

**Mayor**  
James Kacsh

**Council Members**  
Kristin Carpenter  
Tim Joyce  
Tom Bailer  
Bret Bradford  
EJ Cheshier  
David Reggiani  
James Burton

**City Manager**  
Randy Robertson

**City Clerk**  
Susan Bourgeois

**Deputy Clerk**  
Tina Hammer

**Student Council**  
Summer Vacation

**REGULAR COUNCIL MEETING  
SEPTEMBER 03, 2014 @ 7:00 PM  
LIBRARY MEETING ROOM**

**AGENDA**



**A. CALL TO ORDER**

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**C. ROLL CALL**

Mayor James Kacsh, Council members Kristin Carpenter, Tim Joyce, Tom Bailer  
Bret Bradford, EJ Cheshier, David Reggiani and James Burton

**D. APPROVAL OF REGULAR AGENDA..... (voice vote)**

**E. DISCLOSURES OF CONFLICTS OF INTEREST**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speaker – **Andrew Leman**, Attorney for CTC
2. Audience comments regarding agenda items..... **(3 minutes per speaker)**
3. Chairpersons and Representatives of Boards and Commissions (Harbor, HSB, Parks & Rec, P&Z, School Board)
  - a. CCMC June 2014 financial report..... **(page 1)**

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

4. Ordinance 1119..... **(page 7)**  
An ordinance of the City Council of the City of Cordova, Alaska, authorizing a sublease for a 2,500 square foot portion of USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska, commonly identified as tripod hill, to Cordova Telephone Cooperative, Inc. – 2<sup>nd</sup> reading
5. Ordinance 1120..... **(page 22)**  
An ordinance of the City Council of the City of Cordova, Alaska, waiving for good cause the failure of Irene Hansen to make timely application for a senior citizen property tax exemption for the 2014 tax year – 2<sup>nd</sup> reading
6. Council decision on property disposal, Lot 3, Block 7A, Tidewater Development Park..... **(page 28)**
7. Resolution 07-14-28..... **(page 31)**  
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a five (5) year lease of the building locally known as the “Old Sea Grant Office” located on a portion of Lot 3, Block 7a, Tidewater Development Park with the Prince William Sound Science Center
8. Resolution 08-14-32..... **(page 43)**  
A resolution of the City Council of the City of Cordova, Alaska authorizing the City Manager to enter into a collection services agreement with Merchants Credit Association, a licensed and bonded collection agency
9. Resolution 08-14-33..... **(page 48)**  
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into an agreement with Appraisal Company of Alaska for tax year 2015 assessment services in the amount of sixteen thousand dollars (\$16,000)
10. Record unexcused absence for **Joyce** and excused absences for **Mayor Kacsh** and Council members **Cheshier** and **Burton** from the August 06, 2014 Regular Meeting

**H. APPROVAL OF MINUTES**

11. Regular Meeting Minutes 08-06-14..... **(page 55)**

**I. CONSIDERATION OF BIDS - none**

## **J. REPORTS OF OFFICERS**

12. Mayor's Report

13. Manager's Report

a. Cordova Center update report..... (page 59)

14. City Clerk's Report

## **K. CORRESPONDENCE**

15. Letter from Kay Groff regarding "Cordova Conversation" 08-05-14..... (page 60)

16. Councilmember E.J. Cheshier letter resigning from City Council Seat E 08-26-14..... (page 61)

## **L. ORDINANCES AND RESOLUTIONS**

17. Resolution 09-14-34..... (voice vote)(page 62)

A resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects

18. Resolution 09-14-35..... (voice vote)(page 70)

A resolution of the City Council of the City of Cordova, Alaska, authorizing the City of Cordova to issue general obligation debt in the principal amount of not to exceed \$5,000,000 to finance the completion of the Cordova Center, and to submit the question of the issuance of such debt to the qualified voters of the City at the November 4, 2014 Special City Election

19. Resolution 09-14-36..... (voice vote)(page 74)

A resolution of the City Council of the City of Cordova, Alaska, authorizing the City of Cordova to issue general obligation bonds in the principal amount of not to exceed \$2,000,000 to finance the city street improvements and to submit the question of the issuance of such debt to the qualified voters of the City at the November 4, 2014 Special City Election

## **M. UNFINISHED BUSINESS**

20. Council decision on property disposal Lot 2 Block 7 North Fill Development Park..... (page 76)

21. Council confirmation of Mayor's nomination to the..... (voice vote)(page 79)  
Parks and Rec Commission

## **N. NEW & MISCELLANEOUS BUSINESS**

22. Discussion of City owned/operated Used Oil Burners..... (page 81)

23. Discussion of residential property tax exemption..... (page 84)

24. Discussion of economic development property tax exemption..... (page 88)

25. Pending Agenda, Calendar, Elected & Appointed Officials lists..... (page 104)

## **O. AUDIENCE PARTICIPATION**

## **P. COUNCIL COMMENTS**

26. Council Comments

## **Q. EXECUTIVE SESSION**

27. Performance Deed of Trust negotiation

28. Attorney update regarding PWSSC land disposal negotiation

29. Attorney update on Cordova Center

## **R. ADJOURNMENT**

🎉🎉🎉 **PRINCE WILLY – CORDOVA'S LEATHERBACK TURTLE GETS A FACELIFT** 🎉🎉🎉

**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](http://www.cityofcordova.net)**

**CCMC**  
**June 2014**  
**Brief Overview**

Submitted by: Tiffany Varnadoe, CFO

**Revenue**

Total revenue is above budget. However, this includes a large settlement from the Cost Report for the previous FY that was received in February. Patient accounts are being analyzed and older bad debts are being written off. That will continue throughout the next several months.

**Expenses**

Total expenses are above budget. Wages continue to be higher; therefore, taxes/benefits are as well. Professional services are also above budget. All of these increases are due to our use of traveling/agency staff. Along those same lines, recruitment/relocation and apartment rentals are above budget since we are trying to fill positions while using travelers. Insurance is well below budget, but this is only because of the timing of payments throughout the year. Utilities/Fuel are below budget which is due to hydro. Other areas of expenses are being analyzed at this time for any cost savings that can be done.

**Net Income**

Net Income YTD is \$299,600. Please note that without our Cost Report settlement, this number would be approximately -\$519,000.

**Other Information**

Attached you will find a Statistics sheet and a Budget comparison. Due to limitations of the current software, I cannot give you June 2013 P&L information for comparison. However, since the last FY started in July 2013 I will be able to give you comparable data when July 2014 financials are complete. I have started work on the budget for next year.

If you have any questions, please let me know. My direct phone number is 424-8228 and my email is [tvarnadoe@cdvcmc.com](mailto:tvarnadoe@cdvcmc.com)

**CCMC**  
**Profit Loss Statement**  
**June 2014**

<b>REVENUE</b>	<b>Budget Fiscal Year to Date</b>	<b>Actual Fiscal Year to Date</b>	<b>YTD Variance to Budget</b>
Patient Services Revenue	4,597,992	4,635,030	0.8%
Deductions	(1,202,995)	(1,445,267)	20.1%
Cost Recoveries	732,699	1,321,185	80.3%
<b>TOTAL REVENUES</b>	<b>4,127,696</b>	<b>4,510,948</b>	

<b>EXPENSES</b>	<b>Budget Fiscal Year to Date</b>	<b>Actual Fiscal Year to Date</b>	<b>YTD Variance to Budget</b>
Wages	1,469,335	1,853,067	26.1%
Taxes and Benefits	687,312	768,756	11.8%
General and Malpractice Insurance	74,108	18,767	-74.7%
Repair & Maint	19,896	14,841	-25.4%
Travel & Training	24,104	31,714	31.6%
Other Expenses	29,296	60,454	106.4%
Recruitment & Relocation	32,500	65,440	101.4%
Professional Services	649,521	962,864	48.2%
Supplies	261,927	318,306	21.5%
Minor Equipment	6,938	12,332	77.7%
Utilities and Fuel	250,000	167,955	-32.8%
Rent/Lease Equip & Buildings	20,542	52,196	154.1%
<b>TOTAL EXPENSES before Depreciation</b>	<b>3,525,479</b>	<b>4,326,692</b>	<b>22.7%</b>

**NET OPERATING INCOME      602,217      184,256**

Depreciation Expense	136,748
City Contribution In-Kind	250,000
Other Restricted Contributions	2,091

**NET INCOME      602,217      299,600**



**CCMC**  
**Budget Comparison**  
**June 2014**

Type	Description	2014 Budget	Jan-June Budget	Jan-June Actual	Variance
<b>Patient Services Revenue</b>					
	BH Patient Revenue	187,865	93,932	104,691	10,759
	Clinic Medicaid	30,411	15,206	16,017	811
	Clinic Medicare	159,169	79,585	38,419	-41,166
	Clinic Other	391,328	195,664	159,084	-36,580
	IP Medicaid	41,570	20,785	0	-20,785
	IP Medicare	317,998	158,999	155,530	-3,469
	IP Other	258,581	129,290	33,875	-95,415
	LTC Medicaid	3,633,915	1,816,958	1,707,480	-109,478
	LTC Medicare	144,330	72,165	0	-72,165
	LTC Other	454,799	227,399	0	-227,399
	OP Medicaid	168,699	84,350	234,107	149,757
	OP Medicare	1,188,307	594,154	727,673	133,519
	OP Other	1,452,617	726,308	1,039,164	312,856
	Other Revenue	1,000	500	700	200
	SB Medicaid	64,704	32,352	53,451	21,099
	SB Medicare	700,691	350,345	242,900	-107,445
	SB Other	0	0	121,940	121,940
<b>Patient Services Revenue Total</b>		<b>9,195,983</b>	<b>4,597,992</b>	<b>4,635,030</b>	<b>37,038</b>
<b>Deductions from Revenue</b>					
	Charity	204,468	102,234	240,917	138,683
	Contractual	1,825,522	912,761	202,817	-709,944
	Bad Debt	376,000	188,000	182,993	-5,007
<b>Deductions Total</b>		<b>2,405,990</b>	<b>1,202,995</b>	<b>626,727</b>	<b>-576,268</b>
<b>Cost Recoveries</b>					
	Grant	513,556	256,778	443,872	187,094
	Misc Revenue	931,742	465,871	0	-465,871
	Non-Op Revenue	20,100	10,050	58,774	48,724
<b>Cost Recoveries Total</b>		<b>1,465,398</b>	<b>732,699</b>	<b>502,645</b>	<b>-230,054</b>
<b>Wages</b>					
	CNA's	299,783	149,892	146,491	-3,400
	Nurses	651,041	325,520	362,576	37,055
	Management	614,016	307,008	390,983	83,975

**CCMC**  
**Budget Comparison**  
**June 2014**

Type	Description	2014 Budget	Jan-June Budget	Jan-June Actual	Variance
	NonProductive	183,220	91,610	216,002	124,392
	Other	1,347,862	673,931	570,690	-103,241
	Physicians	120,640	60,320	58,118	-2,202
	PTO Accrual	100,826	50,413	7,524	-42,890
	Technicians	209,018	104,509	100,684	-3,825
<b>Wages Total</b>		<b>3,526,405</b>	<b>1,763,202</b>	<b>1,853,067</b>	<b>89,864</b>
<b>Taxes and Benefits</b>	FICA	267,178	133,589	133,325	-264
	Health and Life	644,997	322,499	297,245	-25,253
	Retirement	737,375	368,687	338,185	-30,502
<b>Taxes and Benefits Total</b>		<b>1,649,550</b>	<b>824,775</b>	<b>768,756</b>	<b>-56,019</b>
<b>General &amp; Malpractice Insurance Total</b>		<b>177,860</b>	<b>88,930</b>	<b>18,767</b>	<b>-70,163</b>
<b>Repair &amp; Maint Total</b>		<b>47,750</b>	<b>23,875</b>	<b>14,841</b>	<b>-9,034</b>
<b>Travel &amp; Training Total</b>		<b>57,850</b>	<b>28,925</b>	<b>31,714</b>	<b>2,789</b>
<b>Other Expenses</b>	Dues and Subs	33,060	16,530	15,917	-613
	License and Tax	2,150	1,075	310	-765
	Other Expense	35,100	17,550	44,228	26,678
<b>Other Expenses Total</b>		<b>70,310</b>	<b>35,155</b>	<b>60,454</b>	<b>25,299</b>
<b>Recruitment &amp; Relocation Total</b>		<b>78,000</b>	<b>39,000</b>	<b>65,440</b>	<b>26,440</b>
<b>Professional Services</b>	Locums	500,000	250,000	186,002	-63,998
	Professional Services	435,850	217,925	713,452	495,527
	Specialty	289,000	144,500	16,834	-127,666
	Therapists	184,000	92,000	13,745	-78,255
	Travelling Nurses	150,000	75,000	32,831	-42,169
<b>Professional Services Total</b>		<b>1,558,850</b>	<b>779,425</b>	<b>962,864</b>	<b>183,439</b>
<b>Supplies</b>	Freight	49,800	24,900	37,045	12,145
	Medical Supplies	330,000	165,000	144,943	-20,057
	NonMedical Supplies	33,125	16,563	25,068	8,506
	Other Supplies	215,700	107,850	111,249	3,399
<b>Supplies Total</b>		<b>628,625</b>	<b>314,313</b>	<b>318,306</b>	<b>3,993</b>
<b>Minor Equipment Total</b>	Medical Equip	16,650	8,325	12,332	4,007



**CCMC**  
**Budget Comparison**  
**June 2014**

Type	Description	2014 Budget	Jan-June Budget	Jan-June Actual	Variance
Utilities and Fuel	Electric	103,000	51,500	55,866	4,366
	Fuel	152,600	76,300	81,496	5,196
	Gas	6,200	3,100	2,791	-309
	Internet	253,100	126,550	343	-126,207
	Phone	56,700	28,350	15,803	-12,547
	Snowplowing	200	100	0	-100
	Television	7,700	3,850	5,467	1,617
	Water/Sewer	20,500	10,250	6,190	-4,060
Utilities and Fuel Total		600,000	300,000	167,955	-132,045
Rent/Lease Equip & Buildings		49,300	24,650	52,196	27,546
GRAND TOTALS		-205,759	-102,879	184,257	287,136

\*This includes the  
Cost Report  
settlement from the  
previous FY

**CCMC  
Stats  
June 2014**

	<b>Jan - June Budget</b>	<b>Jan - June Actual</b>
<b>% Deductions to Revenue</b>	26.2%	31.8%
<b>% Benefits to Wages</b>	46.8%	41.5%
<b>Full Time Equivalents</b>	69.3	63.9
<b>Acute Average Daily Census</b>	0.34	0.44
<b>Acute Bed Days</b>	63	80
<b>LTC Average Daily Census</b>	9.5	9.24
<b>LTC Bed Days</b>	1,725	1,673
<b>Swing Bed Days</b>	190	271
<b>Medicare Swing Days</b>	150	140
<b>OP Visits</b>	135	117
<b>ER Visits</b>	350	305
<b>Clinic Visits</b>	850	901
<b>Gross AR Days</b>	-	68
<b>Days Cash on Hand</b>	45	28



# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 7/30/2014  
**Re:** Cordova Telephone Cooperative Sublease

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## **PART I – GENERAL INFORMATION**

Requested Actions: Sublease approval for Cordova Telephone Cooperative (CTC)  
Applicant: Cordova Telephone Cooperative  
Description: USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska; commonly identified as the Ski Hill or Tripod Hill  
Parcel Number: 02-061-900  
Zoning: Parks and Open Space District

## **PART II – BACKGROUND**

In a letter to CTC dated 5/22/2014, the City informed CTC that their sublease had been breached and that the parties would meet on 6/3/2014 in order to execute a new lease. Following that meeting, lawyers and staff for the City and CTC crafted a new sublease.

This sublease is unique from other leases in the City in that it is for a specific use and that it is restrictive to that use. The new sublease document is largely based on the Copper Valley Wireless (CVW) sublease located adjacent to CTC on Tripod Hill. The City has worked hard to incorporate all reasonable edits that CTC proposed, including adding mutually agreed upon extensions (also in CVW agreement), access to the site in emergencies without adhering to lengthy notice requirements, and extending time to cure a default if diligently pursuing the cure.

Many of the conditions in place in the sublease document are contingent upon the lease the City has with the State for the Ski Hill area. The City has worked with the State on the Sublease requirements, and once this sublease with CTC has been finalized, the State will develop a Consent to Sublease document with many of the same stipulations the City has required as well as whatever other stipulations they deem necessary.

CTC recently applied for and received a Conditional Use Permit for a telecommunication tower on this subleased area. For additional information on the Conditional Use Permit, refer to the packet and minutes of the May 13, 2014 Planning Commission Regular Meeting.

## **PART III – APPLICABLE CRITERIA**

*Charter - Section 5-17. Contracts and sales*

*(a) Any contract which by its terms will not be fully executed within five years and which cannot be terminated by the city upon not more than one month's notice without penalty; and (b) the sale or lease of any city property, real or personal, or the sale or other disposal of any interest therein, the value of which property, lease, or interest is more than \$50,000; shall be made only:*

*(1) By authority of an ordinance approved or enacted at an election by an affirmative vote of a majority of the qualified voters of the city who vote on the question of approving or enacting the ordinance (the ordinance being submitted to the voters by the council or by initiative of the voters); or -*

*(2) By authority of a nonemergency ordinance passed by the council, which shall be published in full within ten days after its passage, and which shall include a section reading substantially as follows: "Section . 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."*

The sublease for CTC meets all three elements required for an ordinance: it is valid, initially, for 13 years; no provision allows the City to terminate the lease within 30 days; and rent obtained for the life of the contract is approximately \$343,200 (13 years, at \$2200/month).

#### **PART IV – STAFF RECOMMENDATION**

Staff recommends adoption of Ordinance 1119.

#### **PART V– SUGGESTED MOTION**

“I move to adopt Ordinance 1119.”

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1119**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING A SUBLEASE FOR A 2,500 SQUARE FOOT PORTION OF USS 1765  
OF TOWNSHIP 15 SOUTH, RANGE 3 WEST, SECTION 22, COPPER RIVER  
MERIDIAN, ALASKA, COMMONLY IDENTIFIED AS TRIPOD HILL, TO CORDOVA  
TELEPHONE COOPERATIVE, INC.**

**WHEREAS**, the City of Cordova has subleased a portion of land on Tripod Hill to Cordova Telephone Cooperative, Inc. since May 19, 1993, and due to Cordova Telephone Cooperative, Inc.'s default of the previous sublease, both parties desire to enter a new sublease effective       , 2014, and expiring on August 3, 2027; and

**WHEREAS**, Cordova Telephone Cooperative, Inc. has a telecommunication tower and accessory building located on the portion of Tripod Hill subject to the proposed sublease; and

**WHEREAS**, it is in the public interest for the City of Cordova to execute this sublease under the terms and conditions provided in the sublease referred to below.

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

Section 1. Notwithstanding anything to the contrary in Cordova City Code Chapter 5.22, the Council of the City of Cordova hereby authorizes the sublease to the Cordova Telephone Cooperative, Inc. for a 2,500 square foot portion of USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska, commonly identified as Tripod Hill, to expire on August 3, 2027, unless renewed according to the terms of the sublease.

Section 2. The form and content of the sublease between the City and Cordova Telephone Cooperative, Inc. hereby are in all respects authorized, approved and confirmed, and the City Manager is authorized, empowered and directed to execute and deliver the sublease to Cordova Telephone Cooperative, Inc. on behalf of the City, in substantially the same form and content now before this meeting but with such changes, modifications, additions and deletions therein as the City Manager 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 the sublease now before this meeting. From and after the execution and delivery of the sublease, the City Manager 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 sublease as executed.

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.

Section 4. If one or more referendum petitions with signatures are properly filed within one (1) month after the passage and publication of this ordinance, the 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 in 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 30 days after its passage and publication.

1<sup>st</sup> reading: August 6, 2014

2<sup>nd</sup> reading and public hearing: August 20, 2014

**PASSED AND APPROVED THIS 20<sup>th</sup> DAY OF AUGUST, 2014.**

\_\_\_\_\_  
Jim Kacsh, Mayor

ATTEST:

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

**SUBLEASE  
BETWEEN CITY OF CORDOVA  
AND CORDOVA TELEPHONE COOPERATIVE, INC.**

THIS SUBLEASE is executed as of this **XX** day of **XXXX**, 2014, by and between the CITY OF CORDOVA ("Grantor") through the SHERIDAN ALPINE ASSOCIATION as Grantor's agent ("Agent"), the address of which is P.O. Box 1210, Cordova, Alaska 99574, and CORDOVA TELEPHONE COOPERATIVE, INC. ("Grantee"), the address of which is P.O. Box 459, Cordova, Alaska 99574.

