

Mayor

Clay Koplin

Council Members

James Burton

Kenneth Jones

Jeff Guard

Melina Meyer

Anne Schaefer

David Allison

James Wiese

City Manager

Alan Lanning

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

Olivia Carroll

**Regular City Council Meeting
June 6, 2018 @ 7:00 pm
Cordova Center Community Rooms
Agenda**



A. Call to order

B. Invocation and pledge of allegiance

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

C. Roll call

Mayor Clay Koplin, Council members James Burton, Kenneth Jones, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison and James Wiese

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

E. Disclosures of Conflicts of Interest

F. Communications by and Petitions from Visitors

1. Guest Speakers

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

3. Chairpersons and Representatives of Boards and Commissions (CCMCABoD, School Board)

a. CCMC Authority 2018 more detailed budget document..... (page 1)

4. Student Council Representative Report

G. Approval of Consent Calendar

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

5. Minutes of the May 16, 2018 Council Regular Meeting..... (page 4)

I. Consideration of Bids

J. Reports of Officers

6. Mayor's Report

7. Manager's Report

8. City Clerk's Report

K. Correspondence

L. Ordinances and Resolutions

9. Ordinance 1169..... (roll call vote)(page 8)

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten year lease agreement with Saddle Point Machine LLC, which includes an option to purchase, described as Lot 3, Block 5, North Fill Development Park - 2nd reading

10. Ordinance 1170..... (voice vote)(page 57)

An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.40.010 to adopt a one-half (1/2) percent increase to the sales tax levied by the City of Cordova - 1st reading

11. Resolution 06-18-16..... (roll call vote)(page 60)
A resolution of the City Council of the City of Cordova, Alaska, setting the mill rate for the 2018 tax year

M. Unfinished Business

N. New & Miscellaneous Business

12. Council action on disposal and method of disposal for..... (voice vote)(page 62)
1,203 s.f. on CHS campus
13. Council concurrence of **Mayor Koplín's** appointments to fill vacancies on..... (voice vote)(page 66)
the Library Board, Planning Commission & Parks & Rec Commission
14. Pending Agenda, Calendar and Elected & Appointed Officials lists..... (page 68)

O. Audience Participation

P. Council Comments

Q. Executive Session

15. Union Contract negotiations update

R. Adjournment

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosure.

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

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

CCMCA 2018
Budget - with detail

<u>Revenue</u>	
Acute/Swing Bed	-3,970,905
Long Term Care	-4,630,572
Clinic	-1,348,490
Outpatients - Other	-3,628,720
Retail Pharmacy	-430,770
Behavioral Health	-352,327
	<hr/>
Patient Services Total	-14,361,784
<u>Deductions</u>	
Charity	30,000
Medicare	969,179
Medicaid	2,780,932
Commercial	218,284
Other	397,276
Contractual Adjustments	4,365,671
Bad Debt	375,000
	<hr/>
Deductions Total	4,770,671
<u>Cost Recoveries</u>	
Grants	-300,000
In-Kind Contributions	-1,000,000
Funds From City	-575,000
Other Revenue	-225,000
	<hr/>
Cost Recoveries Total	-2,100,000
Net Revenue	-11,691,113

<u>Expenses</u>		
Patient Care Salaries	2,836,708	
Support Salaries	605,540	
Administration Salaries	807,752	
Total Wages		4,250,000
PTO Expense	513,028	
FICA/Medicare	325,125	
Health Life/Ins expense	890,097	
PERS Retirement Expense	935,000	
Taxes & Benefits		2,663,250
Nursing Travelers	630,000	
Locums Physicians	70,000	
PT Travelers	82,400	
IT Pro Services	244,800	
Audit/Cost Report	50,000	
Lab Pro Services	65,600	
Billing Services	246,400	
Medical Records	49,600	
Other Professional Services	161,200	
Total Professional Services		1,600,000
Minor Equipment		50,000
Billable Medical Supplies	129,320	
Non Billable Supplies	261,080	
Office Supplies	77,470	
Food Supplies	92,110	
Freight	50,020	
Total Supplies		610,000
Imaging Repair & Maintenance (CT)	38,300	
Building Maintenance	41,900	
Other Maintenance	19,800	
Total Repairs & Maintenance		100,000
Apartment Rentals	118,040	
Copier & Postage Leases	7,670	
Respiratory Equipment Leases	4,290	
Rents & Leases		130,000
I. T. Internet/T1 lines	995,800	
Electricity	118,300	
Heating Fuel	98,800	
Vehicle Gas	5,200	
Water Sewer Garbage	42,900	
Telephone	24,700	
Television	14,300	
Total Utilities		1,300,000

Grant Services Travel & Training	9,035	
Patient Care Travel & Training	17,615	
Admin Travel & Training	27,300	
Other Travel & Training	11,050	
Total Travel & Training		65,000
Insurance General Insurance	38,600	
Insurance Malpractice Insurance	52,000	
Work Comp Insurance	88,200	
Unemployment Insurance	21,200	
Insurances		200,000
Recruitment & Relocation		50,000
Admin Depr-Buildings	175,020	
Admin Depr-Fixed Equip	17,850	
Admin Depr-Moveable Equip	402,130	
Depreciation		595,000
Licenses & Taxes	2,700	
Dues & Subscriptions	62,250	
Interest Expense	19,350	
Bank Fees	13,500	
Other Expenses	52,200	
Total Other Expenses		<u>150,000</u>
Total Expenses		<u>11,763,250</u>
Operating Income		(72,137)
Restricted Contributions		<u>0</u>
Net Income/(Loss)		<u><u>(72,137)</u></u>

Regular City Council Meeting
May 16, 2018 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes

A. Call to order

Mayor Clay Koplín called the Council regular meeting to order at 7:06 pm on May 16, 2018, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

Mayor Koplín led the audience in the Pledge of Allegiance.

C. Roll call

Present for roll call were **Mayor Clay Koplín** and Council members **Jeff Guard**, **Melina Meyer**, **Anne Schaefer** and **James Wiese**. Council members **James Burton**, **Ken Jones** and **David Allison** were present via teleconference. Also present were Student Council Representative **Olivia Carroll**, City Manager **Alan Lanning** and City Clerk **Susan Bourgeois**.

D. Approval of Regular Agenda

M/Guard S/Wiese to approve the Regular Agenda.

Bourgeois mentioned that the executive session would not be necessary.

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

E. Disclosures of Conflicts of Interest

Mayor Koplín said he will declare a conflict on agenda item 16 as the CEC Executive Director. He will also recuse himself from the communications by and petitions from visitors as he will speak on behalf of CEC during audience comments on agenda item.

F. Communications by and Petitions from Visitors

1. Guest Speakers - none

2. Audience comments regarding agenda items

Rob Brown Saddle Point Machine, Cordova, AK, spoke in favor of item 15.

Tom Bailer 304 Orca Inlet Drive spoke about item 16, which was the work session topic tonight as well. He thanked Council for asking good questions at the work session. His opinion is that they should get an outside consultant to give an opinion on this, to go over the electrical part, the hydro part, the dam part.

Rob Brown spoke in favor of the crater lake project, and these kinds of projects, Cordova should have a goal of 100% renewable energy.

Clay Koplín 100 Jensen Drive, on behalf of CEC, spoke in favor of item 16.

Wendy Ranney 2500 Orca Road spoke against item 16 because the City doesn't have the money and because of the danger to life and property of the dam.

3. Chairpersons and Representatives of Boards and Commissions

Alex Russin, Superintendent of Schools, 209 S. Second Street, reported that, 1) graduation is this Saturday at 5:30 pm at the High School, 2) the district is still involved in strategic planning - looking at core values and principles they want to examine as a district - there will be upcoming community forums and opportunities to weigh in on that, 3) budget process is in the works, May meeting there was a first reading, hope for final approval at the June 12 meeting - it includes a draw-down of the fund balance of about \$450k, 4) as far as facility needs - he's been discussing the gym floor with the City Manager - there is a new bubble in the HS gym floor, with 3 regional events being hosted next year, he really wants to see that addressed - the company out of Wasilla has an opportunity to do the work in August /September - he will be making the official request of Council at June meeting, the district has about \$135k set aside, project cost is approximately \$250k.

4. Student Council Representative Report - **Olivia Carroll** thanked the City and the Community for supporting the school district this school year. Twenty-two seniors will be off on their own paths after graduation Saturday. Tomorrow night, CHS Drama class will put on the play, *All I Ever Really Needed to Know I Learned in Kindergarten* - 7 pm at the North Star Theater - admission by donation.

G. Approval of Consent Calendar

Mayor Koplín declared the consent calendar was before the City Council.

5. Resolution 05-18-13 a resolution of the City Council of the City of Cordova, Alaska, adopting the updated local hazard mitigation plan

6. Amendment to 2018 Land Disposal Maps, for Lot 4A, Block 5 NFDP

7. Council's right to protest application for a new liquor license for Baja Taco LLC
8. Record excused absences of **Mayor Koplín** and Council member **James Wiese** from the May 2, 2018 regular meeting
Vote on the consent calendar: 7 yeas, 0 nays. Meyer-yes; Jones-yes; Schaefer-yes; Wiese-yes; Allison-yes; Guard-yes and Burton-yes. Consent Calendar was approved.

H. Approval of Minutes

M/Schaefer S/Wiese to approve the minutes.

9. Minutes of the April 18, 2018 Council Regular Meeting

10. Minutes of the May 2, 2018 Council Regular Meeting

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

I. Consideration of Bids - none

J. Reports of Officers

11. Mayor's Report - **Mayor Koplín** presented this award to **Sam Greenwood** and **Leif Stavig** as representatives of the Public Works/Water Department.

- a. 2017 W.A.T.E.R.S. award (**Well-planned Affordable Transferable Efficient Resilient Sustainable**) presented to the City of Cordova LT2 Compliance Upgrades Project

12. Manager's Report - City Manager **Alan Lanning** reported 1) the comp plan is out to bid - due date is June 14 - he's been considering a Tiger Grant writer as part of this process; 2) RV expansion project - now concentrating on the Odiak site - 5 mile is off the table at this time; 3) Harbor building is back out to bid - gave a longer time this time, due date is July 12 - pared down some of the parts of that, to hopefully lower the price; 4) **Weston Bennett** has resigned, last day on May 25 - working on the job description, hope to have the first review of applications on June 18; 5) he explored the idea of summer chairlift operations and it doesn't really pencil out with the costs of operation, ADA accessibility, etc. 6) KTVA put out a news report which wasn't very accurate about CCMC allegedly closing in June, he emphatically declared that that information is not accurate, the City will put a press release out stating so - this is a federal regulatory agency funding issue, **Senator Murkowski** and our federal delegation are aware, unfortunate that it was portrayed in the media in this way. **Meyer** asked about props one and two on the special election - when will we stop collecting those and what is the impact to the budget. **Bourgeois** said we certify the election on May 24 - perhaps the tax collection ceases on the next business day, May 25. **Lanning** said that we are looking at having collected less than half of the anticipated for those, probably even well less considering the season. He still needs time to compile those numbers.

13. City Clerk's Report - **Bourgeois** reported 1) will be certifying the roll tonight, will set the mill rate at June 6 meeting, property tax bills go in the mail July 1 due dates are August 31 for first half, October 31 for second half; 2) **Bourgeois** commended the election board and her Deputy Clerk, who were all at the polls yesterday and then counted ballots for a total of seventeen or so hours on May 15. She said there are as many as 150 ballots left to be counted, between absentee, questioned and special needs ballots. That will be done on May 23. As far as vote differentials, props 2 and 3 are within 150 votes so they could go the other way but that isn't likely unless the absentee vote count is a landslide of "no" votes for both of those.

K. Correspondence

14. 05-09-18 email from **Carol & Lynn Potter** re support of **Rob Brown** land sale and project

L. Ordinances and Resolutions

15. Ordinance 1169 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten year lease agreement with Saddle Point Machine LLC, which includes an option to purchase, described as Lot 3, Block 5, North Fill Development Park - 1st reading

M/Meyer S/Wiese to approve Ordinance 1169 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a ten year lease agreement with Saddle Point Machine LLC, which includes an option to purchase, described as Lot 3, Block 5, North Fill Development Park.

Meyer spoke in favor, for the economy, the fishing industry, the shipyard. **Wiese** agreed.

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

Mayor Koplín left the Council table for his conflict on the next agenda item.

16. Resolution 05-18-12 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment of the FY18 budget and authorizing the expenditure to be used for geotechnical assessment for the Crater Lake project

M/Guard S/Wiese to approve resolution 05-18-12 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment of the FY18 budget and authorizing the expenditure to be used for geotechnical assessment for the Crater Lake project.

Lanning said he put 4 different funding levels in the resolution, anticipating that Council could choose the level they were comfortable with. He also said that this could come from the water department reserve account too.

Guard asked CEC Executive Director **Clay Koplín**, who was in the audience, how much the geotechnical survey was going to cost. **Koplín** replied that they were anticipating about \$500,000 for that. **Wiese** said he supports this kind of project he thinks the timing is tough right now with our recent revenue loss due to the special election. He wanted to know the balances of the sewer and water reserve accounts. **Lanning** said sewer has \$387,643 and water has \$372,236 in reserves.

Allison said he doesn't believe the City, as an entity, needs this project for water. However, maybe the City as a community, would stand to benefit with this project for its reserve of water as well as the electrical. He doesn't think the risk can be known without doing the geotechnical study. He is in favor of supporting the geotechnical step, but maybe not at the \$100,000 level. **Schaefer** agrees that the results of the geotechnical work will give a lot of information and answers as far as risk. She also believes that \$100,000 is a big ask right now. **Burton** said first and foremost is that the **Ranney's**, the downstream property owners, are not on board with this project. He won't feel comfortable using any City funds for this until they are satisfied that it is safe. He also polled some citizens and thinks there is not a lot of public support. **Jones** said he feels the same as **Burton**, he thinks we don't need this project and he doesn't know that it will lower our electric rates. Also, he is not happy about the risk factor. **Meyer** said she can't support \$100,000 at this time but would consider a lower amount. She also understands the concerns of Orca Lodge.

M/Allison S/Guard to amend the resolution by picking the \$25,000 amount in the second to last whereas and changing the last whereas from "general fund reserve" to "water department reserve" and plug in the appropriate line item #.

Allison said he is in favor of this lesser amount and he prefers it coming from the water department reserve. **Guard** said he is in support of this, he thinks this isn't a full commitment it is just giving us more information. **Jones** opined that just doing the geotechnical work could destabilize the area, he believes that area is prone to landslides.

M/Guard S/Schaefer to refer this to staff until the next meeting.

Jones spoke against referring because all seven of us are here and we are getting into the busy time when quorums will be harder to come by.

Vote on the motion: 5 yeas, 2 nays. Meyer-yes; Jones-no; Schaefer-yes; Guard-yes; Allison-yes; Wiese-no and Burton-yes. Motion to refer was approved.

M. Unfinished Business

N. New & Miscellaneous Business

17. Certification of the 2017 Property Assessment Roll

M/Allison S/Schaefer to certify the 2018 property tax assessment roll as presented by the City Clerk's office.

Allison said this is straightforward - it is what it is.

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

18. Pending Agenda, Calendar and Elected & Appointed Officials lists

Guard asked for an ordinance next time that raises the sales tax by a half a percent. **Bourgeois** clarified how pending agenda worked, it is appropriate for a council member to ask for an action item on the next agenda, but to confirm that it would be on the next agenda, either the **Mayor** or **Manager** could then put it on or a second council member could also confirm that he wanted that item on. Council member **Wiese** offered his concurrence to have that action item on the next Council agenda. Council decided that the work session on June 6 could be used to further explore revenue ideas/options.

Allison said he thought the school gym item should be on the next agenda as well per the superintendent's report.

Bourgeois mentioned the special meeting to certify the election would be next Thursday, May 24 at noon, also **Mayor Koplín** is having a lunch with board and commission chairs that same day at noon, perhaps it could be bumped to 12:15pm. Also mentioned were the 3 vacancies on boards and commissions, one each on P&Z, P&R and Library Board. There are hopes to make those appointments at the next meeting.

O. Audience Participation

Tom Bailer 304 Orca Inlet Drive said he wanted to clarify that he thinks the Council should get more information about the feasibility study, perhaps from someone who understands it better, from a third party, not a stakeholder (on the Crater Lake project). He said eventually, you'll have to convince citizens of this too, to pay for it, to bond it.

Wendy Ranney 2500 Orca Rd. appreciates Council looking at all the angles. She is in favor of alternative energy use but until fears are satisfied and their safety is assured, she can't be on board with this project.

P. Council Comments

Schaefer congratulated the water department and the seniors that are graduating.

Wiese said best of luck to the fishing fleet tomorrow and congrats to the water department for the award.

Allison thanked the council members for putting in the time. Thanks to the **Ranney's** for staying on top of this issue and

hopefully we can get answers for them.

Meyer same as far as thank you's, she said she is new to council and still catching up on the crater lake issue/project.

Q. Executive Session

~~18. Legal matter Beecher update~~

Earlier at approval of agenda this item was removed from tonight' agenda for lack of new information.

R. Adjournment

M/Guard S/Schaefer to adjourn the meeting.

Hearing no objection Mayor Koplín adjourned the meeting at 8:31 pm.

