

**Mayor**

James Kacsh

**Council Members**

Kristin Carpenter

Tim Joyce

Tom Bailer

Robert Beedle

Josh Hallquist

David Reggiani

James Burton

**City Manager**

Randy Robertson

**City Clerk**

Susan Bourgeois

**Deputy Clerk**

Tina Hammer

**Student Council**

Ashley Reece

Bhren Pena

**REGULAR COUNCIL MEETING  
OCTOBER 7, 2015 @ 7:00 PM  
LIBRARY MEETING ROOM**

**AGENDA**

**A. CALL TO ORDER**

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

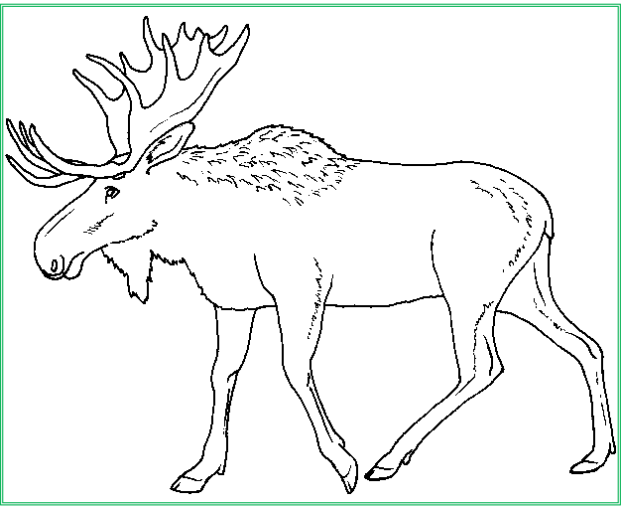
I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

**C. ROLL CALL**

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

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

**E. DISCLOSURES OF CONFLICTS OF INTEREST**



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

- 1. Guest Speakers – **Buck Adams**, UBS, City Investments (see Manager’s report below)
- 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)

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

- 4. Ordinance 1134..... (page 1)  
An ordinance of the City Council of the City of Cordova, Alaska, repealing and reenacting Cordova Municipal Code Chapter 18.08 and amending Chapter 18.39 to expand permitted uses and to generally update and consolidate the requirements of the Waterfront Commercial Park District – 2<sup>nd</sup> reading
- 5. Ordinance 1136..... (page 15)  
An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code chapter 19.04 – flood protection to amend sections 19.04.010, 19.04.100, 19.04.150, 19.04.230, and 19.04.270 and enact sections 19.04.275, 19.04.276, and 19.04.277 to comply more fully with the national flood insurance program standards and to amend section 19.04.090 to adopt the December 16, 2015 flood insurance study and flood insurance rate map – 2<sup>nd</sup> reading
- 6. Resolution 10-15-43..... (page 26)  
A resolution of the City Council of the City of Cordova, Alaska, authorizing an Advisory Services Agreement between Quorum Health Resources, LLC and the City of Cordova
- 7. Resolution 10-15-44..... (page 58)  
A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a five (5) year lease agreement with Carl J. Arvidson and Margaret R. Arvidson, which includes an option to purchase for Lot 13, Block 12, Original Townsite
- 8. Approval of exception to CMC 6.12.030 for concert in Cordova Center..... (page 81)
- 9. Record excused absence of Council member Reggiani from the September 16, 2015 Regular Council meeting

**H. APPROVAL OF MINUTES**

- 10. 10-29-14 Special Meeting Minutes..... (page 83)
- 11. 11-12-14 Special Meeting Minutes..... (page 84)

- 12. 06-23-15 Special Meeting Minutes..... (page 85)
- 13. 09-16-15 Regular Meeting Minutes..... (page 88)

**I. CONSIDERATION OF BIDS**

- 14. Council direction to City Manager regarding City Attorney RFP..... (voice vote)(page 92)  
(may be discussed in executive session)

**J. REPORTS OF OFFICERS**

- 15. Mayor’s Report
- 16. Manager’s Report
  - a. Cordova Center report
  - b. UBS Investments – 3Q report, 2015..... (page 105)
- 17. City Clerk’s Report

**K. CORRESPONDENCE**

- 18. 09-29-15 Letter from Bishop opposing Ordinance 1135..... (page 124)
- 19. Letter and advisory petition from EPC supporting Ordinance 1137..... (page 125)

**L. ORDINANCES AND RESOLUTIONS**

- 20. Ordinance 1135..... (roll call vote)(page 142)  
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a thirty year lease agreement, which includes an option to purchase, with Salty Steer, LLC for portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of ATS 220 – 2<sup>nd</sup> reading
- 21. Ordinance 1137..... (voice vote)(page 163)  
An ordinance of the City Council of the City of Cordova, Alaska, adopting Cordova Municipal Code Chapter 8.37 governing the use of non-biodegradable plastic carry-out bags and polystyrene foam disposable food service ware in the City of Cordova – 1<sup>st</sup> reading

**M. UNFINISHED BUSINESS**

- 22. Council action regarding disposal of Library / Museum Building..... (page 167)

**N. NEW & MISCELLANEOUS BUSINESS**

- 23. Pending Agenda, Calendar, Elected & Appointed Officials lists..... (page 171)

**O. AUDIENCE PARTICIPATION**

**P. COUNCIL COMMENTS**

- 24. Council Comments

**Q. EXECUTIVE SESSION**

- 25. see item 14 above
- 26. Contract negotiation CEO of CCMC

**R. ADJOURNMENT**

**Moose hunting season in Alaska**

**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)

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** July 29, 2015  
**Re:** Ordinance 1134 – Code Change for Waterfront Commercial Park District

---

## **PART I – GENERAL INFORMATION**

*3/31/2015* – At the Planning Commission Special Meeting, the commission reviewed prior edits to the Waterfront Commercial Park District (Chapter 18.39). The packet and minutes of the meeting are available online.

*4/14/2015* – At the Planning Commission Regular Meeting, the commission made further edits to Chapter 18.39. The packet and minutes of the meeting are available online.

*6/9/2015* – At the Planning Commission Regular Meeting, the commission passed Resolution 15-06 (attached), recommending that City Council amend Chapter 18.39. The packet and minutes of the meeting are available online.

The code edits have been reviewed by staff and the City Attorney.

## **PART II – STAFF RECOMMENDATION**

Staff recommend approving Ordinance 1134

## **PART III – SUGGESTED MOTION**

“I move to approve Ordinance 1134”

**Waterfront Commercial Park District**





**CITY OF CORDOVA, ALASKA  
ORDINANCE 1134**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
REPEALING AND REENACTING CORDOVA MUNICIPAL CODE CHAPTER 18.08 AND  
AMENDING CHAPTER 18.39 TO EXPAND PERMITTED USES AND TO GENERALLY  
UPDATE AND CONSOLIDATE THE REQUIREMENTS OF THE WATERFRONT  
COMMERCIAL PARK DISTRICT**

**WHEREAS**, the City of Cordova, Alaska (“City”) encourages development in the Waterfront Commercial Park District; and

**WHEREAS**, it is in the City’s best interest to repeal and reenact Chapter 18.08 and amend Chapter 18.39.

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

Section 1. Cordova Municipal Code Chapter 18.08 entitled “Definitions” is hereby repealed and reenacted to read as follows:

Chapter 18.08 – DEFINITIONS

18.08.010 – Definitions.

For the purpose of this title, the words and terms set forth in this chapter shall have the following meanings.

"Alley" means a public way designed and intended to provide only a secondary means of access to any property abutting thereon.

"Alteration" means any change, addition or modification in the construction, location or use classification.

"Amateur radio antenna" means a structure or device designed to collect or radiate electromagnetic waves for noncommercial amateur radio equipment including without limitation ham, citizen band radio, VHF and single side-band antennas.

"Antenna" means a structure or device designed to collect or radiate electromagnetic waves, including, without limitation, directional antennas such as panels, microwave dishes, satellite dishes; and omni-directional antennas such as whip antennas.

"Automobile wrecking" means the dismantling of used motor vehicles or trailers or the storage or sale of parts from dismantled or partially dismantled, obsolete or wrecked vehicles.

"Boardinghouse" means a building other than a hotel with not more than five sleeping rooms where lodging, with or without meals, is provided for compensation for three or more persons, but not exceeding fifteen persons, on other than day-to-day basis and which is not open to transient guests.

"Building" means any structure built for the support, shelter or enclosure of persons, animals, chattels or property of any kind.

"Building, accessory" means a detached building, the use of which is appropriate, subordinate and customarily incidental to that of the main building or to the main use of the land and which is located on the same lot as the main building or use. An accessory building shall be considered to be a part of the main building when joined to the main building by a common wall not less than four feet long or when any accessory building and the main building are connected by a breezeway which shall not be less than eight feet in width.

"Building, agricultural" means a building located in the unclassified district and used to shelter farm implements, hay, grain, poultry, livestock or other farm produce, in which there is no human habitation and which is not used by the public.

"Building area" means the total of areas taken on a horizontal plane at the main grade level of the principal building and all accessory buildings, exclusive of steps.

"Building code" means the building code and/or other building regulations applicable to the city.

"Building, existing" means a building erected prior to the adoption of the ordinance codified in this chapter or one for which a legal building permit has been issued.

"Building height" means the vertical distance from the grade to the highest point of the roof.

"Building official" means the officer charged with the administration and enforcement of this title. The public works director shall act as building official until the city council otherwise designates.

"Building, principal" or "main building" means a building in which is conducted the principal or main use of the lot on which said building is situated.

"Children's nursery" means any home or institution used and maintained to provide day care for more than four children not more than seven years of age.

"Collocation" means the use of a telecommunication tower by more than one provider of telecommunication service.

"Coverage" means that percentage of the total lot area covered by the building area.

"Cultural center" means a building used for the promotion of culture, arts, science, education, and/or research.

"Dwelling" means a building or any portion thereof designed or used exclusively for residential occupancy including one-family, two-family and multiple-family dwellings, but not including any other building wherein human beings may be housed.

"Dwelling, multiple-family" means any building containing three or more dwelling units.

"Dwelling, one-family" means any detached building containing only one dwelling unit.

"Dwelling, two-family" means any building containing only two dwelling units.

"Dwelling unit" means one or more rooms and a single kitchen in a dwelling designed as a unit for occupancy by not more than one family for living or sleeping purposes, and in which not more than two persons are lodged for hire.

"Family" means any number of individuals related by blood or marriage or an unrelated group of not more than five persons living together as a single housekeeping unit in a dwelling unit.

"Fence height" means the vertical distance between the ground, either natural or filled, directly under the fence and the highest point of the fence.

"Floor area" means the total of each floor of a building within the surrounding outer walls but excluding vent shafts and courts.

"Frontage" means all the property fronting on one side a street between intersecting streets or between a street and right-of-way, end of street or city boundary.

"Garage, private" means an accessory building or any portion of a main building used in connection with residential purposes for the storage of passenger motor vehicles.

"Garage, public" means any garage, other than a private garage, available to the public, operated for gain, and which is used for storage, repair, rental, greasing, washing, servicing, or adjusting or equipping of automobiles or other vehicles.

"Garage, storage" means any building or portion thereof, other than a private garage, used for the storage of motor vehicles and the incidental service of vehicles stored therein.

"General maintenance" means the upkeep of property or equipment; to keep in an existing state of repair; preserve from failure or decline.

"Grade" or "ground level" means the average level of the finished ground at the center of all walls to a building. In case walls are parallel to and within five feet of a public sidewalk, the ground level shall be measured at the sidewalk.

"Guest room" means any room in a hotel, dormitory, boarding house or lodging house used and maintained to provide sleeping accommodations for not more than two persons. Each one hundred square feet or fraction thereof of floor area used for sleeping purposes shall be considered to be a separate guest room.

"Home occupation" means an accessory use of a service character customarily conducted within a dwelling by the residents thereof, which is clearly secondary to the use of the dwelling for living purposes and does not change the character thereof and does not involve more than one paid assistant.

"Hotel" means any building or group of buildings in which there are rooms used, designed or intended to be used for the purpose of offering to the general public food or lodging, or both, on a day-to-day basis.

"Junkyard" means any space one hundred square feet or more of any lot or parcel of land used for the storage, keeping or abandonment of junk or waste material including scrap metals or other scrap materials, or for the dismantling, demolition or abandonment of automobiles, other vehicles, machinery or any parts thereof.

"Loading space" means an off-street space or berth on the same lot within a building or structure to be used for the temporary parking of commercial vehicles while loading or unloading merchandise or materials.

"Lot" means a parcel of land occupied or to be occupied by a use, building or unit group of buildings, and accessory buildings and uses, together with such yards, open spaces, lot widths and lot area as are required by this title and having frontage on a public street.

"Lot, corner" means a lot situated at the junction of, and bordering on, two intersecting streets.

"Lot depth" means the horizontal distance between the front and rear lot lines measured in the mean direction of the side lot lines.

"Lot line, corner lot front" means the shortest street line of a corner lot.

"Lot line, interior lot front" means a line separating the lot from the street.

"Lot line, rear" means the line that is opposite and most distant from the front lot line, and in the case of irregular, triangular or gore-shaped lot, a line not less than ten feet in length, within a lot, parallel to and at the maximum distance from the front lot line.

"Lot line, side" means any lot boundary line not a front lot line or a rear lot line.

"Lot width" means the mean horizontal distance separating the side lines of a lot and at right angles to its depth.

"Mobile home, double-wide" means two portable units designed and built to be towed on their own separate chassis and permanently combined on-site to form a single immobile dwelling unit.

"Mobile home, single-wide " means a transportable single-family dwelling which may be towed on its own running gear, and which may be temporarily or permanently affixed to real estate, used for nontransient residential purposes and constructed with the same or similar electrical, plumbing and sanitary facilities as immobile housing.

"Mobile home park" means a parcel of land under single ownership which has been planned and improved for the placement of two or more mobile homes for nontransient use.

"Mobile home subdivision" means a parcel of land planned and improved for the placement of two or more mobile homes on individually owned lots.



"Modular home" means a factory-built dwelling unit designed to be transported from factory to the site and set on a permanent foundation. The complete unit meets all the requirements of the Uniform Building Code as adopted by the city and is eligible for conventional bank financing.

"Monopole" means a support structure constructed of a single, self-supporting hollow metal tube securely anchored to a foundation.

"Nonconforming building" means any building or structure or any portion thereof, lawfully existing at the time the ordinance codified in this title became effective, which was designed, erected or structurally altered for a use that does not conform to the use regulations of the zone in which it is located or a building or structure that does not conform to all the height and area regulations of the zone in which it is located.

"Person" means a natural person, his heirs, executors, administrators or assigns, and also including firm, partnership or corporation, it's or their successors or assigns, or the agent of any of the aforesaid.

"Private parking space" means any automobile parking space not less than ten feet wide and twenty feet long.

"Public parking space" means an area of not less than two hundred fifty square feet inclusive of drives or aisles giving access thereof, accessible from streets and alleys or from private driveways leading to streets and alleys and being designed and arranged so as to be usable, practicable and safe for the storage of passenger motor vehicles operated by individual drivers.

"Service station" means any building, structure, premises or other space used primarily for the retail sale and dispensing of motor fuels, tires, batteries and other small accessories; the installation and servicing of such lubricants, tires, batteries and other small accessories, and such other services which do not customarily or usually require the services of a qualified automotive mechanic. When the retail sale and dispensing of motor fuels, lubricants and accessories is incidental to the conduct of a public garage, the premises shall be classified as a public garage.

"Services, business" means services that support a business or commercial enterprise, including but not limited to accounting, consulting, legal, and management services.

"Services, retail" means the selling of goods, wares, or merchandise directly to the consumer or persons without a resale license.

"Sign" means any words, letters, parts of letters, figures, numerals, phrases, sentences, emblems, devices, trade names or trademarks by which anything is made known, such as are used to designate an individual, a firm, an association, a corporation, a profession, a business or a commodity or product, which are visible from any public street or highway and used to attract attention.

"State highway" means a right-of-way classified by the state as a Primary, Secondary A or Secondary B highway.

"Street" means a public right-of-way used as a thoroughfare and which is designed and intended to provide the primary means of access to property abutting thereon.

"Street line" means the line of demarcation between a street and the lot or land abutting thereon.