**RECITALS**

A. The State of Alaska Department of Natural Resources owns certain real property in Cordova, Alaska commonly identified as the Ski Hill or Tripod Hill, and legally described as USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska.

B. Grantor entered into a long-term lease with the State of Alaska Department of Natural Resources for the use and enjoyment of the Ski Hill under ADL 57396.

C. Grantee desires to sublease from Grantor a portion of the property Grantor leases under ADL 57396 and the State of Alaska Department of Natural Resources has consented to the sublease, subject to certain conditions.

**AGREEMENT**

1. Description of Premises. Grantor hereby subleases to Grantee, on the terms, covenants, and conditions set forth herein, 2,500 square feet within ADL 57396 and located on the Ski Hill as specifically and particularly depicted in the attached and incorporated Exhibit A ("Premises").

2. Purpose. Grantee shall use the Premises only for the purpose of maintaining and operating a communications facility for telecommunication and information services, including microwave communications. Any other use will require prior written approval by Grantor. More specifically, the Premises will be used for the location and operation of microwave communications and wireless cell phone services and the necessary interconnecting fiber optic cable equipment in an enclosed structure that is located on the Premises. In order to accomplish this purpose, Grantee will maintain in a safe manner a 9.2-foot by 24.3-foot building on a pier foundation and a 50-foot free-standing tower structure on the Premises as depicted in Exhibit B, which is attached and incorporated into this Sublease. No other structure, including fences, is authorized without first obtaining Grantor's written consent, which will not be unreasonably withheld. Grantee will paint or coat the building in a color that blends with the surrounding environment; specifically, muted colors, earth tones, and subdued hues will be used. No equipment or system shall be installed by

Grantee that would adversely affect the public's health or safety, or the intended use of the Ski Hill.

3. Access. Grantee is hereby granted access to the Premises to enable operating and maintaining Grantee's equipment, as well as maintaining electrical lines to the Premises. Access shall be by foot, helicopter, or chairlift, or other means approved in writing by the Agent. Agent's approval will not be unreasonably withheld. Other means that may be approved by the Agent include off-road vehicles on the south side groomer trail (non-snow season only). Chairlift access, which is provided by the Agent, requires 24 hours' prior notice by Grantee to Agent, and will be billed at a rate negotiated with the Agent to cover Agent's costs and expenses of providing access. Access by chairlift will be subject to the availability of Agent's personnel to operate the chairlift, and is not guaranteed. During times when the chairlift on the Ski Hill is open for use by the public, access by helicopter requires at least one hour's prior notice by Grantee to Agent. Grantee's use of the South Side Groomer trail requires 24 hours' prior notice from Grantee to Agent and shall be used by off-road vehicles (ORV) only. In the event of an emergency, prior notice to Agent is not required for Grantee to access the Premises, but Grantee must notify Agent within 24-hours of the emergency access, disclosing both the situation necessitating the emergency access and the access method used. Grantee will be responsible for repairing, at its sole cost and expense, any damage to the Ski Hill caused by Grantee's emergency access. Grantee may use and maintain the existing electric and telephone lines servicing the Premises, including cutting and keeping clear all trees and shrubbery necessary for the operation of those lines. Grantee must obtain prior written permission from Agent for all routing and burial of any cable, fiber, or wire.

4. Term. This Sublease will commence on XXXX, 2014 and will terminate on August 3, 2027, the date ADL 57396 terminates, unless either party terminates this Sublease earlier or ADL 57396 terminates before August 3, 2027. In the event ADL 57396 terminates before August 3, 2027, this Sublease will terminate the same date ADL 57396 terminates. Upon written mutual agreement of the parties, this Sublease may be extended for two additional ten (10) year terms. The Grantee shall notify the Grantor in writing 120 days prior to the termination of the initial term or any extension thereof if Grantee desires to pursue an extension. The extension terms of this Sublease are contingent on the satisfactory renewal of State of Alaska lease ADL 57396 to the City of Cordova, which expires August 3, 2027.

5. Co-location. The Grantor understands the wishes of the community to limit the number of communications towers constructed due to visual impacts and encourages the Grantee to allow other entities to co-locate their equipment within Grantee's building and on Grantee's tower structure when physically and safely possible. Grantee will submit to Grantor a drawing illustrating how Grantee's tower is designed to accommodate additional communications equipment for Grantee's present and reasonable foreseeable future requirements. Similarly, Grantee will submit to Grantor a drawing showing placement of Grantee's communications equipment in its building and identifying the remaining space available to house additional communications equipment. Grantee warrants that both its tower and building are designed and constructed to support and withstand potential additional loads. Grantee shall forward to Grantor, and Grantor shall



forward to Grantee, in writing, any inquiries by a third party requesting co-location on Grantee's equipment located on the Premises. Grantee may not unreasonably withhold consideration or approval of a request to co-locate by a third party. Grantee shall notify Grantor in writing when a third party will be co-located on the Premises or when Grantee is terminating a co-location arrangement, at least fourteen (14) days in advance of either occasion. In co-location circumstances the amount of rent paid to the Grantor by the Grantee shall be increased or decreased as described in Section 7 below.

6. Rent. Grantee covenants and agrees to pay Grantor monthly rent in the amount of Two Thousand Two Hundred Dollars (\$2,200) ("Rent"). The Rent shall be increased each year, on the anniversary of this Sublease's commencement date, by any increase in the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics, at the commencement of the current year. In no event shall the monthly Rent be less than the preceding year's Rent. In the event that the rent paid by the City to the State for the parcel containing the Premises increases, the amount of Rent paid by Grantee under this Sublease will increase to account for the increase paid by the City. Rent will also be adjusted when Grantee adds, expands, constructs, or develops any structure or improvement on the Premises, including towers, or increases the height, width, or square-footage of any structure or improvement on the Premises. In those situations Rent will be adjusted to reflect the fair market value of all structures and improvements on the Premises, but in no event will the adjusted Rent be less than the preceding month's Rent.

7. Additional Rent. Grantee shall pay to Grantor Additional Rent for each third party locating equipment on the Premises in the amount of Four Hundred Dollars (\$400) per month. Effective 12 months from the date the co-location commences, and annually thereafter, the Additional Rent amount shall increase by the increase in the Consumer Price Index (CPI-U) for the Anchorage, Alaska metropolitan area, as computed and published by the United States Bureau of Labor Statistics. The entire Additional Rent shall be due the first month co-location commences, regardless of the day of installation and for all subsequent months until the third party's equipment is physically removed from the Premises, at which time the Rent shall be reduced by the Additional Rent amount associated with the removed property. The Additional Rent or subsequent removal thereof shall not be included as part of the base Rent when adjusting the base Rent annually for CPI-U.

8. Late Fees. Rent and Additional Rent not paid within ten (10) days of the due date shall be assessed a late charge of ten percent (10%) of the delinquent amount; such charge shall be considered liquidated damages and shall be due and payable immediately. 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.

9. Reservation of Rights. Grantor reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensation to Grantee 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 Grantee shall be compensated for the taking or destruction of any improvements on the Premises.

10. Repair and Care of Premises. Grantee will permit no waste, damage, or injury to the Premises. Grantee shall at all times use the Premises in accordance with, and comply with, the laws of the United States, the State of Alaska, and the City of Cordova, as well as in accordance with all directions, rules, and regulations of any public official or other officer of the City of Cordova at the sole cost and expense of Grantee. At the expiration of this Sublease, Grantee will quit and surrender the Premises. Grantee must remove, at its sole expense, all its property and co-located property, including towers, buildings, and other structures, from the Premises, unless Grantor provides written consent that certain property can remain on the Premises. Property remaining on the Premises with Grantor's consent after this Sublease terminates will immediately become Grantor's property. Property remaining on the Premises without Grantor's consent after this Sublease terminates may be removed, sold, destroyed, or otherwise disposed of in any manner deemed appropriate by the Grantor, all at Grantee's sole expense, and Grantee hereby agrees to pay Grantor for such expenses. Regardless of the term specified in Section 4 above, Grantee must continue paying Rent to Grantor until all property not permitted to remain on the Premises is removed by either Grantee or Grantor. Grantee will be responsible for the prompt collection and disposal of all waste generated by Grantee's activities on the Ski Hill. If Grantee does not dispose of waste promptly and properly, Grantee will be billed by Agent for waste collection and disposal at a rate of \$300 per hour. Grantee is not required to remove subsurface fixtures provided the fixtures are covered with soil, rock, or vegetation and do not present a hazard to human health or safety.

11. Inspections. Grantor or Agent and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at all reasonable times to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under the provisions of this Sublease, including notices of non-responsibility for liens; and to do any act or thing necessary for the safety or preservation of the Premises. To inspect the interior of structures on the Premises, Grantor will provide, except in an emergency, written notice to Grantee at least twenty-four (24) hours in advance of the requested inspection date and time. Grantee will cooperate with each request by providing an employee or agent to accompany Grantor or its agent into the structure within twenty-four (24) hours of the request. Grantor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Grantor's entry onto the Premises, except for damage resulting directly from the acts of the Grantor and Agent and their authorized representatives or agents. An authorized representative or agent is an individual granted express authorization by Grantor or Agent to act on behalf of Grantor or Agent regarding a specific matter.

12. Compliance with Laws. Grantee shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses, and other authorizations. Grantee 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. Grantee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in, on, or about the Premises except for such Hazardous Material as is necessary to conduct Grantee'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. Grantee 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.

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

13. Conditional Use Permit. This Sublease is contingent on Grantee maintaining a valid conditional use permit for the uses outlined in Section 2 of this Sublease. Grantee must comply with all requirements in, and terms of, its conditional use permit for the Premises. Failure to comply with the conditional use permit constitutes a default of this Sublease. Grantee's conditional use permit existing at the time of this Sublease's commencement date is attached as Exhibit C and incorporated into this Sublease.

14. Premises Condition. Grantor shall not be called upon to make any change or improvement to the Premises, and Grantee warrants and represents that it has examined the Premises and it is suitable for its intended use.

15. Utilities. Grantor hereby agrees to make available the necessary electrical service required by the Grantee from the existing system in the vicinity. Grantee is responsible for making arrangements for, and constructing the necessary connection for, all electrical services desired by Grantee for the Premises. Grantee shall pay Grantor when billed by Grantor or Agent for all of its electrical usage at the same rate as other users of the site. In the event that the local electric utility takes possession and responsibility for the aforementioned existing electrical system, Grantee would make all future payments to the electric utility when billed and have no further obligation to Grantor in regard to electrical service.

16. Insurance. Grantee shall procure and maintain over the full term of this Sublease, and until Premises are returned to Grantor, general comprehensive liability insurance as well as insurance for the Premises, both policies naming Grantor as an additional insured. General liability insurance pertaining to the premises shall be in a minimum amount of One Million Dollars (\$1,000,000.00). Property insurance pertaining to the Premises shall be in an amount equal to or greater than the appraised value of Grantee's property installed under this Sublease. Grantee agrees to provide to Grantor copies of certificates evidencing insurance coverage of the Premises prior to the execution of this Sublease and upon request of Grantor at other reasonable times.

17. Federal Communications Commission Standards. All communications equipment installed shall be to Federal Communications Commission regulations, standards, and best practices.



18. Accidents and Indemnification. All personal property kept on the Premises shall be kept at Grantee's sole risk. Neither Grantor nor the Agent shall be liable for theft or any damage, either to person or property, sustained by Grantee or others due to Grantee's use of the Premises or access to the Premises. Grantee agrees to defend, indemnify, and hold Grantor and its authorized representatives, agents, officers, and employees harmless from any and all claims for damages suffered or alleged to be suffered on or about the Premises or when accessing the Premises by any person, firm, or corporation and from any expenses incurred by Grantor with respect to such claim, except as occasioned by the gross negligence of Grantor or Grantor's employees, guests, invitees, or visitors.

19. Liens. Grantee shall keep the Premises free from any liens or other encumbrances arising out of any work performed, materials furnished, or obligations incurred by Grantee. Grantee agrees, at its sole cost and expense, to remove any lien filed against the Premises due to Grantee's acts or omissions. If Grantor posts any notice of non-responsibility on the Premises, Grantee will ensure that the notice is maintained in a conspicuous place.

20. Default. If Grantee (i) fails to observe or violates any term or condition of this Sublease, including failing to provide an employee or agent to accompany Grantor or its agent into the structure on the Premises as detailed in Section 11; (ii) breaches or violates any statutes, laws, regulations, rules, ordinances, or permits of any kind applicable to the use or occupancy of the Premises; or (iii) abandons or vacates the Premises, Grantee will be in default and breach of this Sublease. In the event Grantee defaults on this Sublease, Grantor may provide Grantee written notice of the default. Grantee shall have thirty (30) days from receipt of the written notice to cure any default, including a failure to pay Rent. However, in such cases (except as provided below) where a default cannot be cured within the thirty (30) day period by the exercise of diligent, commercially reasonable effort, if Grantee continues to promptly and diligently pursue the cure, the time for curing such failure shall be extended for such period of time, not to exceed an additional thirty (30) days (unless otherwise agreed to by the parties in writing), as may reasonably be necessary to complete such cure. A default based on a failure to pay Rent or Additional Rent will only be cured if all Rent and Additional Rent then due is paid in full within thirty (30) days of Grantee receiving notice of the default. In the event Grantee defaults and fails to timely cure the default, Grantor shall have the right to immediately terminate this Sublease and all rights of Grantee to use and access the Premises, as well as collect from Grantee all expenses and costs associated with the early termination and pursue any remedy available in law or equity.

21. Assignment. Grantee shall not assign or otherwise transfer this Sublease 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 Grantor, which consent the Grantor may withhold in its absolute discretion. The Grantor shall not be required to subordinate this Sublease or the Grantor's interest in the Premises to the interest of any other person or entity. Notwithstanding the above, Grantee may assign the sublease without Grantor's consent to any corporation or partnership that controls, is controlled by, or is under common control with, Grantee, or any corporation

resulting from the merger or consolidation with Grantee, or to any entity that acquires all of Grantee's assets of the business that is being conducted on the Premises, as long as the assignee is a bona fide entity and assumes the obligations of Grantee. Any transfer of fifty percent (50%) or more of the outstanding voting stock of Grantee or of fifty percent (50%) or more of the equity interest in Grantee or of a controlling interest in Grantee, shall constitute an assignment of this Sublease and shall require Grantor's prior written consent.

22. Notices. All notices to be given by the parties hereto shall be in writing and may either be served personally or deposited in the United States mail, postage prepaid, by registered, certified, or regular mail, to the following addresses:

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

Agent: Sheridan Alpine Association  
Attention: President  
P.O. Box 2446  
Cordova, Alaska 99574

Grantee: Cordova Telephone Cooperative, Inc.  
Attention: CEO  
P.O. Box 459  
Cordova, AK 99574

23. Taxes. Real property taxes for the Premises shall remain the responsibility of Grantor. However, should there be any increase in the assessment of real or personal property taxes because of the personal property of Grantee or its co-locators situated on the Premises, the additional cost and expense shall be borne by Grantee.

24. Successors and Assigns. This Sublease is binding upon the parties and their respective successors and authorized assigns.

25. Authority. Each party and the individual signing for each party represents it is authorized to execute and bind the party to this Sublease.

26. No Waiver of Breach. No failure by Grantor to insist upon the strict performance of any term, covenant, or condition of this Sublease, 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 Sublease, but each and every term, covenant, and condition of this Sublease shall continue in full force and effect with respect to any other existing or subsequent breach.

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

28. Governing Law. This Sublease is controlled and is to be interpreted in accordance with the laws of the State of Alaska.

29. Entire Agreement. This Sublease constitutes the entire agreement among the parties and supersedes all prior agreements and understandings, oral or written. The Sublease may not be amended or modified except in writing executed by each of the parties hereto.

**IN WITNESS WHEREOF**, the parties have caused this Sublease to be executed on the dates noted below their respective signatures.

**GRANTOR:**

**City of Cordova**

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

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

Date \_\_\_\_\_

**AGENT:**

**Sheridan Alpine Association**

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

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

Date \_\_\_\_\_

**GRANTEE:**

**Cordova Telephone Cooperative, Inc.**

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

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

Date \_\_\_\_\_

**EXHIBIT A**  
**Diagram of Premises**

DRAFT

## **EXHIBIT B**

### **Current Structures and Equipment Located on Premises**

DRAFT



**EXHIBIT C**  
**Conditional Use Permit**

DRAFT

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## A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

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DATE: July 29, 2014

TO: Mayor and City Council

SUBJECT: Ordinance 1120

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There was a time when Senior Citizens had to apply for a property tax exemption with the City of Cordova on an annual basis. For multiple administrative reasons and for the ease of those applying, Council changed code to allow for a one time application. The one time application led to many fewer instances of Council having to accept applications as if filed timely due to occasional senior citizens simply forgetting to file. However, cases did arise that still led to the need for Council intervention even after the code change to the one-time filing. On such occasions, Council directed staff to ask the City Attorney to determine how to allow a senior citizen a property tax exemption without actually having to alter City Code. The City Attorney brought forward an ordinance substantially similar to this one that is before you tonight. Council has used this type of ordinance 2 times before.

Recommended Motion: Move to adopt Ordinance 1120

Required Action: Majority voice vote on first reading

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1120**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
CORDOVA, ALASKA, WAIVING FOR GOOD CAUSE THE FAILURE OF  
IRENE HANSEN TO MAKE TIMELY APPLICATION FOR A SENIOR CITIZEN  
PROPERTY TAX EXEMPTION FOR THE 2014 TAX YEAR**

**WHEREAS**, AS 29.45.030(e) and Cordova Municipal Code 5.36.035(A) exempt from real property taxation the first \$150,000 of the assessed value of real property owned and occupied as the primary residence and permanent place of abode by a resident sixty-five years of age or older; and

**WHEREAS**, AS 29.45.030(f) requires the City, by ordinance, to establish procedures and deadlines for filing an application for this property tax exemption, and provides that the Council may waive the failure to make timely application for good cause shown; and

**WHEREAS**, Cordova Municipal Code 5.36.035(C) requires that an application for a senior citizen exemption from City real property tax must be filed no later than January 15 of each assessment year; and

**WHEREAS**, Cordova Municipal Code 5.36.035(C) also provides that the Council, for good cause shown, may authorize the assessor to accept as timely filed an application filed after January 15 and before May 1 of the assessment year for which the exemption is sought; and

**WHEREAS**, Irene Hansen has requested that the Council waive her failure to make timely application for a senior citizen property tax exemption for the 2014 tax year, and pursuant to AS 29.45.030(f) the Council finds that good cause has been shown to waive the failure of Irene Hansen to make timely application for a senior citizen property tax exemption for the 2014 tax year; and

**WHEREAS**, Irene Hansen has already been billed for real property taxes for the 2014 tax year on the property that would be the subject of the application for exemption, and therefore, with approval of this Ordinance, staff will appropriately write-off the billed amount and re-categorize the property as senior exempt.

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

Section 1: Pursuant to AS 29.45.030(f), the Council for good cause shown waives the failure of Irene Hansen to make timely application for a senior citizen property tax exemption for the 2014 tax year, and authorizes the assessor to accept such application as timely, notwithstanding anything in Cordova Municipal Code 5.36.035(C) to the contrary.

Section 2: Pursuant to AS 29.45.030(f), if the application for exemption referred to in Section 1 is approved, Irene Hansen shall be notified that the tax bill she received is null and void and no amount is owing.

Section 3. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published within ten (10) days of its passage.

1<sup>st</sup> reading: August 6, 2014

2<sup>nd</sup> reading and public hearing: August 20, 2014

**PASSED AND APPROVED THIS 20<sup>th</sup> DAY OF AUGUST, 2014**

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

ATTEST:

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

Irene Hansen  
PO Box 724  
Cordova, AK 99574  
July 29, 2014

City of Cordova  
Council Board  
PO Box 1210  
Cordova, AK 99574

Dear: City Council Board Members,

I am an 80 year Elder of the community. I live at Townhouse #2 on Seventh St. Recently I paid my house off from North Pacific Rim Housing Authority (NPRHA). I was told by NPRHA I didn't need to worry about paying the property taxes that they take care of it and owned the property.