Approved: June 6, 2018

Attest: _____
Susan Bourgeois, CMC, City Clerk

DRAFT



AGENDA ITEM 9
City Council Meeting Date: 6/6/18
CITY COUNCIL COMMUNICATION FORM

FROM: Planning Staff
DATE: 5/9/18
ITEM: Ordinance 1169
NEXT STEP: Pass Ordinance Approving Lease with Option to Purchase

ORDINANCE RESOLUTION
 MOTION INFORMATION

I. REQUEST OR ISSUE:

Requested Actions: Review and approve lease with option to purchase
Applicant: Robert Brown DBA Saddle Point Machine L.L.C.
Legal Description: Lot 3, Block 5, North Fill Development Park
Area: 16,862 square feet
Zoning: Waterfront Industrial
Attachments: Location Map
Ordinance 1169
Lease with option to purchase
Letter of Interest
1/16/18 Letter from Rob Brown to City Council
Harbor Commission Resolution 01-18-01
4/20/18 Development Plan and Updated Drawings

II. RECOMMENDED ACTION / NEXT STEP: Staff suggest the following motion:
“I move to approve Ordinance 1169”

III. FISCAL IMPACTS: The Harbor Department earns \$13,800 annually on this lot by renting space for trailer and boat storage.

Brown’s proposed building would generate approximately \$9,000 in property tax revenue annually. The

business is estimated to generate up to \$15,000 in sales tax revenue annually.

In addition to the sales and property tax revenue, the city would also get the purchase price or rent of the property, currently assessed at \$84,300. Robert also intends to have two employees and is estimating up to \$500,000 in revenue from Aquaharmonics Inc.

IV. BACKGROUND INFORMATION:

12/1/17 – A letter of interest was received from Robert Brown DBA Saddle Point Machine L.L.C. See attached.

1/9/18 – At the Planning Commission Regular Meeting, the commission made the lot ‘Available’ on the Land Disposal Maps and made the following recommendation:

M/Baenen S/Bolin to recommend to City Council to dispose of Lot 3, Block 5, North Fill Development Park as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with Robert Brown DBA Saddle Point Machine L.L.C. to lease or purchase the property.

Brown said that his business was already active and that he serves the fishermen. He thinks the advantages for the boat fleet of having his business there outweigh the loss of boat parking. He is currently limited by only having a garage. **Pegau** verified that the intent was having a marine shop that serves vessels. **Brown** said that he has been working with Aquaharmonics since they started and that he helped them build their prototype. He said there was additional work that would be better suited if he had more workspace. A larger area would also let him work on boat shafts, which are going to be looked at more closely by the Coast Guard in the future.

Upon voice vote, motion passed 6-0.

Yea: **McGann, Pegau, Baenen, Bird, Bolin, Holter**

Absent: **Roemhildt**

1/24/18 – At the City Council Regular Meeting, the council made the lot ‘Not Available’ on the Land Disposal Maps and referred the agenda item for the disposal of the lot back to staff and harbor commission. The council stated that if they wanted to move forward with the letter of interest at a later meeting, they would be able to change the designation of the lot to ‘Available.’

1/31/18 – At the Harbor Commission Special Meeting, the commission passed Resolution 01-18-01 stating that the lot should remain not available. (attached).

2/7/18 - At the City Council meeting the following occurred:

23. Council action to make Lot 3, Block 5 North Fill ‘available’ on the 2018 land disposal maps

M/Allison S/Wiese to make Lot 3 Block 5 North Fill Development Park “available” on the 2018 City Land Disposal Maps

Allison said he will vote to approve it as available. **Guard** said he also will vote in favor. **Beedle** said he is not in favor, he thinks there might be other options, he like to keep it unavailable. **Burton**

thought we referred this to staff for them to meet with Mr. Brown to see if another lot might be suitable. **Leif Stavig**, assistant planner said they did meet and discuss options, and he ended up going back to this lot. **Burton** said he really like the business plan but we have a resolution form the Harbor Commission asking us not to and we have some of the smallest amount of uplands for our fleet size of any harbor he's been to in the Pacific Northwest. He really wishes we could find another solution.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Schaefer-absent; Burton-no; Beedle-no; Allison-yes; Jones-yes; Guard-yes and Wiese-yes. **Motion was approved.**

24. Council action on disposal and method of disposal of Lot 3, Block 5 North Fill

M/Jones S/Allison to dispose of Lot 3 Block 5 North Fill Development Park as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with Robert Brown dba Saddle Point Machine LLC to lease or purchase the property.

Jones said for him it is this use or nothing for this lot. He knows the harbor commission voted to recommend keeping this lot so it was hard for him to do but he feels strongly about the economic development possibilities with allowing this business. **Allison** spoke in favor of the motion. **Burton** said he is concerned about the lack of available lots in the area. **Beedle** said we are jumping the gun, we should not sell anything else until we discuss the land development vs. land disposal policy.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Beedle-no; Allison-yes; Wiese-yes; Schaefer-absent; Guard-yes; Burton-no and Jones-yes.
Motion was approved.

Staff has received a letter from Mr. Brown's financial company that confirms funds are available for the project.

V. LEGAL ISSUES: N/A

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: This lot is currently being used by the Harbor Department as boat/trailer storage and staging.

VII. SUMMARY AND ALTERNATIVES: The council could choose to not adopt the ordinance.

ATTACHMENT A



**CITY OF CORDOVA, ALASKA
ORDINANCE 1169**

**AN ORDINANCE OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY
MANAGER TO ENTER INTO A TEN YEAR LEASE AGREEMENT WITH SADDLE POINT
MACHINE LLC, WHICH INCLUDES AN OPTION TO PURCHASE, DESCRIBED AS LOT 3,
BLOCK 5, NORTH FILL DEVELOPMENT PARK**

WHEREAS, it is in the City of Cordova’s best interest to lease Lot 3, Block 5, North Fill Development Park See Exhibit A (“Property”) to Saddle Point Machine LLC, for the uses specified in the lease agreement; between the City of Cordova, Alaska (“City”) and Saddle Point Machine LLC attached to this ordinance as Attachment A (“Lease”); and

WHEREAS, it is also in the City’s best interest to offer an option to purchase to Saddle Point Machine LLC, upon the terms provided in the Lease.

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

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

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

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

1st reading: May 16, 2018
2nd reading and public hearing:

PASSED AND APPROVED THIS _____ DAY OF _____, 2018.

Clay R. Koplín, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

**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 SADDLE POINT MACHINE LLC ("Lessee").

RECITALS

WHEREAS, the City owns that certain parcel of land in Cordova, Alaska generally described as Lot 3, Block 5, North Fill Development Park, located within Cordova Recording District, Cordova Alaska, (referred to hereinafter as the "Premises");

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

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

1. LEASE OF PREMISES

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

2. LEASE TERM

The Lease Term will be ten (10) years, commencing on October 1, 2018, (the "Commencement Date") and terminating at 11:59 p.m. on September 30, 2028, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

3. RENT

A. Base Rent. The rent during the term of this Lease shall be Ten Thousand Seven Hundred Forty-Six Dollars and Forty-Eight Cents (\$10,746.48) annually and paid in twelve (12) monthly installments (the "Base Rent") of Eight Hundred and Ninety-Five Dollars and Fifty-Four Cents (\$895.54), which shall be due and payable the 15th of every month. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee, except as expressly set forth in this Lease. This Lease shall be subject to an adjustment in the Base Rent every two years as needed to increase

the Base Rent to fair market value. No adjustment shall result in a reduction of Base Rent.

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

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

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

4. USES AND CONDITION OF PREMISES

A. Authorized Uses. Subject to the terms and conditions of this Lease, Lessee's use of the Premises is limited to constructing and maintaining a machine shop and operating a machine shop business. The Lessee shall give prior written notice to the City of any proposed changes to its use of the Premises. Changes to the use of the Premises are subject to City review and approval not to be unreasonably withheld or delayed. Lessee shall not leave the Premises unoccupied or vacant without the City's prior written consent.

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

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

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

5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. Development Plan. The Cordova City Council authorized the construction of a machine shop on the Premises. Any proposed material change 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 exempt Lessee or the Premises from any approval process required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the project complies with all city code requirements and procedures.

B. Substantial Completion. Lessee must meet the following milestones:

Milestone 1: Complete a Site Plan Review by July 1st, 2019; and

Milestone 2: Substantially complete construction of the machine shop by December 1st, 2021.

As used in this Lease, the term "substantially complete" shall mean the stage of construction when the building(s), 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 meet either milestone, the default provisions under Section 13 shall apply.

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 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

A. General Indemnification. Lessee shall defend, indemnify, and hold the City and its authorized representatives, agents, officers, and employees harmless from and against any and all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorneys' fees, court costs, litigation expenses, and consultant and expert fees) resulting from, arising out of, or related to Lessee's occupation or use of the Premises or the occupation

or use of the Premises by Lessee's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, or invitees, including, but not limited, to all claims and demands arising out of any labor performed, materials furnished, or obligations incurred in connection with any improvements, repairs, or alterations constructed or made on the Premises and the cost of defending against such claims, including reasonable attorneys' fees. In the event that a lien is recorded against the Premises, Lessee shall, at Lessee's sole expense within ninety (90) days after being served with written notice thereof, protect the City against said lien by filing a lien release bond or causing the release of such lien.

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

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

A. Commercial general liability 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 person and Two Million Dollars (\$2,000,000.00) per accident or occurrence for bodily injury and death, and a minimum limit of liability of One Million Dollars (\$1,000,000.00) for property damage for each occurrence;

B. 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;

C. Contractors pollution liability insurance in respect of the Premises and the conduct of Tenant's business and operations, naming the City as an additional insured, with minimum limits of liability of One Million Dollars (\$1,000,000.00)

D. Personal property insurance covering Lessee's trade fixtures, furnishings, equipment, and other items of personal property of Tenant located on the Premises; and

E. 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.

12. OWNERSHIP AND REMOVAL OF THE IMPROVEMENTS

Unless Lessee exercises its Option (defined in Section 21) (in which case all improvements made by Lessee shall continue to be owned by Lessee), any improvements to 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 improvements 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. Notwithstanding the foregoing, any equipment or fixtures relating to use of the Premises as a machine shop business, including but not limited to machinery, shall at all times remain the property of Lessee unless the equipment or fixtures have become the property of Lessor under another provision of this Lease or other federal, state or local law. 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. Default. The occurrence of any of the following shall constitute a default and a breach of this Lease by the Lessee:

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

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

iii. Lessee's failure to substantially complete the machine shop, or failure to meet either milestone, 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, if such breach is not cured within thirty (30) days after written notice of default has been given to Lessee by Lessor; or

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

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

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

ii. Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at Lessee's

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

iii. Declare this Lease terminated;

iv. Recover, whether this Lease is terminated or not, reasonable attorneys' fees and all other expenses incurred by the City by reason of the default or breach by Lessee, less any rents received in mitigation of Lessee'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 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, upon Lessee's request, to reflect any resulting reduction in the fair market value of the Premises.

17. HOLDING OVER

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

18. EMINENT DOMAIN

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

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

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

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

19. COSTS

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

20. BUYER'S OPTION TO PURCHASE

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

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

C. Exercise of Option. To exercise the Option, Lessee must provide written notice ("Notice of Exercise of Option") to the City, delivered or mailed by certified or registered mail, return receipt requested, to the City's address set forth in Section 22.E, at least sixty (60) days prior to September 30, 2028..

D. Conditions to Exercise Option. Lessee can only exercise the Option if all of the following conditions are satisfied: (i) no default exists or is continuing under this Lease and (ii) the machine shop is substantially completed as defined in section 5 B.

E. Purchase Price. Lessee shall have the right to purchase the Premises for \$107,465.28 ("Purchase Price") until the expiration of the Lease. In the event that Lessee exercises the Option before May 1st, 2021, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the City under this Lease. In the event that Lessee exercises the Option after May 1st, 2021, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price.

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

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

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

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

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

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

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

21. MISCELLANEOUS

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

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

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

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

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

TO CITY:

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

TO LESSEE:

Saddle Point Machine LLC
Robert Brown
P.O. Box 782
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 on the earlier of actual receipt or three (3) days after being properly mailed. The postmark affixed by the U.S. Post Office shall be conclusive evidence of the date of mailing. If hand-delivered, notice shall be deemed to have been made at the time of delivery.

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

G. No Waiver of Breach. No failure by the City to insist upon the strict performance of any term, covenant, or condition of this Lease, or to exercise any right or remedy upon a breach thereof, shall constitute a waiver of any such breach or of such term, covenant, or condition. No waiver of any breach shall effect or alter this Lease, but

each and every term, covenant, and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

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

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

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

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

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

M. Authority. Lessee represents that it has all necessary power and is duly authorized to enter into this Lease and carry out the obligations of Lessee. Lessee further represents that Lessee has the necessary power to authorize and direct the officer of Lessee whose name and signature appear at the end of this Lease to execute the Lease on Lessee's behalf. The City represents that it has all necessary power and is duly authorized to enter into this Lease, as authorized by the approval of the City Council dated _____, 2018.

N. Exhibits. Exhibit A to this Lease is specifically incorporated into the Lease.

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

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

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

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

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

CITY: **CITY OF CORDOVA**

By: _____

Alan Lanning, City Manager

LESSEE: **SADDLE POINT MACHINE LLC**

By: _____

Rob Brown

Exhibit A

Premises

Lot 3, Block 5, North Fill Development Park



Saddle Point Machine L.L.C.

Robert Brown

P.O. Box 782, Cordova Ak. 99574
Phone 907-429-3944
saddlepointmachine@gmail.com

December 1, 2017

City of Cordova Planning Commission

P.O. Box 1210

Cordova, Alaska 99574

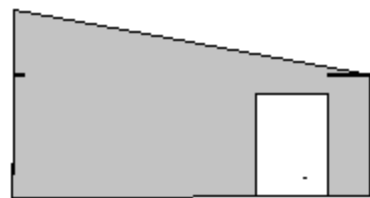
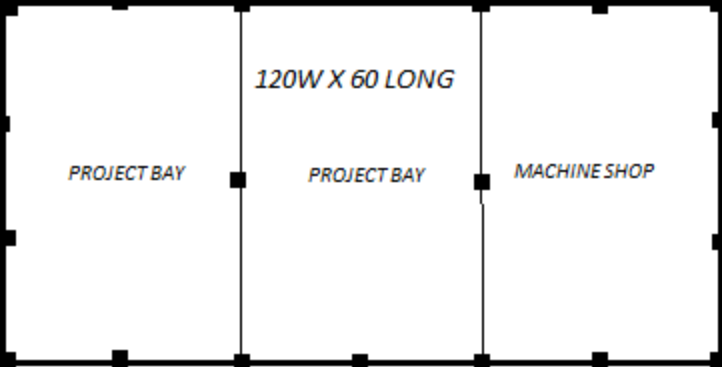
To Whom it May Concern;

Subject: Lot 3 , Block 5 North Fill Development Park Letter of Interest

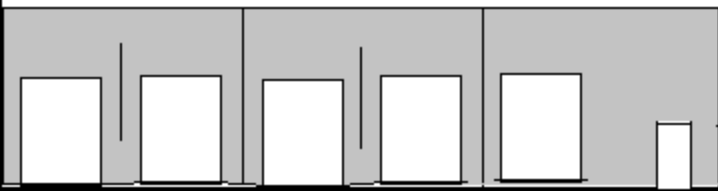
I am asking that the Commission consider changing the status of Lot 3 , Block 5 North Fill Development Park from not Available to Available for purchase . I am interested in purchasing this lot and constructing a shop building. I have outgrown my current facility. My current location is unsuitable for my future goals for my company. I am currently working with Aquaharmonics, an Oregon based company on the development of an ocean wave energy device that is being funded by a grant from the U.S. Department of Energy. The construction phase of this project begins in approximately 18 months. I also need to expand my facility to be a full service marine machine shop with capabilities to manufacture marine propeller shafting of all sizes. This is a service not currently available in Cordova. This will bring more boats to Cordova's shipyard. By making the prospect of hauling and servicing a vessel in our shipyard more attractive to statewide vessel owners. This lot is a good fit for my company goals, the square footage and location best fit my needs. Building a machine shop on this location will create employment opportunities and fit the original charter for the North Fill Development Park.

Sincerely,

Robert Brown
Owner
Saddle Point Machine L.L.C.



NORTH WALL



WEST WALL

SADDLE POINT MACHINE 907-429-3944

PO BOX 782

CORDOVA AK 99574

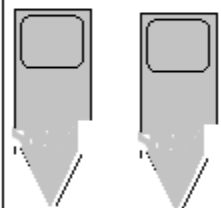
BUILDING CONCEPT DWG 1

LOT 3, BLOCK 5

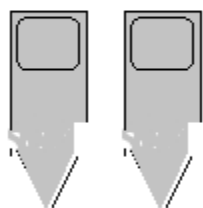
NORTH FILL DEVELOPMENT PARK

120 X 60

7200 SQ FT

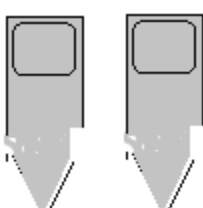
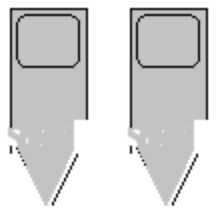


PROJECT BAY



PROECT BAY

MACHINE SHOP AREA



CUSTOMER PARKING

LOT 3, BLOCK NORTH FILL

COAST GUARD LANE

JIM POOR AVE

SADDLE POINT MACHINE 907-429-3944

PO BOX 782

CORDOVA AK 99574

BUILDING CONCEPT DWG 2

LOT 3, BLOCK 5

NORTH FILL DEVELOPMENT PARK 31

Saddle Point Machine L.L.C.