"Structure" means that which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

"Telecommunication" means the transmission and reception of messages, impressions, pictures, and signals by means of electricity, electromagnetic waves, and any other kind of energy, force variations, or impulses whether conveyed by cable, wire, radiated through space, or transmitted through other media within a specified area or between designated points.

"Telecommunication antenna" means an antenna used in telecommunication, and whose operation is subject to licensing by the Federal Communications Commission.

"Telecommunication tower" means a structure intended to support equipment used to transmit and/or receive telecommunication signals including monopoles, guyed and lattice steel structures. This definition does not include a tower that supports only one or more amateur radio antennas.

"Tower height" means the vertical distance from the grade to the top of the telecommunication tower, including any antenna or other equipment thereon.

"Trailer" means any vehicle used or intended to be used as living or sleeping quarters for humans and which may be driven, towed or propelled from one location to another without change in structure or design, whether or not the same is supported by wheels and including trailers, trailer coaches and house cars.

"Trailer camp," "trailer park" or "trailer lot" means any area or premises where space for two or more trailers is rented, held out for rent or for which free occupancy or camping for such number is permitted to trailers or users for the purpose of securing their trade, herein referred to as a trailer camp but not including automobile or trailer sales lots on which unoccupied house trailers are parked for inspection and sales.

"Use" means the purpose for which land or building is arranged, designed or intended, or for which either land or building is or may be occupied or maintained.

"Use, accessory" means a use customarily incidental and subordinate to the principal use of the land, building or structures and located on the same lot or parcel of land.

"Watchman or caretaker dwelling" means an accessory dwelling located within a commercial or industrial building for the purpose of housing a watchman or caretaker employed on the premises or the owner operator in conjunction with a permitted principal use. The maximum size of a watchman's dwelling shall be up to twenty percent of the total square footage of the building not to exceed seven hundred fifty square feet. Watchman's quarters will not be considered a residential use.

"Yard" means an open unoccupied space, other than a court, unobstructed from the ground to the sky, except where specifically provided by this title, on the same lot on which a building is situated.

"Yard, front" means a yard extending across the full width of a lot measured between the front lot line of the lot or a future street width line and the nearest exterior wall of the building, front of a bay window or the front of a covered porch or other similar projection, whichever is the nearest to the front lot line.

"Yard, rear" means a yard extending across the full width of the lot between the most rear main building and the rear lot line. The depth of the required rear yard shall be measured horizontally from the nearest part of a main building toward the nearest point of the rear lot lines.

"Yard, side" means a yard on each side of a main building and extending from the front yard, or front lot line where no front yard is required, to the rear yard. The width of the required side yard shall be measured horizontally from the nearest point of a side lot line to the nearest part of the main building.

Section 2. Cordova Municipal Code Chapter 18.39 entitled "Waterfront Commercial Park District" is hereby amended as follows:

Chapter 18.39 - WATERFRONT COMMERCIAL PARK DISTRICT

18.39.010 - Purpose.

18.39.020 - Permitted principal uses and structures.

18.39.030 - Permitted accessory uses and structures.

18.39.040 - Conditional uses.

~~18.39.050 - Prohibited uses and structures.~~

18.39.060 - Minimum lot requirements.

18.39.070 - Minimum setback requirements.

18.39.080 - Maximum height of buildings and structures.

18.39.090 - Required off-street parking and loading.

18.39.100 - Signs.

~~18.39.110 - Drainage.~~

~~18.39.120 - Minimum finished floor elevations.~~

18.39.130 - Site plan and architectural review.

18.39.010 - Purpose.

The following statement of intent and use regulations shall apply in the WCP district: The waterfront commercial park district is intended to be applied to land with direct access or close proximity to navigable tidal waters within the city. Structures within the WCP district are to be constructed in such a manner as to be aesthetically consistent with, and reflect the community's marine-oriented lifestyle. **The purpose of the Waterfront Commercial Park (WCP) district is to provide a mix of services, businesses and recreational activities to benefit the community.** Uses within the **WCP district** waterfront commercial park district are intended to be water-dependent or water-related, and primarily those uses that are particularly related to location, recreation or commercial enterprises that derive an economic or social benefit from a waterfront location.

18.39.020 - Permitted principal uses and structures.

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

- A. ~~Boat charter services~~ **Business services;**
- B. ~~Commercial and sport fishing supplies and services~~ **Cultural centers;**
- C. Docks and harbor facilities;
- D. Eating and drinking ~~facilities~~ **establishments;**
- E. ~~Fish and seafood markets;~~
- F. ~~Fueling piers;~~
- G. ~~Gift shops;~~
- E.H.** Hotels;
- F.I.** Laundromats and laundries **Public service and municipal buildings;**
- G.J.** ~~Marine related retail and wholesale stores~~ **Retail services;**
- K. ~~Offices associated with permitted principal uses;~~
- L. ~~Recreational goods sales;~~
- M. ~~Travel agencies;~~
- N. ~~Visitor information center;~~
- H.O.** Waterfront parks, access paths, and boardwalks.

18.39.030 - Permitted accessory uses and structures.

The following are the permitted accessory uses and structures in the WCP district:

- A. Accessory buildings;
- B.B.** ~~Parking in conjunction with permitted principal uses and conditional uses;~~ **Office buildings associated with permitted principal uses.**
- C. ~~Outside storage;~~
- D. ~~Processing of seafood where no more than two thousand square feet of gross floor space of structure is used for processing. The smoking of seafood is prohibited.~~
- C.E.** Watchman's quarters

18.39.040 - Conditional uses.

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

- A. ~~Commercial~~ Outside storage;
- B. Processing of seafood where no more than two thousand square feet of gross floor space of structure is used for processing;
- C. Fueling pier.

~~18.39.050 - Prohibited uses and structures.~~

~~Any use or structure not of a character as indicated under permitted principal uses and structures or permitted under conditional uses is prohibited.~~

18.39.060 - Minimum lot requirements.

The following are the minimum lot requirements in the WCP district:

- A. Lot width, ninety feet
- B. Lot area, nine thousand square feet.

18.39.070 - Minimum ~~setback~~ yard requirements.

The following are the minimum ~~setback~~ yard requirements in the WCP district:

- A. Front yard, fifteen feet
- B. Side yard, five feet
- C. Rear yard, five feet.

18.39.080 - Maximum height of buildings and structures.

The following are the maximum heights of buildings and structures in the WCP district:

- A. Principal buildings and structures, 30 feet
- B. Accessory buildings and structures, 20 feet.

18.39.090 - Required off-street parking and loading.

The requirements for off-street parking and loading in the WCP district shall be as set forth in Chapter 18.48 of this code. ~~In addition the following parking requirements shall apply to property in the WCP district:~~

- ~~A. — Parking areas in required front yards shall be separated from property lines to provide for the delineation and limitation of access drives.~~

18.39.100 - Signs.

Signs may be allowed in the WCP district subject to ~~the supplementary district regulations,~~ the Uniform Sign Code, and as set forth in Chapter 18.44 of this code.

~~18.39.110 - Drainage.~~

The developer wishing to develop land in the WCP district shall be required to submit a drainage plan. Such drainage plan shall address stormwater runoff from the unused portion of the lot, and roof runoff.

18.39.120—Minimum finished floor elevations.

In the WCP district, the minimum finished floor elevations as listed shall be adhered to:

South Fill Development Park	Feet
Block 1, Lot 2	24.00
3	24.00
5	24.00
6	24.25
7	25.00
8	25.50
10	25.75
Block 1, Lot 11	25.75
12	25.25
Block 2, Lot 2	25.00
Block 2, Lot 3	25.25
4	25.50
5	25.75
6	26.00
7	26.00
8	26.00
9	25.75
10	25.50

Note: Elevation datum based on the following: North Bolt fire hydrant at northwest corner of intersection of Nicholoff Way and Railroad Avenue: Elevation 29.84 feet above M.L.L.W.

18.39.130 - Site plan and architectural review.

The development plan of any proposed development in the WCP district shall be subject to **a site plan review conducted in accordance with Chapter 18.42 of this code**, review by the planning commission. The architectural plans shall, in addition to requirements of Sections 18.39.010 through 18.39.120, include the following:

- A. — Exterior finish material;
- B. — Color scheme.



~~Exterior siding finish of structures shall be wood, stucco, brick or approved metal building material. Color scheme of exterior siding and roof finish shall consist of earth tones.~~

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 after its passage.

1st reading: September 2, 2015  
2nd reading and public hearing: October 7, 2015

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF OCTOBER, 2015**

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

ATTEST:

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

DRAFT

**CITY OF CORDOVA, ALASKA  
PLANNING COMMISSION  
RESOLUTION 15-06**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CORDOVA,  
ALASKA, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF CORDOVA,  
ALASKA TO AMEND CORDOVA MUNICIPAL CODE CHAPTER 18.39 TO CHANGE THE  
REQUIREMENTS IN THE WATERFRONT COMMERCIAL PARK DISTRICT AND TO  
AMEND CHAPTER 18.08 TO CHANGE AND ADD DEFINITIONS TO TITLE 18**

**WHEREAS**, the Planning Commission has determined that the existing code for the Waterfront Commercial Park District is outdated and that amending the code is a benefit to the City and the citizens of Cordova; and

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

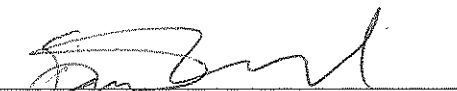
**WHEREAS**, the Planning Commission recommend to City Council to accept the proposed amendments.

**NOW, THEREFORE BE IT RESOLVED THAT** the Planning Commission of the City of Cordova, Alaska hereby recommend to the City Council of the City of Cordova, Alaska to amend Cordova Municipal Code Chapter 18.39 to change the requirements in the Waterfront Commercial Park District and to amend Chapter 18.08 to change and add definitions to Title 18.

**PASSED AND APPROVED THIS 9<sup>TH</sup> DAY OF JUNE, 2015**

  
\_\_\_\_\_  
John Greenwood, Chair

ATTEST:

  
\_\_\_\_\_  
Samantha Greenwood, City Planner

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 9/9/15  
**Re:** Ordinance 1136 – Code Change for Chapter 19.04 – Flood Protection

---

## **PART I – GENERAL INFORMATION**

In order to participate in the National Flood Insurance Program (NFIP), the City is required to adopt floodplain management regulations that meet the standards of the NFIP and to adopt the new Flood Insurance Study (FIS) and Flood Insurance Rate Map (FIRM) prior to December 16, 2015.

Chapter 19.04 of the Cordova Municipal Code was reviewed by State FEMA officials who provided several adjustments in order to fully comply with NFIP standards. Most of these changes are in the “Definitions” section of the code.

After the Planning Commission passed Resolution 15-11 (attached), State officials advised staff to make several nonconsequential changes to some of the wording in the proposed code change. These changes have been incorporated in the ordinance.

The FIS and FIRM are available prior to the meeting in the Library Meeting Room and online at:

<https://www.commerce.alaska.gov/web/dcra/PlanningLandManagement/RiskMAP/CityofCordovaRiskMAPStudy.aspx>

## **PART II – BACKGROUND**

*8/25/14* – Preliminary FIS and FIRM released.

*9/23/14* – FEMA officials in town for a Community Coordination and Outreach Public Open House.

*10/31/14* – Revised Preliminary FIS and FIRM released.

*1/2/15* – 90 Day appeal period for maps began.

*3/11/15* – FEMA responded to staff comments on the FIRM and made changes to several panels.

*6/16/15* – FEMA issued the City a Letter of Final Determination stating that the FIS and FIRM will become effective 12/16/15, and that they need to be adopted by the City prior to that date.

*7/14/15* – The Planning Commission passed Resolution 15-11, recommending to the City Council to amend Chapter 19.04.

## **PART II – SUGGESTED MOTION**

“I move to adopt Ordinance 1136.”

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1136**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AMENDING CORDOVA MUNICIPAL CODE CHAPTER 19.04 – FLOOD PROTECTION TO  
AMEND SECTIONS 19.04.010, 19.04.100, 19.04.150, 19.04.230, AND 19.04.270 AND ENACT  
SECTIONS 19.04.275, 19.04.276, AND 19.04.277 TO COMPLY MORE FULLY WITH THE  
NATIONAL FLOOD INSURANCE PROGRAM STANDARDS AND TO AMEND SECTION  
19.04.090 TO ADOPT THE DECEMBER 16, 2015 FLOOD INSURANCE STUDY AND FLOOD  
INSURANCE RATE MAP**

**WHEREAS**, the City of Cordova, Alaska (“City”) was advised to change and add definitions and to add sections on floodways and equalizing hydrostatic load to the existing code in order to ensure full compliance with the National Flood Insurance Program standards; and

**WHEREAS**, it is in the City’s best interest to stay in compliance with National Flood Insurance Program requirements in order to protect the public from significant flooding events; and

**WHEREAS**, the City is required to adopt the December 16, 2015 Flood Insurance Study and Maps to continue to participate in the National Flood Insurance Program.

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

Section 1. The Cordova Code of Ordinances of Cordova, Alaska is hereby amended to read as follows:

Chapter 19.04 - FLOOD PROTECTION

19.04.010 Definitions.

19.04.020 Statutory authority.

19.04.030 Findings of fact.

19.04.040 Purpose.

19.04.050 Reduction of flood losses.

19.04.060 Interpretation.

19.04.070 Applicability.

19.04.080 Compliance required.

19.04.090 Basis for establishing the areas of special flood hazard.

19.04.100 Development permit.

19.04.110 City manager—Administration.

- 19.04.120 City manager—Duties generally.
- 19.04.130 City manager—Permit review.
- 19.04.140 City manager—Use of other base flood data.
- 19.04.150 City manager—Further information to be obtained.
- 19.04.160 City manager—Alteration of watercourse.
- 19.04.170 City manager—Interpretation of FIRM boundaries.
- 19.04.180 Standards and specifications—Generally.
- 19.04.190 Subdivision proposals.
- 19.04.200 Review of building permits.
- 19.04.210 Anchoring.
- 19.04.220 Construction materials and methods.
- 19.04.230 Utilities.
- 19.04.240 Standards and specifications—Areas of special flood hazard.
- 19.04.250 Residential construction.
- 19.04.260 Nonresidential construction.
- 19.04.270 Manufactured (mobile) homes.
- 19.04.275 Recreational vehicles.**
- 19.04.276 Floodways.**
- 19.04.277 Equalizing hydrostatic load.**
- 19.04.280 Appeals.
- 19.04.290 Variances.
- 19.04.300 Conflict of provisions.
- 19.04.310 Liability.

19.04.010 Definitions.

Unless specifically defined below, words or phrases used in this chapter shall be interpreted so as to give them the meaning they have in common usage and to give this chapter ~~its~~ most reasonable application.

- A. "Appeal" means a request for a review of the city manager's interpretation of any provisions of this chapter or a request for a variance.
- B. "Area of shallow flooding" means a designated AO or AH Zone on the Flood Insurance Rate Map (FIRM). The base flood depths range from one to three feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and, velocity flow may be evident.
- C. "Area of special flood hazard" means ~~the land in the floodplain within a community subject to a one percent or greater chance of flooding in any given year.~~ **for regulatory purposes, the areas designated as subject to the "100 year flood," "base flood," and "one percent flood" on the Flood Insurance Rate Maps issued by the National Flood Insurance Program (NFIP) and other Flood Hazard Studies used by the city for similar purposes. Also known as "Special Flood Hazard Area."**
- D. "Base flood" means ~~a the flood~~ **that has** ~~having a one percent chance of~~ **occurring in any given year as determined by NFIP guidelines. Also known as "One Percent Flood" and "100 year flood."** ~~being equaled or exceeded in any given year.~~
- ~~E. "Development" means any manmade change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations located within the area of special flood hazard.~~
- E. "Base Flood Elevation (BFE)" means the elevation of surface water resulting from a flood that has a one percent chance of occurring in any given year. The elevation of the Base Flood.**
- F. "Basement" means any area of the building, including any sunken room or sunken portion of a room, having its floor below ground level (subgrade) on all sides.**
- G. "Development" means any manmade change to improved or unimproved real estate, including, but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations located within the area of special flood hazard.**
- HF.** "Existing **manufactured** (mobile) home park or **manufactured** (mobile) home subdivision" means a parcel (or contiguous parcels) of land **divided into** two or more **manufactured** (mobile) home lots for rent or sale for which the construction of facilities for servicing the lot on which the **manufactured** (mobile) home is to be affixed (including, at a minimum, the installation of utilities, either final site grading or the pouring of concrete pads, and the construction of streets) is completed before the effective date of the ordinance codified in this chapter.