After receiving the 2014 real property tax bill from the city I thought it was sent to the wrong person. I had a friend help me and found out that I am the owner of the land and responsible for the taxes. Which brings me to the request to have the city council waive my failure to make a timely application. I hope you will accept my property tax exemption application I have filed.

Sincerely,

A handwritten signature in cursive script that reads "Irene Hansen". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Irene Hansen



## **Cordova Municipal Code**

### **5.36.035 Statutory property exemptions.**

A. The real property owned and occupied as the primary residence and permanent place of abode by a: (1) resident sixty-five years of age or older; (2) disabled veteran; or (3) resident at least sixty years old who is the widow or widower of a person who qualified for an exemption under subsection (A)(1) or (2) of this section, is exempt from taxation on the first one hundred fifty thousand dollars of the assessed value of the real property. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560—44.62.570.

B. To be eligible for an exemption under subsection (A) of this section for a year, the individual applying for an exemption must also meet requirements under one of the following:

1. The individual shall be eligible for a permanent fund dividend under AS 43.23.005 for that same year or for the immediately preceding year; or
2. If the individual has not applied or does not apply for one or both of the permanent fund dividends, the individual would have been eligible for one of the permanent fund dividends identified in subsection (B)(1) of this section had the individual applied.

C. An exemption may not be granted under subsection (A) of this section, except upon written application for the exemption on a form approved by the state assessor. An applicant who qualifies for the exemption under this section need not file an application for successive tax years if there is no change in ownership, in residency or permanent place of abode, or other factor affecting qualification for the exemption. Applications must be filed no later than January 15 of the first year for which the exemption is sought. The city council, for good cause shown, may authorize the assessor to accept as timely filed an application filed after January 15 and before May 1 of the assessment year for which the exemption is sought. An application received after May 1 will be accepted as an application for the following assessment year. If the application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under subsection (B) of this section and shall require a disabled veteran claiming an exemption under subsection (B) of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time:

1. If property is occupied by a person other than the eligible applicant and his/her spouse and minor children, an exemption applies only to the portion of the property permanently occupied by the eligible applicant and his/her spouse and minor children as a permanent place of abode;
2. It shall be the responsibility of every person who obtains an exemption under this section to notify the assessor of any change in ownership, residency, permanent place

of abode or status of disability. A disabled veteran who has less than a permanent disability must submit an official disability percentage letter each year prior to January 15 showing a fifty percent or greater disability.

### **Alaska Statutes**

#### **AS 29.45.030. Required Exemptions.**

(e) The real property owned and occupied as the primary residence and permanent place of abode by a (1) resident 65 years of age or older; (2) disabled veteran; or (3) resident at least 60 years old who is the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection, is exempt from taxation on the first \$150,000 of the assessed value of the real property. A municipality may, in case of hardship, provide for exemption beyond the first \$150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS [44.62.560](#) - [44.62.570](#).

(f) To be eligible for an exemption under (e) of this section for a year, a municipality may by ordinance require that an individual also meet requirements under one of the following paragraphs: (1) the individual shall be eligible for a permanent fund dividend under AS [43.23.005](#) for that same year or for the immediately preceding year; or (2) if the individual has not applied or does not apply for one or both of the permanent fund dividends, the individual would have been eligible for one of the permanent fund dividends identified in (1) of this subsection had the individual applied. An exemption may not be granted under (e) of this section except upon written application for the exemption. Each municipality shall, by ordinance, establish procedures and deadlines for filing the application. The governing body of the municipality for good cause shown may waive the claimant's failure to make timely application for exemption and authorize the assessor to accept the application as if timely filed. If an application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of (e) of this section. If the application for exemption is approved after taxes have been paid, the amount of tax that the claimant has already paid for the property exempted shall be refunded to the claimant. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under (e) of this section, and shall require a disabled veteran claiming an exemption under (e) of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time.

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 8/13/14  
**Re:** Disposal for “Old Sea Grant Office”

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## **PART I – GENERAL INFORMATION**

Requested Action: Choose Disposal Method  
Lot, Block, Survey: Portion of Lot 3, Block 7A, Tidewater Development Park  
Parcel Number: 02-060-250  
Zoning: Economic Development  
Location Map: Exhibit in lease

## **PART II – BACKGROUND**

This building has been leased to the Science Center at fair market value since 1999 in six different leases of various lengths of time. Whenever their lease expired they would begin a new lease with the City. The current lease was set to expire on July 31, 2014, but is now in hold-over. Attached after the next memo is the lease (**Attachment A**) which contains an exhibit of the property in question.

In the past when leases expire and the entity holding the lease has expressed interest in continuing to rent it, the Planning Department prepares a new lease document to go before City Council in the consent calendar with a resolution, however it was determined by the Council that when a lease expires, the property becomes available and must go through the disposal process beginning with the Planning Commission.

July 2, 2014 – City Council Regular Meeting Minutes:

***M/Reggiani S/Bradford*** to approve Resolution 07-14-28 a resolution of the City Council of the City of Cordova, Alaska, authorizing the city manager to enter into a five (5) year lease of the building locally known as the "Old Sea Grant Office" located on a portion of Lot 3, Block 7 A, Tidewater Development Park with the Prince William Sound Science Center.

***M/Joyce S/Bradford*** to refer to staff so P&Z could see this and give a recommendation to City Council.  
Vote on motion: 5 yeas, 0 nays, 2 absent (Cheshier, Burton). Motion passes.

July 8, 2014 – Planning Commission Regular Meeting Minutes:

***M/McGann S/Greenwood*** to recommend to City Council disposal by lease of a building locally known as the “Old Sea Grant Office” located on a portion of Lot 3, Block 7A, and Tidewater Development Park by negotiating an agreement (Method 1, listed above) with the Prince William Sound Science Center.

***M/Reggiani S/Baenen*** to refer this to the Harbor Commission for their recommendation.

Upon voice vote, motion to refer passed 6-0.

Yea: **Bailer, Greenwood, McGann, Pegau, Baenen, Roemhildt, Reggiani**

Nay: None

Absent: **Pegau** (Conflict of Interest)

July 30, 2014 – Harbor Commission passed the following motion with several concerns:

*“I move to recommend to Planning Commission disposal by lease of a building locally known as the “Old Sea Grant Office” located on a portion of Lot 3, Block 7A, and Tidewater Development Park by negotiating an agreement (Method 1) with the Prince William Sound Science Center.”*

*Harbor Commission Concerns:*

- a. Increasing deterioration of said building I.E window missing, electrical service wiring, rotting wood, siding and old fuel tank. Is there a building code that said building must kept too?*
- b. In the future if or when PWSSC decides not to renew the lease, who bears the financial burden of making repairs or demolition of said building. If the Harbor Dept. is to bear this financial burden then the lease monies minus the amount to cover other Dept. staff man hours, should go to the Harbor Dept.*

August 12, 2014 – Planning Commission Regular Meeting Unapproved Minutes:

*M/Bailer S/McGann to recommend to City Council disposal by lease of a building locally known as the “Old Sea Grant Office” located on a portion of Lot 3, Block 7A, and Tidewater Development Park by negotiating an agreement (Method 1, listed above) with the Prince William Sound Science Center.*

Upon voice vote, motion to refer passed 6-0.

Yea: **Bailer, Greenwood, McGann, Baenen, Roemhildt**

Nay: None

Absent: **Reggiani**

Conflict of Interest: **Pegau**

The Commission also discussed concerns with the maintenance of the building. It was agreed that these concerns would be addressed in negotiations with the Science Center.

### **PART III – APPLICABLE CRITERIA**

#### **5.22.040 DISPOSAL OF CITY REAL PROPERTY – Application to lease or purchase.**

*E. The planning commission shall review the application, and recommend to the city council whether the city should accept the application, offer the real property interest for disposal by one of the competitive procedures in Section 5.22.060, or decline to dispose of the real property interest.*

#### **5.22.060 DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.**

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

- 1. Negotiate an agreement with the person who applied 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.*

### **PART IV – STAFF RECOMMENDATION**

Staff recommend City Council consider the lease itself as the application from the Science Center and dispose of the property by lease and direct negotiation.

**PART V – SUGGESTED MOTION**

“I move the City Manager dispose by lease a building locally known as the “Old Sea Grant Office” located on a portion of Lot 3, Block 7A, Tidewater Development Park by negotiating an agreement (Method 1) with the Prince William Sound Science Center.”



# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 8/13/2014  
**Re:** Lease for “Old Sea Grant Office”

---

## **PART I – GENERAL INFORMATION**

Requested Action: Approve Resolution 07-14-28  
Lot, Block, Survey: Portion of Lot 3, Block 7A, Tidewater Development Park  
Parcel Number: 02-060-250  
Zoning: Economic Development  
Location Map: Exhibit in lease

## **PART II – BACKGROUND**

Science Center’s current lease on this building was set to expire on July 31, 2014 and is now in hold-over. The new lease will be for a period of five years, expiring on July 31, 2019. Attached following this memo is the lease (**Attachment A**) which contains an exhibit of the property in question.

There have been no problems related to this lease; payments have always been timely and conditions of the lease have been met.

## **PART III – STAFF RECOMMENDATION**

Staff recommend that the City Council approve Resolution 07-14-28.

## **PART IV – SUGGESTED MOTION**

“I move to approve Resolution 07-14-28.”

**CITY OF CORDOVA, ALASKA  
RESOLUTION 07-14-28**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE (5) YEAR LEASE OF THE  
BUILDING LOCALLY KNOWN AS THE “OLD SEA GRANT OFFICE” LOCATED ON A  
PORTION OF LOT 3, BLOCK 7A, TIDEWATER DEVELOPMENT PARK WITH THE  
PRINCE WILLIAM SOUND SCIENCE CENTER**

**WHEREAS**, the current lease with Prince William Sound Science Center for this building will expire on July 31, 2014 and this new lease would continue their tenancy and expire on July 31, 2019; and

**WHEREAS**, the lease is generally described as the building (locally known as the “Old Sea Grant Office”) and the dock underneath the building located on a portion of Lot 3, Block 7A, Tidewater Development Park; and

**WHEREAS**, the annual rental rate will be Two Thousand Six Hundred Twenty Five Dollars and Forty Cents (\$2625.40); and

**WHEREAS**, the lease is hereto attached as Attachment A.;

**NOW, THEREFORE BE IT RESOLVED THAT** the City Council of the City of Cordova hereby authorizes and directs the City Manager to renew the lease on the property to the Prince William Sound Science Center in accordance with the terms in the Lease. The form and content of the Lease now before this meeting is in all respects authorized, approved and confirmed by this resolution, and the City Manager hereby is authorized, empowered and directed to execute and deliver the Lease reflecting the terms in the Lease on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Lease;

**PASSED AND APPROVED THIS 20<sup>th</sup> DAY OF AUGUST, 2014**

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

ATTEST:

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

## ATTACHMENT A

### CITY OF CORDOVA Cordova, Alaska

#### LEASE

**THIS LEASE** ("Lease") by and between the **CITY OF CORDOVA** ("Landlord"), a municipal corporation organized and existing under the laws of the State of Alaska (the "City"), and the **PRINCE WILLIAM SCIENCE AND TECHNOLOGY CENTER (D.B.A. PRINCE WILLIAM SOUND SCIENCE CENTER)** doing business in Cordova, Alaska ("Tenant").

#### RECITALS

**WHEREAS**, the City owns that certain parcel of land and all improvements thereon in Cordova, Alaska generally described as a portion of Lot 3, Block 7A, Tidewater Development Park, Plat 93-2, located within Cordova Recording District, Cordova Alaska; and

**WHEREAS**, Tenant desires to lease the building (locally known as the "Old Sea Grant Office") and the dock underneath the building (referred to hereinafter as the "Premises") from the City, and Landlord desires to lease the Premises to Tenant, on the terms and conditions set forth herein; and

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

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

#### **1. LEASE OF PREMISES**

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

#### **2. LEASE TERM**

The term of this Lease shall be five (5) years, commencing on **XXXX**, (the "Commencement Date") and expiring five (5) years later, on **XXXX**, unless earlier terminated in accordance with the terms of this Lease.

#### **3. RENT**

**A. Base Rent.** The rent during the term of this Lease shall be Two Thousand Six Hundred Twenty Five Dollars and Forty Cents (\$2625.40) annually ("Base Rent"), which shall be due and payable in advance on the Commencement Date of this agreement. Base Rent shall be paid to the City in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address provided for notice to the City set forth in Section 20.E of this Lease, or at any other place that the City may from time to time direct in writing. Base Rent shall be paid promptly when due without notice or demand therefor. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Tenant. As required by the CMC Section 5.22.040(C), any lease having a term of more than two (2) years shall be subject to a rental adjustment to fair market value at intervals of no more than two (2) years, but no adjustment shall result in a reduction of rent

**B. Additional Charges.** In addition to the Base Rent, Tenant acknowledges and agrees that Tenant is obligated to pay and shall pay, before delinquency and without reimbursement, all costs, expenses and obligations of every kind and nature whatsoever in connection with or relating to the Premises or the activities conducted on the Premises, including without limitation those costs, expenses and obligations identified in Section 7 and all other sums, costs, expenses, taxes (including 6% sales tax) and other payments that Tenant assumes or agrees to pay under the provisions of this Lease ("Additional Charges").

## ATTACHMENT A

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

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

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

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

**A. Authorized Uses.** Use of the Premises shall be limited to use as Tenant's storage, and the Premises shall not, without prior written consent of the Landlord, be used for any other purposes. Landlord expressly reserves the right to terminate this lease in the event Tenant fails to operate said use for a period of eighteen consecutive months.

**B. Inspections.** The City will provide Tenant with at least 24-hours' notice before inspecting the Premises, except no notice will be provided when the public health or safety or preservation of the Premises requires immediate inspection. The City shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except for damage resulting directly from the acts of the City or its authorized representatives or agents.

**C. Compliance with Laws.** Tenant shall maintain and repair the Premises in compliance with all applicable laws, regulations, ordinances, rules, orders, permits, licenses and other authorizations. Tenant shall not use or permit the use of the Premises for any purpose prohibited by law or which would cause a cancellation of any insurance policy covering the Premises. Tenant shall not leave the Premises unoccupied or vacant without the City's prior written consent. Tenant shall not cause or permit any Hazardous Material (as defined in Section 9.B of this Lease) to be brought upon, kept, or used in, on or about the Premises except for such Hazardous Material as is necessary to conduct Tenant's authorized uses of the Premises. Any such Hazardous Material brought upon, kept, or used in, on or about the Premises shall be used, kept, stored, and disposed of in a manner that complies with all environmental laws and regulations applicable to Hazardous Material. Tenant shall not cause or allow the release or discharge of any other materials or substances that are known to pose a hazard to the environment or human health.

**D. Tenant's Acceptance of Premises.** Tenant has inspected the Premises to its complete satisfaction and is familiar with its condition, and the City makes no representations or warranties with respect thereto, including but not limited to the condition of the Premises or its suitability or fitness for any use Tenant may make of the Premises. Tenant accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. No action or inaction by the Council, the City Manager, or any other officer, agent or employee of the City relating to or in furtherance of the lease of the Premises

## ATTACHMENT A

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

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

### **5. REPRESENTATIONS AND WARRANTIES**

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

### **6. ASSIGNMENTS AND SUBLETTING: SUBORDINATION**

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

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

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

### **8. LIENS**

Tenant will suffer no lien or other encumbrance to attach to the Premises, including without limitation mechanic's or materialman's liens, sales tax liens under CMC §5.40.125, or property tax liens under CMC §5.36.260. If the City posts any notice of non-responsibility on the Premises, Tenant will ensure that the notice is maintained in a conspicuous place.

### **9. INDEMNIFICATION**

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

**B. Environmental Indemnification.** Tenant has had full opportunity to examine the Premises for the presence of any Hazardous Material (as hereafter defined) and accepts the Premises AS IS, WHERE IS, WITH ALL FAULTS. Tenant releases the City and its authorized representatives, agents, officers, and employees from any and



## ATTACHMENT A

all actions, suits, claims, demands, penalties, fines, judgments, liabilities, settlements, damages, or other costs or expenses (including, without limitation, attorney's fees, court costs, litigation expenses, and consultant and expert fees) arising during or after the term of this Lease, that result from the use, keeping, storage, or disposal of Hazardous Material in, on or about the Premises by Tenant, or that arise out of or result from Tenant's occupancy or use of the Premises or the use or occupancy of the Premises by Tenant's employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees or authorized representatives. This release includes, without limitation, any and all costs incurred due to any investigation of the Premises or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, or by law or regulation. Tenant agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of Hazardous Material generated, kept or brought on the Premises by Tenant, its employees, agents, servants, customers, contractors, subcontractors, sub-lessees, invitees or authorized representatives.

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

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

### **10. INSURANCE**

Tenant 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 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) per person and One Million Dollars (\$1,000,00.00) 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. Personal property insurance covering Tenant's trade fixtures, furnishings, equipment, and other items of personal property of Tenant located on the Premises; and

D. 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, Tenant shall provide the City with proof of the insurance required by this Section.

## ATTACHMENT A

### **11. REMOVAL OF PROPERTY**

Upon expiration or earlier termination of this Lease, at the option of the City, Tenant shall remove from the Premises, at Tenant's sole expense, all property Tenant has placed or caused to be placed on the Premises. Tenant shall repair any damage to the Premises caused by such removal and return the Premises as near as possible to its original condition as existed on the Commencement Date. All property which is not promptly removed by Tenant pursuant to the City's request and in any event within thirty (30) days of the date of expiration or termination of this Lease may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Tenant's sole expense, and Tenant hereby agrees to pay the City for such expenses. Notwithstanding any provision to the contrary in this Lease, all petroleum, fuel, or chemical storage tanks installed in or on the Premises during the term of this Lease shall remain the property of the Tenant and, upon expiration or earlier termination of the Lease and upon request of the City, Tenant shall remove any and all such tanks and any and all contaminated soil and other materials from the Premises, all at Tenant's sole expense.

### **12. DEFAULT AND REMEDIES**

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

- i. The failure to make payment when due of any installment of rent, Additional Charges or of any other sum herein specified to be paid by the Tenant;
- ii. The failure to pay any taxes or assessments due from the Tenant to the City and in any way related to this Lease, the Premises, any improvements, or the Tenant's activities or business conducted thereon, including but not limited to any real property, personal property or sales taxes;
- iii. An assignment for the benefit of Tenant's creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt, or for extending the time for payment, adjustment, or satisfaction of Tenant's liabilities, or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency, unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated or otherwise permanently stated or terminated within thirty (30) days after the assignment, filing or other initial event;
- iv. The appointment of a receiver or a debtor-in-possession to take possession of the Premises (or any portion thereof) or of Tenant's interest in the leasehold estate [or any portion thereof] or of Tenant's operations on the Premises (or any portion thereof) by reason of Tenant's insolvency;
- v. The abandonment or vacation of the Premises or any portion thereof;
- vi. Execution, levy or attachment on Tenant's interest in this Lease or the Premises, or any portion thereof;
- vii. The breach or violation of any statutes, laws, regulations, rules or ordinances of any kind applicable to Tenant's use or occupancy of the Premises; or
- viii. The failure to observe or perform any covenant, promise, agreement, obligation or condition set forth in this Lease, other than the payment of rent, if such failure shall not be cured within ten (10) days after written notice has been given to Tenant. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Tenant perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly makes such election in the notice.

**B. Remedies.** If the Tenant 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 Tenant's personal property which comes into the City's possession. This

## ATTACHMENT A

remedy shall include the right of the City to dispose of Tenant's personal property in a commercially reasonable manner. Tenant agrees that compliance with the procedures set forth in the Alaska Uniform Commercial Code with respect to the sale of property shall be a commercially reasonable disposal.

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

iii. Declare this Lease terminated;

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

v. The City may hold Tenant liable for Rent, Additional Charges, and other payments for which Tenant is obligated under the Lease, but only up to the amount not recaptured by the City after reletting the Premises;

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

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

### **13. SUBSIDENCE**

The City shall not be responsible for any washout, subsidence, avulsion, settling or reliction to the Premises, nor for any injury caused thereby to the property of the Tenant or any sub-lessee, or that of any other person. The City is not obligated to replace, refill, or improve any part of the Premises during Tenant's occupancy in the event of such washout, subsidence, avulsion, settling, or reliction.