• P.O. Box 782, Cordova A.K. 99574
Phone 907-429-3944 •
saddlepointmachine@gmail.com •

January 16, 2018

Mayor Koplin, Honorable Council Members;

Subject: Lot 3 , Block 5 North Fill Development Park Letter of Interest

Thank you for considering my request to purchase Lot 3, Block 5 North Fill Development Park. Building a shop on the North Fill for my growing business will help me further assist our Fishing and Construction Industries with their mechanical needs. I have been in business since 2010 Saddle Point Machine is a full service Machine Shop, S.P.M. specializes in the manufacture and repair of commercial fishing vessel equipment including; Propeller shafts, drive couplings, power take offs, composite rudder bearings, custom built shaft seals and hydraulic deck gear. My new facility with room to stock stainless shafting of all sizes and the capability to manufacture propeller shafting will make the prospect of hauling and servicing a large vessel in Cordova's shipyard more attractive to statewide vessel owners. S.P.M. provides support for the areas commercial and governmental heavy equipment fleet. In the last 7 years I have reconditioned and made parts for about 75% of the commercially used heavy equipment in Cordova. I believe the benefits to our fishing fleet of having a machine shop on this location far outweigh the current use as long term boat storage. I have helped many fisherman make an opener they would have otherwise missed by solving their mechanical problems. I would appreciate your support so I can continue to help our community.

Sincerely,

Robert Brown
Owner
Saddle Point Machine L.L.C.

**CORDOVA HARBOR COMMISSION
CORDOVA, ALASKA
RESOLUTION 01-18-01**

A RESOLUTION OF THE HARBOR COMMISSION OF THE CITY OF CORDOVA, ALASKA TO CORDOVA CITY COUNCIL, REQUESTING THAT LOT 3, BLOCK 5, OF THE NORTH FILL DEVELOPMENT PARK REMAIN LISTED AS UNAVAILABLE FOR SALE.

WHEREAS, the Port of Cordova is following its mission statement, "The Port of Cordova promotes economic and sustainable maritime opportunities for recreational, subsistence, and commercial users, by providing safe vessel moorage and marine upland support facilities," by managing Lot 3, block 5, as a boat and trailer storage lot,

WHEREAS, Lot 3, block 5, is an integral component to the maintenance and storage area in the North fill,

WHEREAS, this area has been being developed to greater serve the boating community for many years,

WHEREAS, the Port's masterplan includes this lot in the continued development of the North fill area,

WHEREAS, use of this lot cuts down on the congestion and boat traffic on other city streets,

WHEREAS, the North fill area is used by recreational and commercial vessels, oil spill response equipment storage, and as a staging ground for equipment and supplies being shipped out by the North Launch ramp,

WHEREAS, the Cordova City Council previously had agreed on the Port's development plan when they decided not to sell Lot 3a, block 8,

NOW, THEREFORE BE IT RESOLVED that the Harbor Commission of Cordova, Alaska, requests to Cordova City Council that Lot 3, Block 5, of the North Fill Development Park remain listed as "Not Available".

PASSED AND APPROVED THIS 31st DAY OF JANUARY, 2018.



Chairman



Tony Schinella, Cordova Harbormaster

Saddle Point Machine L.L.C.

• P.O. Box 782, Cordova A.K. 99574
Phone 907-429-3944 •
saddlepointmachine@gmail.com •

April 20th 2018

Lot 3, Block 5 North Fill Developmental Plan

Company / Project Goals

Saddle Point Machine is a full service machine shop that has been in business since 2010 , S.P.M. specializes in the manufacture and repair of commercial fishing vessel equipment including; Propeller shafts, drive couplings, power take offs, composite rudder bearings, custom built shaft seals and hydraulic deck gear. S.P.M. also provides support for the areas commercial and governmental heavy equipment fleet. The new facility with room to stock stainless shafting of all sizes and the capability to manufacture propeller shafting will make the prospect of hauling and servicing a large vessel in the Cordova shipyard more attractive to statewide vessel owners. I see the shipyard as a promising area for economic growth for Cordova. A marine machine shop is crucial to the success of our shipyard and fishing industry. Just being able to put a vessel on the beach isn't enough, to attract customers you have to have the technical support to fix the problem. Saddle Point Machine will add to the local talent pool to maximize the potential of the shipyard and Cordova's economy.

Anticipated Economic Impact

Estimated Annual Revenues Saddle Point Machine North Fill Facility

Propeller shaft sales	\$30,000.00
Marine related fabrication and repair	\$120,000.00
Non-Marine related fabrication and repair	\$60,000.00
Product line sales	\$50,000.00
Total	\$260,000.00

Estimated One Time Revenues - Future Contracts

Aquaharmonics Inc./ D.O.E. Wave Energy Grant	\$500,000.00

Estimated Annual Payroll

2 Employees	\$125,000.00
-------------	--------------

Saddle Point Machine L.L.C.

Project Time frames / Development Costs / Key Milestones

Stage 1

Estimated stage 1 project cost \$750,000

10/01/18 – 05/01/18 Building design, Fire Marshall and Site Plan, contract Milestone 1 completed

05/01/18 – 05/01/19 Order building kit, Site preparation, utilities, construct foundation

05/01/19 – 09/01/19 Take delivery of building kit, erect Building,

09/01/19 – 04/01/20 Finish building interior, install machine shop equipment.

04/01/20 Machine shop fully operational, contract Milestone 2 completed

04/01/20 Complete purchase of Lot 3, Block 5 North Fill Development Park

Stage 2

Estimated stage 2 project cost - facility expansion \$375,000

04/01/20 – 10/01/28 Continue to grow business and expand facility

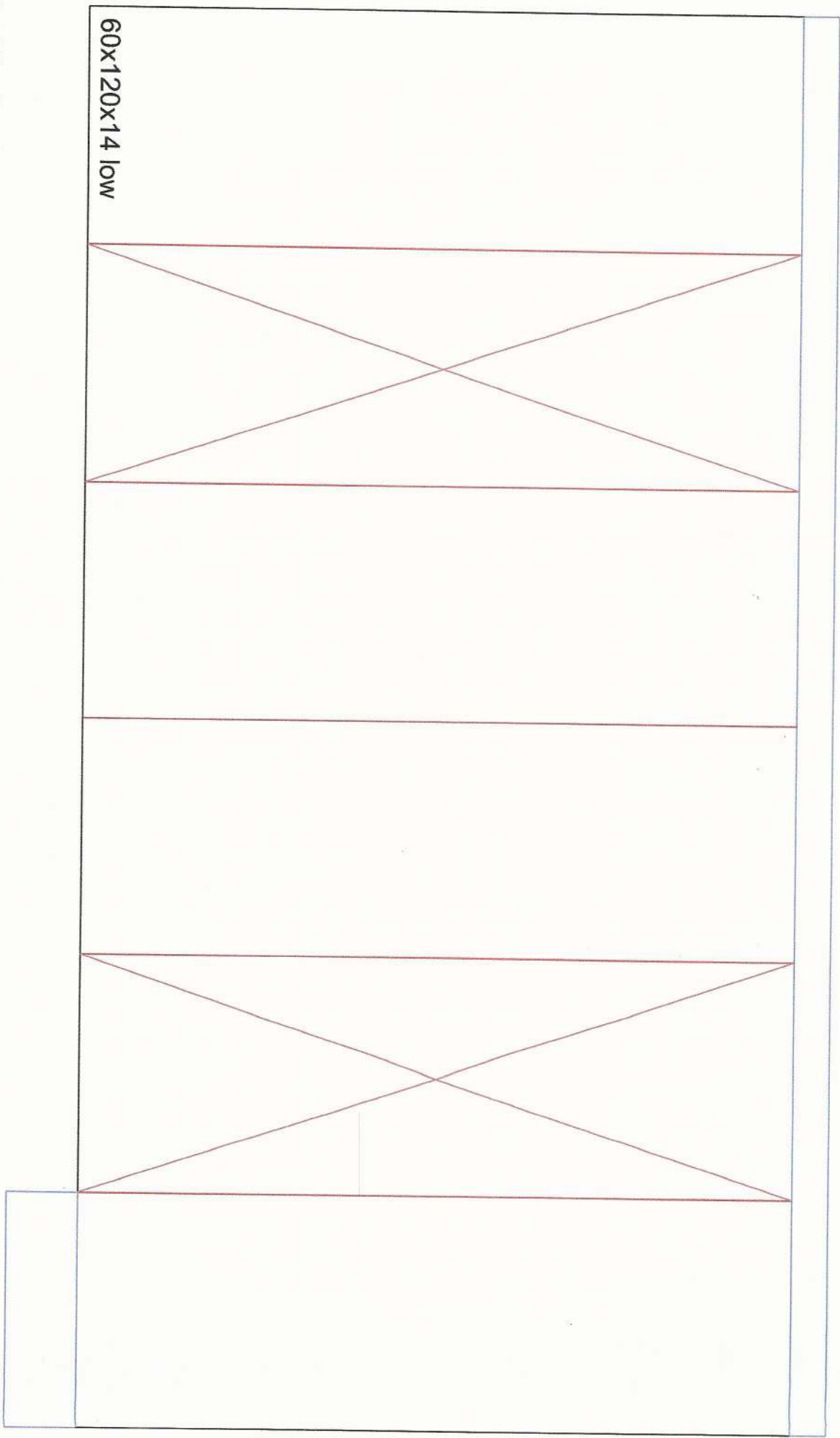
Funding

Stage 1 – Funds secured - \$750,000

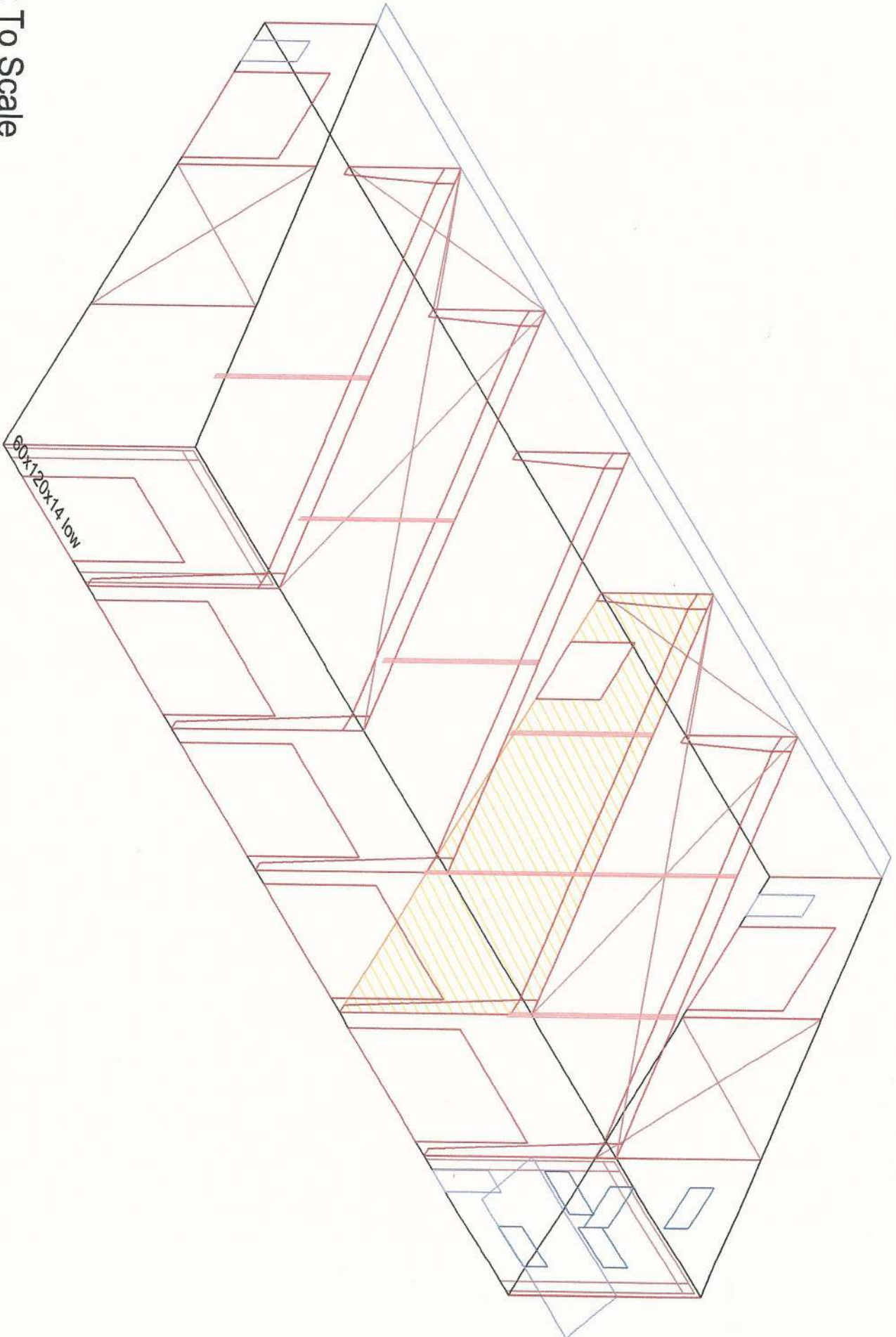
Stage 2 – Funds available after sale of Whitshed Road facility.