- IG.** "Expansion to an existing **manufactured** (mobile) home park or **manufactured** (mobile) home subdivision" means the preparation of additional sites by the construction of facilities for servicing the lots on which the **manufactured** (mobile) homes are to be affixed (including the installation of utilities, either final site grading or pouring of concrete pads, or the construction of streets).
- JH.** "Flood" or "flooding" means a general and temporary condition of partial or complete inundation **of two or more acres of normally dry land area or of two or more properties (at least one of which is the policyholder's property) from:** ~~of normally dry land areas from:~~
1. The overflow of inland or tidal waters; and/or
  2. The unusual and rapid accumulation of runoff of surface waters from any source.
- KI.** "Flood Insurance Rate Map" (FIRM) means the official map on which the Federal Insurance Administration has delineated both the areas of special flood hazards and the risk premium zones applicable to the community.
- LJ.** "Flood Insurance Study (**FIS**)" means the official report provided by the Federal Insurance Administration that includes flood profiles, the flood boundary-floodway map and the water surface elevation of the base flood.
- M.** **"Floodproofing" means any combination of structural and nonstructural additions, changes, or adjustments to structures, which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitation facilities, or structures with their contents.**
- NK.** "Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than one foot.
- O.** **"Freeboard" means an additional amount of height above the Base Flood Elevation used as a factor of safety (e.g., 2 feet above the Base Flood) in determining the level at which a structure's lowest floor must be elevated or flood proofed to be in accordance with State or community floodplain management regulations.**
- PL.** "Habitable floor" means any floor usable for living purposes, which includes working, sleeping, eating, cooking or recreation, or a combination thereof. A flood used only for storage purposes is not a "habitable floor."
- Q.** **"Highest adjacent grade" means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.**
- R.** **"Historic building" means any building that is listed individually in the National Register of Historic places (a listing maintained by the Department of the Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register; or Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a**

registered historic district or a district preliminarily determined by the Secretary of the Interior to qualify as a registered historic district; or individually listed in a state inventory of historic places in states with preservation programs that have been approved by the Secretary of the Interior; or individually listed on a local inventory of historic places in communities with historic preservation programs that have been certified either: a. by an approved state program as determined by the Secretary of the Interior; or b. directly by the Secretary of the Interior in states without approved programs.

**S.** “Letter of Map Amendment (LOMA)” means an amendment to the currently effective FEMA map which establishes that a property is not located in a Special Flood Hazard Area. A LOMA is issued only by FEMA.

**T.** “Letter of Map Revision (LOMR)” means an official amendment to the currently effective FEMA map. It is issued by FEMA and changes flood zones, delineations, and elevations.

**U.** “Lowest Floor” means the lowest floor of the lowest enclosed area (including a basement). An unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access, or storage in an area other than a basement area, is not considered a building's lowest floor provided that such enclosure is not built so as to render the structure in violation of any other requirements.

~~M.~~ ~~“Mobile home” means a structure that is transportable in one or more sections, built on a permanent chassis, and designed to be used with or without a permanent foundation when connected to the required utilities. It does not include recreational vehicle or travel trailers.~~

**V.** “Manufactured (Mobile) Home” means a structure built on a permanent chassis, transported to its site in one or more section, and affixed to a permanent foundation. “Manufactured (mobile) home” does not include recreational vehicles.

**W.** “Modular Building” means a building that is usually transported to its site on a steel frame or special trailer because it does not have a permanent chassis like a manufactured (mobile) home.

~~NX.~~ ~~“New construction” means structures for which the “start of construction” commenced on or after the effective date of the ordinance codified in this chapter.~~

~~ØY.~~ ~~“New manufactured (mobile) home park or manufactured (mobile) home subdivision” means a parcel (or contiguous parcels) of land divided into two or more manufactured (mobile) home lots for rent or sale for which the construction of facilities for servicing the lot (including, at a minimum, the installation of utilities, either final site grading or the pouring of concrete pads, and the construction of streets) is completed on or after the effective date of the ordinance codified in this chapter.~~

**Z.** “One-hundred-year flood” means a flood of a magnitude which can be expected to occur on the average of once every one hundred years. It is possible for this size flood to occur during any year. The odds are one to a hundred that this size flood will occur

during a given year, but there is a one percent chance that a flood will occur each year. Also known as the “One Percent Flood”, and the NFIP “Base Flood.”

AA. “Recreational Vehicle” means a vehicular-type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. Also known as camper, and travel trailer.

AB. “Special Flood Hazard Area (SFHA)” means an area having special flood, mudflow, or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map. Also the area subject to inundation by the “Base Flood”, “One Percent Flood” and “100 year flood”. Also known as Area of Special Flood Hazard.

PAC. "Start of construction" means the first placement of permanent construction of a structure (other than a manufactured (mobile) home) on a site, such as the pouring of slabs or footings or any work beyond the stage of excavation. Permanent construction does not include preparation, such as clearing, grading and filling, nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers or foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not as part of the main structure. For a structure (other than a mobile home) without a basement or poured footings, the "start of construction" includes the first permanent framing or assembly of the structure or any part thereof on its piling or foundation. For manufactured (mobile) homes not within a manufactured (mobile) home park or manufactured (mobile) home subdivision, "start of construction" means the affixing of the manufactured (mobile) home to its permanent site. For manufactured (mobile) homes within manufactured (mobile) home parks or manufactured (mobile) home subdivisions, "start of construction" is the date on which the construction of facilities for servicing the site on which the manufactured (mobile) home is to be affixed (including, at a minimum, the construction of streets, either final site grading or the pouring of concrete pads, and installation of utilities) is completed.

QAD. "Structure" means a walled and roofed building ~~or mobile home that is principally above ground,~~ and includes mobile homes, manufactured homes, and gas and liquid storage tanks or containers that are principally above ground.

AE. “Substantial Damage” means damage of any origin sustained by a structure whereby the cost of restoring the structure to it’s before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. All structures that are determined to be substantially damaged are automatically considered to be substantial improvements, regardless of the actual repair work performed. If the cost necessary to fully repair the structure to its before damage condition is equal to or greater than 50% of the structure's market value before damages, then the structure must be elevated (or floodproofed if it is non-residential) to or above the Base Flood Elevation (BFE), and meet other applicable NFIP requirements.

**AF. "Substantial improvement" means any reconstruction, rehabilitation, addition or other improvement of a building, the cost of which equals or exceeds 50 percent of the market value of the building before the "start of construction" of the improvement. Substantial improvement includes buildings that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either any project for improvement of a building to correct existing state or local code violations or any alteration to a "historic building," provided that the alteration will not preclude the building's continued designation as a "historic building."**

~~R. "Substantial improvement" means any repair, reconstruction or improvement of a structure, the cost of which equals or exceeds fifty percent of the market value of the structure either:~~

- ~~1. Before the improvement or repair is started; or~~
- ~~2. If the structure has been damaged and is being restored, before the damage occurred. For the purpose of this definition "substantial improvement" is considered to occur when the first alteration of any wall, ceiling, floor or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure.~~

~~The term does not, however, include either:~~

- ~~1. Any project for improvement of a structure to comply with existing state or local health, sanitary or safety code specifications which are solely necessary to assure safe living conditions; or~~
- ~~2. Any alteration of a structure listed on the National Register of Historic Places or the State Inventory of Historic Places.~~

**SAG. "Variance" means a grant of relief from the requirements of this chapter which permits construction in a manner that would otherwise be prohibited by this chapter by a participating community from the terms of its floodplain management regulations.**

19.04.090 Basis for establishing the areas of special flood hazard.

The areas of special flood hazard identified by the Federal Insurance Administration in a scientific and engineering report entitled "The Flood Insurance Study for the City of Cordova," dated ~~April 2, 1979~~ **December 16, 2015**, with accompanying Flood Insurance Maps is adopted by reference and declared to be a part of this chapter. The Flood Insurance Study is on file at City Hall.

19.04.100 - Development permit.

A development permit shall be obtained before construction or development begins within any area of special flood hazard established in Section 19.04.090. The permit shall be for all structures including **manufactured** (mobile) homes, as set forth in Section 19.04.010, and for all other development including fill and other activities also as set forth in Section 19.04.010. Application for a development permit shall be made on forms furnished by the city and may include, but not be limited to: plans in duplicate drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage of materials, drainage facilities; and the location of the foregoing. Specifically, the following information is required:

- A. Elevation in relation to ~~mean sea level~~ **the FIS and FIRM**, of the lowest floor (including basement) of all structures;

- B. Elevation in relation to ~~mean sea level~~**the FIS and FIRM** to which any structure has been flood proofed;
- C. Certification by a registered professional engineer or architect that the flood proofing methods for any nonresidential structure meet the flood proofing criteria in Section 19.04.260; and
- D. Description of the extent to which any watercourse will be altered or relocated as a result of proposed development.

19.04.150 - City manager—Further information to be obtained.

The city manager shall:

- A. Obtain and record the actual elevation (in relation to ~~mean sea level~~**the FIS and FIRM**) of the lowest ~~habitable flood~~**floor** (including basement) of all new or substantially improved structures, and whether or not the structure contains a basement;
- B. For all new or substantially improved flood-proofed structures:
  - 1. Verify and record the actual elevation (in relation to ~~mean sea level~~**the FIS and FIRM**), and
  - 2. Maintain the flood proofing certifications required in Section 19.04.100C;
- C. Maintain for public inspection all records pertaining to the provisions of this chapter.

19.04.230 - Utilities.

- A. All new and replacement water supply systems shall be designed to minimize or eliminate infiltration of flood waters into the system.
- B. New and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the systems and discharge from the systems into flood waters.
- C. On-site waste disposal systems shall be located to avoid impairment to them or contamination from them during flooding.
- D. Electrical, heating, ventilation, plumbing, air conditioning equipment, and other service facilities shall be designed and/or located to prevent water from entering or accumulating within the components during conditions of flooding.**

19.04.270 - **Manufactured** (mobile) homes.

- A. **Manufactured** (mobile) homes shall be anchored in accordance with Section 19.04.210.
- B. For new **manufactured** (mobile) home parks and **manufactured** (mobile) home subdivisions; for expansions to existing **manufactured** (mobile) home parks and **manufactured** (mobile) home subdivisions; for existing **manufactured** (mobile) home parks and **manufactured** (mobile) home subdivisions where the repair reconstruction or improvement of the streets, utilities and pads equal or exceeds fifty percent of value of the streets, utilities and pads before the repair, reconstruction or improvement has commenced; and for **manufactured** (mobile) homes not placed in a **manufactured** (mobile) home park or **manufactured** (mobile) home subdivision, require that:
  - 1. Stands or lots are elevated on compacted fill or on pilings so that the lowest floor of the **manufactured** (mobile) home **and the bottom of the I-beam** will be at or above the base flood level;
  - 2. Adequate surface drainage and access for a hauler are provided; and,

3. In the instance of elevation on pilings, that:
  - a. Lots are large enough to permit steps,
  - b. Piling foundations are placed in stable soil no more than ten feet apart, and
  - c. Reinforcement is provided for pilings more than six feet above the ground level.
- C. No **manufactured** (mobile) home shall be placed in a floodway, except in an existing **manufactured** (mobile) home park or existing mobile home subdivision.

**19.04.275 Recreational vehicles.**

**In A1-30, AH, and AE zones, all recreational vehicles to be placed on a site must:**

- A. Be elevated and anchored; or**
- B. Be on the site for less than 180 consecutive days; and**
- C. Be fully licensed and highway ready.**

**19.04.276 Floodways.**

**Development in floodways shall not increase upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community shall review floodplain development on a case-by-case basis to ensure that increases in water surface elevations do not occur and identify the need to designate a floodway if adequate information is available.**

**19.04.277 Equalizing hydrostatic load.**

**For all new construction and substantial improvements, fully enclosed areas below the lowest floor that are used solely for parking of vehicles, building access, or storage in an area other than a basement and which is subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing the entry and exit of floodwaters in accordance with the specifications in NFIP.**

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

1st reading: September 16, 2015  
 2nd reading and public hearing: October 7, 2015

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF OCTOBER, 2015**

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

ATTEST:

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



**CITY OF CORDOVA, ALASKA  
PLANNING COMMISSION  
RESOLUTION 15-11**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CORDOVA,  
ALASKA, RECOMMENDING TO THE CITY COUNCIL OF THE CITY OF CORDOVA,  
ALASKA TO AMEND CHAPTER 19.04 OF THE CORDOVA MUNICIPAL CODE IN ORDER  
TO ADOPT THE DECEMBER 16, 2015 FLOOD INSURANCE STUDY AND FLOOD  
INSURANCE RATE MAP AND TO COMPLY MORE FULLY WITH THE NATIONAL FLOOD  
INSURANCE PROGRAM STANDARDS**

**WHEREAS**, the City is required to adopt the December 16, 2015 Flood Insurance Study and Maps to continue to participate in the National Flood Insurance Program; and

**WHEREAS**, the City was advised to change and add definitions and to add sections to the existing code in order to more fully comply with the National Flood Insurance Program standards; and

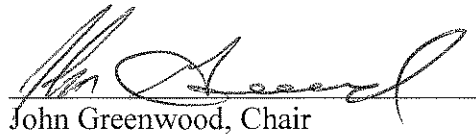
**WHEREAS**, the Planning Commission has reviewed the December 16, 2015 Flood Insurance Study and Flood Insurance Rate Map and the proposed amendments to Chapter 19.04 – Flood Protection; and

**WHEREAS**, the Planning Commission has determined that the proposed amendments are in accordance with the purpose of Title 19; and

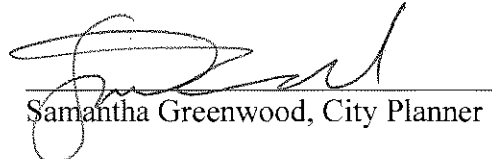
**WHEREAS**, the Planning Commission recommend to City Council to accept the proposed amendments.

**NOW, THEREFORE BE IT RESOLVED THAT** the Planning Commission of the City of Cordova, Alaska hereby recommend to the City Council of the City of Cordova, Alaska to amend Chapter 19.04 of the Cordova Municipal Code.

**PASSED AND APPROVED THIS 14<sup>TH</sup> DAY OF JULY, 2015**

  
John Greenwood, Chair

ATTEST:

  
Samantha Greenwood, City Planner

---

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

---

DATE: October 2, 2015  
TO: Mayor and City Council  
SUBJECT: Resolution 10-15-43

---

The City put out a request for proposals for management at CCMC. There was one proposal from QHR and Council directed the City Manager to negotiate. The City Attorney has worked with the QHR attorney and agreed upon the attached Advisory Services Agreement between the City and QHR.

Recommended motion: Move to approve Resolution 10-15-43

Required action: Majority voice vote.

**CITY OF CORDOVA  
RESOLUTION 10-15-43**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING AN ADVISORY SERVICES AGREEMENT BETWEEN QUORUM  
HEALTH RESOURCES, LLC AND THE CITY OF CORDOVA**

**WHEREAS**, the City of Cordova, Alaska (“City”) is hoping to streamline operations of the Cordova Community Medical Center (“Hospital”) and to reduce the amount of revenue lost by the Hospital annually; and

**WHEREAS**, it is in the City’s best interest to contract with a company offering advisory hospital services to ensure the efficient and cost effective management of the Hospital; and

**WHEREAS**, the City Council anticipates that the use of a professional company offering such services will also increase the quality and availability of medical services in the community; and

**WHEREAS**, the City issued a request for proposals from health service management entities and has chosen the proposal by Quorum Health Resources, LLC.

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

Section 1. The City Manager is authorized and directed to hire Quorum Health Resources, LLC for advisory services at the Hospital in accordance with the terms in the Advisory Services Agreement. The form and content of the Advisory Services Agreement now before this meeting is in all respects authorized, approved and confirmed, and the City Manager is hereby authorized, empowered and directed to execute and deliver the Advisory Services Agreement and its attachments 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 documents as executed.