### **14. VACATION BY TENANT**

Upon the expiration or sooner termination of this Lease, Tenant shall peaceably vacate the Premises and the Premises shall be returned to the City by Tenant together with any alterations, additions or improvements made after the Commencement Date, unless the City requests that they be removed from the Premises. Upon such vacation, Tenant shall remove from the Premises any items of personal property brought on to the Premises. Any such property not removed from the Premises within thirty (30) days of the expiration or termination of this Lease shall become the property of the City at no cost or charge to the City, and may be removed, sold, destroyed or otherwise disposed of in any manner deemed appropriate by the City, all at Tenant's sole expense, and Tenant hereby agrees to pay the City for such expenses.

### **15. RESERVATION OF RIGHTS**

The City reserves the right to designate and grant rights-of-way and utility easements across the Premises without compensation to Tenant or any other party, including the right of ingress and egress to and from the Premises for the construction, operation and maintenance of utilities and access, provided that Tenant shall be compensated for the taking or destruction of any improvements on the Premises. Tenant shall be responsible for requesting a rental adjustment to reflect any reduction in the value of the Premises.

### **16. SIGNS**

No signs or other advertising symbols, canopies, or awnings shall be attached to or painted on or within the Premises without approval of the City Manager first being obtained; provided, however, that this prohibition shall not

## ATTACHMENT A

apply to standard, directional, informational and identification signs of two square feet or less in size. At the termination of this Lease, or sooner, all such signs, advertising matter, symbols, canopies or awnings, attached or painted by Tenant shall be removed from the Premises by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises, and correct any unsightly conditions caused by the maintenance or removal of said signs.

### **17. HOLDING OVER**

If Tenant with the City's written consent remains in possession of the Premises after the expiration or termination of the Lease term for any cause, or after the date in any notice given by the City to Tenant terminating this Lease, such holding over shall be deemed a tenancy from month to month at the same rental amount applicable immediately prior to such expiration or termination, subject to adjustment in accordance with CMC § 5.22.040(c) or such successor provision of the code then in effect, and shall be terminable on 30 days' written notice given at any time by either party. All other provisions of this Lease except those pertaining to term and rent shall apply to the month-to-month tenancy. If Tenant holds over without the City's express written consent, Tenant is deemed to be a tenant at sufferance and may be removed through a forcible entry and detainer proceeding without service on Tenant of a notice to quit.

### **18. EMINENT DOMAIN**

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

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

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

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

### **19. COSTS**

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

### **20. MISCELLANEOUS**

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

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

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

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

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

## ATTACHMENT A

**TO CITY:**  
**City of Cordova**  
**Attn: City Manager**  
**PO Box 1210**  
**Cordova, Alaska 99574**

**TO TENANT:**  
**Prince William Sound Science Center**  
**Attn: Katrina Hoffman**  
**PO Box 705**  
**Cordova, Alaska 99574**

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

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

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

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

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

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

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

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

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

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

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

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

**Q. Interpretation.** The language in all parts of this Lease shall in all cases be simply construed according

## ATTACHMENT A

to its fair meaning and not for or against the City or Tenant as both City and Tenant have had the assistance of attorneys in drafting and reviewing this Lease.

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

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

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

### CITY OF CORDOVA:

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

Date: \_\_\_\_\_

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

Attest: \_\_\_\_\_  
City Clerk

### PRINCE WILLIAM SOUND SCIENCE CENTER:

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

Date: \_\_\_\_\_

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

ATTACHMENT A

EXHIBIT A



# MEMO, City of Cordova

To: Mayor and City Council

Through: Randy Robertson, City Manager

From: Jon K. Stavig, Finance Director

Date: 12 August 2014

RE: Collection Agency

Historically, the City of Cordova has used a professional agency to assist in the collection of problematic/delinquent accounts. I've located documentation of at least a couple of firms the City has used in the past with varying degrees of success.

Review of the files indicate the city has tried to conduct its own debt collection efforts for several years with lackluster results. The efforts have been extremely haphazard with individual departments and attempting to take on those activities in a disjointed, as time and manpower is available manner. As a result, there is at least \$100k in outstanding debt owed to the city, which can be tracked back 5 or more years. The Harbor has the bulk of amount. While Mr. Schinella has done a yeoman's job to help trim those numbers, time, staffing, other duties, and the lack of resources and professional training available to debt collection agencies preclude much more progress being made in this area.

It is probably time to make that change again. I done some research and have found a firm that can take on these accounts that the City has deemed "uncollectable". We have several accounts throughout the City that would benefit from the expertise of a professional collection agency.

The firm that I have located is Merchant Credit Association out of Bellevue, WA. They serve the greater Northwest including Alaska. They have a strong client list of both in State and out of State client, and came to us as a reference from the city's legal firm.

Enclosed you will find an introductory letter and agreement which will the City will need to execute. As is with most collection companies, they do not get paid unless they perform. Their agreement calls for a 30% take on funds collected. They would provide timely reporting, and computer account access.

The agreement can be terminated with 90 day notice.

Would like Council concurrence to proceed by passing the following resolution.

Respectfully submitted,

Jon K Stavig, Finance Director



**CITY OF CORDOVA, ALASKA  
RESOLUTION 08-14-32**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY CORDOVA, ALASKA  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A COLLECTION SERVICES  
AGREEMENT WITH MERCHANTS CREDIT ASSOCIATION, A LICENSED AND  
BONDED COLLECTION AGENCY**

**WHEREAS**, in the course of conducting business, over the past several years the City has incurred debt owed to the City by individuals and businesses which can be called “uncollectable”; and

**WHEREAS**, in recouping outstanding debt, both public and private organizations find the services of a professional debt collection agency to be far more effective and efficient than conducting those activities with in-house staff; and

**WHEREAS**, historically the City has used the services of a professional collection agency to assist in the collection of these problematic delinquent accounts; and

**WHEREAS**, Merchants Credit Association has been in business since 1937. They serve the greater northwest region in the United States including Alaska. They have a strong client list both in Alaska and outside.

**NOW THEREFORE, BE IT RESOLVED THAT** the City Council authorizes the City Manager to enter into a collection services agreement with Merchants Credit Association, a licensed and bonded collection agency.

**PASSED AND APPROVED THIS 20<sup>th</sup> DAY OF AUGUST, 2014**

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

Attest:

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

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## **COLLECTION SERVICES AGREEMENT**

THIS AGREEMENT is made and entered, by and between City of Cordova ("Client") and Merchants Credit Corporation ("MCA"), a duly licensed and bonded collection agency, and a Washington for Profit Corporation.

1. Client contracts and engages MCA to perform collection work and furnish the equipment, labor and materials necessary to perform collection activities on those unpaid accounts that are assigned to MCA by the Client.
2. Collection services shall be provided as directed in the following:
  - A. Client will prepare collection accounts and submit via MCA's secured website, FTP secured site, or in the alternative, Client will prepare collection documents and submit them to MCA for computer input. In accordance with the Fair Credit Reporting Act, Client warrants that debts have been reviewed, balances reported are correct and all disputes of debtors have been reported to agency prior to the transfer of the debt. It is the obligation of the Client to provide any information it has regarding bankruptcy, death, divorce or other defenses which may prohibit, delay or impact the collection of the debt.
  - B. MCA will provide an acknowledgment showing name of debtor and balance of account as confirmation of receipt of accounts assigned by Client.
  - C. MCA shall mail collection notices as well as make direct contacts by trained staff in accordance with State and Federal collection laws.
  - D. MCA will not institute legal actions on debts without first receiving Client's written authorization to do so. Costs and attorney's fees incurred by MCA in litigation will be recovered from first monies collected by MCA prior to remitting to Client so that MCA's out of pocket expenses will be resolved first. In the event Client cancels an account with written authorization to pursue legal action, Client agrees to immediately repay all monies advanced as court costs and fees as paid by MCA.

---

**Your Key to Professional Collection Services Since 1937**

[www.merchantscredit.com](http://www.merchantscredit.com)

2245 152nd Avenue NE ~ Redmond, Washington 98052 / (800) 755-1107

**Medical / Hospital / Dental / Healthcare / Professional / Municipalities / Retail / Commercial**

- E. MCA shall pay amounts received on Client's accounts by the 15<sup>th</sup> of each month for collections made the preceding month. Remittance checks will be accompanied by a monthly activity statement showing debtor name, account number, amount paid and balance remaining.
  - F. Upon request of Client, MCA shall make available an inventory report which identifies all accounts currently assigned to MCA. Should additional reports be necessary, MCA will work with due diligence to provide additional reports to the Client upon receipt of such a request.
  - G. Each party to this agreement shall identify no less than two (2) contact persons within their respective offices who are familiar with and authorized to discuss and compromise Client's assigned accounts.
  - H. Accounts listed to MCA for a minimum of sixty (60) days shall be reported to a minimum of one major credit-reporting agency by MCA.
3. For the performance of the work described in and required by this agreement, MCA shall be entitled to a fee based upon the percentage of monies collected for Client based on the phase of activity and/or account type as follows:

- **OPEN ACCOUNTS 30%**
- **ACCOUNTS WHERE LEGAL ACTION HAS COMMENCED 50%**
- **ACCOUNTS NEEDING TO BE FORWARDED TO AN OUTSIDE ACA AFFILIATED AGENCY 50%**

4. All accounts placed with MCA are covered by MCA's respective state license and bond. MCA maintains professional liability insurance coverage. MCA is solely responsible for the employment, acts, omissions, control and direction of its employees. MCA shall defend, indemnify Client against any claims, demands, or causes of action that may be asserted as a direct result of collection activity by MCA. Each party will be responsible for claims by any third party against the other based on the direct actions of that party, its employees or agents, including the responsibility to hold the other harmless against any resulting judgment. Client agrees to defend and indemnify MCA for any acts, omissions, claims, demands, or causes of action that might be asserted for the direct actions of Client or their employees.
5. MCA shall keep in force its license and bond, and shall otherwise be in compliance with all State and Federal laws governing collection agencies.

6. MCA will add interest to accounts placed for collection at the rate allowable by law. Interest will be retained by MCA.
7. Termination: This agreement may be terminated by either party on a 90 day notice in writing to the other or otherwise as they may mutually agree, except those accounts assigned as follows:
  - A. All accounts on which payments are in process, or on which a schedule of payments has been arranged;
  - B. All accounts upon which legal action has been referred, a suit has been brought, or a Judgment has been obtained, such account shall remain with MCA, and;
  - C. Any retained accounts shall be clearly identified.
8. In October, 2008, this agency adopted a formal identity Theft Policy to clarify its previous informal policies and to comply with 16 C.F.R. Part 681 ('Red Flag Rules") to the extent that the provisions of such are applicable to the accounts assigned to this agency.
9. This agreement is entered into in King County, State of Washington. Venue for any dispute hereunder shall lie in King County Superior Court. In the event that it should become necessary to involve the services of an attorney regarding any dispute hereunder, the prevailing party shall be entitled to recover the reasonable costs of attorney and court costs. The parties agree that this agreement shall be construed pursuant to the laws of the State of Washington, exclusively.
10. THIS AGREEMENT IS THE ENTIRE agreement of the parties and shall not be modified except by a written agreement signed by each party, and affixed hereto as an amendment to this original agreement. Attachment "A", HIPAA BUSINESS ASSOCIATE AGREEMENT, ☐ is ☒ is not incorporated herein and made a part of this agreement and is marked as attachment "A".

**MERCHANTS CREDIT CORPORATION**

**CITY OF CORDOVA**

A Washington Corporation

By: \_\_\_\_\_  
David W. Quigley,  
President

By: \_\_\_\_\_  
Jon K. Stavig  
Finance Director

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

---

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

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DATE: August 14, 2013  
TO: Mayor and City Council  
SUBJECT: Resolution 08-14-33

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Appraisal Company of Alaska has asked us to renew a one year contract for City Assessing Services. The Assessor fees for 2014 were \$16,000. Therefore, reevaluation for 2015 at the same cost is more than reasonable. Appraisal Company has been the City Assessor since 1988. Mike Renfro and his crew of Assessors are easy to work with and have extensive knowledge of Cordova's property files. The Clerk's office sees no reason to put our Assessing Contract out for bid at this time.

Recommended motion: Move to approve Resolution 08-14-33

Staff recommendation: Majority voice vote or majority roll call vote on the consent calendar

**CITY OF CORDOVA, ALASKA  
RESOLUTION 08-14-33**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH  
APPRAISAL COMPANY OF ALASKA FOR TAX YEAR 2015 ASSESSMENT SERVICES  
IN THE AMOUNT OF SIXTEEN THOUSAND DOLLARS (\$16,000)**

**WHEREAS**, the City of Cordova is required by the Cordova Municipal Code to perform annual property assessment; and

**WHEREAS**, the City Clerk has identified Appraisal Company of Alaska as the company most compatible with the needs of the City.

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby authorizes the City Manager to enter into an agreement, attached as Exhibit "A", with Appraisal Company of Alaska for tax year 2015 assessment services in the amount of Sixteen Thousand dollars (\$16,000).

**PASSED AND APPROVED THIS 20<sup>th</sup> DAY OF AUGUST, 2014**

\_\_\_\_\_  
Jim Kacsh, Mayor

**ATTEST:**

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

**PROPSAL FOR  
CONTACT ASSESSOR  
CITY OF CORDOVA  
TAX YEAR 2015**



# **CITY OF CORDOVA, ALASKA**

## **TAX YEAR 2015**

### **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT is between the CITY OF CORDOVA, ALASKA, and APPRAISAL COMPANY OF ALASKA ("Contractor"), effective on the 1st day of September 2014.

THIS AGREEMENT is for professional tax assessment services for the City of Cordova. Contractor's primary contact person under this agreement is Michael C. Renfro. Contractor's primary contact person may not be changed without the written consent of the City.

#### **ARTICLE 1. SUMMARY OF SERVICES**

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

#### **ARTICLE 2. COMPENSATION**

2.1 Compensation shall be paid in accordance with the Basis of Compensation Schedule attached hereto as Appendix B and incorporated herein by reference.

#### **ARTICLE 3. PERIOD OF PERFORMANCE**

3.1 The Contractor agrees to commence work under this agreement only as authorized by and in accordance with written or oral notice to proceed and to complete the work in accordance with Scope of Work (Appendix A) and such time schedules as directed by the City of Cordova.

3.2 The period of performance under this agreement shall be tax assessment work for the City of Cordova for the 2015 tax year and shall end upon completion of the board of Equalization hearings and appeals in year 2014.

3.3 This contract may be carried over with the written agreement of both parties.

3.4 Termination: Either party may terminate this Agreement for substantial failure of the other party to perform its obligations hereunder only after having first provided written notice of the alleged failure to perform to the non-performing party and given the non-performing party, fifteen (15) days within which to either remedy said non-performance or if the non-performance cannot be cured within fifteen (15) days, commence and proceed with diligence to cure the non-



performance. In the event of such termination, the Assessor will be paid for all services rendered to the date of termination, less any damages incurred by the City as a result of the Assessor's non-performance.

#### ARTICLE 4. SUBCONTRACTORS

4.1 The Contractor shall perform all services required under this agreement except as may be performed by its subcontractors. Subcontractors can only be used with the express prior written permission of the City of Cordova, which retains the right to approve or reject subcontractors and the use thereof. All subcontractors shall be required to comply with insurance requirements identified in Article 5 below.

#### ARTICLE 5. INSURANCE

5.1 The following minimum limits of insurance coverage are required:

<u>Type insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workmen's Compensation (for states In which employees are engaged) (Statutory)	(Statutory)	
Employer's General Liability	\$500,000	\$1,000,000
Comprehensive General Liability	\$2,000,000	\$4,000,000
Comprehensive Automobile Liability	\$500,000	\$1,000,000

#### ARTICLE 6. APPENDICES

6.1 The following appendices are attached to this agreement and incorporated herein:

- Appendix A Scope of Work
- Appendix B Basis of Compensation

IN WITNESS WHEREOF, the parties have executed this Agreement on the 1st day of September 2014.

CONTRACTOR:

*APPRAISAL COMPANY OF ALASKA*

*CITY OF CORDOVA, ALASKA*

By: \_\_\_\_\_  
Michael C. Renfro  
Partner

By: \_\_\_\_\_  
Randy Robertson  
City Manager

## **APPENDIX A**

### **SCOPE OF WORK**

The Contractor shall:

1. Establish the full and true value of all taxable real property located within the City of Cordova to be assessed In the name of the person by whom it is owned on the first day of January, for the tax year of the contract.
2. Provide current assessments with new photographs and valuations for all new buildings constructed and assess all changes on existing properties.
3. Create and/or update in full detail as needed a property card for each parcel showing size, dimensions, construction materials, and other pertinent data as well as a minimum of one exterior photograph.
4. Provide updates to the assessment roll to the City Clerk's office no later than February 1, 2015.
5. Represent the City of Cordova at Board of Equalization hearings.
6. Conduct a sales ratio analysis (ratio between assessed values and sales prices) to determine the level of assessment.
7. Keep the City Administration informed of sales ratio analyses or other information which may cause the assessor to make changes to local assessments that would raise or lower assessments greater than 5% in any one year.
8. Be accessible to City of Cordova staff throughout the term of the contract for consultation.
9. After completion of the Board of Equalization hearings, assist the City Clerk in certifying the final assessment roll.
10. Title information and/or legal opinions, if required, will be furnished by the City of Cordova.
11. The assessor is to be allowed to remove the property record cards from the City for a period not to exceed 60 days for computations and any additional time to be at the discretion of the City.

## **APPENDIX B**

### **BASIS OF COMPENSATION**

#### Compensation and Terms of Payment

2015 revaluation

\$16,000

Contract assessor to also represent the City of Cordova at the annual Board of Equalization (BOE). The assessor's fee for representation at the BOE is included in the contract amount.

**CITY COUNCIL REGULAR MEETING  
AUGUST 06, 2014 @ 7:00 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Vice Mayor Dave Reggiani* called the Council Regular Meeting to order at 7:00 pm on August 06, 2014, in the Library Meeting Room.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

*Vice Mayor Dave Reggiani* led the audience in the Pledge of Allegiance.

**C. ROLL CALL**

Present for roll call were Council members *Kristin Carpenter, Bret Bradford, Tom Bailer* and *Dave Reggiani*. *Mayor Kacsh* and Council members *Tim Joyce, EJ Cheshier* and *James Burton* were absent. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

**D. APPROVAL OF REGULAR AGENDA**

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

Vote on main motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

**E. DISCLOSURES OF CONFLICTS OF INTEREST - none**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speaker - none

2. Audience comments regarding agenda items

*Clay Koplin* 100 Jensen Drive, spoke regarding agenda item 6 – the MOU between the City and CEC. He said it doesn't commit any cash or resources but it says that they will work together to develop a project that could be mutually beneficial to both entities. He said it helps them over these next few months as CEC applies for grants to do a pre-feasibility study – his board has committed \$100K toward that.

*Lisa Koker* of PO Box 459 in Cordova spoke representing *Paul Kelly* regarding Ordinance 1119 – he had 4 points to make. 1) CTC is a non-profit owned by members of the community and that is why they have always paid \$1/year for lease on ski hill; 2) CTC contributes tens of thousands of dollars each year to a vast list of recipients; 3) adding to the co-location fees would be detrimental to CTC; 4) CTC lease is entirely different than the for-profit competitors and that should be taken into account.

3. Chairpersons and Representatives of Boards and Commissions - **Harbor, HSB, Parks & Rec, P&Z, School Board**  
*Carpenter* reported that the City Manager and Providence and she have met recently and they are advertising for an administrator. They anticipate making a final decision by September 26. She met with *Sundby* and asked that Council start getting financials monthly even if the HSB only meets quarterly – he said ok and he may have the first 6 months of 2014 ready for them for the August 20 packet.

**School Board – Bradford** said *Barb Jewell*, School Board President was here tonight so she reported that they had interviewed four interim candidates and on Friday they hope to be making an offer and of those they interviewed all are able to come here quickly so they hope to have an interim superintendent in place before the start of school.

**G. APPROVAL OF CONSENT CALENDAR**

*Vice Mayor Dave Reggiani* informed Council that the consent calendar was before them.