Not To Scale

60x120x14 low

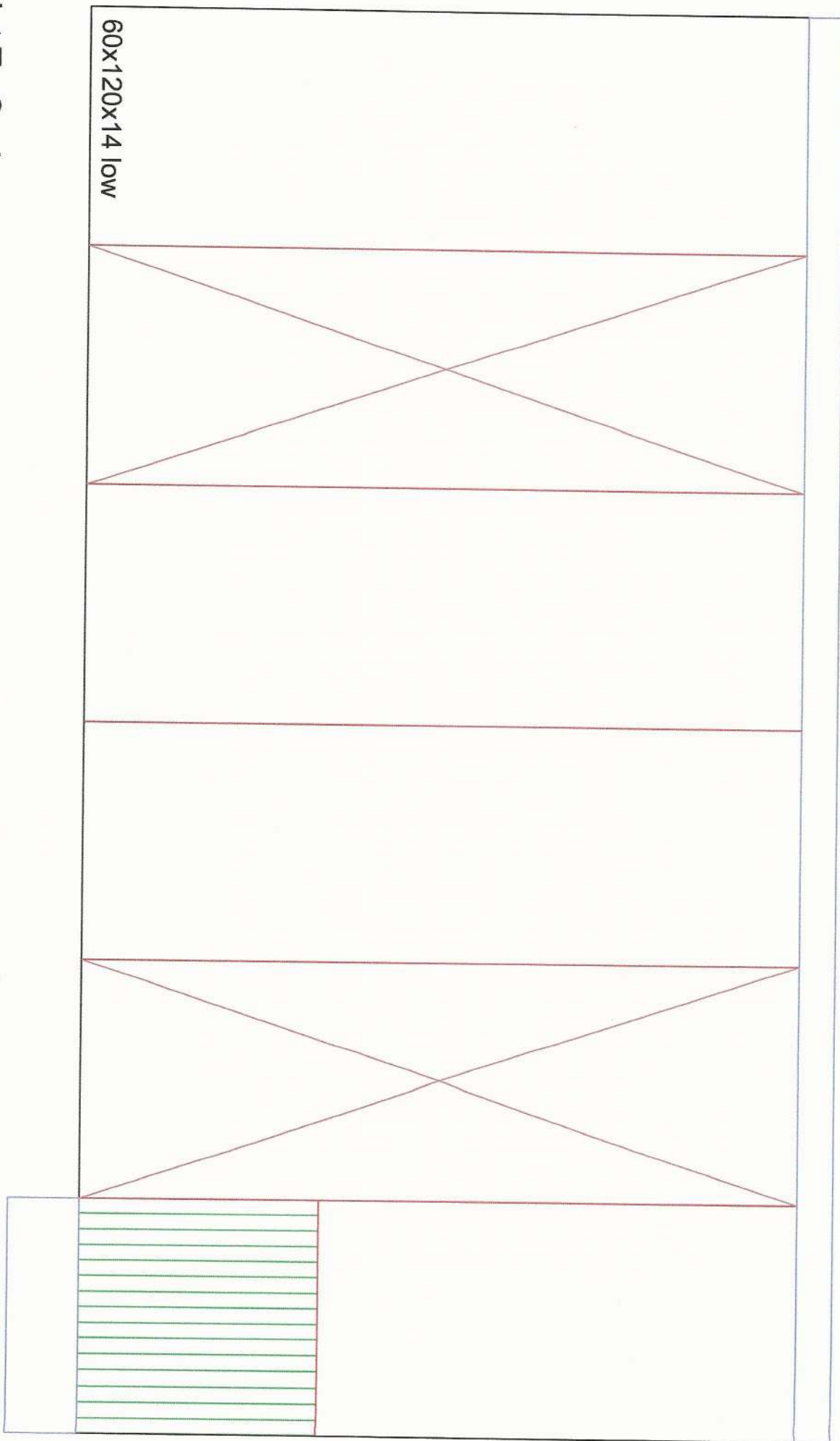


Not To Scale

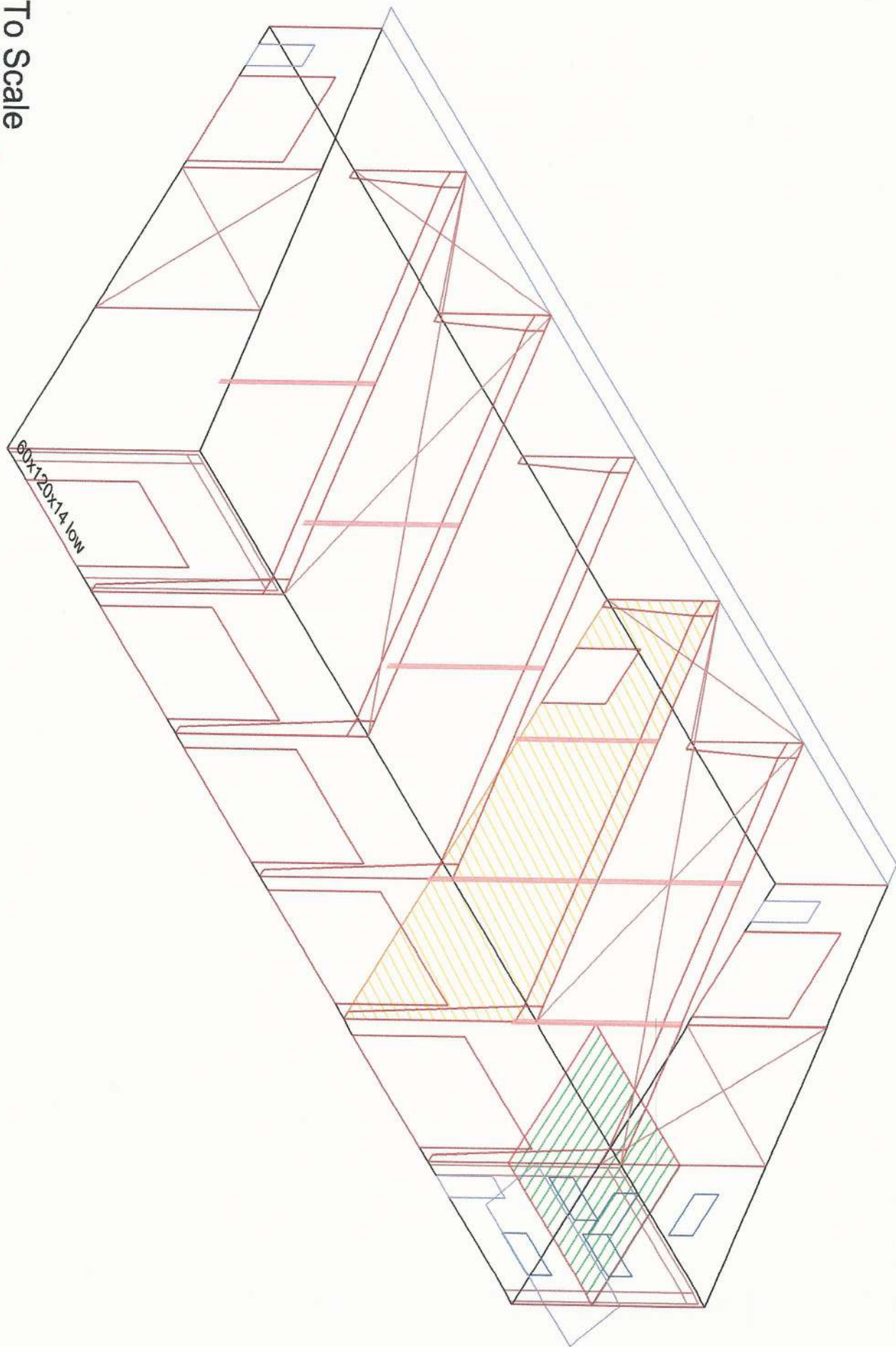


Not To Scale

60x120x14 low

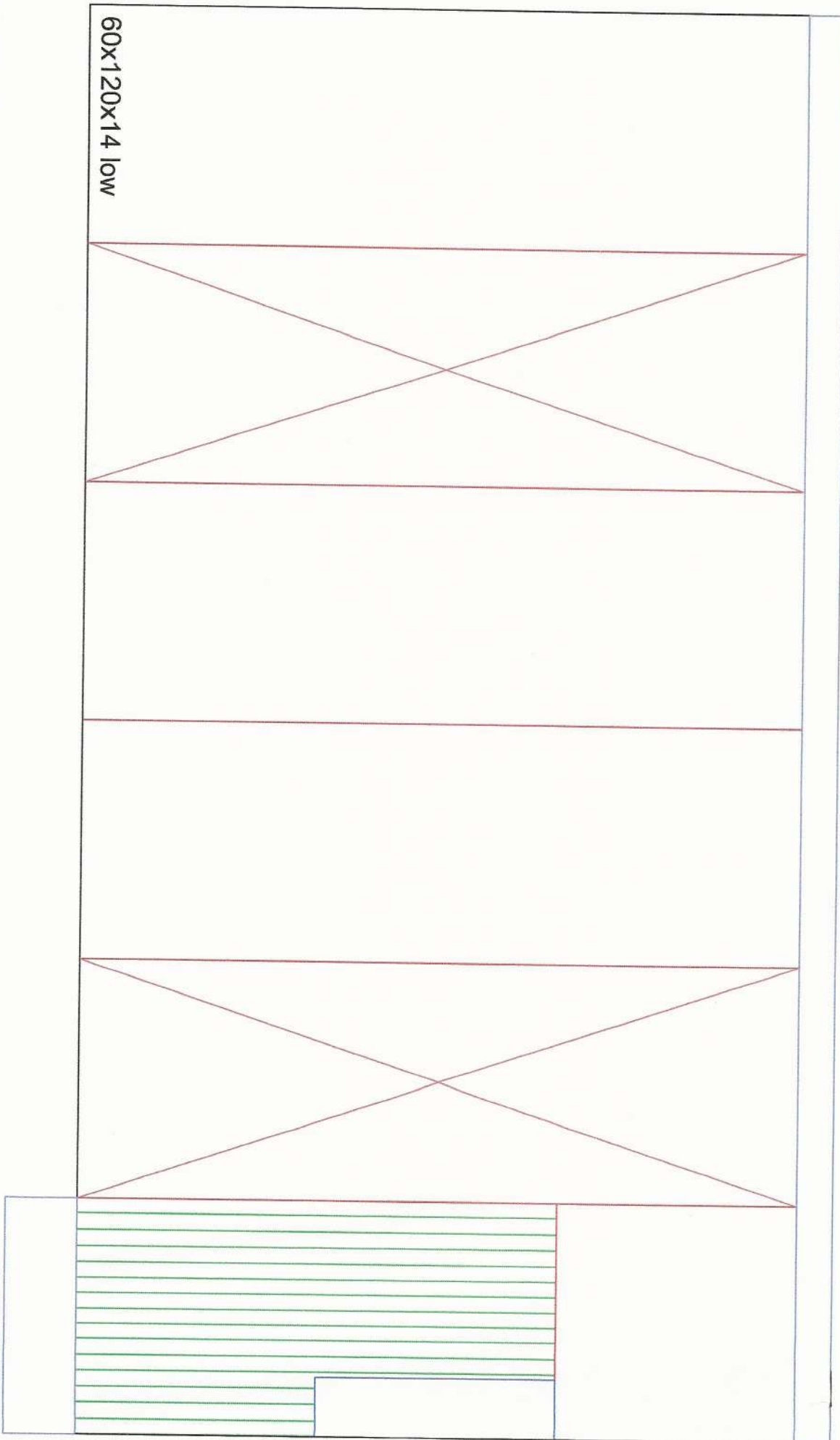


Not To Scale

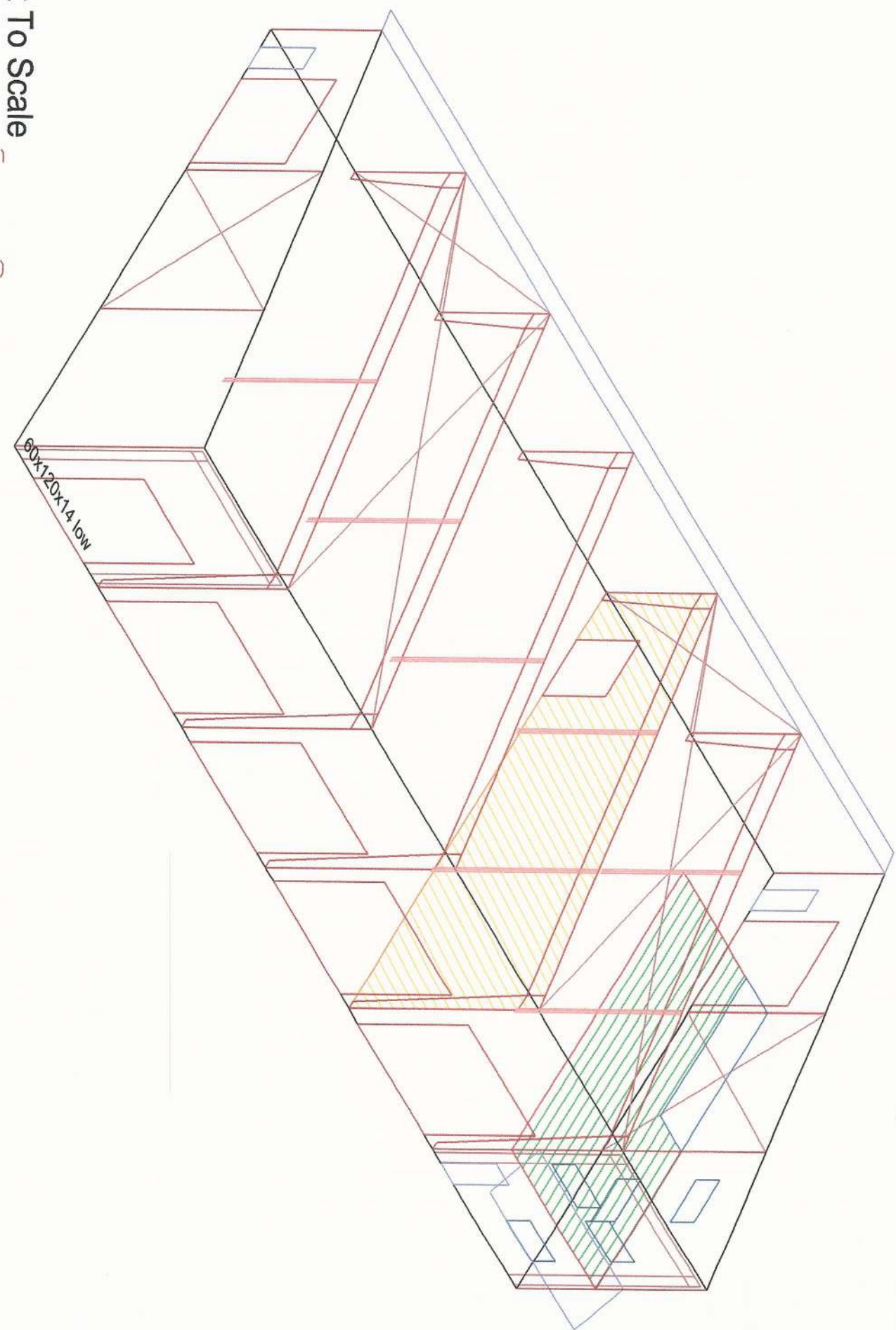


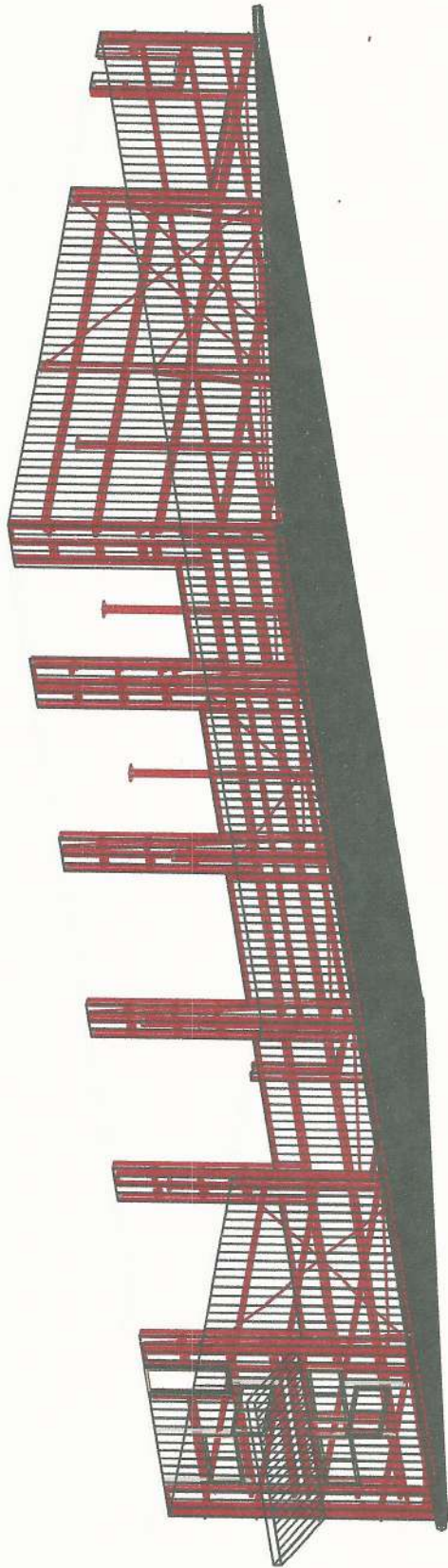
Not To Scale

