPI-U from 2015 to the then-current year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

4. USES AND CONDITION OF PREMISES

A. <u>Authorized Uses</u>. Subject to the terms and conditions of this Lease, Lessee's use of the Premises is limited to constructing and maintaining the project detailed in the site development plan, and using the constructed buildings and structures as well as the undeveloped land XXXXXXXXX. The Lessee shall give prior written notice to the City of any proposed changes to the site plan that are in furtherance of its authorized uses, and such changes are subject to City review and approval not to be unreasonably withheld or delayed. Lessee shall not leave the Premises unoccupied or vacant without the City's prior written consent. Inspections. The City and its authorized

Page 2 of 16

12 of 26 40 of 133

representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or work necessary for the safety or preservation of the Premises. Except in the event of an emergency, the City will give 48-hours' advance written notice of its intent to inspect the Premises. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents

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

C. <u>Lessee's Acceptance of Premises</u>. Lessee has inspected the Premises to its complete satisfaction and is familiar with its condition, and the City makes no representations or warranties with respect thereto, including, but not limited to, the condition of the Premises or its suitability or fitness for any use Lessee may make of the Premises. Lessee accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent, or employee of the City relating to or in furtherance of the Lease or the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, are suitable or usable for any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute 9.65.070, or any amendment thereto..

5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. <u>Development Plan</u>. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an amendment to the Lease, requiring the written consent of both parties in accordance with Section 22.B. The Lease does not confer any approval from the Cordova Planning Commission regarding the site development plan or substitute for any approval process

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX Page 3 of 16

13 of 26 41 of 133

required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the site development plan complies with all city code requirements and procedures.

B. <u>Substantial Completion</u>. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B by______, 20XX, which is ten (10) years after the Lease's Commencement Date. As used in this Lease, the term "substantially complete" shall mean the stage of construction when the building(s), whose footprint is outlined in the site development plan, including its structure, façade, windows, roof, heating, and lighting, are sufficiently complete so that Lessee can occupy and use the building and install or cause the installation of all equipment required for the contemplated use thereof, and Lessee has provided to the City certificates of inspection from certified inspectors providing that the above obligations have been met. If Lessee fails to substantially complete the construction of the project set forth in the site development plan by______, 20XX, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 13.

6. **REPRESENTATIONS AND WARRANTIES**

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

7. ASSIGNMENTS AND SUBLETTING; SUBORDINATION

Lessee shall not assign or otherwise transfer this Lease or any interest herein or sublet the Premises or any portion thereof, or permit the occupancy of any part of the Premises by any other person or entity, without the prior written consent of the City, which consent may be withheld in the City's absolute discretion..

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

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

9. LIENS

Lessee will suffer no lien or other encumbrance to attach to the Premises, including, without limitation, mechanic's or materialman's liens, sales tax liens under

Page 4 of 16

14 of 26 42 of 133

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

10. INDEMNIFICATION

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

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

Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to: (i) the

Page 5 of 16

15 of 26 43 of 133

presence, disposal, release, or threatened release of any such Hazardous Material on or from the Premises, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Lessee or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives.

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

11. INSURANCE

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

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

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

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

D. <u>Workers' Compensation Insurance</u>. Workers' compensation insurance and other insurance as required by law.

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term,

Page 6 of 16

16 of 26 44 of 133

Lessee shall provide the City with proof of the insurance required by this Section 11, except where noted above.

12. OWNERSHIP AND REMOVAL OF THE FACILITIES

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

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

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

13. DEFAULT AND REMEDIES

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

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

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

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 7 of 16

17 of 26 45 of 133

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

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

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

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

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

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

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

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

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

Page 8 of 16

18 of 26 46 of 133

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

iii. Declare this Lease terminated;

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

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

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

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

14. SUBSIDENCE

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

15. VACATION BY LESSEE

Upon the expiration or sooner termination of this Lease, Lessee shall peaceably vacate the Premises and the Premises shall be returned to the City by Lessee together with any alterations, additions, or improvements, unless the City requests that they be removed from the Premises. Upon such vacation, 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

Page 9 of 16

19 of 26 47 of 133

appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for these expenses.

16. **RESERVATION OF RIGHTS**

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

17. SIGNS

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being obtained; provided, however, that this prohibition shall not apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies, or awnings, attached or painted by Lessee shall be removed from the Premises by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

18. HOLDING OVER

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

19. EMINENT DOMAIN

If the whole or any part of the Premises shall be taken for any public or quasipublic 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:

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX Page 10 of 16

20 of 26 48 of 133

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

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

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

20. COSTS

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

21. BUYER'S OPTION TO PURCHASE

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

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

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

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

E. <u>Purchase Price</u>. Lessee shall have the right to purchase the Premises for \$XXXXX ("Purchase Price") until the tenth anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the tenth anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by the City, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before ______, 7 years 20XX, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the

Page 11 of 16

21 of 26 49 of 133

City under this Lease. In the event that Lessee exercises the Option after ______, 7 years 20XX, the Closing Payment will equal the Purchase Price, and the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

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

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

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

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

i. Lessee may accept an offer for the sale or other disposition of the Premises only if it is made subject to the City's right of first refusal herein. Upon acceptance of an offer for the sale, disposition, conveyance, or transfer from a third party (the "Purchase Offer"), Lessee will present a copy of the Purchase Offer and acceptance to the City by written notice at the address set forth in Section 22.E. The City will then have sixty (60) days to either agree to purchase the Premises on the same terms and conditions set forth in the Purchase Offer, or decline to exercise its right of first refusal. The City shall give written notice of its decision to exercise or decline to exercise its right

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 12 of 16

22 of 26 50 of 133

of first refusal to Lessee at the address set forth in Section 22.E no later than sixty (60) days after being presented with a copy of the Purchase Offer.

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

22. MISCELLANEOUS

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

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

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

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

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

TO CITY:

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

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 13 of 16

23 of 26 51 of 133

TO LESSEE:

XXXXX P.O. Box XXXX Cordova, Alaska 99574

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

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

G. <u>No Waiver of Breach</u>. No 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. <u>Survival</u>. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration.

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

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

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

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

Page 14 of 16

24 of 26 52 of 133

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

N. <u>Exhibits</u>. Exhibits A and B to this Lease are specifically incorporated into the Lease.

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

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

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

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

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

CITY:	CITY OF CORDOVA
	Its:
LESSEE:	XXXX
	Ву:
	Its:

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 15 of 16

25 of 26 53 of 133

Exhibit A

Legal Description

Exhibit B Development Plan

LEASE WITH OPTION TO PURCHASE - EXHIBIT B F:\401777\222\00427326.DOCX Page 1 of 1

26 of 26 54 of 133

CITY OF	Cordo	NA	
RECEIVED	· · · · · · · · · · · · · · · · · · ·		
APR 27 2015			
City of Cordova All proposals must be received	SEALED PROPO		<u>May 1st, 2015 at 10 AM</u> .
Property: Lot 4A, Block 5, Nort	th Fill Development Park A	Addition No. 2. Se	e attached map.
Name of Proposer:	Paul and	Linda Ke	1 Ly
Name of Organization:	Bayside ?	Storage	
Address: Box 26	5	O Phone #:	424-3109
350 Jim	Poor Ave.	Email:	akkellyocteakinet
Cordork	, AK 99574		v

Note: All submitted proposals for this property will be reviewed by the Planning Commission using the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be subject to a Site Plan Review conducted in accordance with Chapter 18.42 of the Cordova Municipal Code. Prior to the issuance of a Building Permit, the City Council must approve the site plan for the project.

The fair market value for Lot 4A, Block 5, North Fill Development Park Addition No. 2 is <u>\$48,000.00</u> and will be the **minimum** price that will be accepted for the property. If the successful proposal amount is greater than the minimum price, that shall be the amount paid for the property.

The property fails to meet Cordova Municipal Code (CMC) 18.33.100.A.2. which mandates the minimum lot size in the zoning district. Compliance with CMC 18.33.100.A.2. is not required for the property. Compliance with all other CMC provisions is required unless the property owner obtains a variance under CMC 18.64.020.

All proposals shall include a deposit of **<u>\$1,000.00</u>**. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer, otherwise deposit will be credited to costs associated with the contract preparation.

The attached **Lease with Option to Purchase** is a template for the agreement that will be negotiated with the proposal that is awarded the property.

Proposed Price \$ 48,000.00

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per CMC 5.22.100.

Please review the attached section of Code for the permitted uses within the Waterfront Industrial District.

1 of 26 55 of 133

Additional Information Required (please attach separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal. Attachment B: A location map showing the subject property. Attachment C: The property parcel with measurements. Attachment D: Cordova Municipal Code - Waterfront Industrial District Attachment E: Sample Lease with Option to Purchase Agreement

Please mail proposals to:City of CordovaAttn: City ManagerC/O ProposalsP.O. Box 1210Cordova, Alaska 99574

Or email proposals to citymanager@cityofcordova.net and planning2@cityofcordova.net. The email subject line shall be "Proposal for Lot 4A, Block 5," and the proposal shall be attached to the email as a PDF file.

Or deliver your proposal to the front desk at City Hall.

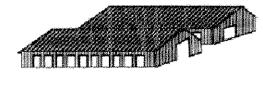
For questions or more information about the land disposal process, contact the City Planning Department at 424-6220, planning2@cityofcordova.net, or stop by in person.

Proposals received after Friday, May 1st, 2015 at 10 AM will not be considered.

2 of 26 56 of 133

BAYSIDE STORAGE

Paul and Linda Kelly 350 Jim Poor Ave Box 265 Cordova, AK 99574



April 26, 2015

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

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

Additional information

- 1. Type of business-Dry storage and small business operating space.
- 2. Proposed square footage: approximately 2700 sq. ft. per floor
- 3. See provided sketch and picture of similar building to proposal
- 4. Benefit to Community: Provides needed dry storage space and business operating space for fishing industry and all community members. Approximately \$5000 /year in sales tax plus \$5000/year in property tax. Bayside Storage employees=5.
- 5. Value of improvements:\$450,000.00
- 6. Proposed timeline for development: 0-3 years.