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF OCTOBER, 2015.**

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

ATTEST:

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

**ADVISORY SERVICES AGREEMENT  
COVER PAGE**

Date of Agreement: August 13, 2015

Hospital: Cordova Community Medical Center

Address of Hospital:

602 Chase Avenue

Cordova, AK 99574

Hospital's Owner: City of Cordova

Term of Agreement: Eighteen (18) months

Quorum: Quorum Health Resources, LLC

Address of Quorum:

105 Continental Place

Brentwood, TN 37027

Effective Date: August 31, 2015

Expiration Date: February 28, 2017

The capitalized terms in the attached Standard Terms and Conditions not otherwise defined shall have the definition of such terms as set forth on this Cover Page. The attached Standard Terms and Conditions are incorporated into this Advisory Services Agreement ("Agreement"). The following addenda checked "Yes" are also attached hereto and incorporated herein as part of this Agreement by this reference:

ADDENDUM	TITLE	If applicable, mark "YES". If not applicable, mark "N/A."
1	Base Services (Includes Schedule A)	YES
2	Compensation	YES
3	Business Associate Addendum	YES

Neither this Agreement nor any amendment or modification hereto shall be effective or legally binding upon either party, or any officer, director, employee or agent thereof, unless and until it has been reviewed, approved and executed by an authorized representative of each respective party.

**SIGNATURES AND APPROVALS:**

**Cordova Community Medical Center**

**Quorum Health Resources, LLC**

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

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

Printed Name: Randy Robertson

Printed Name: Robert A. Vento

Title: City Manager

Title: Senior Vice President

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

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

**ADVISORY SERVICES AGREEMENT  
STANDARD TERMS AND CONDITIONS**

**WHEREAS**, this Agreement is entered into by and between Quorum and Hospital. Both Quorum and Hospital are collectively referred to herein as the “Parties” and individually referred to herein as the “Party”.

**WHEREAS**, Hospital desires to retain Quorum to provide the hospital advisory services as outlined in the Addenda attached hereto (collectively referred to herein as the “Services”), and Quorum desires to provide those Services upon the terms and conditions stated below. This Agreement is entered into for the purpose of defining the Parties’ respective rights and responsibilities.

**NOW, THEREFORE**, in consideration of the mutual agreements set out below, the Parties agree as follows:

**Article I  
AUTHORITY AND RELATIONSHIP OF THE PARTIES**

**1.1 Retention of Authority and Responsibility.** The Hospital, through the Community Health Services Board (“Board”), shall exercise, throughout the Term (as defined on the Cover Page), ultimate authority, supervision, direction, and control over the business, policies, operation, and assets of the Hospital, and shall retain the ultimate authority and responsibility regarding the powers, duties, and responsibilities vested in the Hospital by applicable law and regulations. Nothing in this Agreement is intended to alter, weaken, displace or modify the responsibility of the Board for the Hospital’s direction and control as set forth in the Cordova Municipal Code and Hospital bylaws. The Board shall retain the full responsibility for quality of care at the Hospital, for compliance by the Hospital with all applicable federal, state and local laws, including, without limitation, compliance with federal and state laws relating to “fraud and abuse” by hospitals and other healthcare providers and compliance with the federal Stark law of 42 U.S.C. § 1395nn *et seq.*, as amended. The Hospital does not, in any way, delegate to Quorum or any Special Employees defined herein any of the powers, duties and responsibilities vested in Hospital by law or by the bylaws of the Hospital except as expressly set forth herein or by approval of the Hospital’s Board

**1.2 Relationship of the Parties.** The Parties hereto intend by this Agreement solely to effect the provision of Services by Quorum to the Hospital as described herein, and this Agreement is not intended to extend to or involve any other activities of either Party. No other relationship is intended to be created among the Parties hereto, and nothing in this Agreement shall be construed as to make any Party hereto the employer or employee of any other, the joint venturer or partner of the other, or have the right to control or conduct the other’s business in any manner, other than as is herein explicitly provided. Neither Party shall ever have any liability for payment of wages, payroll taxes and other expenses of the other, except as otherwise provided in this Agreement. Quorum shall never have the right to direct the Hospital or the Hospital employees in the performance of their professional medical judgments. Neither Quorum nor any employee or agent of Quorum shall have the authority to legally bind the Hospital unless authorized to do so by the Board. Quorum shall not, by entering into and performing this Agreement, incur any liability for any of the existing obligations, liabilities or debts of the Hospital, and Quorum shall not, by acting hereunder assume or become liable for any of the future obligations, debts or liabilities of the Hospital.

**Article II  
SERVICES**

**2.1 General Responsibilities.** Quorum shall perform certain Services in exchange for payment of the fees and expenses defined in **Addendum 2**. Such Services shall include those Services outlined in this **Article II** and in the attached addenda as defined on the Cover Page. Such Services and any additional duties which may be undertaken by written agreement of the parties shall be performed in

a manner consistent with the policies and directives dictated by the Board, the financial resources available to the Hospital, the competitive marketplace in which the Hospital is located, and Medicare/Medicaid reimbursement and other laws.

## **2.2 Group Purchasing Organization.**

**2.2.1 Access to Group Purchasing Organization.** Subject to applicable law, Quorum acting through an affiliate, Quorum Purchasing Advantage, LLC (“QPA”), shall offer the Hospital access to its group purchasing organization operations which include, without limitation: (i) QPA’s arrangements with certain vendors, including strategic service partners (“SSPs”); and (ii) access to vendors through arrangements between QPA and one or more other Group Purchasing Organizations (currently Healthtrust Purchasing Group, LP, referred to herein as “HPG”) (individually referred to as “GPO” and collectively referred to as the “GPO Program”). QPA’s GPO Program may change from time to time. If the Hospital chooses to participate, the Hospital understands that it may be required to execute a written agreement with another GPO that QPA has selected to provide access to vendors, and may be required to abide by the requirements of any such contract. Access to QPA’s GPO Program is available only to those facilities with a contractual relationship with Quorum. The Hospital also shall have the right to purchase supplies and services from vendors other than those vendors affiliated with Quorum, QPA or QPA’s affiliated GPOs.

**2.2.2 Group Purchasing Organization Fees.** The Hospital acknowledges that QPA may receive GPO Fees from vendors, including but not limited to SSPs, in connection with certain products and services that are purchased, licensed or leased by the Hospital, including, without limitation, fees for providing administration and distribution services to the Hospital on behalf of the vendors, including but not limited to SSPs. All such fees will equal three percent (3%) or less of the purchase price of the goods and services purchased from a participating vendor, including but not limited to SSPs, except as set forth on the Administrative Fee Exceptions Schedules attached hereto and incorporated herein as **Schedule A to Addendum 1**. On at least an annual basis, QPA will provide revised Administrative Fee Exceptions Schedules that identify all participating vendors, including but not limited to SSPs, who could pay fees in excess of three percent (3%) of the purchase price of the goods and services purchased from that vendor, as well as the maximum fee that the vendor, including but not limited to SSPs, will or could pay. QPA shall also disclose to the Hospital on an annual basis, and to the Secretary of Health and Human Services upon his or her request, the amount received from each vendor with respect to the Hospital’s purchases under the GPO Program. Any and all rebates due and owing to Hospital from HPG shall be paid directly to Hospital by HPG. Hospital understands and agrees that Quorum and QPA are not responsible or liable for any such rebate payments.

**2.2.3 Limitation of Warranties.** Quorum HEREBY DISCLAIMS AND EXCLUDES ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED (WHETHER ARISING UNDER LAW OR EQUITY OR CUSTOM OR USAGE), INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO ANY SUPPLIES, GOODS OR SERVICES PROVIDED TO THE HOSPITAL THROUGH THE GPO PROGRAM, OR FROM GPOS, AND THE HOSPITAL EXPRESSLY WAIVES RELIANCE UPON ANY SUCH WARRANTIES. HOWEVER, NOTHING IN THIS SECTION SHALL BE INTERPRETED TO LIMIT OR MODIFY ANY CLAIM WHICH THE HOSPITAL, AS AN ORIGINAL PURCHASER, MAY HAVE AGAINST THE MANUFACTURER OR SUPPLIERS (OTHER THAN Quorum OR QPA) OF ANY SUPPLIES, GOODS AND SERVICES.

**2.3 Limitations on Quorum’s Services.** Quorum’s Services shall include only those Services specifically identified in this Agreement or otherwise by written agreement of the Parties. Without limiting the generality of the foregoing, Quorum’s Services shall not include and shall not be construed as including any service, item, access or deliverable not specifically identified herein, and shall specifically not include or be construed as including such items as legal services, audit services (or the services of a certified public accounting firm), expert witness services, cost report preparation/oversight,



obtaining licenses, governmental approvals, provider numbers or similar items necessary for the operation of the Hospital, data processing or information system software or hardware, feasibility studies **in connection with the Hospital's procurement of third-party financing**, certificate of need applications related to major capital projects, facility master planning, architectural or engineering services, construction program management, and costs associated with Hospital website development or monthly hosting. **In addition, Quorum's Services shall not include any services arising from any misrepresentation made to Quorum by Hospital pursuant to Section 3.3.** Hospital warrants and represents that it has reviewed and understands the above-described limitations, and that it will not rely on Quorum or any service offered by Quorum as a source of information or expertise in any service, item, access or deliverable not specifically identified herein. Any modifications to the services to be provided by Quorum to Hospital set forth in this Agreement must be confirmed through a signed amendment to this Agreement or by a separate written agreement signed by an authorized representative of each Party.

**2.4 Representations and Warranties of Quorum.** Quorum represents and warrants that the following are true:

**2.4.1** Quorum has had this Agreement reviewed by legal counsel, and fully understands and acknowledges the provisions, scope, authority and division of responsibility herein.

**2.4.2** Quorum has the full authority to enter into this Agreement and the signature of Quorum's **Authorized Representative on this document represents that this Agreement has been duly authorized, executed, and delivered, and represents a legal, valid, and binding agreement, enforceable against Quorum in accordance with its terms.**

**2.4.3** The execution, delivery, and performance of this Agreement by Quorum, and consummation by it of the transactions contemplated hereby do not: (a) require any consent, waiver, approval, license, or authorization of any person or public authority which has not been obtained and is not presently in effect; (b) violate any provision of law applicable to Quorum; (c) conflict with or result in a default under, or create, any lien upon any of the property or assets of Quorum pursuant to any agreement or instrument; or (d) violate any judicial or administrative decree, regulation, or any other restriction of any kind or character to which Quorum is a party or by which Quorum or any of its assets may be bound.

**2.4.4** Quorum is currently solvent, and none of the execution, delivery or performance of Quorum of its obligations under this Agreement will render Quorum insolvent.

**2.4.5** Quorum recognizes and acknowledges the importance of adequate communication and notifications to Hospital regarding the services provided hereunder. Quorum agrees that it will, in a prompt and timely fashion, bring to Hospital's attention, in writing, any complaint, claim or dispute or allegation of breach it may have against Hospital, its agents, representatives, employees or contractors concerning the Services or subject matter of this Agreement.

**2.4.6** Quorum has not been sanctioned by the Health and Human Services office of the Inspector General as set forth on the Cumulative Sanctions Report, or excluded by the General Services Administration as set forth on the List of Excluded Providers [see <http://oig.hhs.gov/fraud/exclusions.html> and <http://els.arnet.gov/>]. Quorum will promptly notify Hospital if, during the Term, Quorum receives notice of any investigation conducted by a Federal Healthcare Program, Office of Health and Human Services or the Department of Justice.

### **Article III HOSPITAL RESPONSIBILITIES**

**3.1 Quorum Reliance on Hospital's Policies.** The Board shall communicate all policies and directives to Quorum, and Quorum shall be entitled to rely on and assume the validity of

communications from the Board and its designees. Quorum shall not be held responsible for any such policies and directives of which it has not been advised.

**3.2 Medical and Clinical Staff; Medical and Professional Matters.** The Medical Staff shall be organized and reasonably function according to its bylaws and the laws and regulations of the State where Hospital is located as they may be amended from time to time. Hospital shall retain authority for approval of the bylaws of the medical staff of Hospital. All matters requiring professional medical judgments, including without limitation, the evaluation of clinical competence, the supervision of clinical performance, the provision of clinical training and the control of the composition, qualification and responsibilities of the Hospital medical staff, shall remain the responsibility of the Board, the Medical Staff and allied health professionals. Quorum shall have no responsibility whatsoever for such medical judgments and Quorum shall not in any way be responsible for the credentialing of any healthcare professionals on staff at the Hospital. Hospital and its organized medical staff shall retain such roles and responsibilities as are necessary to meet the accreditation requirements of the **Joint Commission** and/or any other accrediting body which has accredited the activities of the Hospital and shall bear any responsibility for or any control over the clinical decisions, patient care, quality outcomes, infection control, or any other clinical or quality matter at the Hospital.

**3.3 Representations and Warranties of the Hospital.** The Hospital represents and warrants that the following are true:

**3.3.1** The Hospital has had this Agreement reviewed by independent legal counsel, and fully understands and acknowledges the provisions, scope, authority and division of responsibility herein.

**3.3.2** The Hospital has the full authority to enter into this Agreement and the signature of the Chairman of the Board on this document represents that this Agreement has been duly authorized, executed, and delivered by the Board as the governing body of the Hospital, and represents a legal, valid, and binding agreement, enforceable against the Hospital in accordance with its terms.

**3.3.3** The execution, delivery, and performance of this Agreement by the Hospital, and consummation by it of the transactions contemplated hereby do not: (a) require any consent, waiver, approval, license, or authorization of any person or public authority which has not been obtained and is not presently in effect; (b) violate any provision of law applicable to the Hospital; (c) conflict with or result in a default under, or create, any lien upon any of the property or assets of the Hospital pursuant to any agreement or instrument; or (d) violate any judicial or administrative decree, regulation, or any other restriction of any kind or character to which the Hospital is a party or by which the Hospital or any of its assets may be bound.

**3.3.4** The Hospital is currently solvent, and none of the execution, delivery or performance of the Hospital of its obligations under this Agreement will render the Hospital insolvent.

**3.3.5 The Hospital understands and fully acknowledges that as it relates to all applicable federal, state and local laws, regulations and ordinances, as well as Medicare and Medicaid claim processing regulations pertaining to the Hospital and its operations, the Hospital holds sole and absolute responsibility and that Hospital shall seek independent legal advice to the extent necessary to ensure compliance with such authorities at all times. Neither Quorum nor any of its agents, representatives or employees shall be responsible or have any liability for the Hospital's compliance with such law, regulations, ordinances or authorities.** The Hospital warrants that, as of the date hereof, it has received and, during the Term, shall retain accreditation by the Joint Commission or other similar accrediting or certifying body and is responsible for obtaining and maintaining all licenses, permits, provider numbers, and approvals required for the operation of the Hospital.

**3.3.6** The Hospital recognizes and acknowledges the importance of adequate communication and notifications to Quorum regarding the services provided hereunder. Hospital agrees

that it will, in a prompt and timely fashion, bring to Quorum's attention, in writing, any complaint, claim or dispute or allegation of breach it may have against Quorum, its agents, representatives, employees or contractors concerning the services or subject matter of this Agreement.

**3.3.7** The Hospital is and for the Term of the Agreement will be eligible to participate in Medicare, Medicaid, CHAMPUS/TRICARE and other federal healthcare programs (together, the “Federal Healthcare Programs”), and Hospital has not been sanctioned by the Health and Human Services office of the Inspector General as set forth on the Cumulative Sanctions Report, or excluded by the General Services Administration as set forth on the List of Excluded Providers [see <http://oig.hhs.gov/fraud/exclusions.html> and <http://els.arnet.gov/>]. The Hospital will promptly notify Quorum, if, during the Term, Hospital receives notice of any investigation conducted by a Federal Healthcare Program, Office of Health and Human Services or the Department of Justice.

**3.4 Hospital Responsibility for Costs.** The Hospital shall be responsible for all costs and expenses incurred to operate the Hospital. Such costs shall include, without limitation, the following: (a) all costs related to the employment by the Hospital of the Hospital employees; (b) all costs related to the contracting of professional services from providers, including the medical director, practicing physicians, and nurse practitioners; (c) all supplies used at the Hospital; (d) occupancy costs associated with the facilities used by the Hospital; (e) taxes incurred by the Hospital; (f) furniture, fixtures, leasehold improvements, signs and equipment used in facilities owned or operated by the Hospital; (g) insurance purchased for the Hospital; (h) attorney's fees incurred in the name and on behalf of the Hospital; (i) costs of advertising the Hospital's services; (j) direct costs of marketing materials for the Hospital; (k) costs associated with information systems developed by or for the Hospital. Costs which are the responsibility of the Hospital shall be paid from the funds of the Hospital in the Hospital's accounts and the Hospital shall at all times maintain sufficient funds in such accounts for such purposes. Nothing contained herein shall obligate Quorum to make any payments from its own funds or resources, incur any costs, or assume any liabilities either primarily or as guarantor on behalf of the Hospital, or to advance any monies to the Hospital.