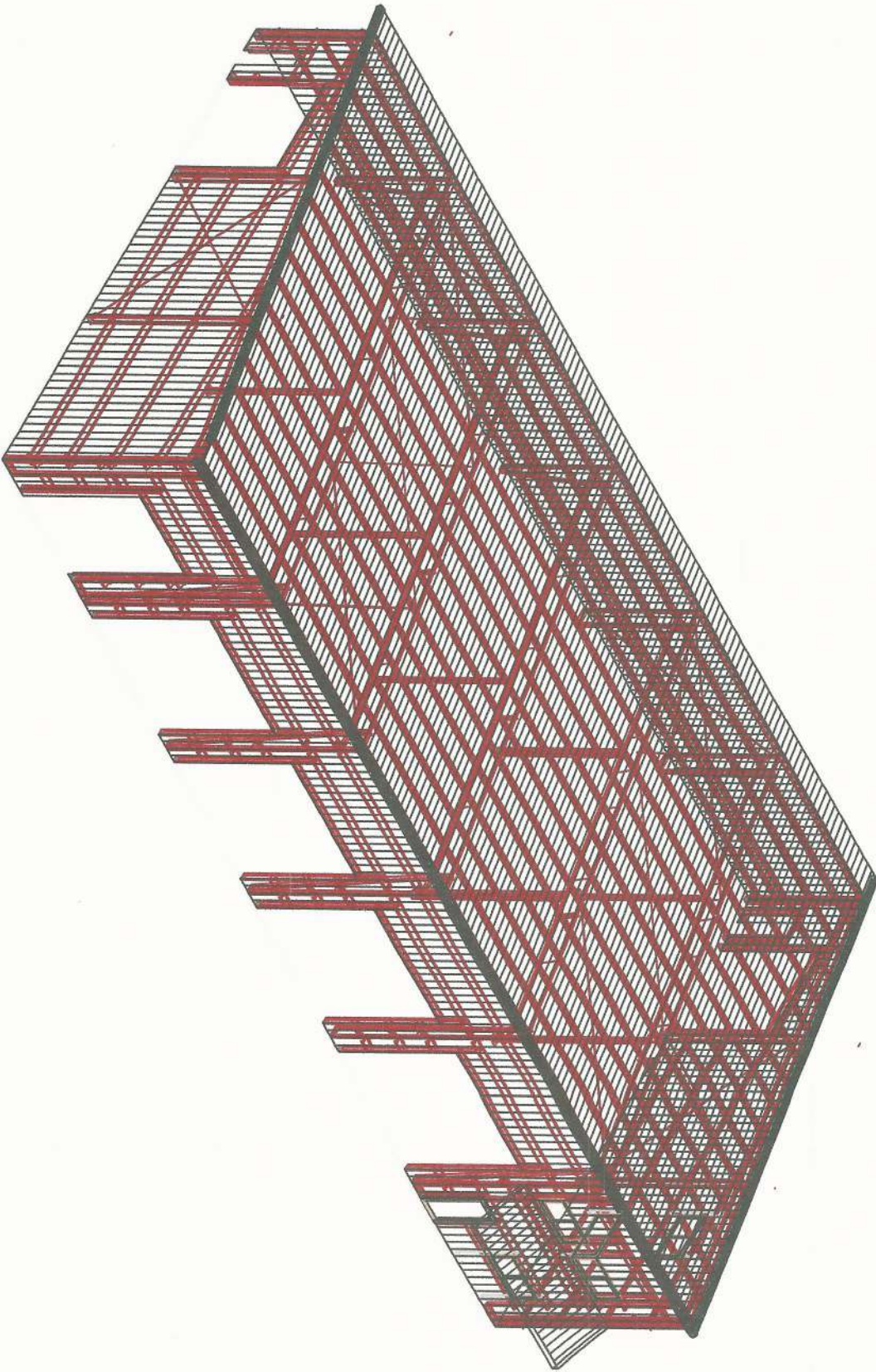
60x120x14 low

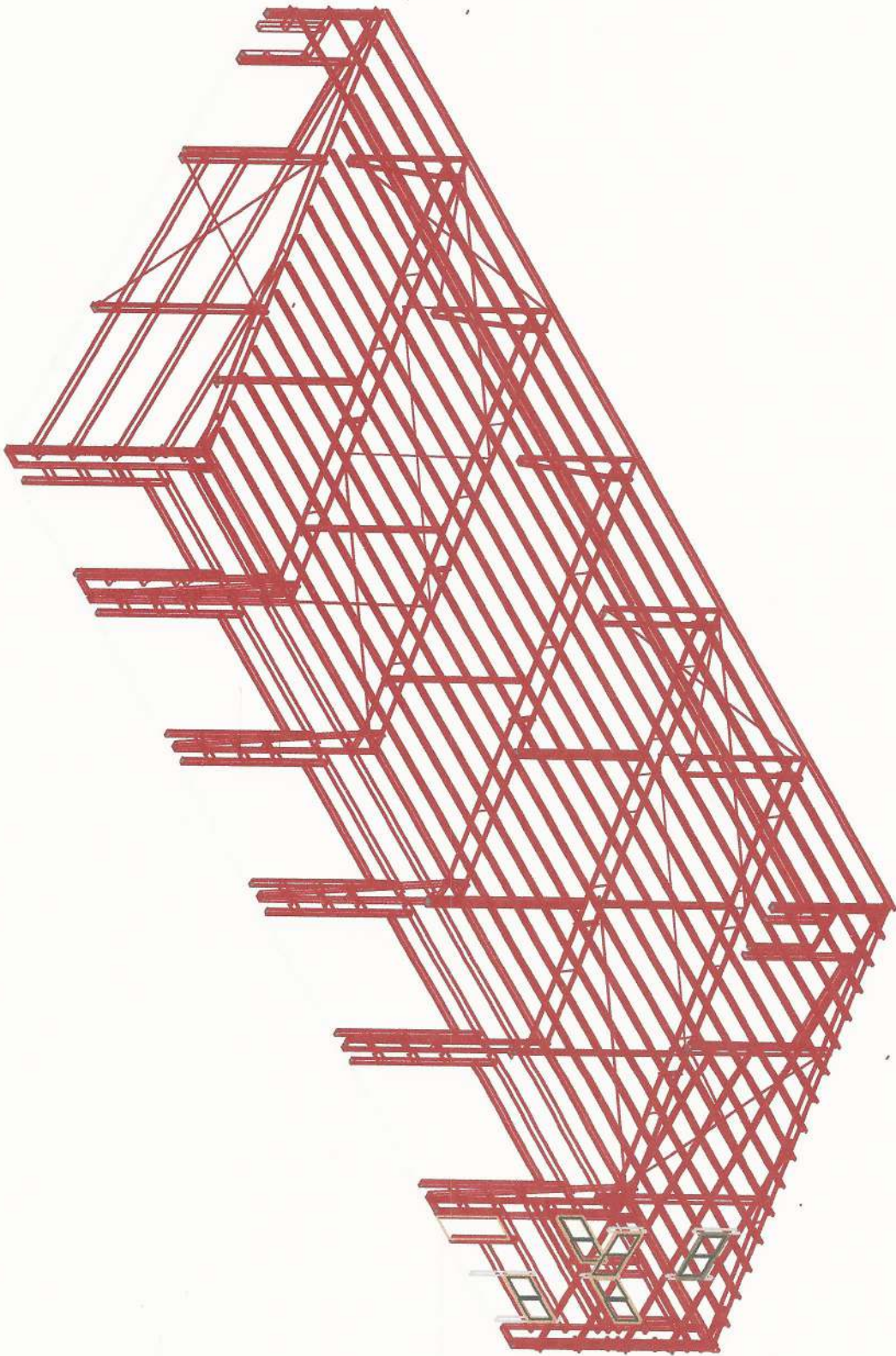


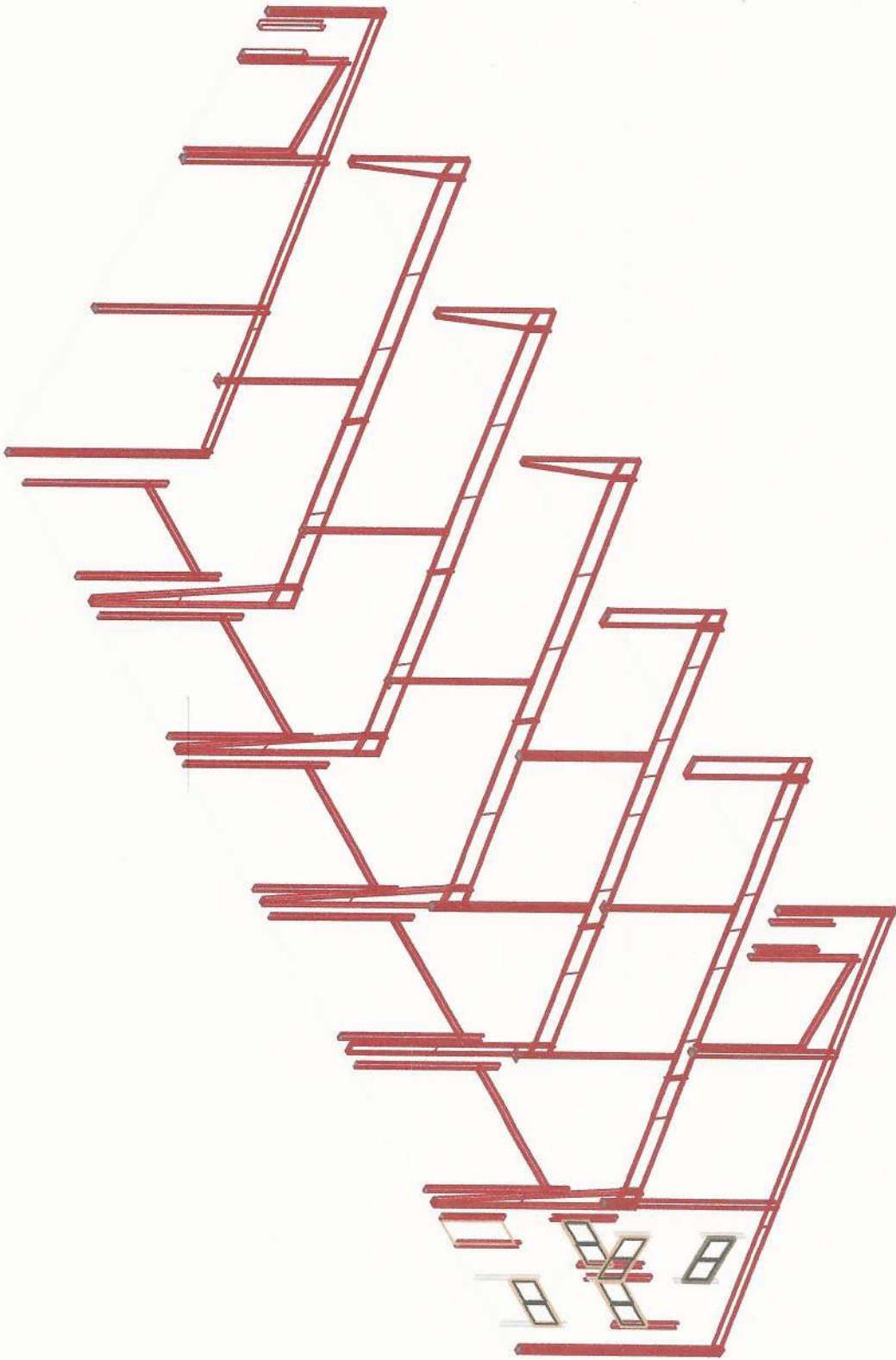
Not To Scale

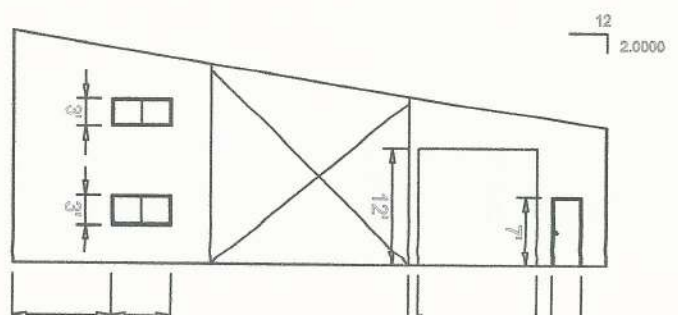
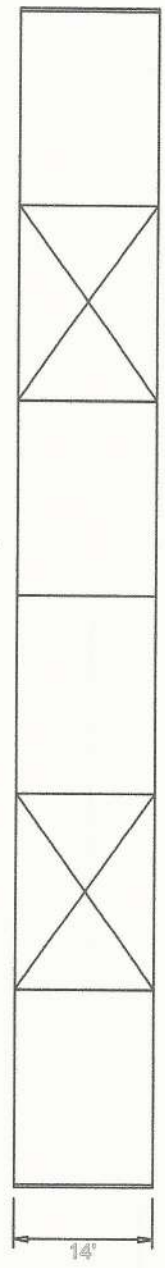
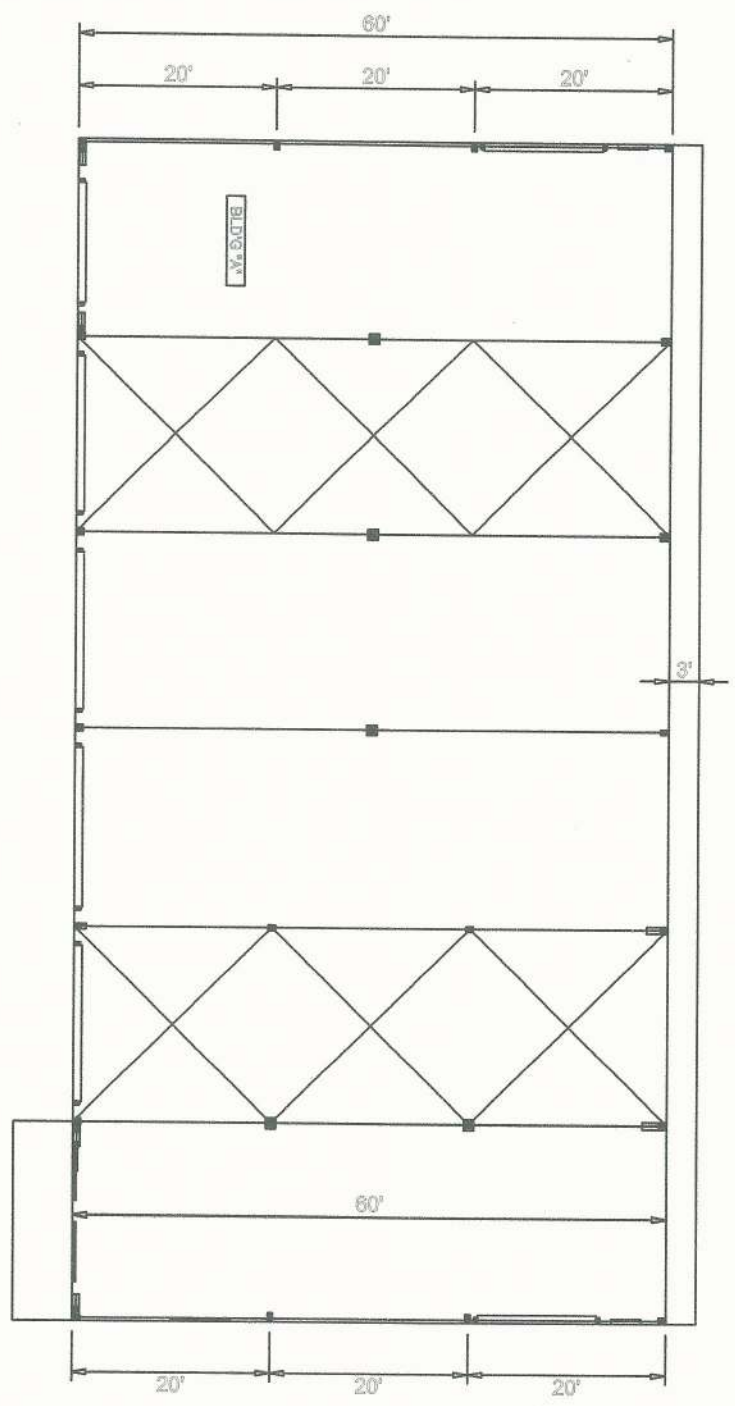
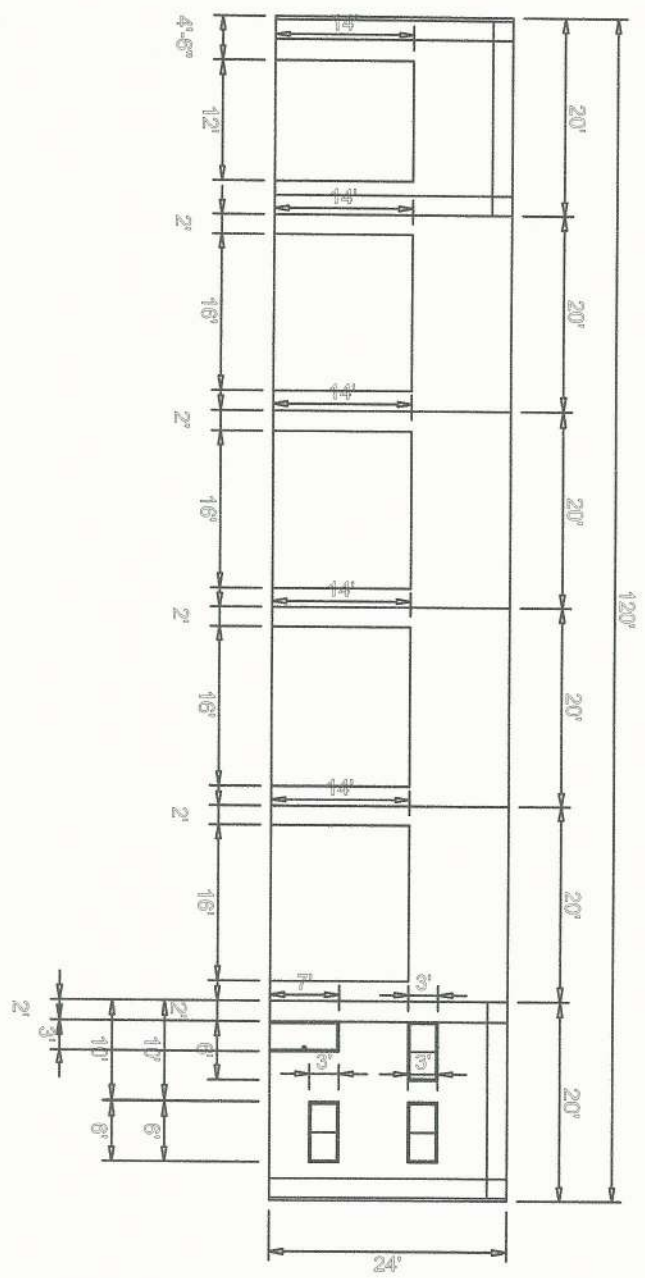