*Bailer* asked to pull item 5 and *Reggiani* asked to pull item 6. Those were placed later in the agenda as items 18a and 18b respectively.

4. Ordinance 1120 An ordinance of the City Council of the City of Cordova, Alaska, waiving for good cause the failure of Irene Hansen to make timely application for a senior citizen property tax exemption for the 2014 tax year – 1<sup>st</sup> reading

~~5. Resolution 08-14-31 A resolution of the City Council of the City of Cordova, Alaska, authorizing City Manager Randy Robertson to enter into a sole source contract with Joanie Behrends as the Emergency Management Planner for the City of Cordova~~

~~6. Council approval of an MOU with Cordova Electric regarding Crater Lake~~

7. Record excused absences for Cheshier and Bradford from the July 16, 2014 Regular Meeting

Vote on Consent Calendar: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Bradford-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Consent Calendar was approved.

## H. APPROVAL OF MINUTES

*M/Bradford S/Bailer* to approve the Minutes.

8. Special Meeting Minutes 12-04-13

9. Special Meeting Minutes 01-23-14

10. Special Meeting Minutes 02-07-14

11. Regular Meeting Minutes 07-16-14

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

## I. CONSIDERATION OF BIDS

## J. REPORTS OF OFFICERS

12. Mayor's Report – *Mayor Kacsh* was not present so there was no report from the Mayor.

13. Manager's Report – *Robertson* said that chip sealing is completed for the year; they came in a little under budget and Council Avenue went well. He said they have begun the grading of the right of way beside the swimming pool and there is some drainage work that needs to be done there as well as some beautification. *Robertson* said there had been a phone meeting with *Volckers*, *Quick*, *Sherman* and himself where they discussed old things that need to be looked at regarding energy, lights, etc. *Robertson* passed out the first City newsletter which seems to have been received well. He thanked the authors, *Sherman* and *Cloward* for getting this going. *Carpenter* thanked staff for the chip-seal work on Council – said it was done well, the oil run-off was under control, using sorbents, etc. *Bailer* asked about the grading by the pool – asked if steps were going in there. *Robertson* said not at this time. *Reggiani* said he noticed that the Cordova Center roof appears black and he wondered if there was something being done about that. *Robertson* said he and *Rogers* have been looking into this there is a contractor in town, *Carlos Martin* who is coming up with a proposal.

### a. Finance department report concerning collections

Staff Second Quarter 2014 Reports to Council

a. **Buck Adams**, UBS Financial Services, City Investments

b. **Miriam Dunbar**, Library Director

c. **Laura Cloward**, Information Services

d. **Paul Trumblee**, CVFD, City Fire Marshal

e. **Samantha Greenwood**, City Planner

f. **Tony Schinella**, Harbormaster

g. **Rich Rogers**, Director of the Public Works Department

h. **Chief George Wintle**, Cordova Police Department

i. **Susan Herschleb**, Director of Parks and Recreation

j. **Jon Stavig**, Finance Director

14. City Clerk's Report - *Bourgeois* said she mentioned a couple of points from her written report: 1) did Council want to see the capital priorities resolution, it was slated for September 3? Council said they did want to see it then. 2) She mentioned a change to the agenda, she added Elected and Appointed Officials list to the Pending Agenda and calendar item. Council said it was a good idea; *Reggiani* had a suggestion that she delineate the chairs of the various Boards and Commissions on that list.

## K. CORRESPONDENCE

15. Email from Debbie Collins 07-16-14 in re Raw Fish Tax

16. Letter from CDFU 07-16-14 in re Raw Fish Tax

17. Letter from Bob Smith regarding Refuse Department suggestions

## L. ORDINANCES AND RESOLUTIONS

18. Ordinance 1119 An ordinance of the City Council of the City of Cordova, Alaska, authorizing a sublease for a 2,500 square foot portion of USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska, commonly identified as tripod hill, to Cordova Telephone Cooperative, Inc. – 1<sup>st</sup> reading

**M/Bradford S/Bailer** to adopt Ordinance 1119 an ordinance of the City Council of the City of Cordova, Alaska, authorizing a sublease for a 2,500 square foot portion of USS 1765 of Township 15 South, Range 3 West, Section 22, Copper River Meridian, Alaska, commonly identified as tripod hill, to Cordova Telephone Cooperative, Inc.

With no objection the meeting was recessed for three minutes so that **Bourgeois** could get City Attorney **Cortney Kitchen** on the teleconference line in case there were Council questions for her regarding this lease. The meeting was recessed at 7:23 pm and reconvened at 7:25 pm.

**Carpenter** wondered if Cortney had a report on this for Council. **Robertson** said she was available if Council had questions. Council had no questions.

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

18a. (5.) Resolution 08-14-31 A resolution of the City Council of the City of Cordova, Alaska, authorizing City Manager Randy Robertson to enter into a sole source contract with Joanie Behrends as the Emergency Management Planner for the City of Cordova

**M/Bailer S/Bradford** to approve Resolution 08-14-31 A resolution of the City Council of the City of Cordova, Alaska, authorizing City Manager Randy Robertson to enter into a sole source contract with Joanie Behrends as the Emergency Management Planner for the City of Cordova.

**Bailer** said he had pulled this because a couple of meetings ago when the mill rate was raised, Council said they were going to cut back on spending and here we are spending. **Bailer** said, is this a worthwhile project – yes, does she do a great job - yes. **Bailer** said he will vote for it but he wanted to pull it out and bring to everyone's attention that we need to be watching our budget. **Bradford** said he agreed with **Bailer**, he also will vote for this though. He said the beauty of this is that it is at least 50% of it is funded by the state.

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

## M. UNFINISHED BUSINESS - none

## N. NEW & MISCELLANEOUS BUSINESS

18b. (6.) Council approval of an MOU with Cordova Electric regarding Crater Lake

**Reggiani** said he pulled this not because he objects to it, in fact he 100% supports CEC's plan, he just wanted an opportunity to discuss it a little bit and ask some questions. **Reggiani** asked **Robertson** what kind of staff time the City would be devoting to this? **Robertson** said he sees negligible time, early on; maybe just meetings with Mr. **Rogers**. **Rogers** said that GV Jones (LT2 contractor) has six tasks outlined; one of which is to assist the City with this – i.e. the Crater Lake possibility for water supply. **Bradford** asked **Clay (Koplin)** to keep Council informed as budgeting is coming around for next year, if any resources will need to be dedicated to this come spring, etc. **Bradford** also asked if NVE had been approached. **Koplin** said CEC and NVE have signed a similar MOU as they have access to maybe some tribal funding for this.

**M/Bradford S/Bailer** to approve the MOU between the City of Cordova and CEC.

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

19. Discussion of possible November Special Election seeking Bond approval for Cordova Center

**Reggiani** introduced this item as it was an agenda item that he had requested be placed on the agenda. The last two resolutions that had been passed placing bonds on the ballots for elections were included in the packet as well as examples of how it's done. His idea is to put it in front of the voters sooner rather than later. He said that November would be good timing for a road bond as well because the State has awarded the Whitshed project which will begin next spring and if we have lead time on this we can piggy back with that project; a

regular March election will be too late. **Reggiani** said he wasn't ready to advocate for a certain dollar amount yet; he wanted a short discussion on this idea tonight and maybe follow it up with a resolution next time. **Bailer** said he was concerned with the amount owing on Phase 1 so he agrees with the sooner rather than later prospect of a special election in November. **Bradford** said he sees two problems with a November Special Election. He said if voters pass a bond for \$3-4 million for Cordova Center, then fundraising would be squashed. His other concern is that \$4 million for Cordova Center and then road improvements equal to \$3 – 4 million, payback on the mill rate to absorb that, effect on the mill rate would be pretty substantial. **Bailer** said he has heard that the City needs to ante up more for the Cordova Center and bonding would be our way to show that. **Carpenter** said she would also like to wait until March. She agreed that it would undermine the fundraising plus we would know a lot more by March regarding the settlement on Phase 1.

**20. Council concurrence of Mayor's appointments to the Parks and Rec Commission**

**M/Bradford S/Bailer** to concur with **Mayor Kacsh's** appointments of Miriam Dunbar and Wendy Ranney to the Parks and Recreation Commission to serve in seats that have terms that expire in November 2015.

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

**21. Cordova Center, June 2005, Energy and Life Cycle Cost Analysis draft report**

**Bailer** had asked for this to be on the agenda. **Robertson** and **Sherman** both mentioned that this was a 9 year old report which MRV was ensuring was being updated as we speak to get the most up-to-date values and using the most recent technologies, etc. **Bailer** opined that we should have an outside entity look this report over. He suggested a company out of Kenai. There was Council concurrence to have the manager contact this company at least to get a quote.

**22. Pending Agenda, Calendar, Elected & Appointed Officials lists**

**Bailer** asked for an agenda item discussion about the used waste oil burners; also entering budget time **Bailer** wanted to discuss the Facilities Manager position – if we could do away with that it could save the community a lot of money. **Reggiani** asked **Robertson** if the City was posting that position. **Robertson** said there was an applicant flying in tomorrow – it has been posted for 2 months. He hoped this person could have the skill set necessary to focus on the Cordova Center and we wouldn't have to hire a project manager.

**O. AUDIENCE PARTICIPATION - none**

**P. COUNCIL COMMENTS**

**16. Council Comments**

**Bradford** welcomed Chief Hicks to the team.

**Bailer** also welcomed Chief Hicks as a great addition; he saw the Project Manager position advertised in the newspaper but not on the web.

**Reggiani** also welcomed Hicks.

**M/Bradford S/Bailer** to recess the meeting before the executive session. With no objection the meeting was recessed from 8:17 pm until 8:25 pm.

**Q. EXECUTIVE SESSION**

**24. Performance deed of trust negotiation**

**M/Bradford S/Bailer** to go into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government, specifically, a performance deed of trust negotiation.

Vote on motion: 4 yeas, 0 nays, 3 absent (Joyce, Cheshier, Burton). Motion passes.

Council entered the executive session at 8:25 pm and reconvened the regular meeting at 8:36 pm.

**R. ADJOURNMENT**

**M/Bradford S/Bailer** to adjourn. Hearing no objections the meeting was adjourned at 8:37 pm.

Approved: August 20, 2014

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



## Cordova Center Progress Update

# Memo

**To:** Mayor & City Council  
**From:** Rich Rogers & Cathy Sherman  
**CC:** Randy Robertson  
**Date:** August 28, 2014 **Re:** Cordova Center Ph II Update – 03Sep Council Mtg

### SCHEDULE

- Capital Campaign 'Quiet' Phase July 17-September 19
- Capital Campaign 'Public' Kickoff Friday Sept 19<sup>th</sup> 5-7pm in the Cordova Center

### CONSTRUCTION

- 10-19Sep – Dawson Supt/PM/MRV onsite; slab mapping; thermal imaging; power wash
- Dawson – 7 mechanical submittals are under review (ventilator, humidifier, pumps, etc)
- Dawson – PM Jim Quick transitioning to PM Chris Gilberto
- MRV – ground source heat pump not recommended – no life cycle savings
- MRV – minor redesign for lower temperature coils in air handlers for future flexibility
- MRV – plans/specs available on FIP site; paper copies are posted at Library Meeting Rm
- MRV – with Trinity reviewing Cascadia 3 pane fiberglass window option

### BUDGET

- **Estimated balance as of 08-31-2014** +/- \$50,000
- The balances of the available grants are:
  - EVO SIC \$2,375,936.52
  - DCCED Legis Grant \$ 994,478.00
  - DCCED Legis Grant \$4,000,000.00
- Of the \$750,000 local & corporate goal, approx \$18,200 has been raised/pledged

### CAPITAL CAMPAIGN 'Get 'Er Done'

- **Quiet Campaign** involves asking lead donors to invest in the Campaign; includes asking Board members of Cordova Center partners to make a gift to the Campaign. This is in preparation for requests to Rasmuson Foundation and others who **require 100% Board giving**.
- Cordova Center Committee is monitoring the results of their efforts and plan to announce information about the Capital Campaign at the unveiling of the public portion of fundraising on **Friday, September 19<sup>th</sup> from 5-7 in the Cordova Center for a community event**.
- As a part of the Capital Campaign the Committee is beginning work on the storyboard for a brief **90 second to 2 minute documentary** on the project as a tool for potential funders.
- The Committee decided to move forward with an **invitation to the Museums Alaska and Alaska Historical Society Boards for a Fall 2015 Conference**.
- **M.J. Murdock Charitable Trust**. Continuing work for Letter of Intent and Proposal if invited. Focus is on Final design, construction and installation of Museum exhibits.

--- End of Memo ---



Richard and Kay Groff  
P.O. Box 911  
Cordova, AK 99574  
August 5, 2014

Randy Robertson, City Manager  
City of Cordova  
P.O. Box 1210  
Cordova, Alaska 99574

Dear Randy,

Dick and I wish to thank you, the City Council and staff for the recent newsletter, "Cordova Conversation", Summer - 2014. The coverage of Cordova's water supply, road improvements, Phase II of our long awaited Cordova Center and the many services provided for our community was extremely valuable.

Thanks to all, and we hope that "Cordova Conversation" will continue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kay A. Groff".

Kay A. Groff

August 26, 2014

Mayor Kacsh and the Cordova City Council,

I hereby resign my seat on the City Council of the City of Cordova for personal reasons. I believe it is in the best interest of the City that I vacate my seat immediately so it can be filled ASAP. I am out of town on an emergency and am unable to sign a letter just yet.

EJ Cheshier

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

---

DATE: August 21, 2014

TO: Mayor & City Council

SUBJECT: Resolution 09-14-34 CIP List/Resolution

---

Council has decided to revisit the Capital Improvements Projects Resolution and list at least quarterly. The most recent list was approved as Resolution 12-13-63 at the December 04, 2013 regular council meeting. The Draft Resolution 09-14-34 contains the list exactly as it was previously passed in December. At tonight's meeting, the listed priorities can be added to or reordered or some may be removed. Motions should be made to amend the resolution and then the passage of the resolution should be voted upon.

John Bitney will be present via teleconference to discuss the priorities as well as the ordering with Council.

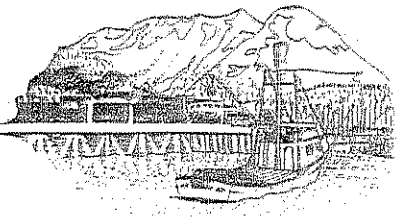
**Possible motion:** move to amend Resolution 09-14-34 by reordering the capital priorities as follows: 1.\_\_\_\_, 2.\_\_\_\_, 3.\_\_\_\_, etc.

**Required Action:** Majority voice vote.

**Recommended motion:** move to approve Resolution 09-14-34 a resolution of the City Council of the City of Cordova, Alaska designating Capital Improvement Projects, as amended.

**Required Action:** Majority voice vote.

# CITY OF CORDOVA



Mayor & Council:

28 August 2014

Attached please find an updated Capital Improvements Project list for the city and a draft resolution for your review. The roster is in no specific rank order.

Highlighted changes from this iteration and the one you reviewed in December 13 include outlining a project for the Electronic Health Records from CCMC and funding to complete the CT Scanner initiative; deletion of the Cordova Center as a CIP request; and slight refinements to the estimated costs for several of the listed projects.

Also attached is an information paper from Mr. Bitney related to the CIP and prospective legislative capabilities in FY15.

Respectfully,

  
Randy Robertson

## MEMORANDUM

August 27, 2014

TO: Randy Robertson, City Manager  
Susan Bourgeois, City Clerk  
FROM: John Bitney  
SUBJECT: CIP Update – Resolution 11-13-63

This memorandum is intended to provide information and recommendations in order assist the Mayor and City Council with updating the priority list of Capital Improvement Projects. The current list of priorities is established by Resolution 11-13-63, adopted on December 4, 2013.

### BACKGROUND

The priority list of Capital Improvement Projects is viewed by the Governor and the Legislature as funding requests for the State Capital Budget. It essentially becomes the “marching orders” for the City’s lobbying and advocacy efforts in Juneau.

Over the past two years, funding for completion of the Cordova Center has been the top priority. We requested \$7.7 million from the State to complete the project, and two legislative appropriations totaling \$5 million were received.

For the #2 priority – G Float Replacement – the City Manager and Harbormaster developed some cost estimates and basic design concepts in order to be readily available for a statewide general obligation bond package with ports and harbors. During the 2014 Legislative Session, a bond package was contemplated but did not materialize for policy and political reasons unrelated to the projects.

Primarily due to the large costs for the top two projects on the list, there have been minimal lobbying and advocacy efforts to pursue funding requests for the remaining items on the priority list.

### DISCUSSION

For the 2015 Legislative Session, the Capital Budget is expected to be significantly lower than last year. Nonetheless, large requests for funding from the Mat-Su Borough and the City of Anchorage for major transportation projects will garner attention. Also, the State’s potential ownership in a large-diameter natural gas pipeline in the next two years will impact fiscal policy decisions.

Political impacts on state fiscal policy and funding strategies will result from the November 4, 2014 General Election. Governor Parnell is facing a challenge from Bill Walker and Byron Mallott. Senator Gary Stevens is being challenged by Robert Henrichs, and we will have a new Representative to replace Alan Austerman.

## RECOMMENDATIONS FOR CONSIDERATION

The Mayor and City Council should consider how to proceed with any further state funding efforts towards the Cordova Center, and whether the project should remain on this list. Any further legislative appropriations for the project will be met with some resistance in light of the funding recently provided by the State.

To the extent this resolution constitutes a request for funding in the State Capital Budget, consideration should be moving up the next group of projects on the list. These projects can be summarized as improvements to the harbor and waterfront infrastructure.

In the face of declining State Capital dollars, pursuing funding for harbor improvements may be a more successful approach for the following reasons:

1. Improvements and repairs are visibly needed. G Float clearly needs to be fixed, and other floats are showing wear and tear.
2. Commercial fishing is the primary economic base of the community, and it provides jobs and revenue for the State. Having basic infrastructure in place to support this industry and the related benefits is necessary.
3. There are numerous requests for funding of ports and harbors by communities across the entire state. This creates an opportunity to part of a package of projects.

Another consideration is to identify this resolution as a priority list for the State Capital Budget. For example, the title could be “A Resolution of the City Council of the City of Cordova, Alaska, Designating Priority Projects for the State Capital Budget.” If the Cordova Center was removed or lowered on this priority list, it may negatively impact efforts to further raise funds from private foundations, benefactors, and other potential sources. Again, this list is traditionally viewed as the City’s priorities for State Capital Budget, and may be helpful to clearly state this in the resolution title and language.

## HARBOR FUNDING OPPORTUNITIES

If funding for the harbor becomes the top priority, it is reasonable to expect some state funding for repairs related to safety and operational problems. G Float appears is a prime example. In the event that a larger package of projects is put together (EG. state general obligation bonds), the project request should be expanded to include more extensive repairs.

Another funding source is the Harbor Facility Grant Program. Created in 2006, the program is a 50/50 matching grant for municipal harbors. This grant program is funded on an annual basis at the discretion of the Legislature. It consists of two tiers, Tier I and II. The first tier has priority and consists of major maintenance and repair of a harbor facility that was previously owned by the state and now is locally owned. The second tier consists of all other harbor facilities and those

harbor facilities which have already received a Tier I grant. A harbor facility may only receive one Tier I grant but is eligible for multiple Tier II grants. The next open application period for Harbor Facility grants is April of 2015.

Below is a web link to the program:

[http://dot.alaska.gov/stwddes/desports/harbor\\_grant.shtml](http://dot.alaska.gov/stwddes/desports/harbor_grant.shtml)

There are also potential federal dollars available through the Water Resources Reform and Development Act (WRRDA). WRRDA, among many other waterway transportation authorizations, sets up federal investment in “water resources infrastructure” improvements as recommended by the Chief of the Army Corps of Engineers to improve navigation and commerce. We would also need to work with our federal Congressional delegation regarding authorizations in the next WRRDA bill (expected to be introduced in the next Congress).

Below is a web link to the WRRDA bill from the last Congress. The document is lengthy, but the table of contents at the front provides a nice summary of the provisions in the bill:

<https://www.govtrack.us/congress/bills/113/hr3080/text>

## CONCLUSION

There are many needs, and limited dollars. Prioritizing this list is helpful towards establishing a goal and developing strategies.