**3.5 Covenant Not to Hire.** During the Term, and for a period of one (1) year following the early termination or expiration of the Term for any reason, the Hospital will not, directly or indirectly, through an affiliate, or separate employee leasing or staffing company or otherwise, employ, or solicit for employment, any Quorum employee or consultant unless Quorum gives its written consent thereto. As liquidated damages for any breach of this Covenant by the Hospital, the Hospital agrees that, if it breaches this **Section 3.5** of the Agreement, the Hospital will pay Quorum three (3) times the then current Annual Fee within thirty (30) days of the employment as reasonable compensation to Quorum for damages incurred by such actions on the part of the Hospital. The obligation to pay this amount in the event of an otherwise prohibited direct employment of an employee of Quorum is agreed and confirmed by the Parties to constitute a fair, reasonable and appropriate payment to Quorum under the circumstances to reasonably compensate Quorum for damages incurred. The Parties mutually affirm that the payment amount does not constitute a penalty. Notwithstanding any other provisions of this Agreement, the failure on the part of the Hospital to pay this amount on or before the date when due shall create an immediate right on the part of Quorum to pursue collection of this amount with interest in the amount set forth in **Section 6** of **Addendum 2** to this Agreement. The Hospital agrees to reimburse Quorum for any and all reasonable attorney's fees, or other costs and expenses as may be incurred by Quorum in order to enforce the obligations of the Hospital set forth in this **Section 3.5**. Furthermore, in the event that the Hospital fails to uphold its obligations hereunder, the Parties confirm that Quorum may seek any and all remedies in law or equity, including injunctive relief, relating to any violation of this Section or of any other provisions of this Agreement.

## **Article IV OWNERSHIP OF INFORMATION; CONFIDENTIALITY**

### **4.1 Ownership of Information.**

**4.1.1** All operating procedures, protocols, information systems, computer data bases, and other non-public proprietary business systems or information not uniquely pertaining to the Hospital (**collectively, “Quorum’s Proprietary Information”**) that are or were created or developed by Quorum, or obtained by Quorum from sources other than the Hospital, shall be the exclusive property of Quorum. Nothing contained in this Agreement shall be construed as a license or transfer of Quorum’s Proprietary Information or any portion thereof, either during the Term or thereafter. Upon the termination or expiration of this Agreement, Quorum shall have the right to retain all of Quorum’s Proprietary Information, and any Party hereto, upon request, shall return to Quorum all of Quorum’s Proprietary Information in its possession. Notwithstanding the foregoing, written reports, database, procedures, protocols, computer data base, policies, educational materials, regulatory analysis reports and updates and other written documents delivered by Quorum to the Hospital during the Term of this Agreement in connection with the Services provided by Quorum pursuant to this Agreement shall not constitute Quorum Proprietary Information.

**4.1.2** All operating procedures, protocols, information systems, computer data bases, and other non-public proprietary business systems or information owned or developed in whole or in part by or for Hospital personnel (collectively, **the “Hospital’s Proprietary Information”**), shall be the exclusive property of the Hospital. Nothing contained in this Agreement shall be construed as a license or transfer of the Hospital Proprietary Information or any portion thereof, either during the Term or thereafter. Upon the termination or expiration of this Agreement, the Hospital shall have the right to retain all such Hospital Proprietary Information, and any Party hereto, upon request, shall return to the Hospital all Hospital Proprietary Information in its possession.

**4.2 Confidentiality.** Each Party agrees that it shall not, and shall cause its officers, directors, employees and agents to not disclose to any third party any confidential or proprietary data, reports, or other information or materials concerning the other Party hereto, including, without limitation, any aspect of the Proprietary Information, and the terms or prices of any agreement under the Group Purchasing Program, without the prior written consent of the Party whose information is to be disclosed, except as otherwise required by applicable court or administrative order, law or regulation. Each Party shall notify the other Parties immediately of any suspected or actual breach of these confidentiality requirements, and related facts. Promptly upon the expiration or earlier termination of this Agreement, if requested, each Party shall return to the other Party originals and copies, whether in electronic or other medium, of all reports, records, memoranda, and other materials that contain proprietary information belonging to the other Party.

**4.3 Public Announcements; No Disparagement.** Except as otherwise provided herein, neither Party may disclose the terms of this Agreement, nor any agreement supplementing this Agreement, to any other person or entity, except by mutual written consent of the Parties. Without limiting the foregoing, neither Party, nor any officer, director, trustee, employee or agent of such Party (each a “Restricted Party”), shall issue any press release or make any public statement with respect to this Agreement, or any matter arising from this Agreement, or otherwise release, publish or make available to the public, in any manner whatsoever, any information or announcement regarding this Agreement, or its terms, without the prior written consent of the other Party. Each Party agrees that it will refrain from making, and will prohibit any of its Restricted Parties from making, any disparaging comment and/or public statements (oral or written) about the other or its business. Each of the Parties hereto agree that in the event of any termination or threatened termination of this Agreement, they will not disclose, or permit any of their respective Restricted Parties to disclose to anyone who is not a Party to this Agreement (or their respective legal counsel), any facts or circumstances related to such termination or threatened termination. The terms of this **Section 4.3** shall not apply to: (i) any disclosure required for the performance of a Party’s obligations hereunder, (ii) any disclosure of the existence or terms of this Agreement made in the notes to the audited financial statements of a party or its affiliates required to be made in accordance with generally accepted accounting principles as reasonably determined by the independent public accountants of such Party, (iii) any such disclosure made in connection with any public or private securities offering, (iv) any disclosure required to be made by law or regulation, Open Meetings Act or Public Records Act, or (v) any disclosure made in response to any court or administrative

order or summons, subpoena or similar legal process except that, in each case, performance of such Party shall provide the other Party with reasonably prompt notice thereof, and such Party shall be permitted, at its expense, to seek a protective order or other appropriate remedy.

**4.4 Injunctive Relief.** The Parties agree that violations of this **Article IV** would result in irreparable harm and that, in addition to any other rights and remedies provided by law, a Party shall be entitled to injunctive relief to enforce the other Party's obligations under this **Article IV**.

## **Article V INSURANCE AND INDEMNIFICATION**

**5.1 Indemnification by the Hospital.** Hospital shall defend, indemnify, save and hold harmless Quorum, its shareholders, members, directors, officers, employees, agents and direct or indirect parents or subsidiary entities ("**Quorum Indemnified Party**") from and against any and all judgments, losses, claims, damages, liabilities, fines, penalties, costs and expenses (including reasonable attorneys' fees and expenses paid or incurred by a Quorum Indemnified Party), joint or several, which may be asserted against any Quorum Indemnified Party arising out of any breach by Hospital of any covenant or any representation or warranty in this Agreement, or arising out of the negligent activities or operations of the Hospital, or occasioned by Quorum's performance of its duties under and in compliance with the terms of this Agreement, where such has been requested or approved by the Board, excepting claims arising from the negligence of Quorum ("**Quorum Claim**"). It is the intent of the Parties that this indemnification shall include, without limitation, (i) any pending or threatened medical malpractice, other tort claim, contractual claim or any other claim or cause of action; (ii) any act or omission by any former or current Hospital employee, Medical Staff member, or other personnel; (iii) any action against any Quorum Indemnified Party brought by any of the current or former employees of the Hospital, members or Medical Staff unless such action arises directly from the willful and unauthorized conduct of Quorum or its employees; (iv) any violation of any requirement applicable to the Hospital under any federal, state, or local law or regulation; and (v) the negligence, criminal conduct, or misconduct of the Hospital, and/or the Hospital's employees, Medical Staff members, allied health professionals, and/or agents, which listing is intended to be illustrative and not all inclusive.

**5.2 Indemnification by Quorum.** Quorum shall defend, indemnify, save and hold harmless the Hospital, its members, directors, officers, trustees, employees, agents, direct or indirect parents or subsidiary entities (collectively, a "**Hospital Indemnified Party**") from and against any and all judgments, losses, claims, damages, liabilities, fines, penalties, costs and expenses (including reasonable attorneys' fees and expenses paid or incurred by a Hospital Indemnified Party), joint or several, which may be asserted against any Hospital Indemnified Party arising out of any breach by Quorum of any covenant or any representation or warranty in this Agreement, or arising out of the negligent activities or operations of Quorum (a "**Hospital Claim**"). It is the intent of the Parties that this indemnification shall include, without limitation, (i) any pending or threatened tort claim, contractual claim or other claim or cause of action that arises solely from the negligence, recklessness, or intentional acts or omissions of Quorum; (ii) any act or omission by any Quorum employee, or other Quorum contract personnel; (iii) any material violation of any requirement applicable to Quorum under any federal, state, or local law or regulation; and (iv) the negligence, criminal conduct, or misconduct of Quorum and/or Quorum's employees and/or agents, which listing is intended to be illustrative and not all inclusive.

**5.3 Conditions on Indemnification.** The obligations of an indemnifying party ("**Indemnitor**"), as set forth above, are conditioned upon: (i) the indemnified party ("**Indemnitee**") within a reasonable time notifying the Indemnitor of any claim, demand, action or cause of action, or any incident of which the Indemnitee has actual or constructive knowledge, which may reasonably result in a claim, demand or action, and for which the Indemnitee will look to Indemnitor for indemnification, (ii) Indemnitee, its directors, officers, employees and servants, cooperating fully with Indemnitor in Indemnitor's investigation and review of any such claim, demand, action or incident, and (iii) Indemnitee not entering into any admissions, agreements or settlements which may affect the rights of Indemnitee or Indemnitor without the prior written consent and approval of Indemnitor. Indemnitor reserves the right,

in its sole discretion and at its cost, to assume the defense of Indemnitee in any such claim, action or proceeding.

**5.4 Defense Costs.** The Indemnitor shall have the right to employ separate counsel reasonably acceptable to Indemnitee in any such action and to participate in the defense thereof, with the fees and expenses of such counsel at the expense of Indemnitor. The Indemnitee shall have the right but not the obligation to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of Indemnitee unless (a) employment of such counsel and payment of the fees and expenses thereof by the Indemnitee has been specifically authorized in writing by the Indemnitor, or (b) in the reasonable judgment of Indemnitee, employment of such counsel is necessary because the claim or defense for which such counsel is employed is inconsistent or in conflict with the claims or defenses of the Indemnitor, or (c) the Indemnitee shall have reasonably concluded that there may be claims or defenses available to it that are different from or in addition to those available to the Indemnitor, in any of which events such fees and expenses shall be borne by the Indemnitor, but in any such event, the Indemnitor shall not have the right to direct the defense of such action on behalf of the Indemnitee. The Indemnitor shall not be liable for any settlement of any such **action effected by the Indemnitee without the Indemnitor's consent, but if settled with the consent of the** Indemnitor or if there shall be a final judgment for the plaintiff in such action against the Indemnitee or the Indemnitor with or without the consent of the Indemnitor, the Indemnitor agrees to indemnify and hold harmless the Indemnitee to the extent provided herein.

## **5.5 Limitations of Liability and Claims.**

**5.5.1 Certain Damages.** Neither Party, their employees, agents, representatives and/or affiliates, shall have any liability to the other Party for any indirect, consequential, incidental, exemplary, special or punitive damages or costs, including, without limitation, lost profits, loss of good will or loss of tax-exempt **status for the Hospital or the Hospital's** financing, even if such Party has been advised, knew or should have known, of the possibility thereof. Notwithstanding the foregoing, the parties confirm that Quorum has the right to seek and recover any and all actual damages as may be recoverable under law or equity in the event of an improper termination of the Agreement or other improper action by the Hospital, including, as applicable, loss of future payments of the Annual Fee or any portion thereof.

**5.5.2 Cumulative Liability of Quorum.** Excluding the indemnification obligation contained in this **Article V**, the cumulative liability of Quorum, its employees (including, without limitation, the Special Employees), agents, representatives and/or affiliates to the Hospital for any and all claims, regardless of the form of action, arising out of, or relating in any way to, this Agreement or any other prior agreement between the Parties, a Party and an Affiliate of the other Party or an Affiliate of a Party with an Affiliate of the other Party, shall not exceed the total amount of the Annual Fee paid by the Hospital to Quorum as of the date any such claim actually accrued or was filed.

**5.5.3 Acknowledgment.** Quorum shall have no liability whatsoever for the financial condition of the Hospital at any time prior to, during, or after the Term. Quorum shall have no right or interest in nor increase in compensation related to any improvement to the financial condition of the Hospital at any time prior to, during, or after the Term. Quorum makes no warranty or guarantee regarding the ultimate success or performance of the Hospital or the Services provided hereunder. For this reason, the Hospital agrees that it shall not be entitled to seek or obtain any offset against amounts owed by the Hospital to Quorum hereunder as a result of financial losses by the Hospital, and Quorum shall not be entitled to seek or obtain any additional compensation from the Hospital as a result of financial improvements by the Hospital. It is confirmed that neither party nor any of their affiliates shall make a claim or seek indemnification against the other party or the **other party's affiliates for any losses, claims, damages, liabilities, costs, and expenses except as provided by Section 5.1 or Section 5.2** hereof.

**5.5.4 Limitation of Claims.** With respect to any claim, demand, action, or cause of action that Hospital may have or allege to have against Quorum or any Quorum Indemnified Party at any

time relating in any way to the relationship between Hospital and Quorum or any Quorum Indemnified Party, whether arising in contract, tort, indemnity, contribution or otherwise (“Hospital Claim”), the parties agree, stipulate and confirm that Hospital must initiate, file and serve an arbitration proceeding asserting any Hospital Claim against Quorum or any Quorum Indemnified Party (in accordance with **Section 8.1** of this Agreement) within 180 days from the date that the Hospital Claim first arises. If the Hospital does not initiate, file and serve the Hospital Claim through arbitration within the required 180-day period, every such Hospital Claim shall be irrevocably waived and forfeited. The Parties confirm that this limitation is valid and enforceable without regard to the time period as might have otherwise been allowed under state or federal law for the Hospital Claim to be asserted, which time period(s) and attendant right(s) are replaced and superseded by the provisions set forth hereunder.

**5.6 Insurance.** The Hospital has, and shall maintain at its own cost and expense, throughout the Term, the following minimum insurance coverage with an insurance company approved by Quorum with an AM Best rating of A or better:

<b>Worker’s Compensation</b>	Statutory Amount
<b>Employer’s Liability</b>	\$100,000
Comprehensive General Liability (CGL)	\$1,000,000 per occurrence \$3,000,000 aggregate
Hospital Professional Liability (HPL)	\$1,000,000 per occurrence \$3,000,000 aggregate
Umbrella/Excess (Over CGL and HPL)	\$5,000,000 per occurrence and aggregate
Automobile Liability	\$1,000,000
<b>Directors’ and Officers’ Liability</b>	\$2,000,000
Employment Practice	\$1,000,000
Crime Insurance	\$500,000
Property Insurance	Insurable Value

**Property damage insurance shall insure against loss or direct physical damage to the Hospital’s buildings, furnishings, equipment, machinery, and boiler under standard all-risk coverage (including, but not limited to, fire, smoke, lightning, windstorm, explosion, aircraft or vehicle damage, riot, civil commotion, vandalism, and malicious mischief) and shall also include damage due to flood and earthquake unless waived by Quorum.**

Quorum (and its parent companies) shall be named as additional insureds, with respect to this **Agreement, under the comprehensive general, hospital professional, directors’ and officers’, employment practice and umbrella/excess liability policies.** Their rights to invoke the protection of such policies shall **be severable from and independent of the Hospital’s rights, and these policies shall not be terminable or non-renewable** except upon thirty (30) days prior written notice to Quorum. If such coverage is written on a claims-made form, following termination or expiration of this Agreement, the Hospital shall: (i) continue such coverage to survive with Quorum and its parent company as an additional insured for the period of the applicable statute of limitations; or (ii) shall provide an extended reporting endorsement (tail coverage) covering Quorum and its parent company for claims arising during the Term, but not reported until after the termination or expiration of this Agreement. Should the Hospital change insurance companies during the Term, the Hospital shall maintain coverage which includes claims incurred but not reported under the prior coverage (prior acts coverage). No later than thirty (30) days following the execution of this Agreement, and thirty (30) days following the end of each policy year, the Hospital shall give to Quorum a copy of the endorsements naming Quorum and its parent companies as an additional insured. It is the intention of the parties that such insurance and bond shall protect the Hospital, Quorum and Quorum’s **parent company and will be the primary insurance for such parties** for any and all losses covered thereby, notwithstanding any insurance which may be maintained by Quorum or its affiliates covering any such loss. The Hospital hereby waives any right of contribution with respect to a loss covered under such policies (or their deductibles) against Quorum or its insurance carriers.