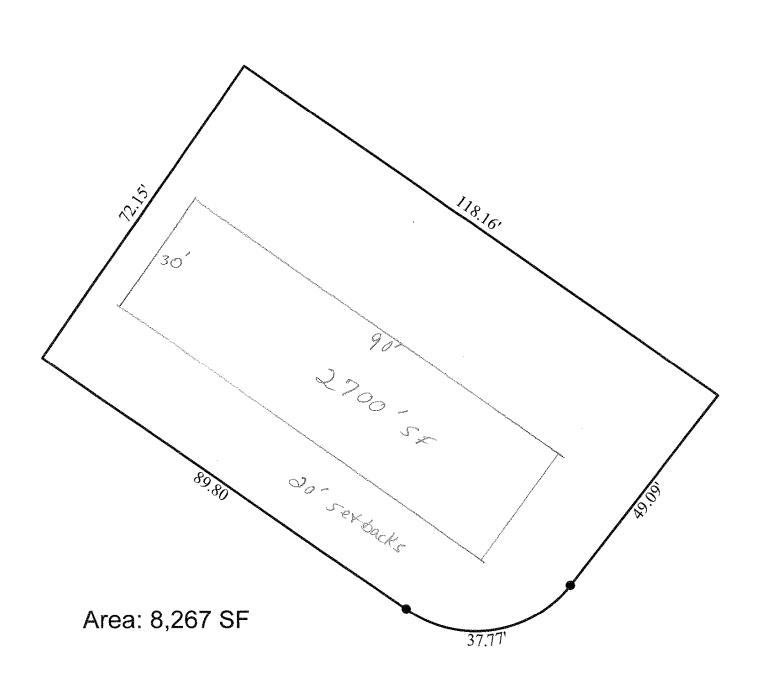
- Bayside value of improvements. Bayside has invested over \$3 million in Cordova's infrastructure. This additional project will cost an additional \$450,000 at today's prices.
- At this time the Bayside complex employs the entire gill net building/hanging crew from LFS, seven people, the entire electrical crew from Northern Lights Electrical, five families, various crews from the Science Center working on various projects for the fishing industry in PWS, members of the USCGprotecting the fishing fleet and other boaters in PWS, the various crews working on projects for the Native Village of Eyak on the Copper River and numerous other small business owners in 120 other work areas in our complex as well as Mobile Grid. The number of jobs provided by Bayside for the community is probably around 100.
- Bayside also directly provides jobs for five members of the Kelly family. Without the Bayside complex many businesses in Cordova would have no place to operate from. In larger communities investors often times own the shopping malls, large stores and other large retail or manufacturing buildings, as well as the land they are built on. Those investors may not employ any of the employees working in their buildings, but that does not mean that they do not cause for employment in the community. The people using the Bayside Storage complex employ local, year around employees and they all spend money in the community twelve months a year. In other industry in Cordova the paychecks leave town on pay day starting in mid-May, along with those making the money come September.
- The Bayside complex pays over \$18,000 in sales tax and over \$18,000 in property taxes annually. This new proposal will add

approximately \$5000 in sales tax and \$5000 in property taxes annually.

- Importance to the community. The Bayside complex has been a welcome addition to Cordova since 1989 and has provided hundreds of customers with everything from temporary storage when frozen pipes break in a home, to Eagle Contracting when an avalanche destroyed their place of business during the winter of 1999. Bayside provides a much needed service to 125 companies or individuals year around. Like any successful business, Bayside is willing to take the extreme risk to expand and add value and commerce to Cordova, a place where business has been contracting for years.
- Previously, four other planning commissions and four other city councils have voted to allow us to build and expand as a local and valued business for all the people of Cordova because our proposal meets and exceeds all the requirements of the proposal for development on the North Fill lots. Approving this proposal is what is best for the community and does represent the best use of this particular lot. In small rural communities there is little interest in establishing new businesses and the best chance for growth is in fact to work with an existing proven business.
- Bayside is well established and has a thirty year history of performance. We have never missed a payment, asked for an extension or baulked at our responsibilities. Though our performance bonds were the most aggressive the city has ever imposed, we still managed to meet them. We are prepared to immediately proceed and accomplish this expansion. We envision having a new facility in production within three years, if not sooner.

- Proposed price. It is difficult to provide a bid price for a project this far in advance, but given our experience and knowledge of our business we estimate the cost of the project to be \$400,000 from start to finish and are offering \$48,000 for the raw land at Block 5 Lot 4A.
- Consistency with comprehensive plan. The Bayside complex meets or exceeds all of the elements of the committee's comprehensive plan for the North Fill area. This is evident in the fact Bayside has been approved by four previous Planning commissions and four prior city council groups and were strongly encouraged by City Managers, various council members and the public, to invest in Bayside and expand for the good of the community.

ATTACHMENT C



Ņ	Feet			
A	0	5	10	20

6 of 26

61 of 133



Memorandum

To:	Planning Commission
From:	Planning Staff
Date:	5/14/15
Re:	Review of Proposal for a Portion of Tract 1A, Ocean Dock Subdivision Addition #2

PART I – GENERAL INFORMATION

Requested Actions:	Review Proposal and give a recommendation to City Council
Legal Description:	Tract 1A, Ocean Dock Subdivision Addition #2
Parcel Number:	02-052-304
Zoning:	Waterfront Industrial District
Lot Area:	75,703 sq. ft.; up to 15,000 sq. ft. to be leased
Attachments:	Proposal Packet (The packet distributed to potential proposers)
	Proposal from Alpine Diesel

The public notice period for this property disposal began April 1st and ended May 1st at 10 AM. The City received one proposal for the property.

The proposed annual lease rate from Alpine Diesel is calculated as follows (this is the minimum bid for the proposed size of the facility):

15,000	Х	\$4.10	Х	10%	=	\$6,150.00
Total sq. ft. of facili	y	Proposed sq. ft.	value	CMC 5.22		Annual lease rate

PART II – APPLICABLE CRITERIA

<u>Chapter 5.22 – REVENUE AND FINANCE – DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.</u>

D. A request for proposals to lease or purchase city real property shall specify the criteria upon which proposals shall be evaluated, which may include without limitation the type of proposed development and its benefit to the community, the qualifications and organization of the proposer, the value of the proposed improvements to the real property, and the required rent or purchase price. All proposals submitted in response to a request for proposals shall be reviewed by the planning commission, which shall recommend a proposal to the city council for award.

PART III – SUGGESTED MOTION

"I move to recommend City Council approve the proposal from Alpine Diesel for a Portion of Tract 1A, Ocean Dock Subdivision Addition #2."

63 of 133



SEALED PROPOSAL FORM

The City is seeking proposals for a long-term lease for a portion of Tract 1A, Ocean Dock Subdivision Addition #2 for the development of a vessel maintenance building.

All proposals must be received by the Planning Department by Friday, May 1st, 2015 at 10 AM.

Property: Tract 1A, Ocean Dock Subdivision Addition #2. See attached map.

Name of Proposer:	
Name of Organization:	
Address:	Phone #:
	Email:
	_

Note: All submitted proposals for this property will be reviewed by the Planning Commission using the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be subject to a Site Plan Review conducted in accordance with Chapter 18.42 of the Cordova Municipal Code. Prior to the issuance of a Building Permit, the City Council must approve the site plan for the project.

City Council has specified that this property is available for a long-term lease only. The lease area will be limited to the western corner of Tract 1A, Ocean Dock Subdivision Addition #2 (see attached map for location) and can be up to approximately 15,000 square feet not including the additional square footage needed for clear and free access to the vessel repair building. The attached <u>lease</u> is a template for the agreement that will be negotiated with the proposal that is awarded the property.

The fair market value for a portion of Tract 1A, Ocean Dock Subdivision Addition #2 is <u>\$4.10 per square foot</u>. This price per square foot is the **minimum** price that will be accepted for the lease rate. Additional fees may be imposed including but not limited to, if free and clear access to the proposed facilities in any way limits or prohibits revenue generated from boat storage.

The annual lease rate will be calculated as follows: Annual lease rate = Total Square footage of facility X \$4.10 X 10%

If the successful proposal amount is greater than the minimum per square foot price, that shall be the amount paid for the property.

1 of 20 64 of 133

All proposals shall include a deposit of $\underline{\$1,000.00}$. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer otherwise deposit will be credited to cost associated with the contract preparation.

All organizations that submit proposals will be required to meet the appropriate criteria within Cordova Municipal Code Section 5.22. A link to the City Code is available at www.cityofcordova.net.

Proposed Price \$____X X 10% = ____ Total Sq. Ft. of Facility Proposed Sq. Ft. Value Annual Lease Rate

Proposed term of lease _____ years

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

Please review the attached section of Code for the requirements within the **Waterfront Industrial District**. City Council has specified that the proposals should be for a <u>vessel maintenance building</u>.

Additional Information Required (please attach separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?
- 7. How will you comply with all applicable environmental laws?
- 8. How will you indemnify the City for any liability?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal.
Attachment B: A location map showing the subject property.
Attachment C: The property parcel with measurements.
Attachment D: Cordova Municipal Code - Waterfront Industrial District
Attachment E: Sample Lease Agreement

Please mail proposals to:City of CordovaAttn: City ManagerC/O ProposalsP.O. Box 1210Cordova, Alaska 99574

2 of 20 65 of 133

<u>Or email proposals to citymanager@cityofcordova.net and planning2@cityofcordova.net.</u> The email subject line shall be "Proposal for Tract 1A, Ocean Dock Subdivision Addition #2," and the proposal shall be attached to the email as a PDF file.

Or deliver your proposal to the front desk at City Hall.

For questions or more information about the land disposal process, contact the City Planning Department at 424-6220, planning2@cityofcordova.net, or stop by in person.

Proposals received after Friday, May 1st, 2015 at 10 AM will not be considered.

3 of 20 66 of 133

Each proposal will be evaluated on the criteria in the table below. Each criteria will be scored from 1-10. The multiplier will then be applied to the scores to determine a final score.