Given the effort that has been put forth over the past two years for the Cordova Center, it may be time to pursue funding from the Governor and Legislature for new priorities. This is entirely a decision for the City of Cordova.

Since harbor improvements are the next priority items on the list, the City Manager has directed efforts to identify potential funds. These sources hopefully will aid in the discussion about prioritizing the list.

**CITY OF CORDOVA, ALASKA  
RESOLUTION 09-14-34**

**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. G Float Replacement
2. CCMC Technological Improvements
3. Municipal Dock (Ocean Dock) Renovation
4. Shipyard Building
5. Shipyard Fill
6. South Fill Sidewalks
7. South Fill Expansion & Sawmill Avenue Extension
8. Public Safety Building
9. Recreation Building
10. 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 3<sup>rd</sup> DAY OF SEPTEMBER, 2014**

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

ATTEST:

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



**G Float Replacement****\$4,000,000**

This 900' float is 30 years old and provides moorage for the largest vessels occupying the Cordova Harbor. This float also provides for the primary transient area in the harbor as well. This float was the original float constructed and installed approximately 2 years prior to the remainder of the New Harbor float system during the expansion of the early 80's. This float is constructed of wooden components and due to its age is beginning to fail at a rapidly increasing pace.

**CCMC Technological Improvements****\$1,250,000****(\$1M for EHR & \$250K for CT Scanner)**

CCMC Managements has secured or has committed nearly \$600K for the City's first CT Scanner, a tool that will dramatically change health care delivery in Cordova. The remaining \$250K will allow the project to move forward in the first half of CY15 without the City incurring additional debt. CCMC leadership and its Providence support team continue to review Electronic Health Records (EHR) criteria and possible contracting firms. Projections reflect approximately \$1M will be required to contract for the development, installation and support of a viable EHR system. Providence leadership has verbally raised the possibility of contributing up to \$100K for the project.

**Municipal Dock (Ocean Dock) Renovation****\$3,000,000**

Constructed in 1968, the only upgrade to this facility is the replacement of all fenders on the face of the dock in 1983. This project would include the replacement of all fenders, bull rail system and overhead lighting. All of these components are in dire need of an upgrade to allow the most efficient use of the facility by State ferries, barge traffic and commercial fishing vessels.

**Shipyard Building****\$3,523,280**

As part of the City if Cordova's CIP list, the project has been proposed to provide for vessel maintenance and repairs during times of poor weather and/or during the winter months. A maintenance building would provide a controlled environment allowing vessel owners to complete maintenance projects that require several months without the weather becoming a concern.

**Shipyard Fill****\$18,213,510**

This project has been proposed to provide for additional area to further improve the current working area of the marine travel lift facility. The current area is approximately 2.5 acres and is marginal in the space needed to provide for maintenance and storage of vessels as well as for a proposed building for vessel maintenance during poor weather and winter months.

**South Fill Sidewalks****\$110,000**

Sidewalk with rollover curb and gutter 7' x 1700' proposed project would increase safety in developing commercial district and essential harbor district.

**South Fill Expansion & Sawmill Avenue Extension****\$TBD**

Engineering and public facilitation currently underway to be complete by May 1, 2013

**Emergency Services/Public Safety Building** **\$25,000,000**  
Multi-use facility (DMV, Fire/EMS, Police and possibly state troopers)  
25,000 sf @ \$950-\$1400 per square foot.

**Recreation Building** **TBD**  
Currently use Bidarki Recreation Center (built in 1930s) and a swimming pool that is aging. Local support is strong and varied across local entities including Cordova School District which utilizes the pool.

**Ferry Trail** **TBD**  
Council supports improved transportation route from Alaska Marine Highway dock to harbor and business district. Partnership between City and Copper River Watershed Project to develop further.

**CITY OF CORDOVA, ALASKA  
RESOLUTION 09-14-35**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY OF CORDOVA TO ISSUE GENERAL OBLIGATION DEBT  
IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,000,000 TO FINANCE THE  
COMPLETION OF THE CORDOVA CENTER, AND TO SUBMIT THE QUESTION OF  
THE ISSUANCE OF SUCH DEBT TO THE QUALIFIED VOTERS OF THE CITY AT THE  
NOVEMBER 4, 2014 SPECIAL CITY ELECTION.**

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

**WHEREAS**, Section 6-1 of the Cordova City Charter authorizes the City to issue general obligation bonds or other such evidences of indebtedness, but only when authorized by the council for capital improvements and ratified by a majority of the qualified voters of the City; and

**WHEREAS**, the City Council authorized Resolution 08-11-36 pledging a firm monetary commitment sufficient to complete construction of the Cordova Center Project equal to any funding deficit; and

**WHEREAS**, the City Council authorized Substitute Resolution 07-14-27, a Cordova Center Phase II Budget which included anticipated revenues from a Capital Campaign (\$2,232,142) and from the City of Cordova (\$1,089,757); and

**WHEREAS**, additional funding will be necessary to complete the Cordova Center which include outstanding Phase I construction expenses, project administrative expenses, and anticipated additional funds needed to complete the Phase II project.

**NOW, THEREFORE, BE IT RESOLVED THAT**

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation bonded indebtedness in the amount not to exceed five million dollars (\$5,000,000) for the purpose of paying the cost of planning, design, and completion construction of the Cordova Center Building.

Section 2. The City is authorized to borrow the sum of five million dollars (\$5,000,000) to finance the capital project described in Section 1, and the borrowing shall be evidence by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

Section 3. The City shall submit the following proposition to the qualified voters of the City at the November 4, 2014 Special City Election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

**PROPOSITION NO. 1  
GENERAL OBLIGATION DEBT FOR THE COMPLETION OF  
THE CORDOVA CENTER PROJECT**

Shall the City of Cordova incur general obligation indebtedness in an amount not to exceed Five Million Dollars (\$5,000,000) to finance at a rate of X.X% to fund the City's pledged commitment to complete the construction of the Cordova Center Project.

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other bond propositions, and the following words shall be added as appropriate and next to a space provided for marking the ballot for voting by hand or machine:

**PROPOSITION NO. 1**

YES ☐  
NO ☐

Section 5. Sections 1 and 2 of this Resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the November 4, 2014 Special City election. The remaining sections of this Resolution shall become effective upon passage and approval.

**PASSED AND APPROVED THIS 3<sup>rd</sup> DAY OF SEPTEMBER, 2014**

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

ATTEST:

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

**CITY OF CORDOVA, ALASKA  
RESOLUTION 02-13-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY OF CORDOVA TO ISSUE GENERAL OBLIGATION  
DEBT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,081,500 TO FINANCE  
THE LT2 COMPLIANCE PROJECT, AND TO SUBMIT THE QUESTION OF THE  
ISSUANCE OF SUCH DEBT TO THE QUALIFIED VOTERS OF THE CITY AT THE  
MARCH 5, 2013 CITY ELECTION.**

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

**WHEREAS**, the Cordova City Charter authorizes the City to issue general obligation debt provided that such debt shall be authorized by the council and ratified by a majority of the qualified voters voting on the question; and

**WHEREAS**, the United States Environmental Protection Agency has mandated that all Public Water Systems that use water from surface sources take steps to comply with Long Term 2 (LT2) regulations meant to protect the public against the effects of the microorganism known as Cryptosporidium (the "Project"); and

**WHEREAS**, the State of Alaska Department of Environmental Conservation ("DEC") offers loans at favorable interest rates (currently 1.5%) for up to 20 years, for which the Project appears eligible; and

**WHEREAS**, DEC has offered the City a grant of \$3,775,000 to finance part of the cost of the Project, if the City provides \$1,617,857 in matching funds for the Project, and the City may obtain a loan in the amount of \$1,081,500 to provide those matching funds through the issuance of general obligation debt; and

**WHEREAS**, it is necessary and in the best interest of the City and its residents that the City authorize the issuance of general obligation debt for the purposes described in this Resolution.

**NOW, THEREFORE, BE IT RESOLVED THAT**

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation indebtedness in the amount not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) for the purpose of financing the acquisition and construction of the Project.

Section 2. The City is authorized to borrow the sum of not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation debt of

the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the debt.

Section 3. The City shall submit the following proposition to the qualified voters of the City at the March 5, 2013 regular City election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 3  
GENERAL OBLIGATION DEBT FOR THE FEDERALLY MANDATED  
LT2 COMPLIANCE PROJECT

Shall the City of Cordova incur general obligation indebtedness in an amount not to exceed One Million Eighty One Thousand Five Hundred Dollars (\$1,081,500) to finance at a rate of 1.5% the acquisition and construction of the Water Division Upgrade Project to comply with the requirements of the federally mandated LT2 rule?

The debt shall be secured by a pledge of the full faith and credit of the City.

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other bond propositions, and the following words shall be added as appropriate and next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 3

Yes ☐  
No ☐

Section 5. Sections 1 and 2 of this Resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the March 5, 2013 regular City election. The remaining sections of this Resolution shall become effective upon passage and approval.

**PASSED AND APPROVED THIS 8<sup>th</sup> DAY OF FEBRUARY, 2013**



  
James Kallander, Mayor

ATTEST:

  
Susan Bourgeois, City Clerk



**CITY OF CORDOVA, ALASKA  
RESOLUTION 09-14-36**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY OF CORDOVA TO ISSUE GENERAL OBLIGATION BONDS  
IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,000,000 TO FINANCE THE  
CITY STREET IMPROVEMENTS AND TO SUBMIT THE QUESTION OF THE  
ISSUANCE OF SUCH DEBT TO THE QUALIFIED VOTERS OF THE CITY AT THE  
NOVEMBER 4, 2014 SPECIAL CITY ELECTION.**

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

**WHEREAS**, Section 6-1 of the Cordova City Charter authorizes the City to issue general obligation bonds or other such evidences of indebtedness, but only when authorized by the council for capital improvements and ratified by a majority of the qualified voters of the City; and

**WHEREAS**, the Cordova Planning and Zoning Commission authorized Resolution 13-10 recommending a capital improvement list to the City Council which included one million dollars (\$1,000,000) for Street Repair and Improvements/Paving as one of the Commission’s top priorities; and

**WHEREAS**, the State of Alaska Department of Transportation’s Whitshed Road Improvement Project is scheduled to be completed during the 2015 construction season providing an opportunity for the City to coordinating street/road improvements with the state.

**NOW, THEREFORE, BE IT RESOLVED THAT**

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation bonded indebtedness in the amount not to exceed two million dollars (\$2,000,000) for the purpose of paying the cost of planning, design, and completion of the City Streets Improvement Project.

Section 2. The City is authorized to borrow the sum of two million dollars (\$2,000,000) to finance the capital project described in Section 1, and the borrowing shall be evidence by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

Section 3. The City shall submit the following proposition to the qualified voters of the City at the November 4, 2014 Special City Election. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

PROPOSITION NO. 2  
GENERAL OBLIGATION DEBT FOR THE CORDOVA CITY  
STREETS IMPROVEMENT PROJECT

Shall the City of Cordova incur general obligation indebtedness in an amount not to exceed Two Million Dollars (\$2,000,000) to finance at a rate of X.X% to fund the cost of planning, design, and completion of the City Streets Improvement Project.

Section 4. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other bond propositions, and the following words shall be added as appropriate and next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. 2

YES ☐  
NO ☐

Section 5. Sections 1 and 2 of this Resolution shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the November 4, 2014 Special City election. The remaining sections of this Resolution shall become effective upon passage and approval.

**PASSED AND APPROVED THIS 3<sup>rd</sup> DAY OF SEPTEMBER, 2014**

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

ATTEST:

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



# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 8/13/2014  
**Re:** Land Disposal for Lot 2, Block 7, North Fill Development Park

## **PART I – GENERAL INFORMATION**

Requested Action: Disposal of Land Disposal for Lot 2, Block 7, North Fill Development Park by requesting sealed proposals to lease or purchase the property  
Lot, Block, Survey: Lot 2, Block 7, North Fill Development Park  
Lot Size: 11,534 sq. ft.  
Parcel Number: 02-060-136  
Zoning: Waterfront Industrial  
Location Map: Attachment A: Location Map

## **PART II – BACKGROUND**

Mobile Grid Trailers, Inc. has been leasing this lot since 2003. Prior to the most recent lease term, City Council expressed an interest in putting this lot out for proposals. The last lease term, set to expire October 20, 2014, was for a period of 18 months in order to give Mobile Grid enough time to plan for the anticipated disposal process.

The Planning Commission met on August 12, 2014 to discuss a recommendation to City Council on the disposal of Lot 2, Block 7, North Fill Development Park.

The following motion occurred:

**M/McGann S/ Pegau** “I move to recommend to City Council Lot 2, Block 7, North Fill Development Park by requesting sealed proposals to lease or purchase the property”

Upon voice vote, motion passed 5-0.

**Yea: Greenwood, McGann, Baenen, Roemhildt, Pegau**

**Nay: None**

**Absent: Reggiani**

**Conflict of Interest: Bailer**

## **PART III – APPLICABLE CRITERIA**

5.22.060 DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.

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

- 1. Negotiate an agreement with the person who applied 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.*

#### **PART IV – STAFF RECOMMENDATION**

Staff recommend disposing Lot 2, Block 7, North Fill Development Park by requesting sealed proposals to lease or purchase the property.

#### **PART V – SUGGESTED MOTION**

“I move to dispose of Lot 2, Block 7, North Fill Development Park by requesting sealed proposals to lease or purchase the property.”

Attachment A



DATE: August 12, 2014

TO: Mayor and City Council

SUBJECT: Parks & Recreation Commission Appointments

to the Parks and Recreation Commission of the following:  
[REDACTED] to a seat to expire November 2014

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**Date: August 11, 2014**

**To: City of Cordova  
Mayor's Office  
Attn: Jim Kacsh  
PO Box 1210  
Cordova, AK 99574**

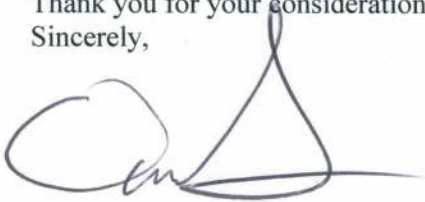
**RE: Letter of Interest  
for Placement on the Cordova  
Parks and Recreation Commission**

Dear Mayor Kacsh;

I am writing you to express my interest to be a member of the Cordova Parks and Recreation Commission. I believe my education and experience in this area make me well suited for this post. I have a degree in Parks and Recreation, currently the Recreation Planner for the US Forest Service on the Cordova Ranger District and spent the past 28 years working with government organizations and private contractors providing developed recreation program planning, operations and leadership. I have trained and supervised backcountry crews, managed developed recreation and trails programs and responsible for the planning and budgeting of developed recreation operations. In recent years I have developed several partnerships and established recreation project agreements with organizations such as the Student Conservation Association, Southeast Alaska Guidance Association, Native Village Eyak and Copper River Watershed Project.

I feel the Parks and Recreation Commission is a great opportunity for me to give to my community and I am excited about the future possibilities for public recreation opportunities in Cordova.

Thank you for your consideration.  
Sincerely,

A handwritten signature in dark ink, appearing to read 'David A. Zastrow', with a large, stylized loop at the end.

David A. Zastrow  
(907) 424-5300  
(907) 429-4754  
dzastrowak@gmail.com



At the Council's 6 August session, a request for information related employment of the city's two (2) used oil burners (hereinafter "UOB") was made. Since then, extensive discussions and meetings were conducted with Mr. Howard, Mr. Rogers, Mr. Bolin (mechanic), Mr. Fajardo, Mr. Schinella, Mr. Niles (school) and others. Contrary to possible impressions or perceptions, this review suggests the city's UOB operations have and are enjoying relatively good success, both functionally and financially. In the case of the City Garage's UOB, the data reflects slightly better operational attainment, while activities at the waste water treatment plant (WWTP) are not as favorable, but possibly due to environmental, personnel and other factors. Further discussion is provided below:

**RELEVANT FACTORS:**

- a. UOB's purchase prices vary widely depending on size, output, efficiencies, manufacturers, etc. +/- \$14k, (minus shipping and installation) seems to be an average for the size and capability we desire;
- b. The most crucial element to the success or failure of effective UOB use is the quality of the used oil burned;
- c. Warmed oil flows better. . . . an interior tank is more effective in this climate;
- d. For purposes of this review fuel costs were figured at \$4.50 per gallon;
- e. Trained and dedicated maintenance personnel (or at least partially) are essential to optimal UOB potential;
- f. Approximately 20 months ago, the city lost its' only partially dedicated staff member (Mr. Rick Johnson) who maintained UOB's. This position was converted to the City/Cordova Center project manager; and
- g. Responsibilities to maintain UOB's have been doled out to others without the same training and skills of the prior incumbent. These staff members address UOB maintenance as time, conditions and capabilities permit.

**HARBOR USED OIL COLLECTION PROGRAM:** The harbor has four (4) primary collection tanks, with approximately 35k total capacity. Used fuels can come from thousands of potential collection sources: homes, cars, boats, equipment, businesses, etc. While signage at the collection sites specify the quality of oil to be recycled, Mr. Schinella advises antifreeze, water, hazardous liquids, ball bearings, metal shavings, etc. all find their way into the holding tanks. Although screened, the oil sits outside, exposed to the weather. Further screening along the distribution process occurs, but is incapable of eliminating a less than optimal blend derived from mixing oil, non-oil and synthetic products. The attached pictures document the often inferior quality of the used oil in the harbor's recycling program.

**GARAGE UOB:** The UOB at the City Garage has been in place since 2005. The unit is not sized to heat the existing bay structure that was finished in a 2006 renovation, resulting a poorly heated facility. Sufficient room exists for an interior settling tank. Mr. Howard's figures and facts are for a two year period:

- 1. The heating season is approximately 6 months of the year. The large overhead doors are usually open throughout the day, making it challenging to sustain and hold warm air;
- 2. During those six months, the UOB ran 24 hours a day, 7 days a week;

3. Daily fuel consumption during the 6 months was approximately 50 gallons (weather/temperature dependent);
4. Estimated fuel consumption for the two years was +/- 18k gallons;
5. @ \$4.50 per gallon the possible fuel charge for this period could have been \$81k; and
6. In the last two years the garage has spent approximately \$7.3k in fuel cost; equating to over 90% consumption of used oil annually.

By any measure, Mr. Howard and his team have been prudent stewards of the city's coffers as it relates to heating with used oil. The \$7.3k spent was for fresh, burnable petroleum to mix with used oil from the harbor's recycling program. As reflected above, possibly the most important element in successfully operating UOB's is the quality of the used oil to be burned. However, an unmeasurable factor is the time staff, specifically Mr. Bolin, the city's only mechanic, spends maintaining the garage's UOB. Mr. Howard estimates generally 6 to 8 hours per week goes into this effort during the heating season, largely depending on the quality of the used oil received.

**WWTP:** The UOB at the waste water site was acquired in 2006. Key to operating in a "best use" mode was a trailer-based "settlement" tank that was pulled inside to warm and settle the used oil to be burnt, however, that tank was sold approximately 4 years ago. Current operating procedures have used oil imported directly from the harbor's collection point to the WWTP's outside tank. Other operational factors include:

- a. The WWTP utilizes its' UOB 365 days a year, 24 hours a day. The UOB operates round-the-clock from the need to use hot water that automatically cleans waste water screens throughout the day;
- b. Average consumption of the WWTP UOB is approximately 50 gallons per day; roughly 18k gallons per year;
- c. In CY13, approximately 3,200 gallons of fuel was purchased, which, at \$4.50 per gallon is \$14.4k;
- d. Approximately 14.8k gallons of used oil was consumed in CY13; or roughly 82% of the fuel consumed at the WWTP;
- e. Mr. Fajardo estimates it takes approximately 10 hours of staff time/effort to maintain the WWTP's UOB;
- f. UOB usage appears to be improving with only 50 gallons of new fuel purchased in the last 4 months of 2014.

While the WWTP has not had the same level of success in burning used oil as the Garage, the staff does not have the same level of mechanical training/skills, their focus has to be on treating waste water and the production of fresh water, and they have been consistently short one or more team members for most of the year. Again, a qualified, trained staffer performing duties comparable to what Mr. Johnson did would have a direct, positive impact on operational efforts and the time involved.