**Article VI**  
**TERM AND TERMINATION**

**6.1 Term.** The Term of this Agreement shall commence on the Effective Date with the initial term to be for eighteen (18) months (the “Initial Term”) and be automatically renewed for periods of twelve (12) months each to be effective on the first day after the expiration of the Initial Term and, thereafter, the anniversary of that day (each, a “Renewal Term”) unless terminated as provided herein (collectively referred to as the “Term”).

**6.2 Termination for Cause and without Cause.**

**6.2.1 Bankruptcy.** Either Party may terminate this Agreement immediately in the event the other Party: files a petition commencing a voluntary case against it under the U. S. Bankruptcy Code; makes a general assignment for the benefits of its creditors; becomes insolvent; becomes unable to pay its debts as they become due; files a petition or answer in any proceeding seeking for itself or consenting to, or acquiescing in, any insolvency, receivership, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, or files an answer or other pleading admitting or failing to deny or to contest the material allegations of the petition filed against it in any such proceeding; seeks or consents to, or acquiesces in, the appointment of any trustee, receiver of it or any material part of its property; or has commenced against it any involuntary case under the U. S. Bankruptcy Code, or a proceeding under any receivership, composition, readjustment, liquidation, insolvency, dissolution, or like law or statute, which case or proceeding is not dismissed or vacated within sixty (60) days from commencement.

**6.2.2 Casualty.** In the event that the physical plant housing the Hospital is destroyed, or is so damaged that it is reasonably anticipated that the Hospital will not, within ninety (90) days, commence repair or reconstruction, with a view toward resuming full operation within another ninety (90) days after such commencement, then any Party may terminate this Agreement upon no less than thirty (30) days’ notice.

**6.2.3 Breach or Default.** Except as otherwise provided in **Subsection 6.2.4** below, if a Party hereto (“Defaulting Party”) fails substantially to perform any of its material obligations under this Agreement, the other Party (“Non-Defaulting Party”) may give the Defaulting Party a “Notice of Default.” The Notice of Default shall set forth the nature of the obligation that the Defaulting Party has not performed and shall be in writing. The Defaulting Party will have sixty (60) days to cure the default (the “Cure Period”). If the Defaulting Party does not cure the default within the Cure Period, the Non-Defaulting Party shall have the right to terminate this Agreement with the effective date of such termination to be at midnight on the last business day of the Cure Period. A Party’s termination or failure to terminate this Agreement shall not waive any breach of this Agreement. Any actual waiver of any breach of this Agreement shall not constitute a waiver of any future breaches of this Agreement, whether of a similar or dissimilar nature.

**6.2.4 Nonpayment.** If the Hospital fails to make any payment to Quorum hereunder within ten (10) days following Quorum’s notice to the Hospital of non-payment, Quorum, among other rights and remedies pursuant to this Agreement or otherwise available at law or in equity, shall have the right to terminate this Agreement immediately. Failure to terminate this Agreement shall not waive any breach of this Agreement or release the Hospital from any liability under this Agreement. Any actual waiver of any breach of this Agreement shall not constitute a waiver of any future breaches of this Agreement, whether of a similar or dissimilar nature.

**6.2.5 Licenses.** Quorum shall have the right to terminate this Agreement immediately in the event any material license or certification required by the Hospital to operate cannot be obtained, or is suspended, terminated, or revoked.



**6.2.6 Representations.** Either Party may terminate this Agreement upon at least thirty (30) days written notice in the event any representation made by the other Party in this Agreement is found to be untrue in any respect which would have a material adverse effect upon either Party's financial condition or business operations, or would have a material adverse effect upon either Party's ability to perform under this Agreement.

**6.2.7 Litigation.** Either Party may terminate this Agreement upon at least thirty (30) days advance written notice in the event there is entered against the other Party one or more judgments or decrees which either Party reasonably believes would have a material adverse effect upon its financial condition, business operations ability to perform under this Agreement.

**6.2.8 Without Cause Effective End of Initial Term or any Renewal Term.** Either Party may terminate this Agreement upon at least thirty (30) days advance written notice with such termination to be effective only at the end of the Initial Term or any Renewal Term.

### **6.3 Effects of Termination or Expiration.**

**6.3.1 In General.** In the event of the termination or expiration of this Agreement for any reason, Quorum shall immediately be paid all fees theretofore earned, and reimbursed for all expenses incurred by Quorum in accordance with the terms of this Agreement. In the event Quorum should terminate the Agreement for cause as specified in **Section 6.2** above or the Hospital should terminate the Agreement without a specified right to terminate under the Agreement, Quorum shall immediately be paid all professional fees that would normally be paid by the Hospital and would accrue each month from the date of notice of termination through the end of the Term of the Agreement. The right to terminate this Agreement, and to receive payment of any amounts owing as of the effective date of termination, shall be in addition to any other remedy available at law or in equity. The expiration or termination of this Agreement for any reason shall be without prejudice to any payments or obligations which may have accrued or become due hereunder prior to the date of termination, or which may become due after such termination.

**6.3.2 Participation in Group Purchasing Organization.** The Hospital hereby acknowledges and agrees that following the effective date of termination or expiration of this Agreement:

(a) **HPG.** The Hospital shall have not more than sixty (60) days to transition any affiliation between the Hospital and HPG to another group purchasing organization not affiliated with Quorum (if any) or to otherwise wind down the Hospital's relationship with HPG (the "Transition Period"). For at least twelve (12) months after the expiration of the Transition Period, the Hospital will not be able to access HPG as a "participating provider" within HPG.

(b) **SSPs.** The Hospital shall no longer have access to the "preferred pricing" offered by the SSPs through QPA's GPO Program for any new contractual relationship(s) with SSP vendors. For vendor agreements entered into prior to the effective date of the termination or expiration of this Agreement, the pricing in those vendor agreements between the Hospital and the SSP vendors may remain in place until the renewal or expiration of those vendor agreements, at which time SSP "preferred pricing" will no longer be available to the Hospital.

## **Article VII ALTERNATIVE DISPUTE RESOLUTION**

**7.1 Mediation.** The parties agree that any and all differences, controversy or claims arising out of or relating to this Agreement, or the breach of this Agreement and any related documents that are unable to be resolved by the parties acting and negotiating in good faith, prior to the commencement of arbitration as set forth in **Section 7.2** shall be submitted to mediation. In the event the parties are unable to agree on the selection of a mediator within thirty (30) days of one party delivering a notice of dispute to the other party or in the event the mediation does not resolve the dispute, the parties agree that any and all differences, controversies or claims arising out of or relating to this

agreement, or the breach of this agreement and any related documents, shall be submitted to and settled by binding arbitration in Tennessee.

**7.2 Agreement to Arbitrate.** Except for any breach of **Article IV**, to which a Party is entitled to seek injunctive relief in a court of competent jurisdiction, any controversy or claim arising out of or relating to this Agreement, or any other Prior Agreement between the Parties, a Party and an Affiliate of the other Party or an Affiliate of a Party with an Affiliate of the other Party or the breach, termination or validity thereof, shall be determined by binding arbitration in Brentwood, Williamson County, Tennessee, in accordance with the provisions of this **Article VII** and the arbitration rules of the **American Health Lawyers Association Dispute Resolution Service (“AHLADRS”)** in effect on the date of this Agreement by a single arbitrator who: (i) has the qualifications and experience set forth in **Section 7.3** below; and (ii) is selected as provided in **Section 7.4** below. The arbitrator shall base the award on this Agreement, and applicable law and judicial precedent, and shall accompany the award with a written explanation of the reasons for the award. The award shall be issued within 30 days of the last day of the arbitration proceeding at which live testimony is provided. The arbitration shall be governed by the laws of the state of Tennessee applicable to contracts made and to be performed therein. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**7.3 Qualifications of Arbitrator.** Every person nominated or recommended to serve as an arbitrator hereunder shall be a lawyer with excellent academic and professional credentials who has had experience as an arbitrator and at least fifteen (15) years of experience as a practicing attorney who actively practices in the substantive subject matter area involved in the dispute.

**7.4 Selection of Arbitrator.** The arbitrator shall be selected as provided in this **Article VII**, and otherwise in accordance with the rules of the AHLADRS in effect during the Term of this Agreement, except that each Party shall be entitled to strike on a peremptory basis any or all names of potential arbitrators on the list submitted by the AHLADRS as not being qualified in accordance with the criteria set forth in **Section 7.3** above.

**7.5 Authority of Arbitrator.** The arbitrator shall have the exclusive authority to decide the scope of issues to be arbitrated. Any challenge to the arbitrability of any issue related in any way to the matters or claims in dispute between the Parties shall be determined solely by the arbitrator. Also, any challenge to the validity of this arbitration provision, or any subpart thereof, shall be determined and decided exclusively by the arbitrator.

**7.6 Discovery; Arbitration Hearing.** Rule 4.02 of the arbitration rules of the AHLADRS is hereby modified to provide that discovery shall be limited to: (i) the production, by all Parties to the arbitration, to the other Parties thereto of all documents and electronic or computer records relevant or pertaining to any of the matters at issue; and (ii) to allow each Party to the arbitration to take five depositions, none of which may last more than eight hours (exclusive of breaks and adjournments). These limits may be relaxed only upon the express agreement of each of the Parties to the arbitration and the arbitrator. Rule 4.04 of the AHLADRS arbitration rules is modified to provide that once the evidentiary hearing commences, it shall continue day-to-day until completed, with the exception of Saturdays, Sundays and legal holidays. Otherwise, the evidentiary hearing can only be adjourned by agreement of all of the Parties and of the arbitrator for a period of time agreed upon by all of them.

## **Article VIII MISCELLANEOUS**

**8.1 Duty to Cooperate.** The Parties acknowledge that their mutual cooperation is critical to the ability of Quorum to perform its duties hereunder successfully and efficiently. Accordingly, each Party agrees to cooperate with the other fully in formulating and implementing the goals and objectives **that are in the Hospital’s best interest**. The Parties agree that either **Party’s failure** to mutually cooperate constitutes a breach under this Agreement and, in such an event, the non-breaching Party shall be entitled to terminate this Agreement pursuant to **Subsection 6.2.3** above.

**8.2 Further Documents.** The Parties do hereby covenant and agree that they and their successors and assigns will execute any and all instruments, releases, assignments, and consents which may reasonably be required of them in order to carry out the provisions of this Agreement.

**8.3 Effect on Successors: Survival.** This Agreement shall be binding upon, enforceable by, and inure to the benefit of, the Parties and their successors and assigns. Notwithstanding anything herein to the contrary, the provisions of **Sections 2.3, 2.4, 3.3, 3.5 and Articles IV, V, VI, VII and VIII** shall survive the expiration or early termination of this Agreement.

**8.4 Entire Agreement.** This Agreement contains the entire agreement among the Parties relating to the subject matter of this Agreement. Except as otherwise provided herein, the terms of this Agreement may be modified or amended only by written agreement of the Parties. The parties specifically confirm that they make no reliance upon any prior or contemporaneous promises, statements, representations, brochures, or materials made or provided by any person that are not specifically incorporated or referenced herein, including, without limitation, any Prior Agreement(s) between the Parties, if applicable.

**8.5 Governing Law.** This Agreement shall be governed by and construed, interpreted, and enforced pursuant to **Section 7.2** of this Agreement.

**8.6 Notices.** All notices under this Agreement by any Party to the other shall be in writing. All notices, demands, and requests shall be deemed to be delivered if given upon the earlier of (i) actual delivery to the intended recipient or its agent or (ii) three (3) days after deposit in the United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (iii) upon delivery if sent by prepaid express delivery service:

**To Quorum:** Quorum Health Resources, LLC  
105 Continental Place  
Brentwood, TN 37027  
Attn: President and CEO

**With copy to:** Legal Department  
4000 Meridian Boulevard  
Franklin, TN 37067  
Attn: General Counsel

**To the Hospital:** Cordova Community Medical Center  
602 Chase Avenue  
Cordova, AK 99574  
Attn: City Manager

**8.7 Waiver.** The failure of any Party to exercise any right or enforce any remedy contained in this Agreement shall not operate as or be construed to be a waiver or relinquishment of the exercise of such right or remedy, or of any other right or remedy herein contained.

**8.8 Enforceability; Severability.** The invalidity or unenforceability of any term or provision of this Agreement shall not, unless otherwise specified, affect the validity or enforceability of any other term or provision, which shall remain in full force and effect.

**8.9 Headings; Gender; Interpretation.** The headings and other captions contained in this Agreement are for convenience of reference only and shall not be used in interpreting, construing or enforcing any of the provisions of this Agreement. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

**8.10 Access to Books and Records.** Until the expiration of four (4) years after the furnishing of Services pursuant to this Agreement, the Parties shall, upon written request, make available to the Secretary of Health and Human Services (the “Secretary”) or the Comptroller General, or their duly authorized representative(s), the contract, books, documents, and records necessary to verify the nature and extent of the cost of such Services. If any Party carries out any of its obligations under this Agreement by means of a subcontract with a value of \$10,000 or more, that Party agrees to include this requirement in any such subcontract. The availability of Quorum’s books, documents, and records shall be subject at all times to all applicable legal requirements, including without limitation such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. Neither Party shall be construed to have waived any applicable attorney client privilege by virtue of this **Section 8.10**.

**8.11 Counterpart Signature.** This Agreement may be executed in one (1) or more counterparts (facsimile transmission or otherwise), each of which shall be deemed an original Agreement and all of which shall constitute but one Agreement.

**8.12 Compliance with Laws.** In performing their respective duties hereunder, the Parties shall conduct themselves in full accordance with all applicable state, federal and local laws and regulations, including, without limitation, the federal physician self-referral law (commonly known as the “Stark Law,” 42 U.S.C. §1395nn *et seq.*) and the anti-fraud and abuse provisions of the Social Security Act (42 U.S.C. §1320a-7 *et seq.*). Nothing in this Agreement shall require either Party to arrange for or send patients to the other Party or to the other Party’s affiliated hospitals or providers.

**8.13 Changes in Law.**

**8.13.1 Legal Event; Consequences.** Notwithstanding any other provision of this Agreement, if: (i) the Internal Revenue Service, or any of the governmental agencies that administer the Medicare, Medicaid or other federally funded programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any final law, rule, regulation, standard, interpretation, order opinion, decision or judgment, including but not limited to those relating to any regulations determining tax exempt status (collectively or individually, a “Legal Event”), which, in the good faith judgment of one Party (the “Noticing Party”), materially and adversely affects the tax-exempt status of any of the Hospital’s financing or either Party’s tax status, licensure accreditation, certification or ability to bill, to claim, to present a bill or claim or to receive payment or reimbursement from any federal, state or local governmental or nongovernmental payer, or (ii) which Legal Event subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or (iii) which Legal Event, in the good faith judgment of the Noticing Party, indicates a rule or regulation with which the Noticing Party desires further compliance, or (b) in the reasonable opinion of counsel to either Party any term or provision of this Agreement could trigger a Legal Event, then the Noticing Party may give the other Party written notice requesting commencement of the Renegotiation Period, as defined in **Subsection 8.13.2** below.