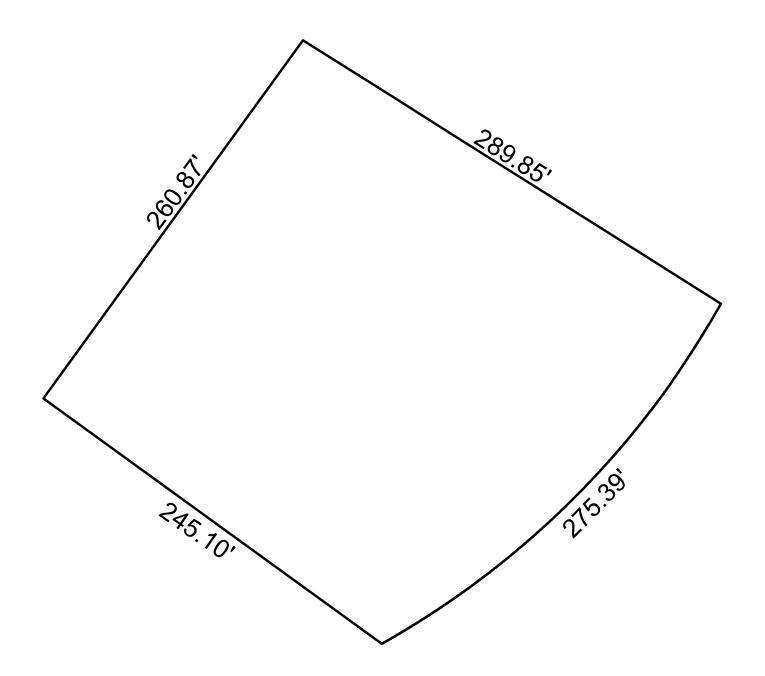
Final Land Disposal Evaluation Criteria

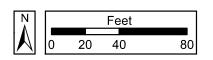
Criteria	Multiplier	Proposal Rank 1-10	Subtotal for Proposal
Value of improvements	1.75		
Number of Employees	1		
Sales Tax Revenue	1		
Importance to Community	1.75		
5yr Business Plan/Timeline	0.75		
Enhanced Architectural Design	1.25		
Proposal Price	1		
Consistency with	1.5		
Comprehensive Plan			
Total	10		



5 of 20 68 of 133

Tract 1A 75,703 sq. ft.





The lease will be limited to the western corner of the parcel and may be up to 15,000 sq. ft. not including clear and open access.

6 of 20 69 of 133

Chapter 18.33 - WATERFRONT INDUSTRIAL DISTRICT

Sections:

18.33.010 - Purpose.

The following statement of intent and use regulations shall apply in the WI district:

The waterfront Industrial district is intended to be applied to land with direct access or close proximity to navigable tidal waters within the city. Uses within the waterfront industrial district are intended to be marine-dependent or marine-oriented, and primarily those uses which are particularly related to location or commercial enterprises that derive an economic benefit from a waterfront location.

(Ord. 634 (part), 1988).

18.33.020 - Permitted principal uses and structures.

The following are the permitted principal uses and structures in the waterfront industrial district:

- A. Marine sales;
- B. Open wet moorage;
- C. Covered wet moorage;
- D. Passenger staging facility;
- E. Haulout facilities;
- F. Marine construction, repair and dismantling;
- G. Cargo terminal;
- H. Cargo handling and marine-oriented staging area;
- I. Fish and seafood processing;
- J. Warehousing and wholesaling;
- K. Open storage for marine-related facilities;
- L. Fuel storage and sales.
- (Ord. 634 (part), 1988).

18.33.030 - Permitted accessory uses and structures.

- A. Bunkhouses in conjunction with permitted principal uses;
- B. Residential dwelling for watchman or caretaker employed on the premises, or owner-operator and members of his family, in conjunction with permitted principal uses;
- C. Retail business when accessory to a permitted principal use.

(Ord. 634 (part), 1988).

18.33.040 - Conditional uses and structures.

Subject to the requirements of the conditional use standards and procedures of this title, the following uses and structures may be permitted in the WI district:

- A. Log storage and rafting;
- B. Timber and mining manufacturing.

Page 1

7 of 20 70 of 133

(Ord. 634 (part), 1988).

18.33.050 - Prohibited uses and structures.

Any use or structure not of a character as indicated under permitted uses, accessory uses, or conditional uses.

(Ord. 634 (part), 1988).

18.33.060 - Setbacks.

- A. Minimum Setbacks.
 - 1. Front yard-Twenty feet.
 - 2. Side yard and rear yard: subject to Uniform Building Code regarding fire walls and separation of buildings.

(Ord. 634 (part), 1988).

18.33.070 - Lot coverage.

A. Maximum lot coverage by all buildings and structures as regulated by the Uniform Building Code.

(Ord. 634 (part), 1988).

18.33.080 - Height.

A. Maximum height of buildings and structures: subject to Uniform Building Code regarding building heights.

(Ord. 634 (part), 1988).

18.33.090 - Off-street parking and loading.

A. Off- street Parking and Loading. The requirements for off-street parking and loading in the waterfront industrial district shall be as set forth in Chapter 18.48 of this code.

(Ord. 634 (part), 1988).

- 18.33.100 Minimum lot requirements.
- A. Minimum Lot Requirements.
 - 1. Lot width: 100 feet;
 - 2. Lot size: 10,000 feet.

(Ord. 634 (part), 1988).

- 18.33.110 Signs.
- A. Signs. Signs may be allowed in the waterfront industrial district subject to the supplementary district regulations, the Uniform Sign Code, as set forth in Chapter 18.44 of this code.

(Ord. 634 (part), 1988).

18.33.120 - Floor elevations.

A. Minimum Finished Floor Elevations. In the waterfront industrial district, the following minimum finished floor elevations for the ground floor shall be adhered to:

North Fill Development Park

8 of 20 71 of 133

	Block 1	
Lot 1	27.00′	
Lot 2	26.50'	
Lot 3	27.25'	
	Block 2	
Lot 4	27.25′	
Lot 1	26.50'	
	Block 3	
Lot 2	26.25'	
Lot 1	26.50'	
	Block 4	
Lot 1	27.25′	
Lot 2	27.25'	
Lot 3	27.25'	
Lot 4	27.25'	
Lot 5	26.25'	
Block 5		
Lot 1	27.25'	
Lot 2	27.25'	
	Block 6	

Lot 2	26.50′		
Lot 1	26.25'		
	Block 7		
Lot 2	26.50′		
Lot 3	26.25′		
Lot 1	26.75'		
Lot 3	27.25′		
Block 8			
Lot 1	27.00′		
Lot 2	26.75'		
Lot 3	26.50'		
Lot 4	26.25'		

Note: The elevation datum used is based on the following described bench mark:

USC & GS Standard Brass Disk Located in Sidewalk Adjacent to Fish Game Building near Southwest Corner of Intersection Railroad Avenue and Breakwater Avenue. Elevation 40.40 Above M.L.L.W.

(Ord. 634 (part), 1988).

18.33.130 - Site plan review.

- A. Prior to the issuance of a building for construction within the waterfront industrial district, the planning commission shall approve the development plan for the project. The site plan review shall be conducted in accordance with Chapter 18.42 of this code.
- B. The exterior siding and roof shall be finished in earthtone colors.

(Ord. 634 (part), 1988).

Page 4

10 of 20 73 of 133

CITY OF CORDOVA Cordova, Alaska

GROUND 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 (dba ______) doing business in Cordova, Alaska ("Lessee").

RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska generally described as Lot __, Block __, ____, Plat _____, located within Cordova Recording District, Cordova Alaska, (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 two (2) year, commencing on ______. The "Commencement Date") and expiring two (2) years later, on ______, unless earlier terminated in accordance with the terms of this Lease.

3. <u>RENT</u>

Rent. The during the of this Α. Base rent term Lease shall be Dollars (\$ or Dollars (\$) in twelve monthly installments (the "Base Rent"), which shall be due and payable in advance on the Commencement Date of this agreement. Base Rent shall be paid to the City in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address provided for notice to the City set forth in Section 20.E of this Lease, or at any other place that the City may from time to time direct in writing. Base Rent shall be paid promptly when due without notice or demand therefor. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee. As required by the CMC Section 5.22.040(C), any lease having a term of more than two (2) years shall be subject to a rental adjustment to fair market value at intervals of no more than two (2) years, but no adjustment shall result in a reduction of rent.

B. Additional Charges. In addition to the Base Rent, Lessee acknowledges and agrees that

Page 1 of 10

11 of 20 74 of 133

Lessee is obligated to pay and shall pay, before delinquency and without reimbursement, all costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including without limitation those costs, expenses and obligations identified in Section 7 and all other sums, costs, expenses, taxes (including 6% sales tax, which shall be paid by Lessee monthly at the same time Lessee makes its monthly payments of Base Rent to the City) and other payments that Lessee assumes or agrees to pay under the provisions of this Lease (the "Additional Charges").

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

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

D. Security Deposit. Upon execution of this Lease, the City may require Lessee to deposit with the City an amount equal to two months' rent (the "Security Deposit"). The Security Deposit shall be held by the City as security for the faithful performance by Lessee of all of Lessee's obligations under this Lease. If Lessee fails to pay the Base Rent, or a portion thereof, or otherwise defaults with respect to any provision of this Lease, after notice and beyond the expiration of any applicable cure period the City may use, apply or retain all or any portion of the Security Deposit for:

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

(ii) the payment of any other sum to which the City may become obligated by reason of Lessee's default; or

(iii) to compensate the City for any loss or damage which the City may suffer thereby, including, but not limited to, any costs associated with moving and storage of Lessee's personal property (if any) remaining on the Premises beyond termination of the Lease. The City shall be free to commingle the Security Deposit with funds held in the City's own accounts, including accounts in which the City keeps other security deposits. If Lessee performs all of its obligations under this Lease, the Security Deposit, or so much thereof as has not been used, applied or retained by the City in accordance with this Section, shall be returned to Lessee, at the expiration of the term, and subject to Lessee relinquishing possession of the Premises, without payment of interest or other increment for its use, within 30 days of Lessee's vacation of the Premises.

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Use of the Premises shall be limited operated by Lessee, and the leased premises shall not, without prior written consent of the Lessor, be used for any other purposes. Lessor expressly reserves the right to terminate this lease in the event Lessee fails to operate said use for a period of eighteen consecutive months.

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,

Page 2 of 10

12 of 20 75 of 133

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

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

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. OPERATIONS, MAINTENANCE, UTILITIES, TAXES AND ASSESSMENTS

Lessee shall, at Lessee's sole cost and expense, be solely responsible for: (1) the maintenance and repair of the Premises and shall not commit or allow any waste upon the Premises; (2) obtaining any and all permits and approvals necessary for Lessee's use of the Premises; (3) all utilities and services needed for Lessee's use of the Premises; (4) all taxes and assessments levied against the Premises, and Lessee agrees to pay all such taxes and assessments as and when they become due, including but not limited to all utility bills and special assessments levied and unpaid as of the date of this Lease or hereafter levied for public improvements; (5) all licenses, excise fees, and occupation taxes with respect to the business and activities conducted on the Premises; (6) all real property taxes, personal property taxes, and sales taxes related to the Premises or Lessee's use or occupancy thereof; and (7) any taxes on the leasehold interest created under this Lease.