**HIGH SCHOOL:** Although the HS is operated by the Cordova School Board, for comparative purposes I did speak with Mr. Jared Niles regarding their UOB program. Mr. Niles indicated he has seen a good reduction in fuel purchased at the HS since their UOB went into action. He did not have data reflecting consumption rates or maintenance, but he did estimate they conduct between 8 to 10 hours bi-weekly maintaining their equipment. He also noted they send their burner to the manufacturer annually for a complete overhaul. He did not have the costs associated with that effort. His goal is to identify a reliable source for their used oil to reduce both time and additional fuel costs.

**OBSERVATIONS/RECOMMENDATIONS:**

- a. While there is room for improvement, the UOB programs at the City Garage and WWTP are successful;
- b. Improvements can best come through controlling the source of the used oil to be burned and/or having trained personnel for maintenance;
- c. Council will determine whether the city's UOB capabilities will be expanded within the budgetary process.

Most Respectfully,

R. Robertson



**What the state allows as an optional exemption regarding “residential property”:**

**Alaska State Statute**

**Part 6 – Property Tax Laws – Alaska Statute 29.45**

**Chapter 45. Municipal Taxation.**

**1. Municipal Property Tax (§§ 29.45.010 – 29.45.250)**

**Sec. 29.45.050. Optional exemptions and exclusions.**

(a) A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this subsection may be applied with respect to taxes levied in a service area to fund the special services. An exclusion or exemption authorized by this subsection may not exceed the assessed value of \$50,000 for any one residence except that a municipality may, by ordinance, annually adjust their voter-authorized exemption by the amount calculated by the State Assessor to reflect the increase, if any, in the annual average cost of living, using the U.S. Department of Labor CPI-U for Anchorage.

**Some Boroughs and/or Municipalities that have adopted this optional exemption and how their Code reads regarding that:**

**1) North Slope Borough**

**§ 3.25.070 ADDITIONAL TAX EXEMPTIONS.**

- (A) The following real property tax exemptions, which are optional under state law, have been established in accordance with AS 29.45.050:
- (1) The first \$20,000 or the maximum allowed by state law, whichever is greater, of the valuation of owner-occupied single-family dwellings.

**2) Fairbanks North Star Borough**

**3.08.020 Real property exempted from taxation.**

The following property is exempt from general taxation:

I. As permitted by AS 29.45, residential property to the extent of 20 percent of the assessed value with a maximum of \$20,000 for areawide and nonareawide assessments and a maximum of \$10,000 for service area assessments, provided that:

1. The [property](#) is owned and occupied as a residence by the owner of record;
2. There is no [property](#) tax, penalty or interest owing at the time of application or on April 1st of each successive tax year after initial application;
3. The owner of record shall sign a [real property](#) tax exemption statement which is part of the assessment notice and file it with the [borough](#) assessor prior to April 1st of the tax year. The owner of record need not file such a statement for successive tax years if there is no change in ownership and no change in occupation as a residence by the owner of record;

### **3) City of Valdez**

#### Chapter 3.12 PROPERTY TAXES

##### **3.12.040 Additional exemptions.**

Thirty percent of the assessed value, up to a maximum of twenty thousand dollars, of a principal residence owned and occupied by the taxpayer is exempt from taxation. Property tax exemptions shall be governed by AS [29.45.050](#), as of January 1, 2007, or as may be hereafter amended. (Ord. 07-01 § 1: prior code § 25-2.2)

### **4) Kenai Peninsula Borough**

#### **CHAPTER 5.12. REAL PROPERTY AND PERSONAL PROPERTY TAXES**

##### **5.12.115. Real property tax—Exemptions—Residential real property.**

A. The first \$50,000 of assessed valuation of a single parcel of residential real property owned and occupied by the owner of record as the owner's permanent place of residence in the borough, shall be exempt from the borough tax levy on real property within the Kenai Peninsula Borough.

The assessor may presume that the property has not been occupied as the owner of record's primary residence and permanent place of abode, if the owner of record occupied it for less than 185 days during the previous year. If the current owner of record can provide the assessor with satisfactory evidence that the lack of occupancy was for medical reasons, the exemption may be granted.

B. No exemption under this section may be granted except upon written application on a form prescribed by the assessor. The owner of record must file the application for this exemption with the assessor no later than January 15th of the assessment year for which the exemption is sought. The owner of record shall not be required to file an updated application for successive years unless there is a change in ownership or occupancy of the residence.

## 5) Bristol Bay Borough

### Chapter 3.08

#### PROPERTY TAX--GENERAL PROVISIONS--ASSESSMENT

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##### 3.08.010 Definitions.

D. **"Residential real property"** is a dwelling place, an abode, a house, a place of residence, or that percentage of the total square feet used as a residence by the owner. (Ord. 75-2 §3, 1975; Ord. 1 §3, 1963).

##### 3.08.100 Exemptions--Residential real property.

**Residential real property** personally occupied by the owner for a period of one year continuously is exempt in an amount not to exceed twenty thousand dollars of the assessed value of the residential real property provided the owner is in good standing with the borough. Residents may not be absent from the borough for more than ninety consecutive days, except for medical illness, military service, college or trade school, to qualify for this exemption. If residency is questioned by the borough, residents will be required to show proof. (Ord. 2008-09 (part), 2009: Ord. 2005-12, 2005: Ord. 75-2 §2, 1975: Ord. 1 §2(d), 1963).

##### 3.08.010 Definitions.

D. **"Residential real property"** is a dwelling place, an abode, a house, a place of residence, or that percentage of the total square feet used as a residence by the owner. (Ord. 75-2 §3, 1975; Ord. 1 §3, 1963).

## 6) Municipality of Anchorage

### Chapter 12.15 REAL PROPERTY TAXATION

#### 12.15.015 Real property exemptions.

##### E. *Municipal exemptions.*

1. *Residential real property exemption.* Ten percent of the assessed value of residential real property, up to a maximum of \$20,000.00 of assessed value, shall be exempt from property taxation if:

- a. Upon initial application, the eligible applicant must have been a resident of the State of Alaska for the entire year prior to the exemption year; and
- b. The property has been owned and occupied as the primary residence and permanent place of abode of an eligible applicant for at least 185 days in the year prior to January 1 of the exemption year.
- c. In each subsequent year, the property shall be owned and occupied as the primary residence and permanent place of abode of the eligible applicant for at least 185 days in the year prior to January 1 of the exemption year.

- d. The residential real property exemption may be combined, in whole or in part, with an exemption provided in subsection 12.15.015 D. above.
- e. An owner-occupied unit in a multi-family housing structure is eligible for the exemption as long as the structure is used as the eligible applicant's primary residence and permanent place of abode for at least 185 days in the year prior to January 1 of the exemption year.
- f. Only the owner of record shall file the application for an exemption under this section.
- g. An appeal of a decision by the assessor to deny a residential real property exemption is not subject to administrative review. An appeal from denial of a residential real property exemption shall be filed with the Superior Court, Third Judicial District, Alaska.
  - i. Only the owner of record may appeal an exemption denial under this subsection; and
  - ii. An appeal must be filed within 30 days of receipt of written notice from the assessor of such denial.
- h. The deadline for filing an application for the residential real property exemption shall be strictly enforced and cannot be waived.

**What would codifying a “homeowners exemption” mean to Cordova?**

**Rough estimate in 2014 – property tax revenues would be down by \$300K  
i.e. property taxes would be \$1,829,121**

**Cordova Municipal Code:**

**5.36.037 Economic development property exemptions.**

A. The assessed value of property used for economic development, as defined in this section, may be exempt from city property taxes, under the conditions listed in this section.

B. "Property used for economic development," as used in this section, means that part of real or personal property, as determined by the city assessor, that:

1. Has not previously been taxed as real or personal property by the city;
2. Is used in a trade or business that is not already in existence within the city and such use will:
  - a. Create employment in the city; and
  - b. Generate sales outside of the city of goods or services produced in the city; or
  - c. Materially reduce the importation of goods or services from outside the city.
3. Has not been used in the same trade or business in another municipality in at least six months before the application for deferral or exemption is filed; this paragraph does not apply if the property was used in the same trade or business in an area that has been annexed to the municipality within six months before the application for deferral or exemption is filed and this paragraph does not apply to inventories.

C. The exemption shall be for up to one hundred percent of the assessed value of the property, for up to five consecutive years at the discretion of the city council. The city may also defer payment of taxes for up to five years on property used for economic development. Tax payments shall become due as specified by the city at the time the deferral is granted.

D. In order to qualify for this exemption, an applicant must file, with the city assessor, a written application for the exemption no later than January 15 of each assessment year for which the exemption is sought. The application shall be on a form prescribed by the city assessor, and shall include all information determined to be necessary by the assessor to determine eligibility of the property for the exemption. If the applicant fails or refuses to provide information required or requested by the assessor, within the time period set by the assessor, the exemption shall be denied. The assessor may make an independent investigation of the application or property in making a determination under this section. The assessor shall notify the applicant, in writing, of the assessor's determination on the application for exemption.

E. After the assessor determines that the applicant is eligible for a tax exemption and/or deferral and the application is complete, the assessor shall submit a copy of the application to the city clerk with a written recommendation to be submitted to the city council. No tax exemption or deferral under this section shall be granted by the city council prior to a public hearing thereon. The city clerk shall notify the applicant of the public hearing.

F. An applicant delinquent in the registration for, filing of a return, or payment of, any city property or sales tax, city special assessment, or city utility bill may not be granted an exemption and/or deferral under this section.

G. Any entity requesting a tax exemption or deferral pursuant to this section shall pay to the city an initial application fee of three hundred dollars, which shall be submitted at the same time the application form under subsection (D) is submitted. In addition, any entity that has been granted a tax exemption or deferral under this section shall pay an annual review fee in the amount of one hundred fifty dollars at a date specified by the city assessor.

H. All property receiving a tax exemption or deferral under this section shall be annually assessed by the city assessor in the same manner as if it were not exempt. Any tax exemption or deferral granted under this section shall be subject to annual review by the city assessor to ensure that the ownership and use of the property and any other qualifying criteria for the tax exemption or deferral continue to exist. Information justifying the continued exemption or deferral shall be submitted annually to the city assessor at the same time the review fee required under subsection (G) of this section is due. If the city assessor determines that the property no longer qualifies for an exemption or deferral under this section, the assessor's determination may be reversed by a majority vote of the city council.

I. An entity may request a construction deferral under this section if the entity is in the process of developing or building property used for economic development but has not yet completed construction on such property. In addition to the application required under subsection (D) of this section, an entity seeking a construction deferral must also submit a development plan to be approved by the city assessor. Upon construction of the economic development property satisfactory to the city, the city may change deferral under this subsection into an exemption which shall not exceed the remainder of the five-year period from the date the deferral was approved. If economic development property is not developed or created within the time specified in the application, the city may immediately terminate the deferral and take any other action permitted by law including, but not limited to, collecting all property taxes accrued on the property during the construction deferral, collecting penalties and interest on the taxes owed from the date such taxes would have been due if no deferral had been granted, and attach a tax lien to the property.

J. Upon the failure of any entity to fully and timely pay the taxes due as may be required by any city ordinance, or to provide reports or other information requested by the city assessor and reasonably necessary for the implementation of this section, the city assessor shall immediately revoke and not renew any exemptions or deferrals under this section to which such entity would otherwise be entitled and shall require immediate payment of the pro-rata share of taxes thereby due for any portion of the year remaining and any previously deferred taxes.

K. The city council reserves the right to grant or not to grant a tax exemption or deferral under circumstances beyond the scope of this section or to waive any other requirement not mandated by state law. However, no such action or waiver shall be taken or made except upon a finding by the city council that an extraordinary circumstance or emergency exists, and that such action or waiver is found and declared to be in the vital public interest.

L. As of the date of any change in majority ownership, sale, or substantive change in use of any property subject to a tax exemption or deferral under this section, the city shall revoke such tax exemption or deferral and require immediate payment of the property taxes thereby due. Any property owner who fails to notify the city assessor of any such change in ownership, use, or sale by the date of such change in ownership, use, or sale shall be subject to a fine of not more than three hundred dollars per day for each day thereafter.

M. An applicant's completion of the application process for tax exemption or deferral shall not give rise to any right or claim against the city for its failure to grant the exemption or deferral. The grant or denial of a tax exemption or deferral application under this section is a discretionary act by the city.

*(Ord. No. 1053, § 3, 9-2-2009)*

## **Alaska Statutes:**

### **Sec. 29.45.050. Optional exemptions and exclusions.**

(m) A municipality may by ordinance partially or totally exempt all or some types of economic development property from taxation for up to five years. The municipality may provide for renewal of the exemption under conditions established in the ordinance. However, under a renewal, a municipality that is a school district may only exempt all or a portion of the amount of taxes that exceeds the amount levied on other property for the school district. A municipality may by ordinance permit deferral of payment of taxes on all or some types of economic development property for up to five years. The municipality may provide for renewal of the deferral under conditions established in the ordinance. A municipality may adopt an ordinance under this subsection only if, before it is adopted, copies of the proposed ordinance made available at a public hearing on it contain written notice that the ordinance, if adopted, may be repealed by the voters through referendum. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. In this subsection "economic development property" means real or personal property, including developed property conveyed under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act), that

(1) has not previously been taxed as real or personal property by the municipality;

(2) is used in a trade or business in a way that

(A) creates employment in the municipality;

(B) generates sales outside of the municipality of goods or services produced in the municipality; or

(C) materially reduces the importation of goods or services from outside the municipality; and

(3) has not been used in the same trade or business in another municipality for at least six months before the application for deferral or exemption is filed; this paragraph does not apply if the property was used in the same trade or business in an area that has been annexed to the municipality within six months before the application for deferral or exemption is filed; this paragraph does not apply to inventories.



**CITY OF CORDOVA, ALASKA  
ORDINANCE 1053**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA,  
ALASKA, AMENDING CHAPTER 5.36 OF THE CORDOVA MUNICIPAL CODE  
TO TRANSFER EXISTING PROPERTY TAX EXEMPTIONS FROM SECTION  
5.36.030 OF THE CODE TO SECTION 5.36.035 AND TO CREATE SECTION  
5.36.037 ADDING AN EXEMPTION FOR ECONOMIC DEVELOPMENT  
PROPERTY TO THE CORDOVA MUNICIPAL CODE**

**WHEREAS**, private economic growth, the addition of new jobs within the community, and enhancing the economic opportunities of the community are important current and long-term objectives of the community; and

**WHEREAS**, the granting of property tax exemptions is one of the tools available under state law to secure these public objectives; and

**WHEREAS**, granting a property tax exemption that encourages economic development is in the City's best interest;

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

Section 1. Cordova Municipal Code 5.36.030 Applicability of Provisions is amended to read as follows:

**5.36.030 Applicability of Provisions**

A. All real property in the city is subject to taxation, except real property exempt under the constitution of the state, the applicable laws of the state, including all properties listed in AS 29.45.030, the City Charter or the ordinances of the city.

~~B. The real property owned and occupied as the primary residence and permanent place of abode by a: (1) resident sixty-five years of age or older; (2) disabled veteran; or (3) resident at least sixty years old who is the widow or widower of a person who qualified for an exemption under subsection (B)(1) or (2) of this section, is exempt from taxation on the first one hundred fifty thousand dollars of the assessed value of the real property. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560-44.62.570.~~

~~C. To be eligible for an exemption under subsection B of this section for a year, the individual applying for an exemption must also meet requirements under one of the following:~~

**DELETED LANGUAGE IS STRICKEN OUT, ADDED LANGUAGE IS IN BOLD  
AND UNDERLINED**

~~1. The individual shall be eligible for a permanent fund dividend under AS 43.23.005 for that same year or for the immediately preceding year; or~~

~~2. If the individual has not applied or does not apply for one or both of the permanent fund dividends, the individual would have been eligible for one of the permanent fund dividends identified in subsection (C)(1) of this section had the individual applied.~~

~~D. An exemption may not be granted under subsection B of this section, except upon written application for the exemption on a form approved by the state assessor for use by local assessors. A separate application must be filed no later than January 15 of each assessment year for which the exemption is sought. The city council, for good cause shown, may authorize the assessor to accept as timely filed an application filed after January 15 and before May 1 of the assessment year for which the exemption is sought. An application received after May 1 will be accepted as an application for the following assessment year. If the application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under subsection B of this section and shall require a disabled veteran claiming an exemption under subsection B of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time:~~

~~1. The property shall not qualify for an exemption if there is property tax, penalty or interest owing at the time of application;~~

~~2. If property is occupied by a person other than the eligible applicant and his/her spouse and minor children, an exemption applies only to the portion of the property permanently occupied by the eligible applicant and his/her spouse and minor children as a permanent place of abode;~~

~~3. It shall be the responsibility of every person who obtains an exemption under this section to notify the assessor of any change in ownership, residency, permanent place of abode or status of disability. A disabled veteran who has less than a permanent disability must submit an official disability percentage letter each year prior to January 15 showing a fifty percent or greater disability.~~

~~E. In this section:~~

~~1. "Disabled veteran" means a disabled person:~~

~~a. Separated from the military service of the United States under a condition that is not dishonorable, who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as fifty percent or more by the branch of service in which that person served or by the veterans' administration; or~~

~~b. Who served in the Alaska territorial guard, who is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska territorial guard, and whose disability has been rated as fifty percent or more;~~

~~2. "Own and occupy" means:~~

~~a. Possession of an interest in real property, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the assessor, and~~

~~b. Living on that real property as one's primary residence;~~

**DELETED LANGUAGE IS STRICKEN OUT, ADDED LANGUAGE IS IN BOLD  
AND UNDERLINED**

3. ~~"Permanent place of abode" means a dwelling in which the person resides at least one hundred eighty-five days in the year prior to the exemption year and when absent, the dwelling is not leased or rented to another. This includes, but is not limited to, a mobile home or condominium and includes lots or outbuildings, or an appropriate portion thereof, which is necessary to convenient use of the dwelling unit;~~

4. ~~"Resident" means an applicant who has a fixed habitation in the state of Alaska for at least one hundred eighty-five days per calendar year, and, when absent, intends to return to the state of Alaska;~~

5. ~~"Senior citizen" means one who is sixty-five years of age or older before January 1st of the exemption year.~~

F. ~~When any real property exempt from taxation is leased, loaned or otherwise made available to or used by a private person, such person's interest shall be taxable. Taxes shall be assessed to such person and collected in the same manner as taxes assessed to owners of real property, except that taxes assessed shall be a lien only on the interest of such person in the property. When due, taxes so assessed shall constitute a debt due from such person to the city, and shall be recoverable by an action against such person. This remedy is available as an alternative to or as additional to the remedy of foreclosure of the interest of the person in the property.~~

G. ~~Temporary Exemption from Taxation of Certain Increases in Assessed Value of Improvements.~~

1. ~~There is an exemption from taxation for the increase of assessed value that is directly attributable to landscaping, or new exterior maintenance or repair of an existing structure, and if the landscaping, exterior maintenance or repair, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for landscaping as a consequence of construction activities. An exemption under this subsection continues for three years commencing with the year in which the exemption is approved by the assessor.~~

2. ~~An application for exemption under this subsection shall be filed with the assessor no later than March 1st of the year immediately following the year in which the landscaping, or exterior maintenance or repair of an existing structure, that is the subject of the application in whole or in part, may be appealed to the board of equalization, as provided in Section 5.36.130 of this chapter.~~

3. ~~An exemption granted under this subsection expires at the end of three years and cannot be renewed. The granting of an exemption under this subsection does not affect changes in this assessed value of property that are attributable to causes other than the landscaping or exterior maintenance or repair of an existing structure that is the basis for the exemption. A reappraisal will be required prior to granting of a subsequent exemption.~~

Section 2. Cordova Municipal Code 5.36.035 Statutory Property Exemptions is enacted to read as follows:

#### **5.36.035 Statutory Property Exemptions**

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A. The real property owned and occupied as the primary residence and permanent place of abode by a: (1) resident sixty-five years of age or older; (2) disabled veteran; or (3) resident at least sixty years old who is the widow or widower of a person who qualified for an exemption under subsection (A)(1) or (2) of this section, is exempt from taxation on the first one hundred fifty thousand dollars of the assessed value of the real property. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560-44.62.570.