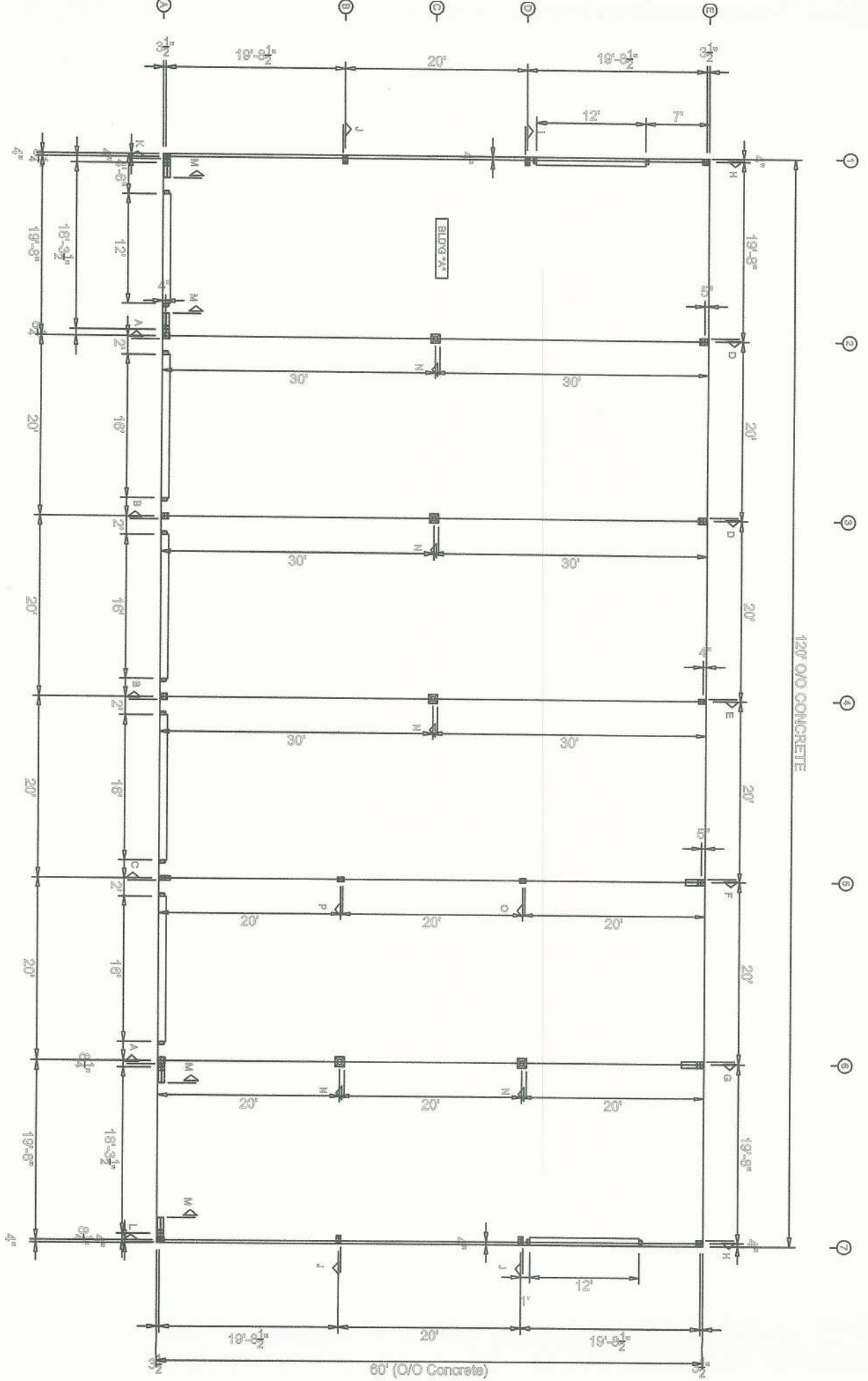


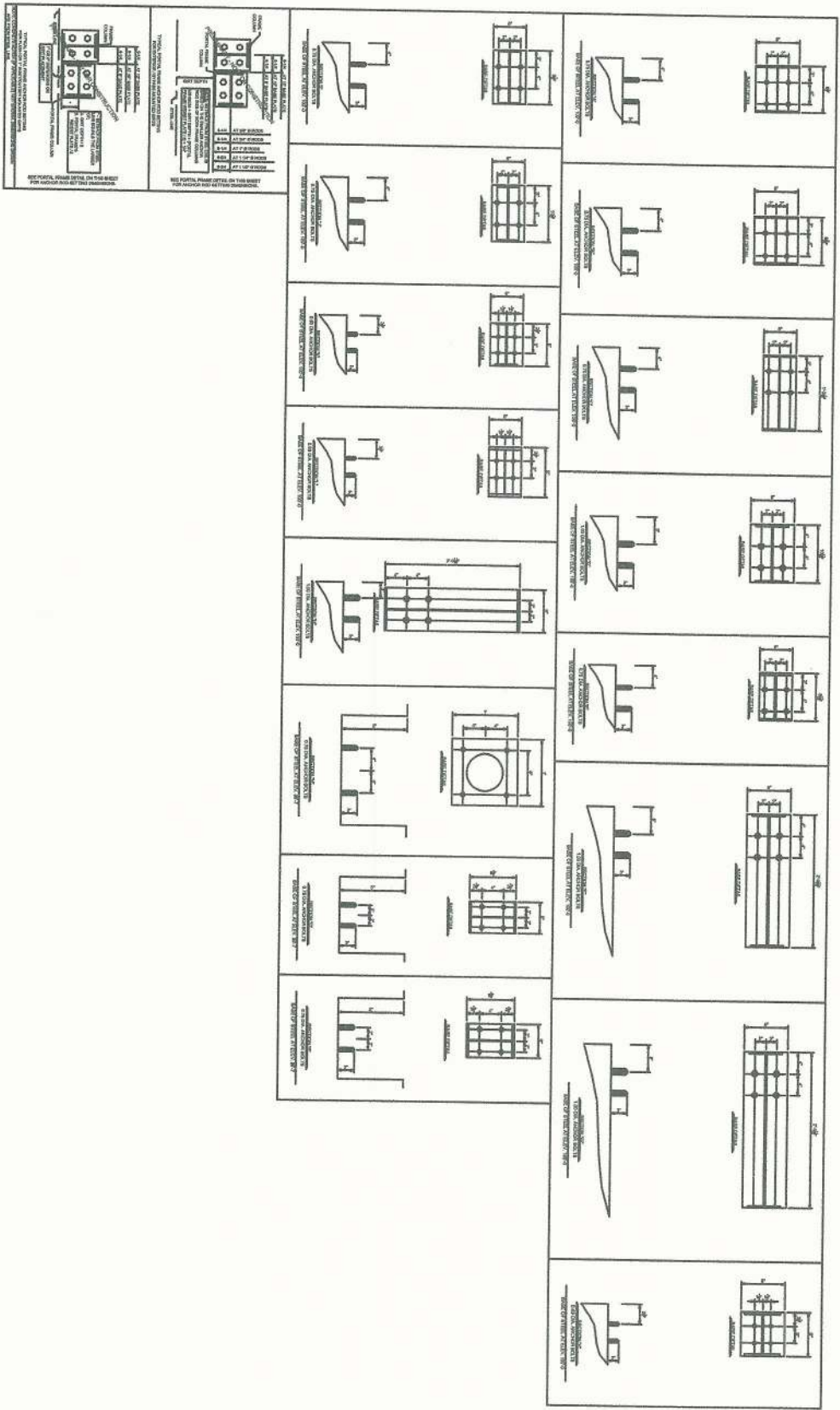


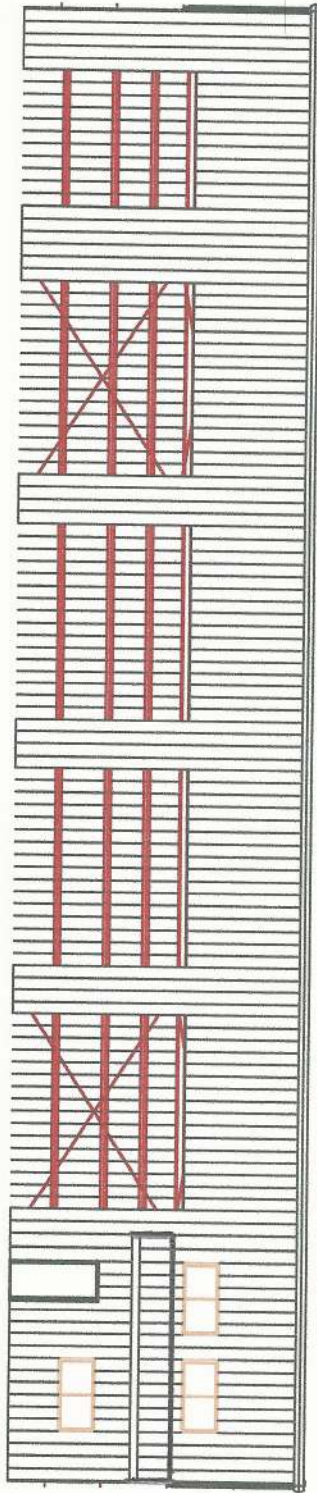


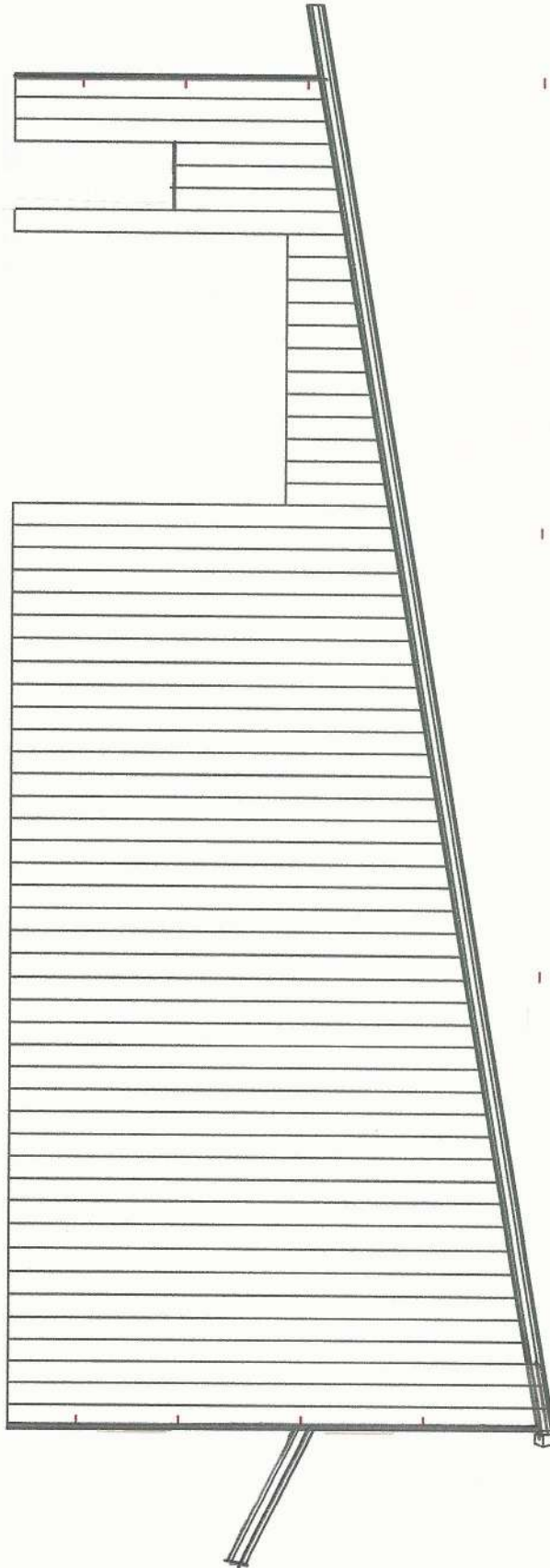


12
2.0000

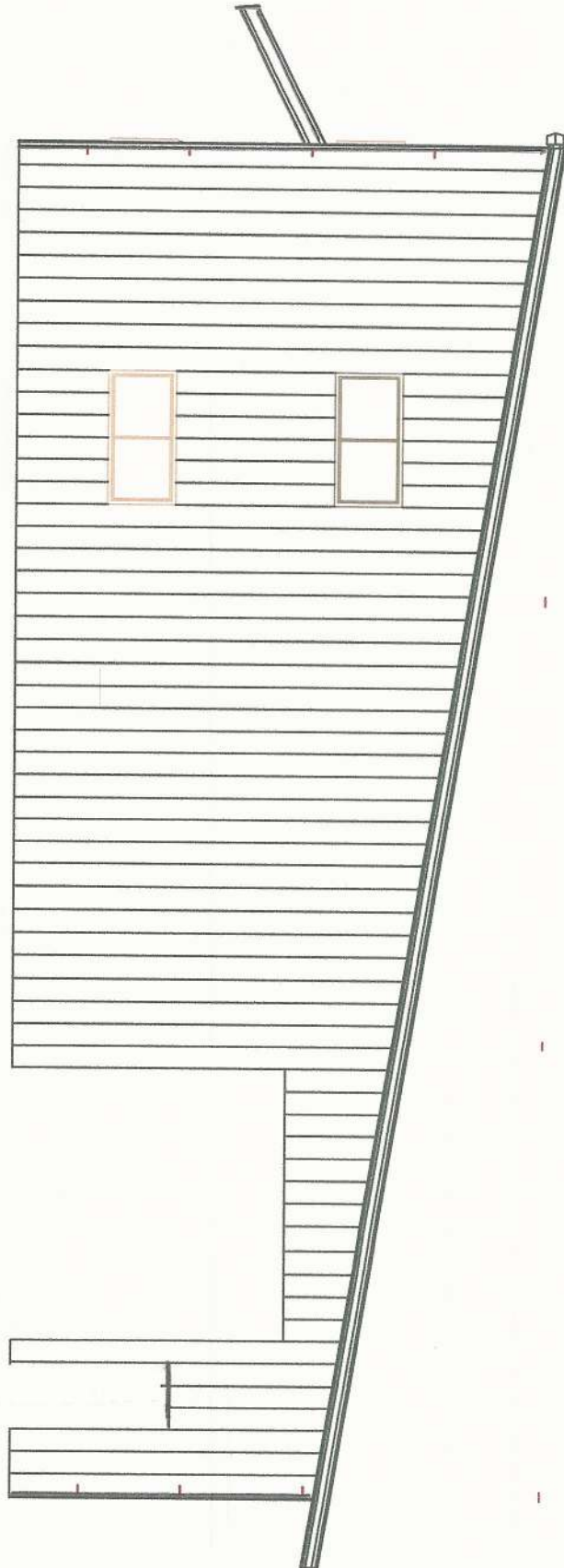


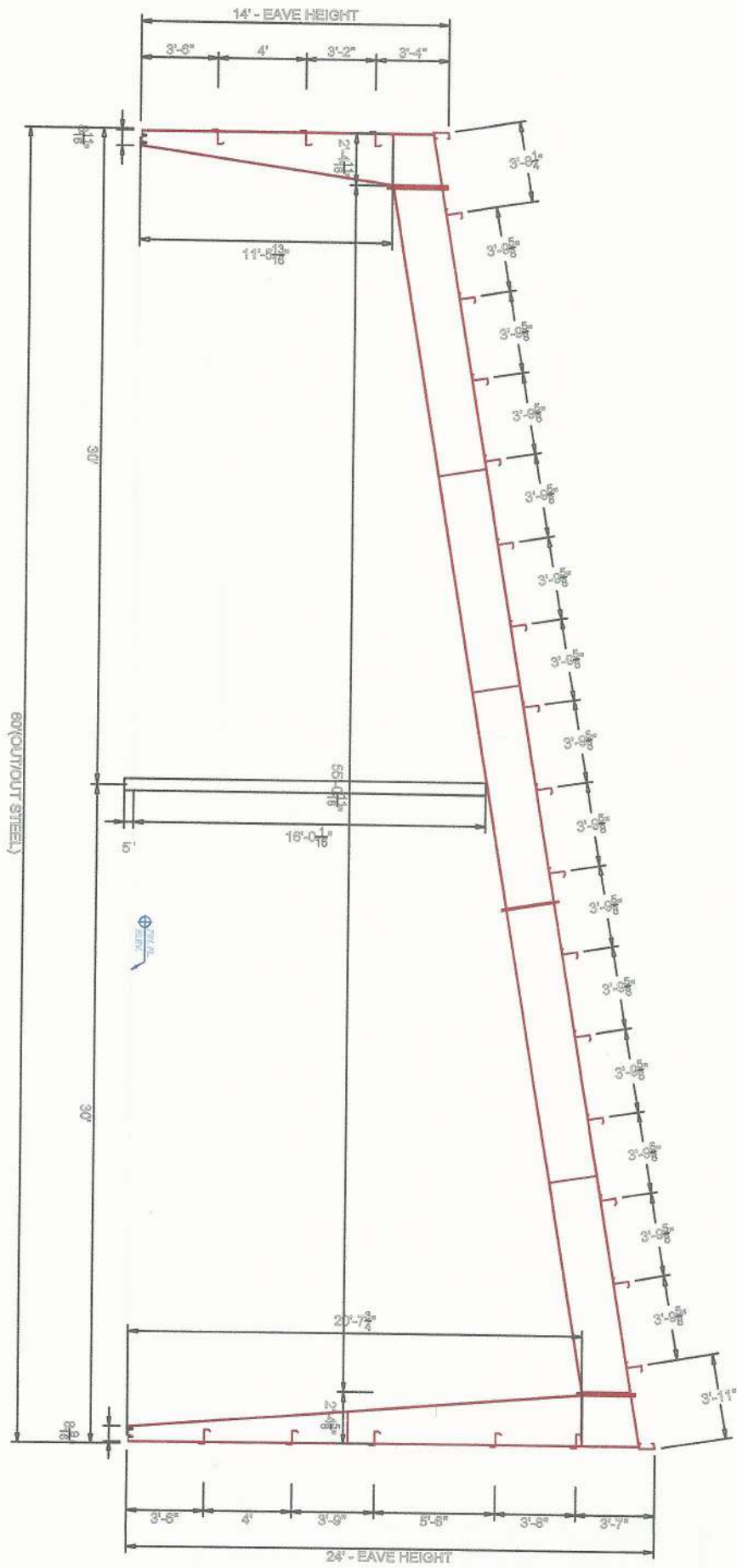




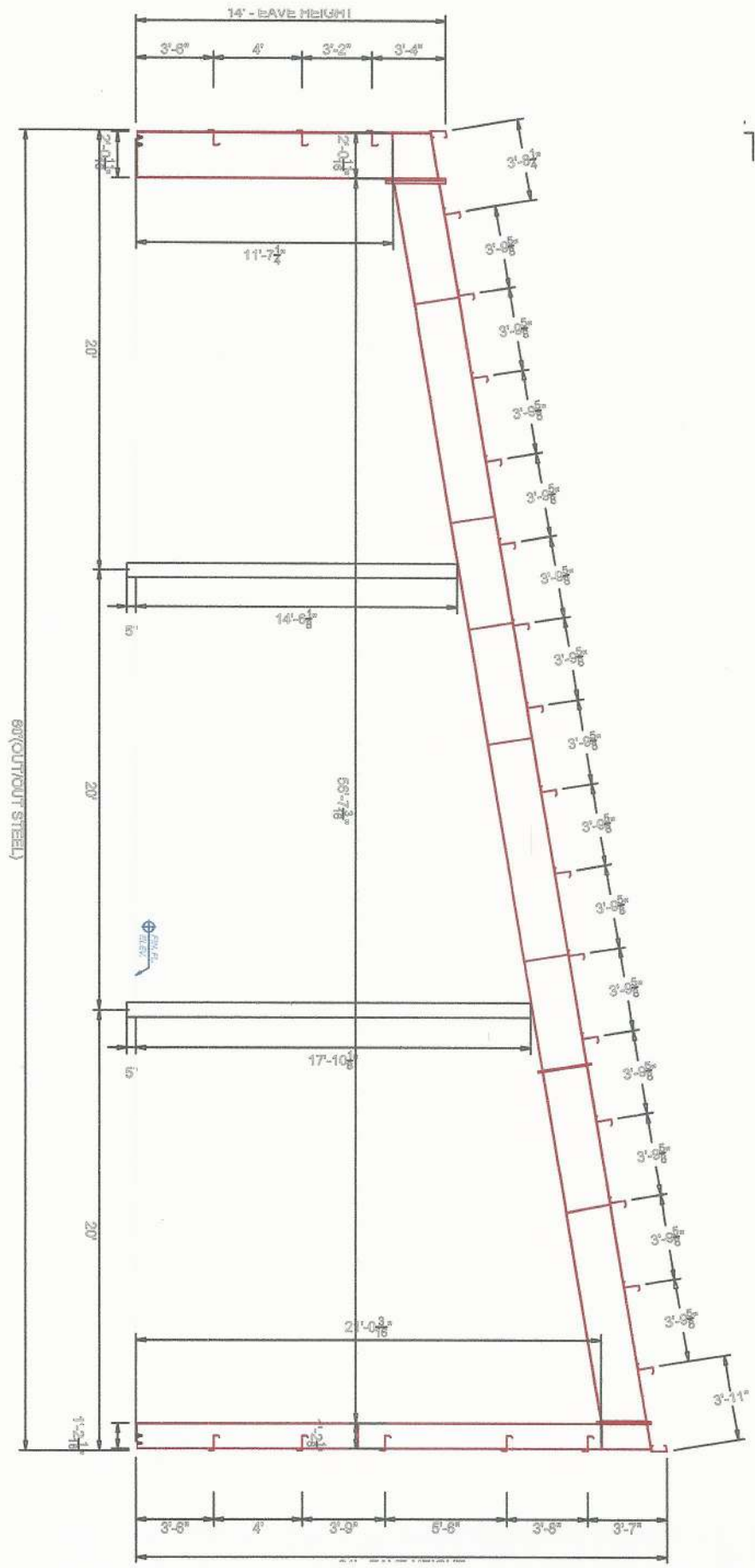


A vertical grid table with 2 columns and approximately 40 rows, centered on the page. The grid is empty and intended for data entry.

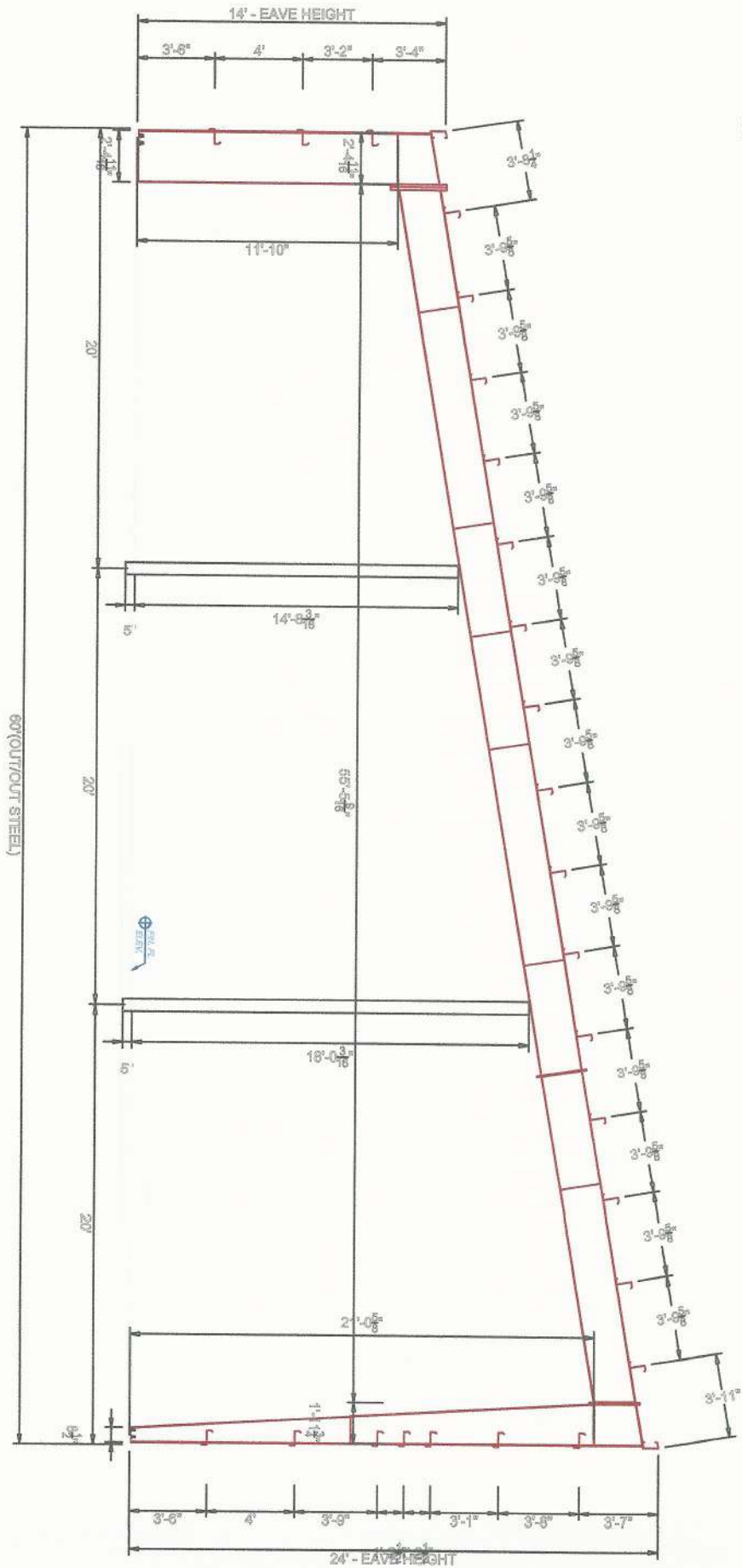


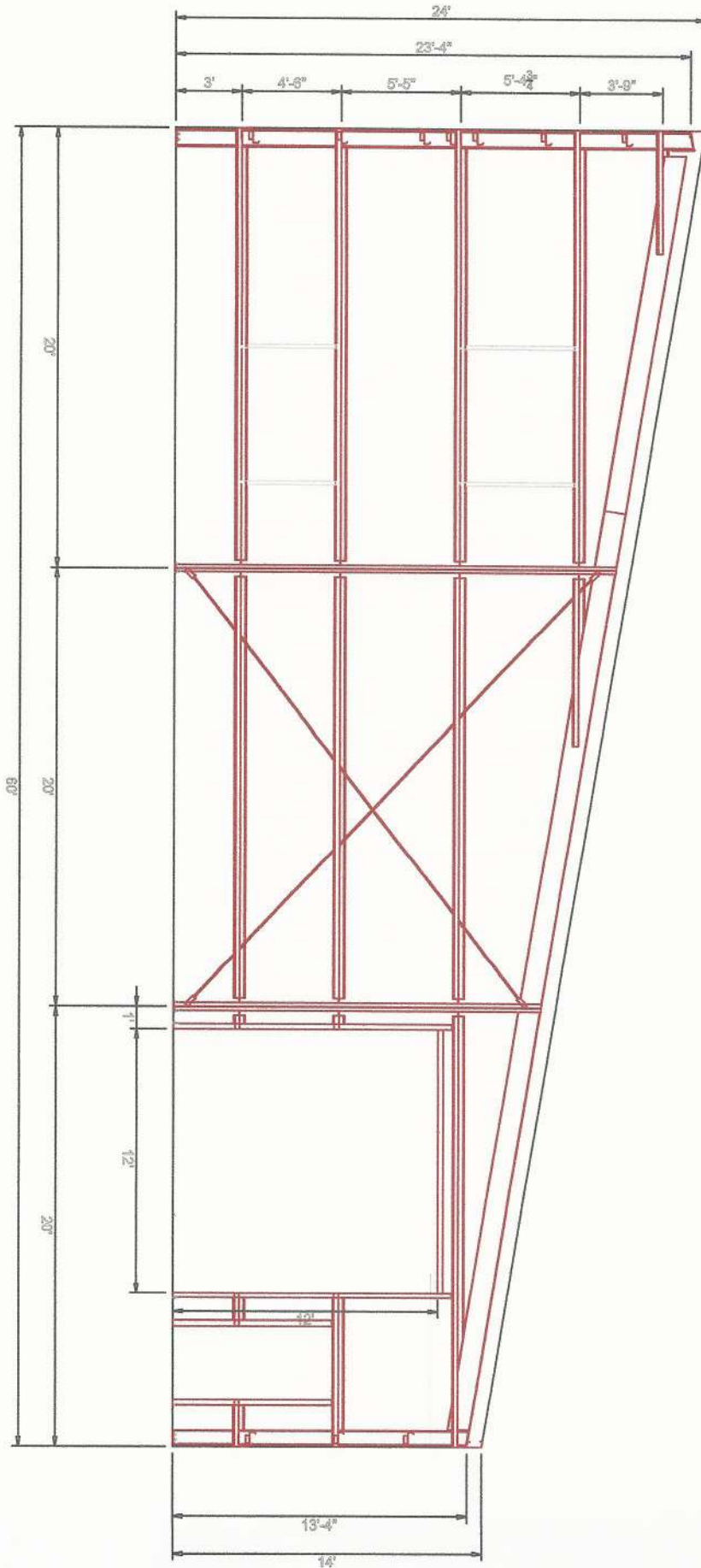


CROSS SECTION AT FRAME LINE "4" - (A) 60X120X14 LOW



CROSS SECTION AT FRAME LINE "6" - (A) 60X120X14 IOW





RIGHT STRUCTURAL ELEVATION - (A) 60x120x14 low



AGENDA ITEM 10
City Council Meeting Date: 6/6/2018
CITY COUNCIL COMMUNICATION FORM

FROM: Alan Lanning, City Manager
DATE: 6/6/2018
ITEM: Council Request to Provide Sales Tax Ordinance
NEXT STEP: Council Motion

ORDINANCE RESOLUTION
 MOTION INFORMATION

- I. **REQUEST OR ISSUE:** Staff has provided, at the request of Council members an ordinance for consideration that would raise sales tax from 6% to 6.5%. This is 1st reading of the attached ordinance and would raise the overall sales tax rate from 6% to 6.5%.
- II. **RECOMMENDED ACTION / NEXT STEP:** Council action to address the request, motion on the attached Ordinance.
- III. **FISCAL IMPACTS:** The fiscal impact would be approximately \$250,000 in additional revenue for the budget, on an annual basis.
- IV. **BACKGROUND INFORMATION:** The City Council engaged in extensive strategic planning and consideration of revenue options. The General Fund operated on revenues of \$10.294 million in FY2017 and approved operating revenues of \$10.374 million for FY2018. With the reversal of two ordinances in early May, projected FY2019 revenue will be \$10.124 million. This is the same position financially that necessitated additional revenues approaching \$300,000. The final fiscal impact on the current budget will be unknown for a couple of weeks and this ordinance was requested by two Council members as a response to the reversal of the Council approved ordinances regarding Motor Vehicles Fuel Tax and the increase in the Sales Tax Cap.

V. **LEGAL ISSUES:** None that we are aware of.

VII. **SUMMARY AND ALTERNATIVES:** C

Approve the Ordinance.

Deny the Ordinance.

Suggest other alternatives.

**CITY OF CORDOVA, ALASKA
ORDINANCE 1170**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AMENDING CORDOVA MUNICIPAL CODE 5.40.010 TO ADOPT A ONE-HALF (1/2)
PERCENT INCREASE TO THE SALES TAX LEVIED BY THE CITY OF CORDOVA**

WHEREAS, the City of Cordova, Alaska (“City”) is currently facing financial challenges and budgeting concerns; and

WHEREAS, it is in the City’s best interest to generate revenue to support the valuable services the City provides its citizens, residents, and visitors; and

WHEREAS, the implementation of a minimal sales tax increase of one-half percent is in the City’s best interest as it provides the City additional revenues to meet the needs of its population and visitors.

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

Section 1. Cordova City Code Title 5.40.010 Levied, is amended to read as follows:

5.40.010 - Levied.

(A) There is levied on all sales, equal to or more than twenty cents, services provided and rents collected within the city, except sales, services and rents that are exempt from taxation under this chapter, a tax equal to six **and one-half percent** of the sale price, charge for services or rents collected.

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

1st reading: _____
2nd reading and public hearing: _____

PASSED AND APPROVED THIS ___ DAY OF _____, 2018.