Page 3 of 10

13 of 20 76 of 133

8. <u>LIENS</u>

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.

В. 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

Page 4 of 10

14 of 20 77 of 133

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. <u>REMOVAL OF PROPERTY</u>

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

Page 5 of 10

15 of 20 78 of 133

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,

Page 6 of 10

16 of 20 79 of 133

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. <u>SUBSIDENCE</u>

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

Page 7 of 10

17 of 20 80 of 133

to quit.

18. <u>EMINENT DOMAIN</u>

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. <u>COSTS</u>

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:

ΤΟ ΟΙΤΥ:	TO LESSEE:		
City of Cordova Attn: City Manager P.O. Box 1210 Cordova, Alaska 99574	Attn:		

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

Page 8 of 10

18 of 20 81 of 133

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.

Page 9 of 10

19 of 20 82 of 133

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.

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:	Ву:	
	Its:	City Manager
Attest: City C	Clerk	
LESSEE:		
Dated:		Ву:

Its:

Page 10 of 10

20 of 20 83 of 133



SEALED PROPOSAL FORM

The City is seeking proposals for a long-term lease for a portion of Tract 1A, Ocean Dock Subdivision Addition #2 for the development of a vessel maintenance building.

All proposals must be received by the Planning Department by Friday, May 1st, 2015 at 10 AM.

Property: Tract 1A, Ocean Dock Subdivision Addition #2. See attached map.

Name of Pro	poser:	JERRY & VICKI BL	ACKLER
Name of Org	ganization:	ALPINE DIESEL LLC	
Address:	PO BOX	605	Phone #: 907.424 - 7664
	CORDON	A AK 99574	Email: docblack@ctcak.net

Note: All submitted proposals for this property will be reviewed by the Planning Commission nsing the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be subject to a Site Plan Review conducted in accordance with Chapter 18.42 of the Cordova Municipal Code. Prior to the issuance of a Building Permit, the City Council must approve the site plan for the project.

City Council has specified that this property is available for a long-term lease only. The lease area will be limited to the western corner of Tract 1A, Ocean Dock Subdivision Addition #2 (see attached map for location) and can be up to approximately 15,000 square feet not including the additional square footage needed for clear and free access to the vessel repair building. The attached **lease** is a template for the agreement that will be negotiated with the proposal that is awarded the property.

The fair market value for a portion of Tract 1A, Ocean Dock Subdivision Addition #2 is <u>\$4.10 per square foot</u>. This price per square foot is the minimum price that will be accepted for the lease rate. Additional fees may be imposed including but not limited to, if free and clear access to the proposed facilities in any way limits or prohibits revenue generated from boat storage.

The annual lease rate will be calculated as follows: Annual lease rate = Total Square footage of facility X \$4.10 X 10%

If the successful proposal amount is greater than the minimum per square foot price, that shall be the amount paid for the property.

1 of 20 84 of 133

All proposals shall include a deposit of $\underline{\$1.000.00}$. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer otherwise deposit will be credited to cost associated with the contract preparation.

All organizations that submit proposals will be required to meet the appropriate criteria within Cordova Municipal Code Section 5.22. A link to the City Code is available at www.cityofcordova.net.

Proposed Price § 4. 10 X 15,000 X 10% = 6150.00Total Sq. Ft. of Facility Proposed Sq. Ft. Value Annual Lease Rate

Proposed term of lease 20 years

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

Please review the attached section of Code for the requirements within the **Waterfront Industrial District**. City Council has specified that the proposals should be for a <u>vessel maintenance building</u>.

Additional Information Required (please attach separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?
- 7. How will you comply with all applicable environmental laws?
- 8. How will you indemnify the City for any liability?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal. Attachment B: A location map showing the subject property. Attachment C: The property parcel with measurements. Attachment D: Cordova Municipal Code - Waterfront Industrial District Attachment E: Sample Lease Agreement

Please mail proposals to:City of CordovaAttn: City ManagerC/O ProposalsP.O. Box 1210Cordova, Alaska 99574

2 of 20 85 of 133

ADDITIONAL INFORMATION:

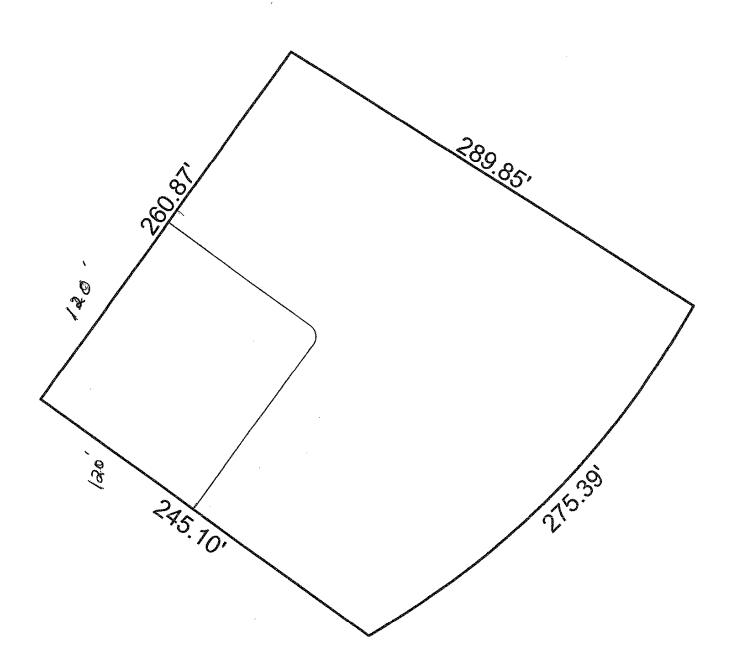
- 1. The vessel maintenance building is being proposed in order to enhance and support the commercial fishing industry in Cordova. The proposed structure will be comprised of container vans with a fabric arched roof in the center and a shed-roof lean-to on each side. The main structure will be 3 container vans high and 3 40' containers long. The structure will be 122'w x 120'l; height would be between 60' to 70', depending on containers. Steel pilings can be set on the main structure to aid with side-wind load. The lean-tos will be comprised of 20' container vans teed to the main structure for additional bracing and wind load. 2 high and 3 long 40' vans will support the shed roof. The center section will be a drive-thru for a large vessel or 2 smaller vessels. The smaller bays will be for trailered vessels. The height & width of the building will allow the City travel lift to haul boats in one end, place the boat where needed and drive out the other end.
- 2. The Square footage will be 15,000.
- 3. See drawing on Attachment C. Also included is a drawing showing the layout of building and pictures of maintenance buildings similar to the one that we are proposing.
- 4. The benefits of the proposed facility are to give the fishing fleet of Cordova and other communities the ability to work on their vessels in a climate controlled enclosure. The facility will be available to all vessel types, tenders to recreational. Currently there is no building at the haul-out yard, this building will be adjacent to the yard and will be used by the commercial fishing fleet in Cordova and other outlying communities. The maintenance building will allow the vessels to be out of the weather and perform yearly maintenance. It will also be used by the recreational boat owners to perform maintenance. The maintenance building will be rented by the vessel owner according to the length of their vessel. The vessel owner will be allowed to do their own work or they can bire a company to perform the work. The building can also be rented by local companies in order to provide services to the fleet, for instance, welding, painting, fiberglass work, etc.. The labor force will vary from vessel to vessel, depending upon the work that will be ordered by the owner. The City of Cordova will see an increase in Sales Tax and property tax revenue. Retail stores in Cordova will see an increase in sales. Once the building is up and vessels from outlying areas come in, the City will see an increase in travel lift fees.
- 5. The projected improvements will be \$350,000 \$400,000.

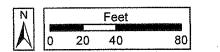
- 6. The proposed timeline depends on City Councils approval and the City manager/proposer coming to terms on a lease. After that is determined, materials will be ordered. Once materials are on site construction will begin. Estimated time line to complete, 2 - 3 months.
- 7. The ground in the open area of the facility will be lined with the same type material that is used in fuel containment bins, a polyurea fabric lining. Any hazardous materials that will be used will be inside the facility in a controlled environment. Hazardous materials will be disposed of through the City of Cordova bailer site or the landfill at 17 mile. All Vessel owners will be made aware of their responsibilities when it involves any and all hazardous materials. Vessel's that will be in for sand-blasting will be encapsulated inside the building.
- We currently carry a 1M/2M insurance policy; we will add the City of Cordova as an additional insured. We will provide the City of Cordova with a Certificate of Insurance.

Page 2 of 2

ATTACHMENT C

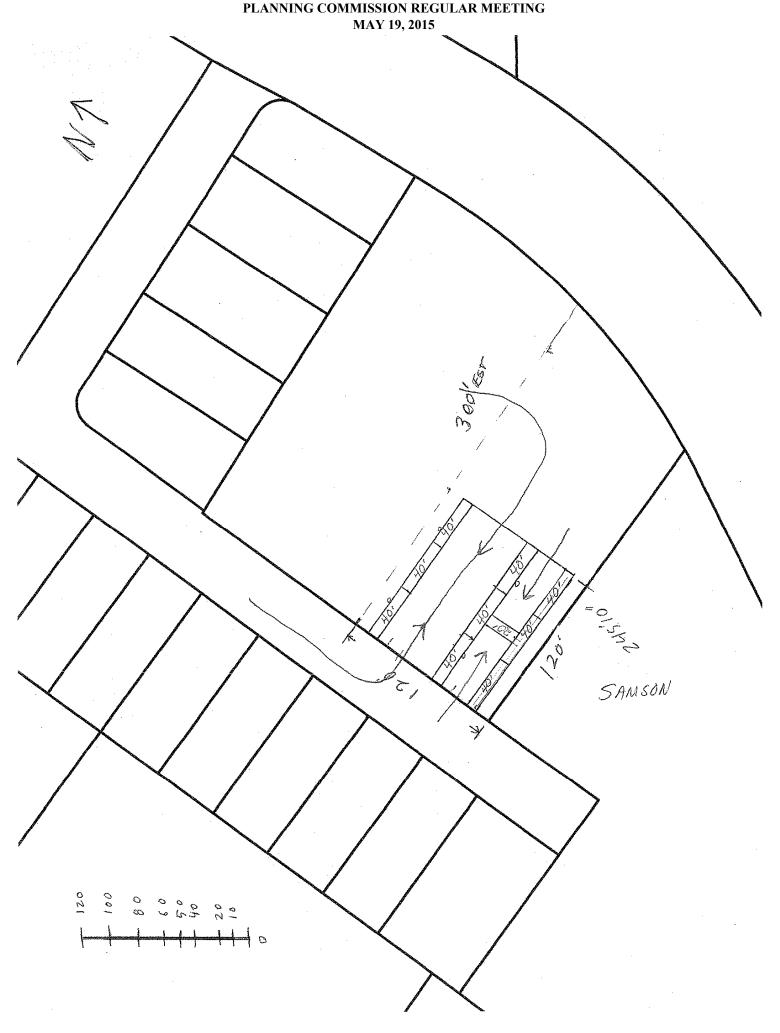
Tract 1A 75,703 sq. ft.