**8.13.2 Renegotiation Period; Termination.** In the event of notice under **Subsection 8.13.1** above, the Parties shall negotiate in good faith for a period of sixty (60) days from the giving of such notice (“Renegotiation Period”) to attempt to amend the Agreement to resolve the Legal Event. If this Agreement is not so amended within the Renegotiation Period, this Agreement shall terminate as of midnight on the 60<sup>th</sup> day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either Party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinion of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other Party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

**8.14 Compliance Program.** The Hospital represents that it has developed and implemented a Compliance Program. The Hospital will maintain, update and abide by the terms of its Compliance Program during the Term. The Hospital will provide Quorum with a report from time to time, but no less often than annually, on the status of its Compliance Program. Quorum agrees to comply with the **requirements of the Hospital's Compliance Program in carrying out its duties under this Agreement, to** bring items of potential noncompliance to the attention of the Board when actually discovered by Quorum (and of which Quorum has actual notice) and, at the direction of the Board, to take corrective action prescribed by the Board once any item of noncompliance is identified; provided, that, the costs (including, without limitation, legal and consulting fees and expenses incurred in undertaking any corrective action) required to develop, implement, update and maintain the Compliance Program shall be the sole responsibility of the Hospital and the Board.

**8.15 HIPAA and Business Associate Agreement.** The Parties hereby acknowledge and agree to comply with the Business Associate Addendum attached hereto as Addendum 3 and incorporated herein by this reference, to evidence their compliance with privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts **160 and 164, subparts A, D and E ("the Privacy Rule")**, the security standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts **160, 162 and 164, subpart C ("the Security Rule")**, and the requirements of Title XIII, Subtitle D of the Health Information Technology for Economic and Clinical Health (HITECH) Act as well as any applicable state confidentiality laws.

**8.16 Binding Affect and Assignment.** This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto, and their assigns or successors in interest. **Provided, further** that the rights and obligations of each Party under this Agreement shall not be assigned to any third-party without the prior, written consent of the other Party; **provided, that**, Quorum may assign any or all of its rights and obligations under this Agreement to an affiliate, or to a third-party in connection with a sale of substantially all of its assets to such third-party, without the prior consent (written or otherwise) of the Hospital.

## ADDENDUM 1 - BASE SERVICES

This **Addendum 1** is attached to and made a part of that certain Advisory Services Agreement, with an Effective Date of the 31<sup>st</sup> day of August, 2015.

**1. Account Executive and Account Executive Team.** Quorum shall assign an Account Executive and Account Executive Team to assist the Hospital with achieving the value and benefits available through this Agreement. The following Base Services shall be provided to the Hospital and shall be coordinated by the Account Executive:

- Attendance at Board meetings on at least a quarterly basis in-person by the Account Executive and/or other members of the assigned regional support team and other Board meetings by telephone or video conference.
- Business and Strategic Planning:
  - Assisting the CEO and Board in developing an annual business plan
  - **Together with the CEO, monitoring the Hospital's progress toward achievement of goals established in the annual business plan and reporting to the Board on progress**
  - Advising the Board on significant strategic and business decisions
  - Assisting with strategic financial planning
- Operations and Financial Advisory Support:
  - Conduct regular operations reviews with the CEO and CFO, including reviewing a monthly financial report and advising on operational improvements
  - Review the annual operating budget and capital budget
- CEO Evaluation:
  - Providing assistance to the Board as they conduct an annual evaluation of the CEO
- Reimbursement Support and Advice:
  - Reviewing the **Hospital's prepared cost report and analyzing critical access hospital modeling or other reimbursement strategies**
  - Providing reimbursement advisory updates including changes in regulations
  - Providing an annual third party contractual allowance review (a detailed review of the contractual accounting processes, contractual allowances and cost report settlements **as reported on the Hospital's financial statements in order to identify potential errors**)
- CEO and CFO Executive Recruitment
  - Quorum will assist the Hospital with executive recruitment for the positions of CEO and CFO if needed. Quorum **shall communicate with the Board to establish the Board's** desired qualifications, job description requirements and commercially reasonable and competitive salary range for such personnel. Thereafter, Quorum shall seek to recruit candidates for the position to be filled who fit such Board-established parameters. If no such candidates are recruited, Quorum shall notify the Board, and shall meet with the Board to re-establish qualifications, job description requirements and salary parameters to expand Quorum's **recruitment efforts**. Upon recruiting candidates who meet these qualifications, Quorum shall present such candidates to the Board. The Board shall, within ten (10) business days after presentment of the last candidate, notify Quorum of **the Board's preferred candidate**. **If, however, such Board-preferred candidate declines the Board's offer**, Quorum shall meet with the Board to determine if another presented candidate is acceptable to the Board, or to establish expanded parameters for the recruitment of further candidates for the position.

- The Quorum Financial Comparative Database.
  - The Hospital shall assist Quorum with collecting the **Hospital's financial and operational** comparative data to be included in Quorum's **Financial Comparative Database**. Quorum agrees to blind all comparative data, including Hospital's comparative data, prior to sharing such data with other facilities. The Hospital understands that it shall have access **to its comparative data as well as other facilities' blinded comparative data** via a link provided by Quorum to the Hospital and that the blinded data can and shall be used for self-analysis and trending purposes only.
  
- Compliance Program Self-Assessment.
  - In order to gain the substantial benefits of a compliance program, the U.S. Sentencing Commission and the Office of Inspector General, DHHS, strongly recommend that the Hospital periodically review the effectiveness of its compliance programs. Furthermore, the Hospital, as part of its Agreement with Quorum, is required to file an annual compliance report with Quorum. This service can assist the Board with meeting the expectations of the government as well as its contractual obligations to Quorum.
  - On an annual basis the Quorum Compliance Director will notify the Account Executive that the annual compliance report is due and will send an electronic copy of Quorum's Compliance Program Self-Assessment (the "**Questionnaire**") to the **Hospital's Compliance Officer, CEO and CFO** for completion by the Board within the required period (the "**Annual Compliance Report**"). **In turn, the Account Executive will notify the Board that its Annual Compliance Report is due and will offer the Questionnaire as a means for completing both the Annual Compliance Report and a compliance program self-assessment.**
  - **If agreed to by the Board, the Hospital's Compliance Officer, at the direction of the Board and the Hospital's legal counsel, will complete the Questionnaire and supply supporting documentation to each question, where applicable.** The completed Questionnaire along with any proposed corrective action will then be submitted to the Board and signed by the **Board Chair, the Hospital's Compliance Officer and approved by Hospital's legal counsel.** It will then be the responsibility of the Board to monitor the completion of any corrective action deemed necessary.
  - A copy of the completed Questionnaire will be returned to the Quorum Compliance Director to serve as the Annual Compliance Report to Quorum, as required by this Agreement. If the Board elects not to use the Questionnaire, the Hospital will still be required to submit an Annual Compliance Report to Quorum per this Agreement.
  
- Quorum Learning Institute.
  - Quorum will provide the Board and the Hospital (including its employees) with access to Quorum's **management training and development offerings currently provided through** the Quorum Learning Institute. Members of the Board and Hospital Senior Management, including the Compliance Officer, may attend certain Annual Conferences and Core Educational Offerings (as Quorum may designate in its Quorum Learning Institute product catalog which Quorum reserves the right to change at its discretion at any time) on a tuition-free basis. In addition, Quorum may provide Medical Staff Leadership programs which can be attended by designated Medical Staff Leaders on a tuition-free basis. Any and all tuition fees and other expenses for any Hospital employees (other than members of Hospital Senior Management) shall be charged to the Hospital, unless otherwise waived, in writing, by Quorum. Notwithstanding any waiver by Quorum

of tuition fees, any and all travel-related expenses for any and all Hospital employees or Board members attending any of the educational programs offered by Quorum will be the sole responsibility of the Hospital.

- o The Quorum Learning Institute programs are offered in Brentwood, Tennessee, and at other locations from time to time. Course catalogs and announcements will be sent to the **Board and the Hospital from time to time during the Term. In addition, the Hospital's CEO and CFO** will be invited to participate in all education programs hosted by Quorum's **Regional Office responsible for the Hospital relative to health care issues for today's marketplace.** Quorum will also provide the Hospital with copies of the various publications developed by the Quorum Learning Institute on their regularly-scheduled publication dates.

The **Hospital understands and acknowledges that only the foregoing "Base Services"** that have been specifically selected by the Hospital are included in this Agreement. If the Hospital has chosen not to receive services offered by Quorum to its clients, Quorum **is not responsible for the Hospital's choice not to contract** for those services, even if either Quorum or the Hospital, or their employees, agents or representatives, have reason to believe that the Hospital needs a service that it has not chosen to purchase. Any consulting services that the Hospital decides to obtain from Quorum shall be subject to a separate proposal or amendment that will be subject to the Standard Terms and Conditions of this Agreement.



**Quorum Purchasing Advantage, LLC  
Strategic Service Partners - GPO Fee  
Exception List**

**July 2015**

Agilum	6%
Agnity Healthcare	6%
Armstrong Relocation	3-6%
Arrow-Intechra	5%
Audit Trax	10-25%
Availity	4% for new service agreements
CareTech	5.5%
Century II Staffing	6%
Clinical Colleagues, Inc	Administrative fees are flat fees based on case volume and the total number of QPA facility contracts with Clinical Colleagues
Chameleon Corporation	6%
Clarity Group	7%
CHG Medical Staffing, Inc	5%
CompHealth Associates, Inc.	5%
CompHealth Locums	5%
CompleteRx	5%
CoreBTS, Inc.	5%
CPS Payments Services, LLC	2 - 4.95%
ECI	Administrative fees are flat fees based on ED and inpatient volume
Edict Systems, Inc.	5%
Recondo Technology	6%
EmCare	Administrative fees are flat fees based on ER volume and the total number of QPA facility contracts with EmCare
Fast Health	<u>FastHealth Patient Education</u> Fast Health will pay QPA \$25/month in admin fees when SSP collects the on-going monthly service charge from each facility. If the contracted monthly fee is greater than or equal to \$500/month, the administrative fee to QPA will be \$50/month. <u>Fast Command Disaster Response System</u> SSP will pay QPA \$25/month in administrative fees when SSP collects the on-going monthly service charge from each facility. If the contracted monthly fee is greater than or equal to \$700/month, the administrative fee to QPA will be \$75/month.
Future Vision Energy, LLC	4%
Gallagher Healthcare Services, Inc.	Annual Consulting Fee of \$145,000

**Quorum Purchasing Advantage, LLC  
Strategic Service Partners - GPO Fee  
Exception List**

**July 2015**

Global Compliance Services	5% on new contracts and existing contracts where price was <b>adjusted to pricing table in Exhibit 'A' during the time of contract renewal.</b>
GPS Consulting	4%
HFMA	10%
MEDHOST	4% on Software models added after sale
Healthcare Transformations (HCT)	5%
Healogics	3% plus a flat fee of \$24,000 per year paid in quarterly installments.
Hospital Physician Partners	Administrative fees are flat fees based on ER volume and the total number of QPA facility contracts with Hospital Physician Partners
Hospital Solutions, Inc.	4% on Motor Vehicle Accident/Lien Service \$3,000 - \$6,000 on Eligibility Services (quotes based on bed size)
In10sity Healthcare	8%
InQuicker	5%
Intermedix	3-4%
Innovative Funding Partners	4%
Institutional Bond Network	\$1,000 annual flat fee per engagement
Language Line Services	4%
Maintenance First (formerly Panda Software)	10% - 40%
McKesson	29% - 50%
MedicalGPS	8%
MedKinetics	5%
MileStone Health	5% New, 3% on renewal, 1.5% on renewed prior to effective date.
MSN	4%
Novarad	4%
Pain Management Group (PMG)	4% on monthly set up fees
Passport Health Communications, Inc.	\$0.01 per transaction; 4% of license price, if required.
Prospective Payment Specialties	6%
PolicyTech	5%
Premier Anesthesia	Flat Fee based on anesthesia volume and number of hospital contracts
Revenue Source Group Inc.	5%

**Quorum Purchasing Advantage, LLC  
Strategic Service Partners - GPO Fee  
Exception List**

**July 2015**

Sammons Preston	3-5%
Specialists on Call	4%
SSI Group	7% for new service agreements
Sy.Med Development, Inc.	5%
Sheridan	Flat Fee based on anesthesia volume and number of hospital contracts
Southeast Reimbursement Group	Flat Fee of \$400 for each Medicare Transfer Claims Review contract
SwiftMD	6%
Thompson & Associates	5%
Touchpoint Care	10%
United On Call Laser	6%
United Shockwave Therapies	8%
Veridikal Healthcare Solutions	5% Consulting Services
Verisys	6%
VitalWare	4%
Weatherby Locums	5%
WellnessWorks	3-5%

## **ADDENDUM 2 - COMPENSATION**

This **Addendum 2** is attached to and made a part of that certain Advisory Services Agreement between the Parties, dated the 31<sup>st</sup> day of August, 2015.

**1. Initial Term Fee; Annual Fee.** In consideration for the Services to be provided by Quorum to the Hospital as outlined in this Agreement and **Addendum 1**, and in addition to any other amounts payable to, or reimbursable to, Quorum, the Hospital shall pay Quorum an Initial Term Fee of **\$300,000** (the “Initial Term Fee”) for the Initial Term of eighteen (18) months and, thereafter, an annual fee of **\$200,000** (the “Annual Fee”), payable as set forth below, and subject to annual adjustment as set forth below.

**2. When Due and Method of Payment.** The Annual Fee shall be payable in advance, before the first (1<sup>st</sup>) day of each month, in equal monthly installments. The Annual Fee is in addition to, and not in lieu of, all other payments and reimbursements to be made by the Hospital to Quorum under the terms of this Agreement. Upon execution of this Agreement, the Hospital shall take all necessary steps to initiate and authorize payment of the Annual Fee through automatic withdrawal from the **Hospital’s account, and wire transfer each monthly installment to Quorum’s account.** Such automatic withdrawal and transfer shall occur before the first (1<sup>st</sup>) day of each month for Services to be rendered during the upcoming month.

**3. Annual Adjustment of Fees.** After the expiration of the Initial Term, on the first (1<sup>st</sup>) anniversary of each successive term, any and all fees outlined in this Agreement shall be increased by a factor equal to the greater of: (i) five percent (5%); or (ii) the percentage increase in the CPI (as hereafter defined) over the preceding twelve (12) months, up to and including, the latest prior month for which **statistics are available (the most recent available month published).** As used herein, the term “CPI” means the Medical Component of the Consumer Price Index for Urban Wage Earners and Clerical Workers, U.S. All City Average Report, published by the United States Department of Labor. If such an index shall no longer be published on an anniversary date, the substitute index (or similar measure) shall be used.

**4. Travel Expenses.** The Hospital agrees to reimburse Quorum for any and all travel-related expenses incurred by any and all Quorum employees and consultants in connection with providing any and all Services to the Hospital. Travel-related expenses will be invoiced to the Hospital, and the Hospital agrees to pay all invoices for travel-related expenses within thirty (30) days of its receipt of any Quorum invoice. Travel-related expenses will include transportation, lodging and meal expenses.

**5. Late Payments.** The Hospital shall pay Quorum interest on all payments hereunder that are not paid when due. Interest shall accrue from the date the original payment was due at a rate of one and one-half percent (1.5%) per month until the payment is made in full. The Hospital shall bear the costs of any and all legal or collection fees, costs and/or expenses, of any kind, incurred by Quorum in **attempting to enforce the Hospital’s payment obligations hereunder.**

### **ADDENDUM 3 – BUSINESS ASSOCIATE ADDENDUM**

This **Addendum 3** is attached to and made a part of that certain Agreement for Hospital Administrative Services by and between the Parties, with an Effective Date of the 31<sup>st</sup> day of August of 2015.

A. Definitions. Unless otherwise provided in this **Addendum 3**, all capitalized terms in the Addendum will have the meaning set forth in the HIPAA Requirements. References to Protected Health Information (hereinafter “PHI”) shall be construed to include Electronic Protected Health Information, and references to PHI shall mean only the PHI that Business Associate uses, discloses, creates, receives, maintains and/or transmits for or on behalf of Covered Entity to perform the Services. For purposes of this Addendum, capitalized words shall have the definitions given or used by the HIPAA Requirements as of the compliance deadline established by such requirements. The Parties hereby acknowledge that the definition of PHI includes Genetic Information, as defined at 45 C.F.R. §160.103.

1. “Breach” is an impermissible use, access, acquisition or disclosure of PHI unless the Covered Entity or Business Associate, as applicable, demonstrates that there is a low probability that the PHI has been compromised.