Clay R. Koplin, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

[Deleted text is ~~stricken through~~; added text is **bold and underlined**]

A memo from Susan Bourgeois, CMC, City Clerk

DATE: May 24, 2018
TO: Mayor and City Council
SUBJECT: Resolution 06-18-16

Cordova Municipal Code 5.36.240 requires that City Council set the 2018 Mill Rate by June 15, 2018. On May 16, 2018, Council certified the 2018 tax roll putting Cordova's total taxable value for 2018 at \$214,526,160. One mill is equal to about \$214k in property tax revenue (exactly \$214,526.16).

The resolution contains a mill rate of 11.81 which would achieve revenue of \$2,533,553.95 – the closest to \$2.533 million, going out only 2 decimal places, which was the revenue goal set when Council passed the 2018 budget in December of 2017.

RECOMMENDED MOTION: Move to approve Resolution 06-18-16.

REQUIRED ACTION: Majority roll call vote.

**CITY OF CORDOVA, ALASKA
RESOLUTION 06-18-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
SETTING THE MILL RATE FOR THE 2018 TAX YEAR**

WHEREAS, Alaska Statute, Section 29.45.240 and Cordova Municipal Code 5.36.240 require that the mill levy be established by resolution annually prior to June 15 of the tax year; and

WHEREAS, in accordance with Cordova Municipal Code Section 1.18.010 A, this rate setting resolution requires a public hearing before passage.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, hereby sets the mill rate for 2018 real property at **11.81** mills for all properties in the City of Cordova.

PASSED AND APPROVED THIS 6th DAY OF JUNE, 2018

Clay R. Koplín, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

DRAFT



AGENDA ITEM 12
City Council Meeting Date: 6/6/18
CITY COUNCIL COMMUNICATION FORM

FROM: Planning Staff
DATE: 5/30/18
ITEM: Disposal of 1,203 sq. ft. on Cordova Jr/Sr High School Campus
NEXT STEP: Direction to City Manager on Disposal and Disposal Method

ORDINANCE RESOLUTION
 MOTION INFORMATION

I. REQUEST OR ISSUE: Direct City Manager on Disposal and Disposal Method.

Applicable Code:

5.22.050 - Letter of interest to lease or purchase school building property.

- A. A letter of interest to lease or purchase an interest in a school building shall be submitted directly to the school board and shall include all the information required in Section 5.22.040.
- B. Upon receipt of a letter of interest, the school board shall have authority to draft a resolution recommending action on the letter of interest and including recommended terms and conditions for any sale or lease of city owned real property with a school located on it.
- C. The city council shall review the letter of interest and school board's recommendation, and determine, in the city council's sole discretion, whether to offer the real property interest for disposal by one of the methods described in Section 5.22.060(B).

5.22.060 - Methods of disposal.

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

II. RECOMMENDED ACTION / NEXT STEP: Make Motion. Suggested motion is “I move to dispose of approximately 1,203 square footage of instructional space on the Cordova Jr/Sr High School Campus as outlined in Cordova Municipal Code 5.22.060 B by *”

Choose one of the following to insert for the asterisk:

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

III. FISCAL IMPACTS: Rent from the lease is dedicated to the School District.

IV. BACKGROUND INFORMATION:

4/16/18 – The city was mailed a letter of interest (attached) from the University of Alaska to continue leasing space in the Cordova High School. Their current lease has a term of five years and expires on July 1, 2018.

5/9/18 – The Cordova School Board passed Resolution No. 2018: 002 (attached) recommending renewal of the lease.