The lease will be limited to the western corner of the parcel and may be up to 15,000 sq. ft. not including clear and open access.

6 of 20



⁸⁹ of 133





Memorandum

To:	Planning Commission
From:	Planning Staff
Date:	5/14/15
Re:	Review of Proposal for Lot 13, Block 12, Original Townsite

PART I – GENERAL INFORMATION

Requested Actions:	Review Proposal and give a recommendation to City Council
Legal Description:	Lot 13, Block 12, Original Townsite
Parcel Number:	02-373-213
Zoning:	Medium Density Residence
Lot Area:	2,500 sq. ft.
Attachments:	Proposal Packet (The packet distributed to potential proposers)
	Proposal from Bayside Storage

The public notice period for this property disposal began April 1st and ended May 1st at 10 AM. The City received one proposal for the property. The lot is currently designated as a snow dump and Bill Howard, Streets Superintendent, intends to use it as a snow dump.

The proposed price from Joe Arvidson was \$14,400.00 (minimum bid = \$14,399.00).

PART II – APPLICABLE CRITERIA

<u>Chapter 5.22 – REVENUE AND FINANCE – DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.</u>

D. A request for proposals to lease or purchase city real property shall specify the criteria upon which proposals shall be evaluated, which may include without limitation the type of proposed development and its benefit to the community, the qualifications and organization of the proposer, the value of the proposed improvements to the real property, and the required rent or purchase price. All proposals submitted in response to a request for proposals shall be reviewed by the planning commission, which shall recommend a proposal to the city council for award.

PART III – SUGGESTED MOTION

"I move to recommend City Council approve the proposal from Joe Arvidson for Lot 13, Block 12, Original Townsite."



SEALED PROPOSAL FORM

All proposals must be received by the Planning Department by Friday, May 1st, 2015 at 10 AM.

Property: Lot 13, Block 12, Original Townsite. See attached map.

Name of Proposer:	
Name of Organization:	
Address:	Phone #:
	Email:

Note: All submitted proposals for this property will be reviewed by the Planning Commission using the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The fair market value for Lot 13, Block 12, Original Townsite is **<u>\$14,399.00</u>** and will be the **minimum** price that will be accepted for the property. If the successful proposal amount is greater than the minimum price, that shall be the amount paid for the property.

The property fails to meet Cordova Municipal Code (CMC) 18.24.030.A, which mandates the minimum lot area in the zoning district. Compliance with CMC 18.24.030.A is not required for the property, however under CMC 18.24.030.B the minimum lot area for a one-family dwelling is 4,000 sq. ft. Compliance with this provision and all other CMC provisions is required unless the property owner obtains a variance under CMC 18.64.020.

A snow dump easement will be negotiated with the proposer that is awarded the property. The easement will be up to 25 ft. of the eastern portion of the lot. Due to the easement, access will not be available from the east of the lot.

All proposals shall include a deposit of \$1,000.00. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer, otherwise deposit will be credited to costs associated with the contract preparation.

The attached Lease with Option to Purchase is a	template for the agreemen	t that will be negotiated with the propo	oser
that is awarded the property.			

Proposed Price \$

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per CMC 5.22.100.

Please review the attached section of Code for the permitted uses within the Medium Density Residence District.

1 of 24 93 of 133

Additional Information Required (please attach separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal.
Attachment B: A location map showing the subject property.
Attachment C: The property parcel with measurements.
Attachment D: Cordova Municipal Code – R Medium Density Residence District
Attachment E: Sample Lease with Option to Purchase Agreement

Please mail proposals to:City of CordovaAttn: City ManagerC/O ProposalsP.O. Box 1210Cordova, Alaska 99574

<u>Or email proposals to citymanager@cityofcordova.net and planning2@cityofcordova.net.</u> The email subject line shall be "Proposal for Lot 13, Block 12," and the proposal shall be attached to the email as a PDF file.

Or deliver your proposal to the front desk at City Hall.

For questions or more information about the land disposal process, contact the City Planning Department at 424-6220, planning2@cityofcordova.net, or stop by in person.

Proposals received after Friday, May 1st, 2015 at 10 AM will not be considered.

2 of 24 94 of 133

Each proposal will be evaluated on the criteria in the table below. Each criteria will be scored from 1-10. The multiplier will then be applied to the scores to determine a final score.

Only criteria applicable to a residential zoning district will be used.

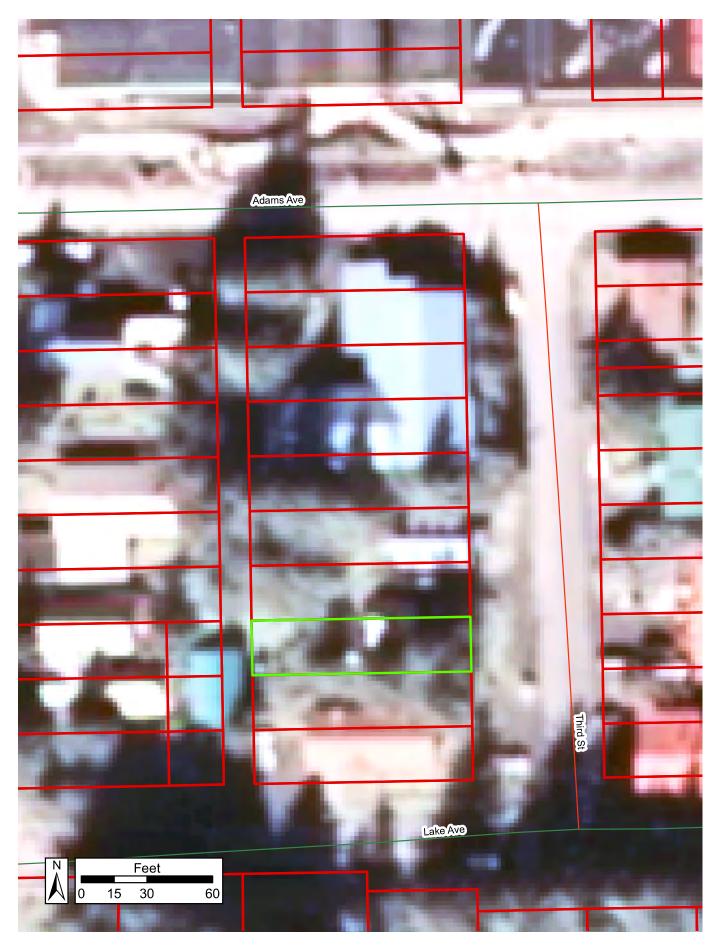
Final Land Disposal Evaluation Criteria

Criteria	Multiplier	Proposal Rank 1-10	Subtotal for Proposal
Value of improvements	1.75		
Number of Employees	1		
Sales Tax Revenue	1		
Importance to Community	1.75		
5yr Business Plan/Timeline	0.75		
Enhanced Architectural Design	1.25		
Proposal Price	1		
Consistency with Comprehensive Plan	1.5		
Total	10		

3 of 24 95 of 133



4 of 24 96 of 133

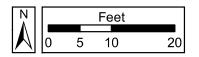


5 of 24 97 of 133

100' 52

100'

Area = 2,500 sq. ft.



Chapter 18.24 - R MEDIUM DENSITY RESIDENCE DISTRICT

Sections:

18.24.010 - Permitted uses.

The following uses are permitted in the R medium density district:

- A. One-family, two-family and multiple-family dwellings;
- B. Boardinghouses;
- C. Accessory buildings and uses not used or operated for gain and not including guest houses or accessory living quarters;
- D. Require off-street parking.

(Prior code § 15.204.2(A)).

18.24.020 - Building height limit.

The maximum building height in the R medium density district shall be three and one-half stories but shall not exceed forty-five feet.

(Prior code § 15.204.2(B)).

18.24.030 - Lot area.

- A. The minimum lot area in the R medium density district shall be four thousand square feet and the minimum lot width shall be forty feet.
- B. The minimum lot area for dwellings in the R medium density district shall be:
 - 1. For a one-family dwelling, four thousand square feet per dwelling unit;
 - 2. For a two-family and three-family dwelling, two thousand square feet per dwelling unit;
 - 3. For a multiple-family dwelling unit with four to seven dwelling units, one thousand six hundred square feet per dwelling unit;
 - 4. For a multiple-family dwelling with eight or more dwelling units, one thousand square feet per dwelling unit.

(Prior code § 15.204.2(C)).

18.24.040 - Front yard.

There shall be a front yard in the R medium density district of not less than ten feet from curb line.

(Prior code § 15.204.2(D)).

18.24.050 - Rear yard.

There shall be a rear yard in the R medium density district of not less than twenty-five percent of the depth of the 1ot but such yard need not exceed fifteen feet.

(Prior code § 15.204.2(F)).

18.24.060 - Side yard.

7 of 24 99 of 133

- A. There shall be a side yard in the R medium density district of not less than five feet. The minimum side yard on the street side of a corner shall be ten feet.
- B. The following additional requirements shall apply to two-family and multiple-family dwellings in the R medium density district:
 - 1. In case the building is so located on the lot that the rear thereof abuts one side yard and front abuts the other, the side yard along the rear of the building shall have a minimum width of twelve feet and the side yard along the front of the building shall have a minimum width of ten feet.
 - 2. For multiple-family dwellings the minimum side yards required shall be increased one foot for each dwelling unit over four.