B. To be eligible for an exemption under subsection B of this section for a year, the individual applying for an exemption must also meet requirements under one of the following:

1. The individual shall be eligible for a permanent fund dividend under AS 43.23.005 for that same year or for the immediately preceding year; or
2. If the individual has not applied or does not apply for one or both of the permanent fund dividends, the individual would have been eligible for one of the permanent fund dividends identified in subsection (B)(1) of this section had the individual applied.

C. An exemption may not be granted under subsection A of this section, except upon written application for the exemption on a form approved by the state assessor for use by local assessors. A separate application must be filed no later than January 15 of each assessment year for which the exemption is sought. The city council, for good cause shown, may authorize the assessor to accept as timely filed an application filed after January 15 and before May 1 of the assessment year for which the exemption is sought. An application received after May 1 will be accepted as an application for the following assessment year. If the application is filed within the required time and is approved by the assessor, the assessor shall allow an exemption in accordance with the provisions of this section. The assessor shall require proof in the form the assessor considers necessary of the right to and amount of an exemption claimed under subsection B of this section and shall require a disabled veteran claiming an exemption under subsection B of this section to provide evidence of the disability rating. The assessor may require proof under this subsection at any time:

1. The property shall not qualify for an exemption if there is property tax, penalty or interest owing at the time of application;
2. If property is occupied by a person other than the eligible applicant and his/her spouse and minor children, an exemption applies only to the portion of the property permanently occupied by the eligible applicant and his/her spouse and minor children as a permanent place of abode;
3. It shall be the responsibility of every person who obtains an exemption under this section to notify the assessor of any change in ownership, residency, permanent place of abode or status of disability. A disabled veteran who has less than a permanent

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disability must submit an official disability percentage letter each year prior to January 15 showing a fifty percent or greater disability.

**D. In this section:**

**1. "Disabled veteran" means a disabled person:**

**a. Separated from the military service of the United States under a condition that is not dishonorable, who is a resident of the state, whose disability was incurred or aggravated in the line of duty in the military service of the United States, and whose disability has been rated as fifty percent or more by the branch of service in which that person served or by the veterans' administration, or**

**b. Who served in the Alaska territorial guard, who is a resident of the state, whose disability was incurred or aggravated in the line of duty while serving in the Alaska territorial guard, and whose disability has been rated as fifty percent or more;**

**2. "Own and occupy" means:**

**a. Possession of an interest in real property, which interest is recorded in the office of the district recorder, or, if unrecorded, is attested by a contract, bill of sale, deed of trust, or other proof in a form satisfactory to the assessor, and**

**b. Living on that real property as one's primary residence;**

**3. "Permanent place of abode" means a dwelling in which the person resides at least one hundred eighty-five days in the year prior to the exemption year and when absent, the dwelling is not leased or rented to another. This includes, but is not limited to, a mobile home or condominium and includes lots or outbuildings, or an appropriate portion thereof, which is necessary to convenient use of the dwelling unit;**

**4. "Resident" means an applicant who has a fixed habitation in the state of Alaska for at least one hundred eighty-five days per calendar year, and, when absent, intends to return to the state of Alaska;**

**5. "Senior citizen" means one who is sixty-five years of age or older before January 1 of the exemption year.**

**E. When any real property exempt from taxation is leased, loaned or otherwise made available to or used by a private person, such person's interest shall be taxable. Taxes shall be assessed to such person and collected in the same manner as taxes assessed to owners of real property, except that taxes assessed shall be a lien only on the interest of such person in the property. When due, taxes so assessed shall constitute a debt due from such person to the city, and shall be recoverable by an action against such person. This remedy is available as an alternative to or as additional to the remedy of foreclosure of the interest of the person in the property.**

**F. Temporary Exemption from Taxation of Certain Increases in Assessed Value of Improvements.**

**1. There is an exemption from taxation for the increase of assessed value that is directly attributable to landscaping, or new exterior maintenance or repair of an existing structure, and if the landscaping, exterior maintenance or repair, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. An exemption may not be allowed under this subsection for the construction of an**

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improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use in the structure or for landscaping as a consequence of construction activities. An exemption under this subsection continues for three years commencing with the year in which the exemption is approved by the assessor.

2. An application for exemption under this subsection shall be filed with the assessor no later than March 1 of the year immediately following the year in which the landscaping, or exterior maintenance or repair of an existing structure, that is the subject of the application in whole or in part, may be appealed to the board of equalization, as provided in Section 5.36.130 of this chapter.

3. An exemption granted under this subsection expires at the end of three years and cannot be renewed. The granting of an exemption under this subsection does not affect changes in the assessed value of property that are attributable to causes other than the landscaping or exterior maintenance or repair of an existing structure that is the basis for the exemption. A reappraisal will be required prior to granting of a subsequent exemption.

Section 3. Cordova Municipal Code 5.36.037 Economic Development Property Exemption is enacted to read as follows:

#### 5.36.037 Economic Development Property Exemption

A. The assessed value of property used for economic development, as defined in this section, may be exempt from city property taxes, under the conditions listed in this section.

B. "Property used for economic development," as used in this section, means that part of real or personal property, as determined by the city assessor, that:

1. Has not previously been taxed as real or personal property by the city;  
2. Is used in a trade or business that is not already in existence within the city in a way that and such use will:

a. Create employment in the city; and  
b. Generate sales outside of the city of goods or services produced in the city; or  
c. Materially reduce the importation of goods or services from outside the city.

3. Has not been used in the same trade or business in another municipality in at least six months before the application for deferral or exemption is filed; this paragraph does not apply if the property was used in the same trade or business in an area that has been annexed to the municipality within six months before the application for deferral or exemption is filed and this paragraph does not apply to inventories.

C. The exemption shall be for up to fifty-one hundred percent of the assessed value of the property, for up to five consecutive years at the discretion of the city council. The city may also defer payment of taxes for up to five years on property used for economic development. Tax payments shall become due as specified by the city at the time the deferral is granted.

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D. In order to qualify for this exemption, an applicant must file, with the city assessor, a written application for the exemption no later than January 15 of each assessment year for which the exemption is sought. The application shall be on a form prescribed by the city assessor, and shall include all information determined to be necessary by the assessor to determine eligibility of the property for the exemption. If the applicant fails or refuses to provide information required or requested by the assessor, within the time period set by the assessor, the exemption shall be denied. The assessor may make an independent investigation of the application or property in making a determination under this section. The assessor shall notify the applicant, in writing, of the assessor's determination on the application for exemption.

E. After the assessor determines that the applicant is eligible for a tax exemption and/or deferral and the application is complete, the assessor shall submit a copy of the application to the city clerk with a written recommendation to be submitted to the city council. No tax exemption or deferral under this section shall be granted by the city council prior to a public hearing thereon. The city clerk shall notify the applicant of the public hearing.

F. An applicant delinquent in the registration for, filing of a return for, or payment of, any city property or sales tax, city special assessment, or City utility bill may not be granted an exemption and/or deferral under this section.

G. Any entity requesting a tax exemption or deferral pursuant to this section shall pay to the city an initial application fee of \$300.00, which shall be submitted at the same time the application form under subsection D is submitted. In addition, any entity that has been granted a tax exemption or deferral under this section shall pay an annual review fee in the amount of \$150.00 at a date specified by the city assessor.

H. All property receiving a tax exemption or deferral under this section shall be annually assessed by the city assessor in the same manner as if it were not exempt. Any tax exemption or deferral granted under this section shall be subject to annual review by the city assessor to ensure that the ownership and use of the property and any other qualifying criteria for the tax exemption or deferral continue to exist. Information justifying the continued exemption or deferral shall be submitted annually to the city assessor at the same time the review fee required under subsection G of this section is due. If the city assessor determines that the property no longer qualifies for an exemption or deferral under this section, the assessor's determination may be reversed by a majority vote of the city council.

I. An entity may request a construction deferral under this section if the entity is in the process of developing or building Property used for economic development but has not yet completed construction on such property. In addition to the application required under subsection D of this section, an entity seeking a construction deferral must also submit a development plan to be approved by the City assessor. Upon construction of

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the economic development property satisfactory to the City, the City may change a deferral under this subsection into an exemption which shall not exceed the remainder of the five-year period from the date the deferral was approved. If economic development property is not developed or created within the time specified in the application, the City may immediately terminate the deferral and take any other action permitted by law including but not limited to collecting all property taxes accrued on the property during the construction deferral, collecting penalties and interest on the taxes owed from the date such taxes would have been due if no deferral had been granted, and attach a tax lien to the property.

J. Upon the failure of any entity to fully and timely pay the taxes due as may be required by any city ordinance or to provide reports or other information requested by the city assessor and reasonably necessary for the implementation of this section, the city assessor shall immediately revoke and not renew any exemptions or deferrals under this section to which such entity would otherwise be entitled and shall require immediate payment of the pro-rata share of taxes thereby due for any portion of the year remaining and any previously deferred taxes.

K. The city council reserves the right to grant or not to grant a tax exemption or deferral under circumstances beyond the scope of this section or to waive any other requirement not mandated by state law. However, no such action or waiver shall be taken or made except upon a finding by the city council that an extraordinary circumstance or emergency exists, and that such action or waiver is found and declared to be in the vital public interest.

L. As of the date of any change in majority ownership, sale, or substantive change in use of any property subject to a tax exemption or deferral under this section, the city shall revoke such tax exemption or deferral and require immediate payment of the property taxes thereby due. Any property owner who fails to notify the city assessor of any such change in ownership, use, or sale by the date of such change in ownership, use, or sale shall be subject to a fine of not more than \$300.00 per day for each day thereafter.

M. An applicant's completion of the application process for a tax exemption or deferral shall not give rise to any right or claim against the city for its failure to grant the exemption or deferral. The grant or denial of a tax exemption or deferral application under this section is a discretionary act by the city.

Section 4. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published in the Cordova Times, a newspaper of general circulation, within ten (10) days of its passage. This ordinance may be repealed by the voters through referendum.

1<sup>st</sup> reading: July 1, 2009 & August 19, 2009


2<sup>nd</sup> reading and public hearing: September 2, 2009

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PASSED AND APPROVED THIS 2<sup>nd</sup> DAY OF SEPTEMBER, 2009



  
Timothy L. Joyce, Mayor

ATTEST:

  
Susan Bourgeois, Deputy City Clerk

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## Excerpt from minutes of July 1, 2009 Regular Meeting:

### L. ORDINANCES & RESOLUTIONS

#### 24. Ordinance 1053

An ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code – 1<sup>st</sup> reading

**M/Kacsh S/Allison** to adopt ordinance 1053, an ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code.

**Mayor Joyce** explained that the ordinance is patterned after state statutes and would give the City the option to exempt taxes to businesses who meet the criteria. **Kallander** stated he would like the ordinance written so Council will have more flexibility to change the terms. **Kacsh** felt using the terms “up to” or “to be determined by City Council” would provide that flexibility. **Mayor Joyce** stated that some kind of criteria should be included in the ordinance. **Cheshier** stated he preferred it left open and totally subjective to the council.

**M/Kacsh S/Allison** to amend the ordinance in Section 5.36.037 Section C to read the exemption shall be up to 100% of the assessed value of the property, for up to five consecutive years, at the discretion of the City Council. The city may also defer payment of taxes for up to five years on property used for economic development.

Vote on amendment: 5 yeas 0 nays 2 absent (Bradford and Reggiani). Motion carried.

**Koplin** clarified that once land is taxed it would not be eligible for the exemption but improvements made on the property would. **Mayor Joyce** stated it would not be a good idea to give an exemption to a business that is competing with an existing business in town.

**M/Kallander S/Allison** to amend the language in the main motion to insert a paragraph on non-competition.

Vote on amendment: 5 yeas 0 nays 2 absent (Bradford and Reggiani). Motion carried.

**Koplin** stated that typically, an exemption is not allowed until after a business has made their improvements and there is a Certificate of Occupancy. During a business’s construction phase an assessment is made on the percentage of completion. She suggested adding language to allow for a deferral while improvements are constructed. Once they are completed, they could apply for the exemption. Under state statute they would not qualify for an exemption once they are taxed. **Kallander** suggested adding a contingency that if the project was not completed the deferred taxes would have to be paid back. **Koplin** agreed a time frame should be added.

***M/Allison S/Kallander*** to refer to staff.

Vote on motion: 5 yeas 0 nays 2 absent (Bradford and Reggiani). Motion carried.

**Excerpt from minutes of August 19, 2009 Regular Meeting:**

**L. ORDINANCES & RESOLUTIONS**

**31. Ordinance 1053**

An ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code – 1<sup>st</sup> reading

***M/Reggiani S/Allison*** to adopt ordinance 1053 an ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code.

***M/Allison S/Reggiani*** to amend Ordinance 1053 as follows: 1) 5.36.037 B.2. to read as follows “...business that is not already in existence within the city and such use will...”; 2) 5.36.037 C. to read as follows “...shall be for up to one hundred percent of...”; 3) 5.36.037 F. to read as follows “...special assessment, or utility bill may not be granted...”; and 4) adding all of 5.36.037 section I.

***M/Bradford S/Reggiani*** to amend the amendment by adding the word City before utility bill in 5.36.037 F.

Vote on amendment to the amendment: 5 yeas 0 nays 2 absent (Kallander, Cheshier). Motion carried.

Vote on amended amendment: 5 yeas 0 nays 2 absent (Kallander, Cheshier). Motion carried.

Vote on the main motion as amended: 5 yeas 0 nays 2 absent (Kallander, Cheshier). Motion carried.

**Excerpt from minutes of September 2, 2009 Regular Meeting:**

**14. Ordinance 1053**

An ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of

the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code

***M/Kacsh S/Reggiani*** to adopt Ordinance 1053 an ordinance of the City Council of the City of Cordova, Alaska, amending Chapter 5.36 of the Cordova Municipal Code to transfer existing property tax exemptions from Section 5.36.030 of the Code to Section 5.36.035 and to create Section 5.36.037 adding an exemption for economic development property to the Cordova Municipal Code.

Vote on motion: 6 yeas 0 nays 1 absent (Cheshier). Reggiani – yes; Kacsh – yes; Henrichs – yes; Kallander – yes; Allison – yes and Bradford – yes. Motion carried.

## **Pending agenda:**

Capital Priorities List Meeting **Sep 3, 2014; Dec 3, 2014; Mar 4, 2015; June 3, 2015**

HSB Quarterly regular meetings **Oct 1, 2014; Jan 7, 2015; Apr 1, 2015; July 1, 2015**

Staff quarterly reports in packets: **Oct 15, 2014; Jan 21, 2015; April 15, 2015; Aug 5, 2015**

Draft ordinance to change 5.40.030 (c) to more than \$2500 for capping sales tax on one time purchases – bring to an **October 14** meeting

## **Committees:**

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

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

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

## **Calendars:**

3 months of calendars are attached hereto  
September 2014; October 2014; November 2014

# September 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library	1  Labor Day City Hall Offices Closed	2  First Day of School for students	3  6:45 pub hrg LMR 7:00 reg mtg LMR	4	5	6
7 Jim Kallander memorial service and celebration of life CHS 2PM then Reluctant Fisherman following	8	9  6:30 P&Z LMR	10  7:00 Sch Bd HSL 7:00 Hrbr Cms CH	11	12	13
14	15	16	17  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	18	19	20
21	22	23	24	25	26	27
28	29	30				Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library

# October 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library			1  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	2	3	4
5	6	7	8  7:00 Sch Bd HSL 7:00 Hrbr Cms CH	9	10	11
12	13	14  6:30 P&Z LMR	15  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	16	17  Alaska Day City Hall Offices Closed	18
19	20	21	22	23	24	25
26	27	28	29	30	31	Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library <b>106</b>

# November 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm						1
2	3	4	5 6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	6	7	8
9	10	11 Veterans' Day City Hall Offices Closed 6:30 P&Z LMR	12 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	13	14	15
16	17	18	19 6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	20	21	22
23	24	25	26	27 Thanksgiving City Hall Offices Closed	28 Thanksgiving City Hall Offices Closed	29
30						Location Legend HSL-High School Library



**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:	<b>James Kacsh</b>	March 5, 2013	March-16
3 years	<a href="mailto:Mayor@cityofcordova.net">Mayor@cityofcordova.net</a>		
Council members:			
Seat A:	<b>Kristin Carpenter</b>	March 5, 2013	March-16
3 years	<a href="mailto:CouncilSeatA@cityofcordova.net">CouncilSeatA@cityofcordova.net</a>		
Seat B:	<b>Timothy Joyce</b>	March 4, 2014	March-17
3 years	<a href="mailto:CouncilSeatB@cityofcordova.net">CouncilSeatB@cityofcordova.net</a>	March 14, 2013 August 2, 2012	filled vacancy appt to A
Seat C:	<b>Tom Bailer</b>	March 4, 2014	March-17
3 years	<a href="mailto:CouncilSeatC@cityofcordova.net">CouncilSeatC@cityofcordova.net</a>		
Seat D:	<b>Bret Bradford</b>	March 6, 2012	March-15
3 years	<a href="mailto:CouncilSeatD@cityofcordova.net">CouncilSeatD@cityofcordova.net</a>	March 3, 2009	
Seat E:	<b>Elmer (E.J.) Cheshier</b>	March 6, 2012	March-15
3 years	<a href="mailto:CouncilSeatE@cityofcordova.net">CouncilSeatE@cityofcordova.net</a>	March 3, 2009 March 6, 2007 March 7, 2006	2 yr trm elected, resigned then appt
Seat F:	<b>David Reggiani, Vice Mayor</b>	March 5, 2013	March-16
3 years	<a href="mailto:CouncilSeatF@cityofcordova.net">CouncilSeatF@cityofcordova.net</a>	March 2, 2010 March 3, 2009	1 yr trm
Seat G:	<b>James Burton</b>	March 5, 2013	March-16
3 years	<a href="mailto:CouncilSeatG@cityofcordova.net">CouncilSeatG@cityofcordova.net</a>		

**SCHOOL BOARD - ELECTED**

length of term		Date Elected	Term Expires
3 years	<b>Daniel Reum</b>	March 6, 2012	March-15
3 years	<b>Tammy Altermott</b>	March 5, 2013	March-16
3 years	<b>Peter Hoepfner</b>	March 6, 2012 March 3, 2009 March 7, 2006	March-15
3 years	<b>Sheryl Glasen</b>	March 4, 2014	March-17
3 years	<b>Barb Jewell, President</b>	March 5, 2013	March-16
3 years	<b>Bret Bradford (appointed, non-voting)</b>	April-14 April-13 August-12	March-15

**LIBRARY BOARD - APPOINTED**

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

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

length of term		Date Appointed	Term Expires
3 years	<b>Kristin Carpenter, President</b>		with Council office
3 years	<b>Tom Bailer</b>		with Council office
3 years	<b>Tim Joyce</b>		with Council office
3 years	<b>James Burton</b>		with Council office
3 years	<b>Bret Bradford</b>		with Council office
3 years	<b>Elmer (E.J.) Cheshier</b>		with Council office
3 years	<b>David Reggiani</b>		with Council office

## PLANNING AND ZONING COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Allen Roemhildt</b>	January-14	November-16
3 years	<b>Scott Pegau</b>	December-11	November-14
3 years	<b>John Baenen</b>	December-12	November-15
3 years	<b>Tom Bailer, Chair</b>	November-13	November-16
		December-11	
		November-08	
3 years	<b>Tom McGann</b>	December-11	November-14
		April-11	
3 years	<b>John Greenwood</b>	December-12	November-15
		November-09	
3 years	<b>David Reggiani</b>	April-13	March-14
		April-12	
		April-11	
		April-10	

## HARBOR COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Robert Beedle</b>	January-14	November-17
3 years	<b>Greg LoForte</b>	February-13	November-16
		January-10	
		January-07	
3 years	<b>Max Wiese</b>	January-14	November-17
		March-11	
3 years	<b>Ken Jones</b>	February-13	November-16
3 years	<b>James Burton, Chair</b>	July-14	November-15
		April-13	

## PARKS AND RECREATION COMMISSION - APPOINTED

length of term		Date Appointed	Term Expires
3 years	<b>Kara Johnson</b>	December-12	November-14
3 years	<b>Miriam Dunbar</b>	August-14	November-15
3 years	<b>Wendy Ranney</b>	August-14	November-15
3 years	<b>Stephen Barnes</b>	December-12	November-15
3 years	<b>Marvin VanDenBroek</b>	February-14	November-16
3 years	<b>Karen Hallquist</b>	November-13	November-16
3 years	<b>vacant</b>		November-14