V. LEGAL ISSUES: The lease will be negotiated with the University of Alaska if City Council chooses to negotiate directly.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: N/A

VII. SUMMARY AND ALTERNATIVES: The council could choose to not dispose of the property.



UNIVERSITY *of* ALASKA ANCHORAGE

Procurement Services Department

April 16, 2018

To: City of Cordova

Through: Susan Harding, Coordinator, PWSC Cordova Extension

From: Mary Beth Overturf, UAA Director – Procurement Services 

RE: Lease Extension between PWSC and City of Cordova

On behalf of the Prince William Sound College (PWSC) , this memo is to indicate the college's intent to renew the lease with the City of Cordova for approximately 1203 sq ft in the Cordova High School. The original lease was for the period July 1, 2013 through July 1, 2018. PWSC is requesting an extension of five (5) years, with the lease then expiring on July 1, 2023.

In addition, the College is requesting that additional language be added to the lease extension to read as follows:

“The payment of rent by Lessee is subject to appropriation of funds by the federal government and Legislature of the State of Alaska. This Agreement may be terminated upon thirty (30) days written notice to Lessor if, in the Lessee's sole opinion, Lessee has not been appropriated sufficient funding to meet its obligations under this agreement.”

Thank you.

P.O. Box 1330
675 Second Street
Cordova, AK 99574



(T) 907-424-3265
(F) 907-424-3271
www.cordovasd.org

RESOLUTION NO. 2018: 002

**A RESOLUTION OF THE CORDOVA SCHOOL DISTRICT BOARD OF EDUCATION
RECOMMENDING THE RENEWAL OF THE LEASE AGREEMENT FOR SPACE
LOCATED ON THE CORDOVA JR/SR HIGH SCHOOL CAMPUS TO PRINCE WILLIAM
SOUND COLLEGE BY THE CITY OF CORDOVA**

WHEREAS, the Cordova School District Board of Education is a recognized governance body for the education of children residing in the community of Cordova; and

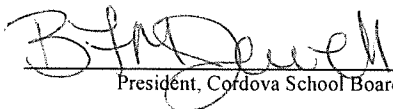
WHEREAS, the Cordova School Board recognizes the importance and benefits of community partnerships to enhance learning for our students; and

WHEREAS, the Cordova School Board supports efforts to increase course offerings and academic opportunities for students to be successful in an ever-changing world;

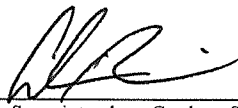
NOW THEREFORE BE IT RESOLVED, that the Cordova School District Board of Education recommends to the City of Cordova the renewal of the lease agreement of approximately 1,203 square feet of instructional space on the Cordova Jr/Sr High School Campus to Prince William College at a rate not to exceed \$1,666.66 per month for a period starting July 1, 2018 and ending June 30, 2023.

CERTIFICATION

PASSED and APPROVED by a constituted quorum of the Cordova School Board of Education on this 9th day of May 2018.



President, Cordova School Board



Superintendent, Cordova School District



AGENDA ITEM 13
City Council Meeting Date: 6/6/2018
CITY COUNCIL COMMUNICATION FORM

FROM: Susan Bourgeois, City Clerk
DATE: 5/30/2018
ITEM: Council concurrence of Mayor’s appointments to City Boards
NEXT STEP: Approval of Motion to concur

ORDINANCE RESOLUTION
 MOTION INFORMATION

- I. **REQUEST OR ISSUE:** The Library Board has 1 vacant seat that will expire November 2019, Planning & Zoning has 1 vacant seat that will expire November 2020 and Parks & Recreation Commission 1 vacant seat that will expire November 2018.
- II. **RECOMMENDED ACTION / NEXT STEP:** City Council should concur with the appointment suggestions made by Mayor Koplin.
- III. **FISCAL IMPACTS:** none
- IV. **BACKGROUND INFORMATION:** The City Clerk has advertised these vacancies for approximately 3 weeks. At the time of printing, only one letter has been received, if more letters of interest are received by the meeting date/time, I will bring them with and Mayor Koplin may choose to suggest additional appointments.
- V. **LEGAL ISSUES:** none
- VII. **SUMMARY AND ALTERNATIVES:** Suggested motion is to move to concur with Mayor Koplin’s appointments of the following:
Sherman Powell, to the Library Board for a term through November 2019;
Xxx Xxx, to the Planning Commission for a term through November 2020; and
Xxx Xxx, to the Parks & Rec Commission for a term through November 2018.

Susan Bourgeois

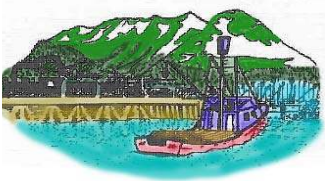
From: Sherman Powell <sherm.powell@gmail.com>
Sent: Thursday, May 24, 2018 9:40 AM
To: Susan Bourgeois
Subject: Letter of interest for library board in Cordova

Dear Mayor Clay Kolpin,

I would like to express interest in the open position on the library board in Cordova. My family moved to Cordova from Nome on December 1st of 2017. I was immediately wowed by the library facility here. I want to help Cordova continue to be a great place for everyone who lives or visits. My family uses the Cordova Library weekly, and it has been a great place to bring our kids.

I am working as a stay at home dad for my two boys. I will also be working on a seine boat during July and August. If I am a possible fit for this position, I would like to discuss the schedule and requirements before committing.

Thank you for your time,
Sherman Powell
907-792-9806



City Council of the City of Cordova, Alaska
Pending Agenda June 6, 2018 Regular Council Meeting

A. Future agenda items - when will these be heard before Council?

- 1) Code change re Council member service on boards/commissions, re mobile restaurant approval
- 2) Need for a Federal Lobbyist/RFP
- 3) Odiak Camper Park and/or other locations for long term rv/trailer space rentals in Cordova
- 4) Next strategic Planning Work Session - to be incorporated into budget work sessions
- 5) 2018 budget discussions - implications of special election results - revenue discussion **6/6/18 wksn**
- 6) Comprehensive plan/master plan - to include - waterfront development & shipyard expansion - **rfp 18-02 is out** advertised beginning **5/3/18** - due in to City Manager and Planner by **2 pm 6/8/18**
- 7) Secure rural schools funding retro & current year - how to budget
- 8) Harbor expansion Town Hall type meeting - public input
- 9) Resolution of support for PWSAC and hatcheries re BoF proposals that speak against hatcheries need this by **September 2018** for next Board of Fish meetings

B. Upcoming Meetings, agenda items and/or events:

- 1) Capital Priorities List and Resolution to come before Council quarterly: most recent one is included here for council to ask for edits at a future meeting

6/6/2018	9/5/2018	12/5/2018	3/6/2019
-----------------	-----------------	------------------	-----------------
- 2) Staff quarterly reports will be in the following packets:

7/18/2018	10/17/2018	1/16/2019	4/17/2019
------------------	-------------------	------------------	------------------
- 3) Reminder 2 hour work session on **June 20** - Homeland Security Training **5-7pm**
- 4) **July 4** meeting date - **July 5** instead? Or just **July 18** for that month?
 Clear direction should be given to Clerk/Manager on the what and when of this proposed agenda item.

item:

suggested
agenda date:

- 1) ...
- 2) ...
- 3) ...

Mayor Koplin or the City Manager can either agree to such an item and that will automatically place it on an agenda, or a second Council member can concur with the sponsoring Council member.



City Council of the City of Cordova, Alaska
Pending Agenda - June 6, 2018 Regular Council Meeting

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

- 1) Fisheries Advisory Committee:** 1-Torie Baker, chair (Marine Adv Prgm) 2-Jeremy Botz (ADF&G)
 authorizing resolution 04-03-45 3-Tim Joyce (PWSAC) 4-Jim Holley (AML)
 approved Apr 16, 2003 5-Chelsea Haisman (fisherman) 6-Tommy Sheridan (processor)
 Mayor Koplin is currently contacting existing members and hopes to have new appointments for Council concurrence soon

- 2) Cordova Trails Committee:** 1-Elizabeth Senear 2-Toni Godes
 authorizing resolution 11-09-65 3-Dave Zastrow
 approved Dec 2, 2009 4-vacant 5-vacant

- 3) Fisheries Development Committee:** 1-Warren Chappell 2-Andy Craig 3-Bobby Linville
 authorizing resolution 12-16-43 4-Gus Linville 5-Tommy Sheridan 6-Bob Smith
 approved Dec 23, 2016

E. City of Cordova appointed representatives to various Boards et al:

- 1) Prince William Sound Regional Citizens Advisory Council**
Robert Beedle re-appointed March 2016 2 year term until May 2018
 re-appointed March 2014
 appointed April 2013
- 2) Prince William Sound Aquaculture Corporation Board of Directors**
Tom Bailer term until Oct 2018 3 year term
 appointed February 2017
- 3) Southeast Conference AMHS Reform Project Steering Committee**
Mike Anderson appointed April 2016 until completion of project
Sylvia Lange alternate

**CITY OF CORDOVA, ALASKA
RESOLUTION 01-18-01**

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

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

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

1. Port and Harbor Renovations
 - a. South Harbor replacement (G & H float priority)
 - b. Shipyard expansion
 - c. Harbor expansion
 - d. General upgrades (north harbor sidewalks)
2. School Repairs
3. Hospital Upgrades
4. Public Safety Building
5. Sawmill Avenue Extension
6. Ferry Trail


and;

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

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

PASSED AND APPROVED THIS 3rd DAY OF JANUARY, 2018





Clay R. Koplín, Mayor




ATTEST:



Susan Bourgeois, CMC, City Clerk

JUNE 2018





CALENDAR MONTH **JUNE**
 CALENDAR YEAR **2018**
 1ST DAY OF WEEK **SUNDAY**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4	5	6	7	8	9
			6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB			PRINCE WILLIAM SOUND SCIENCE CENTER Copper River Nouveau
10	11	12	13	14	15	16
		6:30 P&Z CCAB	7:00 Sch Bd HSL 7:00 Harbor Cms CCB	 Flag Day		
17	18	19	20	21	22	23
			5:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB  Summer Solstice			
24	25	26	27	28	29	30
		6:00 P&R CCM	6:00 CEC Board Meeting 5:30 CTC Board Meeting	6:00 CCMCAB HCR		
1	2	Notes				

Legend:
CCAB-Cordova Center
 Community Rms A&B
HSL-High School Library
CCA-Cordova Center
 Community Rm A
CCB-Cordova Center
 Community Rm B
CCM-Cordova Center Mayor's
 Conference Rm
CCER-Cordova Center
 Education Room

JULY 2018

CALENDAR MONTH **JULY**
 CALENDAR YEAR **2018**
 1ST DAY OF WEEK **SUNDAY**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 July 4-City Hall Offices Closed 	5 rescheduled due to holiday? 6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	6	7
8	9	10 6:30 P&Z CCAB	11 7:00 Sch Bd HSL 7:00 Harbor Cms CCB	12	13  Copper River Wild Salmon Festival www.copperriverwild.org	14 Salmon Runs 
15	16	17	18 6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	19	20	21
22	23	24	25  6:00 CEC Board Meeting	26	27	28
29	30	31 6:00 P&R CCM	1 5:30 CTC Board Meeting	2 6:00 CCMCAB HCR	3	4
5	6	Notes				





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

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

CCM-Cordova Center Mayor's
 Conference Rm
 CCEr-Cordova Center
 Education Room

AUGUST 2018

CALENDAR MONTH **AUGUST**
 CALENDAR YEAR **2018**
 1ST DAY OF WEEK **SUNDAY**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1  CHS swimming starts Aug 1 6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB	2	3	4
5	6	7	8	9	10	11
early voting for Primary Election-Cordova Ctr, 8a-430p M-F, Aug 6 - Aug 20						
		6:30 P&Z CCAB	7:00 Sch Bd HSL 7:00 Harbor Cms CCB			
12	13	14	15	16	17	18
early voting for Primary Election-Cordova Ctr, 8a-430p M-F, Aug 6 - Aug 20						
			6:00 Council work session 6:45 Council pub hrg (maybe) CCAB 7:00 Council reg mtg CCAB			
19	20	21	22	23	24	25
		 Decide Alaska's Future. VOTE ✓ State Primary Election Day 2018 6:00 P&R CCM	 1st Day of School		Alaska State Fair Aug 23 - Sep 3	
			6:00 CEC Board Meeting	6:00 CCMCAB HCR		
26	27	28	29	30	31	1
	Alaska State Fair Aug 23 - Sep 3		 ALASKA STATE FAIR		Alaska State Fair Aug 23 - Sep 3	
			5:30 CTC Board Meeting			
2	3	Notes				

Legend:
CCA-Cordova Center
CCAB-Cordova Center Community Rm A
CCB-Cordova Center Community Rms A&B
HSL-High School Library
CCA-Cordova Center Community Rm A
CCB-Cordova Center Community Rm B
CCM-Cordova Center Mayor's Conference Rm
CCER-Cordova Center Education Room

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

Mayor and City Council - Elected

seat/length of term	email	Date Elected	Term Expires
Mayor: 3 years	Clay Koplin Mayor@cityofcordova.net	March 1, 2016	March-19
Council members:			
Seat A: 3 years	James Burton CouncilSeatA@cityofcordova.net	March 1, 2016 March 5, 2013	March-19
Seat B: 3 years	Kenneth Jones CouncilSeatB@cityofcordova.net	March 7, 2017	March-20
Seat C: 3 years	Jeff Guard CouncilSeatC@cityofcordova.net	March 7, 2017	March-20
Seat D: 3 years	Melina Meyer CouncilSeatD@cityofcordova.net	March 6, 2018	March-21
Seat E: 3 years	Anne Schaefer <small>elected by encl</small> CouncilSeatE@cityofcordova.net	March 6, 2018 December 6, 2017	March-21
Seat F: 3 years	David Allison, Vice Mayor CouncilSeatF@cityofcordova.net	March 1, 2016	March-19
Seat G: 3 years	James Wiese CouncilSeatG@cityofcordova.net	March 1, 2016	March-19

Cordova School District School Board - Elected

length of term		Date Elected	Term Expires
3 years	Barb Jewell, President bjewell@cordovasd.org	March 1, 2016 March 5, 2013	March-19
3 years	Bret Bradford bbradford@cordovasd.org	March 6, 2018 March 3, 2015	March-21
3 years	Tammy Altermott taltermott@cordovasd.org	March 1, 2016 March 5, 2013	March-19
3 years	Peter Hoepfner phoepfner@cordovasd.org	March 6, 2018 March 3, 2015 March 6, 2012 March 3, 2009 March 7, 2006	March-21
3 years	Sheryl Glasen sglasen@cordovasd.org <i>Vacant (appointed, non-voting)</i> <i>City Council Rep</i>	March 7, 2017 March 4, 2014	March-20

seat up for re-election in 2019	vacant
board/commission chair	
seat up for re-appt in Nov 18	

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

CCMC Authority - Board of Directors - Elected

length of term		Date Elected	Term Expires
3 years	Kristin Carpenter	March 7, 2017	March-20
3 years	Sally Bennett	March 7, 2017	March-19
3 years	April Horton	March 7, 2017	March-19
3 years	Linnea Ronnegard	March 6, 2018	March-21
3 years	<i>vacant due to resignation</i>		March-21

will be up for a
2 yr term in
2019

LIBRARY BOARD - APPOINTED

length of term		Date Appointed	Term Expires
3 years	Mary Anne Bishop, Chair	November-16 November-13 November-10 November-06	November-19
3 years	Wendy Ranney	November-15 April-13	November-18
3 years	<i>vacant due to resignation</i>		November-19
3 years	Sarah Trumblee	February-18	November-20
3 years	Krysta Williams	February-18	November-20

PLANNING AND ZONING COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	Nancy Bird	November-16	November-19
3 years	Allen Roemhildt	November-16 January-14	November-19
3 years	Scott Pegau, vice chair	November-17 December-14 December-11	November-20
3 years	John Baenen	November-15 December-12	November-18
3 years	Tom McGann, chair	November-17 December-14 December-11 April-11	November-20
3 years	Chris Bolin	September-17	November-18
3 years	<i>vacant due to resignation</i>		November-20

seat up for re-appt in Nov 18

seat up for re-election in 2019

vacant

board/commission chair

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

HARBOR COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	Mike Babic	November-17	November-20
3 years	Andy Craig	November-16	November-19
3 years	Max Wiese	November-17	November-20
		January-14	
		March-11	
3 years	Ken Jones	November-16	November-19
		February-13	
3 years	Jacob Betts, Chair	November-15	November-18

PARKS AND RECREATION COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	Wendy Ranney, Chair	November-15	November-18
		August-14	
3 years	Anne Schaefer	November-17	November-20
3 years	<i>vacant due to resignation</i>		November-18
3 years	Stephen Phillips	November-15	November-18
3 years	Marvin VanDenBroek	November-16	November-19
		February-14	
3 years	Karen Hallquist	November-16	November-19
		November-13	
3 years	Dave Zastrow	November-17	November-20
		February-15	
		September-14	

HISTORIC PRESERVATION COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	Cathy Sherman	August-16	November-19
3 years	Heather Hall	August-16	November-19
3 years	Brooke Johnson	August-16	November-19
3 years	John Wachtel	August-16	November-18
3 years	Sylvia Lange	August-16	November-18
3 years	Nancy Bird	November-17	November-18
3 years	Jim Casement, Chair	November-17	November-20

seat up for re-election in 2019

board/commission chair

seat up for re-appt in Nov 18

vacant