(Prior code § 15.204.2(E)).

Terms Highlighted in Yellow will be negotiated after award and other sections may be considered in the negotiation process.

CITY OF CORDOVA Cordova, Alaska

LEASE WITH OPTION TO PURCHASE

This LEASE WITH OPTION TO PURCHASE ("Lease") is made by and between the CITY OF CORDOVA, a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and XXXXXXX., an Alaska corporation ("Lessee").

RECITALS

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska generally described as XXXXX, located within Cordova Recording District, Cordova Alaska, (referred to hereinafter as the "Premises");

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

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

1. LEASE OF PREMISES

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

2. LEASE TERM

The Lease Term will be (XX) years, commencing on _____, 20XX, (the "Commencement Date") and terminating at 11:59 p.m. on _____, 20XX, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

3. RENT

A. <u>Base Rent</u>. The annual rent for the first ten years of the Lease Term will be XXXX Hundred Dollars and nine cents (\$XXX) or XXX Dollars (\$XXX) in twelve monthly installments ("Base Rent"). Base Rent is due on the first day of each calendar month during the Lease Term. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base

Page 1 of 16

9 of 24 101 of 133

Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

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

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

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

D. Adjustment of Base Rent Beginning on the tenth anniversary of the Commencement Date, Base Rent shall be adjusted annually by the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. Annual Base Rent adjustments will be equal to the percentage change between the then-current CPI-U and the CPI-U published for the same month during the previous year, except the first Base Rent adjustment, which will occur on the tenth anniversary of the Commencement Date, will be equal to the percentage increase in the CPI-U from 2015 to the then-current year. No adjustments to Base Rent shall cause a reduction in the Base Rent. The City is not required to give advance written notice of the increase for the adjustment to be effective.

4. USES AND CONDITION OF PREMISES

A. <u>Authorized Uses</u>. Subject to the terms and conditions of this Lease, Lessee's use of the Premises is limited to constructing and maintaining the project detailed in the site development plan, and using the constructed buildings and structures as well as the undeveloped land XXXXXXXXX. The Lessee shall give prior written notice to the City of any proposed changes to the site plan that are in furtherance of its authorized uses, and such changes are subject to City review and approval not to be unreasonably withheld or delayed. Lessee shall not leave the Premises unoccupied or vacant without the City's prior written consent. Inspections. The City and its authorized

Page 2 of 16

10 of 24 102 of 133

representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or work necessary for the safety or preservation of the Premises. Except in the event of an emergency, the City will give 48-hours' advance written notice of its intent to inspect the Premises. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents

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

C. <u>Lessee's Acceptance of Premises</u>. Lessee has inspected the Premises to its complete satisfaction and is familiar with its condition, and the City makes no representations or warranties with respect thereto, including, but not limited to, the condition of the Premises or its suitability or fitness for any use Lessee may make of the Premises. Lessee accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent, or employee of the City relating to or in furtherance of the Lease or the Premises shall be deemed to constitute an express or implied representation or warranty that the Premises, or any part thereof, are suitable or usable for any specific purpose whatsoever. Any such action or inaction shall be deemed to be and constitute performance of a discretionary policy and planning function only, and shall be immune and give no right of action as provided in Alaska Statute 9.65.070, or any amendment thereto..

5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. <u>Development Plan</u>. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an amendment to the Lease, requiring the written consent of both parties in accordance with Section 22.B. The Lease does not confer any approval from the Cordova Planning Commission regarding the site development plan or substitute for any approval process

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX Page 3 of 16

11 of 24 103 of 133

required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the site development plan complies with all city code requirements and procedures.

B. <u>Substantial Completion</u>. Lessee must substantially complete construction of the project set forth in the site development plan attached as Exhibit B by______, 20XX, which is ten (10) years after the Lease's Commencement Date. As used in this Lease, the term "substantially complete" shall mean the stage of construction when the building(s), whose footprint is outlined in the site development plan, including its structure, façade, windows, roof, heating, and lighting, are sufficiently complete so that Lessee can occupy and use the building and install or cause the installation of all equipment required for the contemplated use thereof, and Lessee has provided to the City certificates of inspection from certified inspectors providing that the above obligations have been met. If Lessee fails to substantially complete the construction of the project set forth in the site development plan by______, 20XX, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 13.

6. **REPRESENTATIONS AND WARRANTIES**

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

7. ASSIGNMENTS AND SUBLETTING; SUBORDINATION

Lessee shall not assign or otherwise transfer this Lease or any interest herein or sublet the Premises or any portion thereof, or permit the occupancy of any part of the Premises by any other person or entity, without the prior written consent of the City, which consent may be withheld in the City's absolute discretion..

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

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

9. LIENS

Lessee will suffer no lien or other encumbrance to attach to the Premises, including, without limitation, mechanic's or materialman's liens, sales tax liens under

Page 4 of 16

12 of 24 104 of 133

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

10. INDEMNIFICATION

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

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

Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) of whatever kind or nature, known or unknown, contingent or otherwise, arising in whole or in part from or in any way related to: (i) the

Page 5 of 16

13 of 24 105 of 133

presence, disposal, release, or threatened release of any such Hazardous Material on or from the Premises, soil, water, ground water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury or property damage arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Material; and (iv) any violation of any laws applicable to such Hazardous Material; provided, however, that the acts giving rise to the claims, demands, penalties, fines, judgments, liabilities, settlements, damages, costs, or expenses arise in whole or in part from the use of, operations on, or activities on the Premises by Lessee or its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees (other than the City), or authorized representatives.

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

11. INSURANCE

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

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

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

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

D. <u>Workers' Compensation Insurance</u>. Workers' compensation insurance and other insurance as required by law.

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term,

Page 6 of 16

14 of 24 106 of 133

Lessee shall provide the City with proof of the insurance required by this Section 11, except where noted above.

12. OWNERSHIP AND REMOVAL OF THE FACILITIES

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

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

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

13. DEFAULT AND REMEDIES

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

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

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

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 7 of 16

15 of 24 107 of 133

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

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

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

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

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

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

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

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

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

Page 8 of 16

16 of 24 108 of 133

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

iii. Declare this Lease terminated;

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

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

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

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

14. SUBSIDENCE

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

15. VACATION BY LESSEE

Upon the expiration or sooner termination of this Lease, Lessee shall peaceably vacate the Premises and the Premises shall be returned to the City by Lessee together with any alterations, additions, or improvements, unless the City requests that they be removed from the Premises. Upon such vacation, 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

Page 9 of 16

17 of 24 109 of 133

appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for these expenses.

16. **RESERVATION OF RIGHTS**

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

17. SIGNS

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being obtained; provided, however, that this prohibition shall not apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies, or awnings, attached or painted by Lessee shall be removed from the Premises by Lessee at its own expense, and Lessee shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

18. HOLDING OVER

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

19. EMINENT DOMAIN

If the whole or any part of the Premises shall be taken for any public or quasipublic 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:

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX Page 10 of 16

18 of 24 110 of 133

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

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

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

20. COSTS

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

21. BUYER'S OPTION TO PURCHASE

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

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

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

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

E. <u>Purchase Price</u>. Lessee shall have the right to purchase the Premises for \$XXXXX ("Purchase Price") until the tenth anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the tenth anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by the City, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before ______, 7 years 20XX, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the

Page 11 of 16

19 of 24 111 of 133

City under this Lease. In the event that Lessee exercises the Option after ______, 7 years 20XX, the Closing Payment will equal the Purchase Price, and the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

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

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

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

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

i. Lessee may accept an offer for the sale or other disposition of the Premises only if it is made subject to the City's right of first refusal herein. Upon acceptance of an offer for the sale, disposition, conveyance, or transfer from a third party (the "Purchase Offer"), Lessee will present a copy of the Purchase Offer and acceptance to the City by written notice at the address set forth in Section 22.E. The City will then have sixty (60) days to either agree to purchase the Premises on the same terms and conditions set forth in the Purchase Offer, or decline to exercise its right of first refusal. The City shall give written notice of its decision to exercise or decline to exercise its right

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 12 of 16

20 of 24 112 of 133

of first refusal to Lessee at the address set forth in Section 22.E no later than sixty (60) days after being presented with a copy of the Purchase Offer.

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

22. MISCELLANEOUS

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

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

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

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

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

TO CITY:

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

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 13 of 16

21 of 24 113 of 133

TO LESSEE:

XXXXX P.O. Box XXXX Cordova, Alaska 99574

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

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

G. <u>No Waiver of Breach</u>. No 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. <u>Survival</u>. No expiration or termination of this Lease shall expire or terminate any liability or obligation to perform which arose prior to the termination or expiration.

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

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

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

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

Page 14 of 16

22 of 24 114 of 133

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

N. <u>Exhibits</u>. Exhibits A and B to this Lease are specifically incorporated into the Lease.

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

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

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

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

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

CITY:	CITY OF CORDOVA
	By:
LESSEE:	xxxx
	Ву:
	By: Its:

LEASE WITH OPTION TO PURCHASE F:\401777\222\00427326.DOCX

Page 15 of 16

Exhibit A

Legal Description

Exhibit B Development Plan

LEASE WITH OPTION TO PURCHASE - EXHIBIT B F:\401777\222\00427326.DOCX Page 1 of 1

24 of 24 116 of 133



SEALED PROPOSAL FORM

All proposals must be received by the Planning Department by Friday, May 1st, 2015 at 10 AM.

Property: Lot 13, Block 12, Original Townsite. See attached map.

Name of Propo	oser:	Joe Arvids.	
Name of Organ	nization:	×/A	
Address:	7103	clotheet	Phone #: 907-429-7095
	Cordon	10, AK 99574	Email: Cjarvidsonaryabicolom
(PO BOX	(666)	

Note: All submitted proposals for this property will be reviewed by the Planning Commission using the attached criteria. The Planning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

The fair market value for Lot 13, Block 12, Original Townsite is **§14,399.00** and will be the **minimum** price that will be accepted for the property. If the successful proposal amount is greater than the minimum price, that shall be the amount paid for the property.

The property fails to meet Cordova Municipal Code (CMC) 18.24.030.A, which mandates the minimum lot area in the zoning district. Compliance with CMC 18.24.030.A is not required for the property, however under CMC 18.24.030.B the minimum lot area for a one-family dwelling is 4,000 sq. ft. Compliance with this provision and all other CMC provisions is required unless the property owner obtains a variance under CMC 18.64.020.

A snow dump easement will be negotiated with the proposer that is awarded the property. The easement will be up to 25 ft. of the eastern portion of the lot. Due to the easement, access will not be available from the east of the lot.

All proposals shall include a deposit of <u>\$1,000.00</u>. In the event that a proposal is not awarded the property, the City will reimburse the deposit to the proposer, otherwise deposit will be credited to costs associated with the contract preparation.

The attached <u>Lease with Option to Purchase</u> is a template for the agreement that will be negotiated with the proposer that is awarded the property.

Proposed Price \$ 14,400,00

The applicant shall also be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per CMC 5.22.100.

Please review the attached section of Code for the permitted uses within the Medium Density Residence District.

1 of 24 117 of 133

- see attached. doc.

Additional Information Required (please attack separately with this proposal form):

- 1. Describe the development you're proposing.
- 2. What is the proposed square footage of the development?
- 3. Provide a sketch, to scale, of the proposed development in relationship to the lot. (Attachment C)
- 4. What is the benefit of the proposed development to the community?
- 5. What is the value of the proposed improvements (in dollars)?
- 6. What is your proposed timeline for development?

Included for your convenience:

Attachment A: Criteria used when evaluating each submitted proposal.
Attachment B: A location map showing the subject property.
Attachment C: The property parcel with measurements.
Attachment D: Cordova Municipal Code – R Medium Density Residence District
Attachment E: Sample Lease with Option to Purchase Agreement

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

<u>Or email proposals to citymanager@cityofcordova.net and planning2@cityofcordova.net.</u> The email subject line shall be "Proposal for Lot 13, Block 12," and the proposal shall be attached to the email as a PDF file.

Or deliver your proposal to the front desk at City Hall.

For questions or more information about the land disposal process, contact the City Planning Department at 424-6220, planning2@cityofcordova.net, or stop by in person.

Proposals received after Friday, May 1st, 2015 at 10 AM will not be considered.

2 of 24 118 of 133

PLANNING COMMIS MAY 19, 2015 ARVIDSON Cut trees, dis swamp down 7-9ft [1]] and backfill with vock/gravel to levelwith our abotting lot. Intend to join this lot with our (2) existing abotting lot - Total saft would be 5,000. there is no development plagaed. We would eventually like to build on $\left(3\right)$ the joined lots but are not proposing any structure on this bid or promising to do so. (4) Additional developed buildable land. Taxes. Estimated cost is \$14.4K to purchase \$20K to backfill & Jevel and \$4K-5K (5) 10 3 years. 119 of 133

Memorandum

To:	Planning Commission
From:	Planning Staff
Date:	5/14/15
Re:	Final Plat Request for 'Subdivision of US Survey 901'

PART I – GENERAL INFORMATION

Requested Actions:	Final Plat Approval
Applicant:	Lucas Borer
Legal Description:	US Survey 901
Parcel Number:	02-086-200
Zoning:	Low Density Residential

PART II – SUGGESTED FINDINGS

- 1. The proposed plat conforms to the Comprehensive Plan Policies and serves the public use, health, and safety.
- 2. There are no known physical conditions present which may be hazardous to the future inhabitants of these tracts.

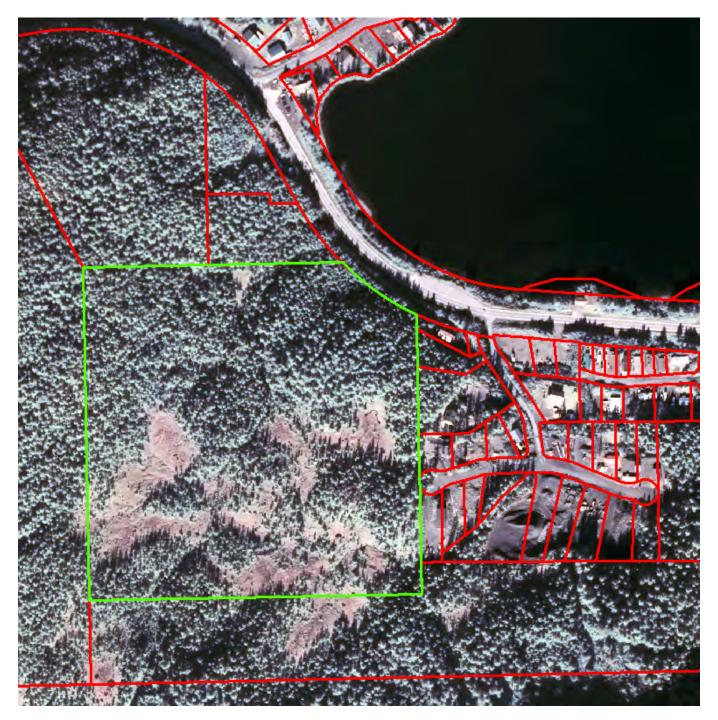
PART III – STAFF RECOMMENDATION

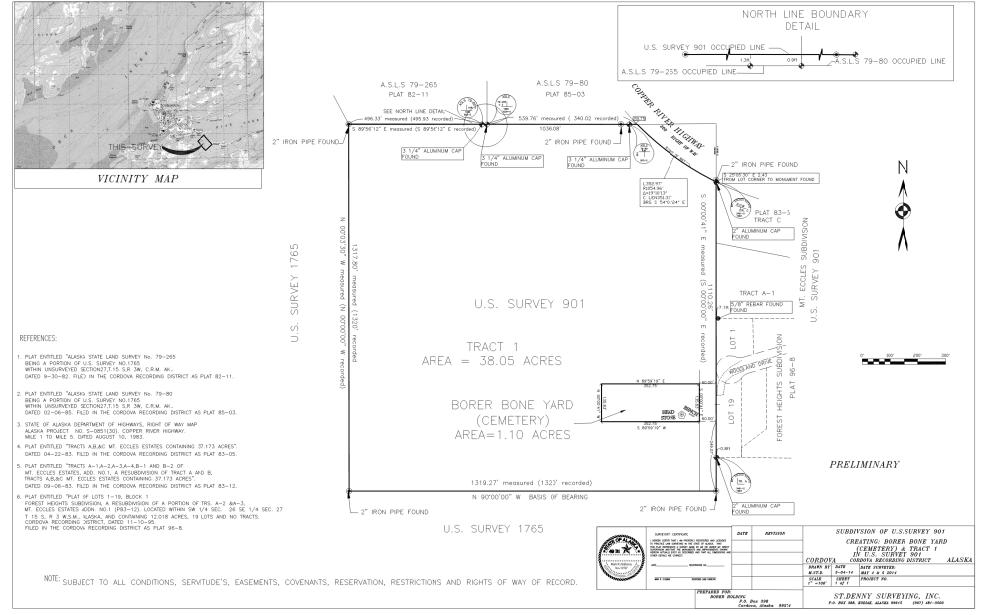
Staff recommend that the request for final plat approval for 'Subdivision of US Survey 901' be approved.

PART IV – SUGGESTED MOTION

"I move to approve the final plat request for 'Subdivision of US Survey 901.""

<u>Attachment A – Location Map</u>





22

of

133

PLANNING COMMISSION REGULAR MEETING MAY 19, 2015

Memorandum

To:Planning CommissionFrom:Planning StaffDate:5/14/15Re:Final Plat Request for 'Plat of Subdivision of Tract B-2 of Pebo Subdivision'

PART I – GENERAL INFORMATION

Requested Actions:Final Plat ApprovalApplicant:Lucas BorerLegal Description:Tract B-2 of Pebo SubdivisionParcel Number:03-070-855Zoning:Unrestricted

PART II – SUGGESTED FINDINGS

- 1. The proposed plat conforms to the Comprehensive Plan Policies and serves the public use, health, and safety.
- 2. There are no known physical conditions present which may be hazardous to the future inhabitants of these tracts.

PART III – STAFF RECOMMENDATION

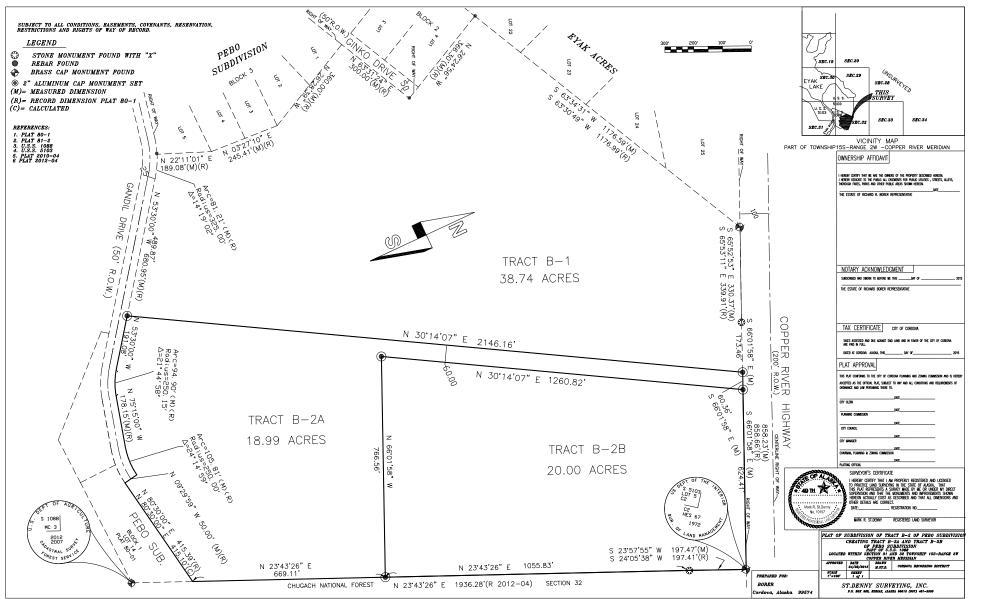
Staff recommend that the request for final plat approval for 'Plat of Subdivision of Tract B-2 of Pebo Subdivision' be approved.

PART IV – SUGGESTED MOTION

"I move to approve the final plat request for 'Plat of Subdivision of Tract B-2 of Pebo Subdivision.""

<u>Attachment A – Location Map</u>





Memorandum

To:Planning CommissionFrom:Planning StaffDate:5/14/2015Re:Resolution 15-08 - Code Change for RR3 Rural Residential District

PART I – GENERAL INFORMATION

Recently a building permit application was received for Lot 8 in the Alpine Subdivision and the rear setback of 60 feet has been raising some issues about the zoning requirements for the district. During this building permit issue the developer, builder, and staff met and discussed the setback requirements in the RR3 Rural Residential District. The RR3 district was created in 2005. The Alpine Subdivision is zoned RR3 and the surrounding area is the only land in the city limits with this zoning (see Attachment A). There has been minimal building in the subdivision and as of yet the zoning requirements have not been tested. The developer of the subdivision has asked that some of the requirements in RR3 be changed to encourage development while still meeting the purpose of a rural feel. All lots in the RR3 district are required to be three acres. The subdivision has been developed on a hillside and while the lots are large, the terrain is steep and building space within the required 3 acre lot size can be limited.

An ordinance for these code changes is on the agenda for the City Council meeting on the 20th of May. All recommendations and the possible resolution from the Planning Commission will be forwarded to City Council for the meeting.

Proposed code changes are shown below with a brief explanation. Strike through is deletion of text and bold and underline is inserted text. Attachment B is the current complete code for the RR3 district.

18.21.070 - Minimum lot requirements.Minimum lot requirements are as follows:A. The minimum lot area shall be three acres.B. The minimum lot width shall be one hundred sixty feet.

The hillside terrain and irregularly shaped lots make it difficult to meet the large minimum lot width requirement. The required lot area of 3 acres ensures that lots will remain large and continue to meet the purpose of the chapter.

18.21.080 - Minimum yard requirements.

Minimum yard requirements are as follows:

- A. Front yard: twenty-fiveten feet;
- B. Side yards: thirtyten feet;
- C. Rear yard: sixtytwenty-five feet.

Reducing the setbacks will help to expand potential building sites and allow for more flexibility of building on currently established building pads. Not changing the lot size requirement of 3 acres but

126 of 133

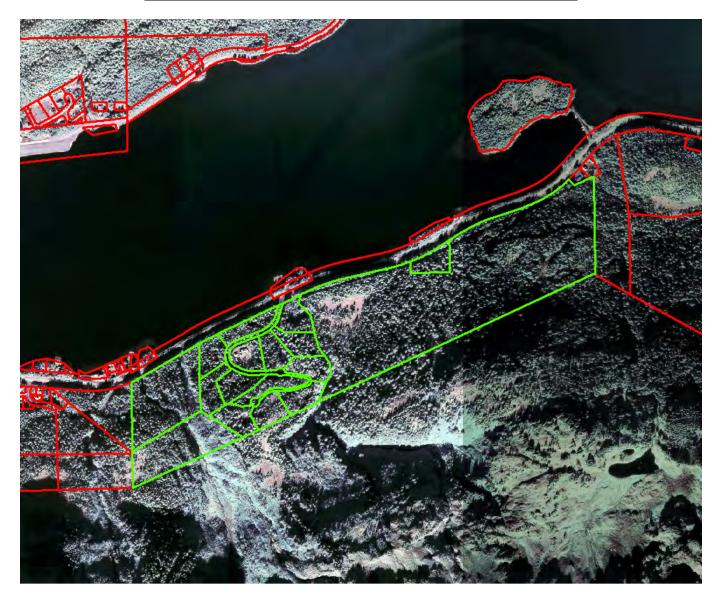
reducing the setbacks helps to promote development but will still allow for the intent of the district which is for large lot, low-density residential purposes.

PART II – STAFF RECOMMENDATION

Staff recommends approving Resolution 15-08. The proposed code changes may encourage development within the subdivision and the intent/purpose of the zoning district remains.

PART III – RECOMMENDED MOTION

"I move to approve Resolution 15-08"



<u>Attachment A – Property zoned RR3 Rural Residential District</u>

Attachment B

Chapter 18.21 - RR3 RURAL RESIDENTIAL DISTRICT

Sections:

18.21.010 - Purpose and intent.

The RR3 rural residential three zoning district is established as a land use district for large lot, lowdensity residential purposes. For the rural residential three district, in promoting the general purposes of this title, the specific intentions of this chapter are:

- A. To encourage the continued use of land for low-density purposes;
- B. To prohibit commercial and industrial land uses;
- C. To encourage the discontinuance of existing uses that are not permitted under the provisions of this chapter; and
- D. To discourage land uses which, because of their character and size, would create unusual requirements and costs for public services.

(Ord. 974 (part), 2005).

18.21.020 - Permitted principal uses.

The following principal uses are permitted in the RR3 rural residential district:

A. No more than one single-family dwelling unit per lot.

(Ord. 974 (part), 2005).

18.21.030 - Permitted accessory uses.

The following accessory uses are permitted in the RR3 rural residential district:

- A. Private garages and required off-street parking;
- B. Greenhouses and tool sheds;
- C. The noncommercial keeping of animals solely for the personal use of the owner or occupant of the lot. The raising, breeding or keeping of animals for commercial purposes is prohibited. A lot where animals are kept shall be maintained in a sanitary and inoffensive condition, with structures necessary to the proper housing of the animals and to the confinement of the animals within the boundaries of the lot;
- D. Other buildings and uses customarily accessory and clearly subordinate to the permitted principal use of the lot.

(Ord. 974 (part), 2005).

18.21.040 - Conditional uses.

Subject to the requirements of the conditional use standards and procedures of this title, the following conditional uses may be permitted in the RR3 rural residential district:

- A. Public utility, police and fire protection facilities, parks, libraries, elementary and secondary schools;
- B. Home occupations.

(Ord. 974 (part), 2005).

Resolution 15-08 – Code Change for RR3 Rural Residential District Page 4 of 5

129 of 133

18.21.050 - Prohibited uses and structures.

Prohibited uses and structures are as follows:

- A. Any use or structure not of a character indicated under permitted uses and structures or permitted as a conditional use;
- B. Storage or use of mobile homes;
- C. Residential use of any travel trailer, basement, tent, shack, garage, barn or other structure not designed or intended for permanent residential use.

(Ord. 974 (part), 2005).

18.21.060 - Development requirements for principal and accessory uses.

Easements for installation and maintenance of utilities are as set out or reserved as shown on the recorded plat.

(Ord. 974 (part), 2005).

18.21.070 - Minimum lot requirements.

Minimum lot requirements are as follows:

- A. The minimum lot area shall be three acres.
- B. The minimum lot width shall be one hundred sixty feet.

(Ord. 974 (part), 2005).

18.21.080 - Minimum yard requirements.

Minimum yard requirements are as follows:

- A. Front yard: twenty-five feet;
- B. Side yards: thirty feet;
- C. Rear yard: sixty feet.

(Ord. 974 (part), 2005).

18.21.090 - Maximum lot coverage by all buildings.

Maximum lot coverage by all buildings shall be twenty-five percent.

(Ord. 974 (part), 2005).

18.21.100 - Maximum height of structures.

Maximum height of structures shall be two and one-half stories, but not exceeding thirty-five feet.

(Ord. 974 (part), 2005).

CITY OF CORDOVA, ALASKA PLANNING COMMISSION RESOLUTION 15-08

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CORDOVA, ALASKA, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA TO AMEND CORDOVA MUNICIPAL CODE CHAPTER 18.21 BY REPEALING SUBSECTION 18.21.070(B) AND AMENDING SECTION 18.21.080 IN ORDER TO ELIMINATE THE MINIMUM LOT WIDTH REQUIREMENT AND REDUCE THE YARD REQUIREMENTS IN THE RR3 RURAL RESIDENTIAL DISTRICT

WHEREAS, the Planning Commission has determined that the existing code for the RR3 Rural Residential District is restrictive and that amending the code is a benefit to the City and the citizens of Cordova; and

WHEREAS, the Planning Commission has determined that the proposed amendments are in accordance with the purpose of Title 18; and

WHEREAS, the Planning Commission recommend to City Council to accept the proposed amendments.

NOW, THEREFORE BE IT RESOLVED THAT the Planning Commission of the City of Cordova, Alaska hereby recommend to the City Council of the City of Cordova, Alaska to amend Cordova Municipal Code Chapter 18.21 by repealing Subsection 18.21.070(B) and amending section 18.21.080 in order to eliminate the minimum lot width requirement and reduce the yard requirements in the RR3 Rural Residential District.

PASSED AND APPROVED THIS 19TH DAY OF MAY, 2015

John Greenwood, Chair

ATTEST:

Samantha Greenwood, City Planner

May	2015

May 2015									
Su	Mo Tu We Th Fr Sa								
					1	2			
3	4	5	6	7	8	- 9			
10	11	12	13	14	15	16			
17	18	19	20	21	22	23			
24	25	26	27	28	29	30			
31									

June 2015										
Su	Su Mo Tu We Th Fr Sa									
7 14 21 28	1 8 15 22 29	2 9 16 23 30	3 10 17 24	4 11 18 25	5 12 19 26	6 13 20 27				

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	Apr 26	27	28	29	30	May 1	2
	3	4	5	6 7:00pm City Council Regular (Library)	7	8	9
132 of 133	10	11	12 7:00am Special Election	13	14 7:00pm School Board Regular (High School)	15	16
	17	18	19 6:30pm Planning Commission Public Hearing (Library) 6:45pm Planning Commission Regular	20 7:00pm City Council Regular (Library)	21	22	23
	24	25 City Closed - Memorial Day	26	27	28	29	30
	31	Jun 1	2	3	4	5	6

5/14/2015 3:39 PM

June 2015

June 2015									
Su	Mo	Tu	We	Th	Fr	Sa			
7 14 21 28	1 8 15 22 29	2 9 16 23 30	3 10 17 24	4 11 18 25	5 12 19 26	6 13 20 27			

July 2015									
Su	Mo Tu We Th Fr Sa								
5 12 19 26	6 13 20 27	7 14 21 28	1 8 15 22 29	2 9 16 23 30	3 10 17 24 31	4 11 18 25			

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
133	May 31	Jun 1	2	3 7:00pm City Council Regular (Library)	4	5	6
	7	8 5:00pm Library Board (Library)	9 6:30pm Planning Commission Regular (Library)	10 7:00pm Harbor Commission Regular (City Hall) 7:00pm School Board Regular (High School)	11	12	13
133 of 133	14	15	16	17 7:00pm City Council Regular (Library)	18	19	20
	21	22	23	24	25	26	27
	28	29	30	Jul 1	2	3	4

5/14/2015 3:39 PM