However, a Breach does not include (after a complete and thorough risk assessment has been conducted as required by HHS to determine such falls within one of the following exceptions):

- a. an unintentional acquisition, access, or use of PHI by an employee or individual acting under the authority of a covered entity or business associate if such acquisition, access, or use was made in good faith and within the course and scope of the employment or other professional relationship of such employee or individual with the Covered Entity or Business Associate and that individual does not further use or disclose the PHI in violation of the HIPAA Privacy Rule; or
- b. an inadvertent disclosure of PHI between employees of a Business Associate, if they are authorized to access PHI and do not further use or disclose the PHI in violation of the HIPAA Privacy Rule; or
- c. Reasonable belief that an unauthorized recipient of PHI would not be able to retain the information.
- d. The Parties intend that the definition of Breach be consistent with the Final Rule and HHS interpretation of that rule.

2. Business Associate. “**Business Associate**” shall mean Quorum.

3. Covered Entity. “**Covered Entity**” shall mean the Hospital.

4. Designated Record Set. “**Designated Record Set**” shall mean a group of records maintained by or for a Covered Entity that is: (i) the medical records and billing records about Individuals maintained by or for a covered health care provider; (ii) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (iii) used, in whole or in part, by or for the covered entity to make decisions about Individuals. For purposes of this definition, the term “**record**” means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.

5. HIPAA Rules. “**HIPAA Rules**” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. parts 160 and 164. The Privacy and Security Rules are referred to collectively herein as “**HIPAA Rules**.”

6. Individual. “**Individual**” shall mean the person who is the subject of the PHI.
  7. Protected Health Information (“PHI”). “**Protected Health Information**” or PHI shall mean individually identifiable health information that is transmitted or maintained in any form or medium.
  8. Required by Law. “**Required by Law**” shall mean a mandate contained in law that compels a use or disclosure of PHI.
  9. Secretary. “**Secretary**” shall mean the Secretary of the Department of Health and Human Services or his or her Designee.
  10. Unsecured Protected Health Information (“unsecured PHI”). Unsecured PHI shall mean PHI that is not secured through the use of technologies or methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals, which technologies or methodologies are specified in guidance issued by the Secretary of HHS at 74 Fed. Reg. 42741-43 (August 24, 2009), and as updated from time to time.
- B. Purposes for which PHI May Be Disclosed to Business Associate. In connection with the services provided by Business Associate to or on behalf of Covered Entity described in this Agreement, Covered Entity may disclose PHI to Business Associate incidentally during the performance of service and support activities.
- C. Obligations of Covered Entity. Covered Entity shall:
1. **provide Business Associate a copy of its Notice of Privacy Practices (“Notice”) produced by Covered Entity in accordance with 45 C.F.R. §164.520 as well as any changes to such Notice;**
  2. provide Business Associate with any changes in, or revocation of, authorizations by Individuals relating to the use and/or disclosure of PHI, if such changes affect Business Associate’s permitted or required uses and/or disclosures;
  3. notify Business Associate of any restriction to the use and/or disclosure of PHI to which Covered Entity has agreed in accordance with 45 C.F.R. §164.522 as well as any changes thereto; and,
  4. notify Business Associate of any amendment to PHI to which Covered Entity has agreed in accordance with 45 C.F.R. §164.526 that affects a Designated Record Set maintained by Business Associate.
- D. Obligations and Activities of Business Associate. Quorum acknowledges and agrees it meets the **definition of a “business associate” as defined at 45 C.F.R. §160.103**. Business Associate shall only create, receive, use, disclose, maintain, and/or transmit PHI in compliance with this Agreement and the Confidentiality Requirements, including 45 C.F.R. §164.504(e). Business Associate agrees to comply with applicable federal and state laws, including but not limited to the HIPAA Requirements.
- E. Use of PHI. Except as otherwise permitted by law and this Addendum, Business Associate shall only create, receive, use, disclose, maintain, and/or transmit PHI in compliance with the Agreement, this Addendum and the HIPAA Requirements, whichever is more protective of patient confidentiality and patient rights. In accordance with the foregoing, Business Associate shall use PHI (i) to perform the Services, and (ii) as necessary for the proper management and **administration of the Business Associate or to carry out Business Associate’s legal responsibilities**, provided that such uses are permitted under federal and applicable state law. Additionally, Business Associate may use and disclose PHI for Data Aggregation purposes relating to the health care operations of the Covered Entity.

- F. Disclosure of PHI. Business Associate may disclose PHI if required to do so by law. In addition to regarding Business Associate Agreements with Subcontractors, Business Associate may disclose PHI to a third party, including any Subcontractor, as necessary for such third party to assist Business Associate in performance of the Services; provided, however, that prior to any such disclosure Business Associate: (a) obtains reasonable written assurances from the third party, including any Subcontractor, to whom the PHI is disclosed that the third party will hold such PHI confidentially and will use or disclose such PHI only as Required by Law or for the purpose(s) for which the PHI was disclosed to the third party; and (b) requires the third party, including any Subcontractor, to agree to notify the Business Associate promptly, but in no event later than five (5) business days, following any instance of which such third party is aware that PHI has been used or disclosed for a purpose that is not permitted by this Addendum or the HIPAA Requirements. Business Associate further agrees that any disclosures of PHI made by Business Associate to any third party, including Subcontractors, shall comply with the HIPAA Requirements, including but not limited to the Security Standards.
1. Data Aggregation. In the event that Business Associate works for more than one Covered Entity, Business Associate is permitted to use and disclose PHI for data aggregation purposes, however, only in order to analyze data for permitted health care operations, and only to the extent that such use is permitted under the Privacy Rule.
  2. De-identified Information. Business Associate may use and disclose de-identified health information if (i) the use is disclosed to Covered Entity and permitted by Covered Entity in its sole discretion and (ii) the de-identification is in compliance with 45 C.F.R. §164.502(d), and the de-identified health information meets the standard and implementation specifications for de-identification under 45 C.F.R. §164.514(a) and (b) and the dates of birth and zip codes of individuals in the de-identified population are also excluded.
  3. Safeguards. Business Associate shall maintain appropriate safeguards to ensure that PHI is not used or disclosed other than as provided by this Agreement or as required by Law. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.
  4. Minimum Necessary. Business Associate shall attempt to ensure that all uses and disclosures of PHI are subject to the principle of “**minimum necessary use and disclosure,**” *i.e.*, that only PHI that is the minimum necessary to accomplish the intended purpose of the use, disclosure, or request is used or disclosed.
  5. Disclosure to Agents and Subcontractors. If Business Associate discloses PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, to a subcontractor, Business Associate shall require the subcontractor to agree to the same restrictions and conditions as apply to Business Associate under this Agreement. In accordance with 45 C.F.R. §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, Business Associate shall ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate enter into an agreement with Business Associate that is substantially similar to the agreement between Business Associate and Covered Entity and agrees to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information. Business Associate shall ensure that any subcontractor agrees to implement reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity.
  6. Individual Rights. Business Associate agrees as follows:

- (a) Individual Right to Copy or Append PHI in the Designated Record Set. In the event Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate shall promptly take all actions necessary for Covered Entity to comply with 45 C.F.R. §§164.524 and 164.526. Business Associate shall provide any request it (or its Subcontractors) receives from an Individual for access or amendment under such regulations to Covered Entity within five (5) business days of receipt. Business Associate agrees that only Covered Entity shall respond to requests received by Business Associate (or its Subcontractors) from Individuals.
- (b) Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an Accounting of Disclosures of PHI in accordance with 45 C.F.R. §164.528, and to make this information available to Covered Entity **within fifteen days of Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for Accounting of Disclosures**. Such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures prior to the compliance date of the Privacy Rule) and shall be provided for as long as Business Associate maintains the PHI. If an Individual requests an Accounting of Disclosures directly from Business Associate, Business Associate will forward the request and its Disclosure record to Covered Entity within five (5) business days of Business Associate's receipt of the Individual's request. **Covered Entity will be responsible for preparing and delivering the Accounting to the Individual.** Business Associate will not provide an Accounting of its Disclosures directly to any Individual.
7. Internal Practices, Policies and Procedures. Except as otherwise specified herein, Business Associate shall make available its internal practices, policies and procedures relating to the use and disclosure of PHI, received from or on behalf of Covered Entity to the Secretary or his or her authorized agents for the purpose of determining Business Associate and/or Covered Entity's compliance with the HIPAA Rules, or any other health oversight agency,. Records requested that are not protected by an applicable legal privilege will be made available in the time and manner specified by Covered Entity or the Secretary.
8. Notice of Privacy Practices. Business Associate shall abide by the limitations of Covered Entity's Notice of which it has knowledge. **Any use or disclosure permitted by this Agreement may be amended by changes to Covered Entity's Notice; provided, however,** that the amended Notice shall not affect permitted uses and disclosures on which Business Associate relied prior to receiving notice of such amended Notice.
9. Withdrawal of Authorization. If the use or disclosure of PHI in this Agreement is based **upon an Individual's specific authorization** for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration, or **invalidity, cease the use and disclosure of the Individual's PHI except to the extent it has** relied on such use or disclosure, or if an exception under the Privacy Rule expressly applies.
10. Security Incident. Business Associate agrees to report to the Covered Entity any Security Incident of which Business Associate becomes aware.
- i. Attempted incidents, *i.e.*, those incidents that are unsuccessful, shall be reported to the Covered Entity within thirty (30) days of the Covered Entity's written request. **The Covered Entity will not make such a request more frequently than quarterly.**



- ii. Successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operation shall be reported to the Covered Entity promptly and in no case greater than 3 business days.

11. Breaches of Unsecured PHI. Business Associate will report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §§164.400 *et seq.* (each a “HIPAA Breach”), within five (5) business days of the date Business Associate Discovers the Breach, and shall provide Covered Entity with all information required by 45 C.F.R. §164.410 that Business Associate has or may obtain without unreasonable difficulty. Business Associate will provide such information to Covered Entity in the manner required by the Breach Notification Regulations, and as promptly as is possible. Business Associate will reimburse Covered Entity for any reasonable expenses Covered Entity incurs in notifying **Individuals of such Breach experienced by Business Associate or Business Associate’s** Subcontractors, and for all reasonable expenses Covered Entity incurs in mitigating harm to those Individuals as well as Covered Entity. This Section shall survive the expiration or termination of this Addendum and shall remain in effect for so long as Business Associate maintains PHI.

G. Term and Termination.

1. Term. This Agreement shall be effective as of the Effective Date and shall be terminated when all PHI provided to Business Associate by Covered Entity, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity.
2. Termination for Breach. **Either Party may terminate the Agreement (the “Terminating Party”) upon written notice to the other Party (the “Terminated Party”) if the Terminating Party determines that the Terminated Party has breached a material term of this Addendum.** The Terminating Party will provide the Terminated Party with written notice of the breach of this Agreement and afford the Terminated Party the opportunity to cure the breach to the satisfaction of the Terminating Party within thirty (30) days of the date of such notice. If the Terminated Party fails to timely cure the breach, as determined by the Terminating Party in its sole discretion, the Terminated Party may terminate the Agreement.
3. Effect of Termination. Upon termination of this Agreement for any reason, Business Associate agrees to return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, maintained by Business Associate in any form. If Business Associate determines that the return or destruction of PHI is not feasible, Business Associate shall inform Covered Entity in writing of the reason thereof, and shall agree to extend the protections of this Agreement to such PHI and limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI not feasible for so long as Business Associate retains the PHI.

H. Mitigation. If Business Associate violates this **Addendum 3** or either of the HIPAA Rules, Business Associate agrees to mitigate, to the extent practicable, any direct damage caused by such breach.

I. Rights of Proprietary Information. Covered Entity retains any and all rights to the proprietary information, confidential information, and PHI it releases to Business Associate.

J. Survival. The respective rights and obligations of Business Associate under **Section D** of this Agreement shall survive the termination of this Agreement.

- K. Notices. Any notices pertaining to this **Addendum 3** shall be given in writing and shall be deemed duly given when personally delivered to a Party or a Party's authorized representative as listed below or sent by means of a reputable overnight carrier, or sent by means of certified mail, return receipt requested, postage prepaid. A notice sent by certified mail shall be deemed given on the date of receipt or refusal of receipt. All notices shall be addressed to the appropriate Party as follows:

If to Covered Entity:  
Cordova Community Medical Center  
602 Chase Avenue  
Cordova, AK 99574  
Attn: City Manager

If to Business Associate:  
Quorum Health Resources, LLC  
105 Continental Place  
Brentwood, TN 37027  
Attn: President and CEO

With Copy to:  
Legal Department  
4000 Meridian Boulevard  
Franklin, TN 37064  
Attn: General Counsel

- L. Amendments. This **Addendum 3** may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto. The Parties, however, agree to amend this Addendum 3 from time to time as necessary, in order to allow Covered **Entity's to comply with the requirements of the HIPAA Rules.**
- M. Choice of Law. This Agreement and the rights and the obligations of the Parties hereunder shall be governed by and construed under the laws of the state of Tennessee, without regard to applicable conflict of laws principles.
- N. Assignment of Rights and Delegation of Duties. This **Addendum 3** is binding upon and inures to the benefit of the Parties hereto and their respective successors and permitted assigns. However, neither Party may assign any of its rights or delegate any of its obligations under this Addendum without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding any provisions to the contrary, however, Covered Entity retains the right to assign or delegate any of its rights or obligations hereunder to any of its wholly owned subsidiaries, affiliates or successor companies. Assignments made in violation of this provision are null and void.
- O. Nature of Addendum. Nothing in this **Addendum 3** shall be construed to create (i) a partnership, joint venture or other joint business relationship between the Parties or any of their affiliates, (ii) any fiduciary duty owed by one Party to another Party or any of its affiliates, or (iii) a relationship of employer and employee between the Parties.
- P. No Waiver. Failure or delay on the part of either Party to exercise any right, power, privilege or remedy hereunder shall not constitute a waiver thereof. No provision of this Agreement may be waived by either Party except by a writing signed by an authorized representative of the Party making the waiver.
- Q. Severability. The provisions of this **Addendum 3** shall be severable, and if any provision of this **Addendum 3** shall be held or declared to be illegal, invalid or unenforceable, the remainder of this **Addendum 3** shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained herein.

- R. No Third Party Beneficiaries. Nothing in this **Addendum 3** shall be considered or construed as conferring any right or benefit on a person not party to this Addendum nor imposing any obligations on either Party hereto to persons not a party to this Agreement.
- S. Headings. The descriptive headings of the articles, sections, subsections, exhibits and schedules of this Addendum are inserted for convenience only, do not constitute a part of this **Addendum 3** and shall not affect in any way the meaning or interpretation of this **Addendum 3**.
- T. Entire Agreement. This Agreement, together with all Exhibits, Riders and amendments, if applicable, which are fully completed and signed by authorized persons on behalf of both Parties from time to time while this Agreement is in effect, constitutes the entire Agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous written or oral understandings, Agreements, negotiations, commitments, and any other writing and communication by or between the Parties with respect to the subject matter hereof. In the event of any inconsistencies between any provisions of this Agreement in any provisions of the Exhibits, Riders, or amendments, the provisions of this Agreement shall control.
- U. Interpretation. Any ambiguity in this **Addendum 3** shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules and any applicable state confidentiality laws. The provisions of this **Addendum 3** shall prevail over the provisions of any other Agreement that exists between the Parties that may conflict with, or appear inconsistent with, any provision of this Addendum or the HIPAA Rules.
- V. Regulatory References. A citation in this Agreement to the Code of Federal Regulations shall mean the cited section as that section may be amended from time to time.

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 9/30/2015  
**Re:** Land Disposal of Lot 13, Block 12, Original Townsite

---

## **PART I – GENERAL INFORMATION**

Requested Actions: Disposal  
Legal Description: Lot 13, Block 12, Original Townsite  
Parcel Number: 02-373-213  
Zoning: Medium Density Residence  
Lot Area: 2,500 sq. ft.  
Attachments: Resolution  
Lease with option to purchase

## **PART II – BACKGROUND**

**5/19/15** – At the Planning Commission Regular Meeting, the proposal from Joe Arvidson was considered.

*M/McGann S/Bailer* to recommend City Council approve the proposal from Joe Arvidson for Lot 13, Block 12, Original Townsite.

*McGann* said that it was a little lot and *Arvidson* could be the one to get the most utility out of it.

*M/Bailer S/Baenen* to amend the motion to add a special condition to dissolve the lot lines between the properties as a condition of sale.

Upon roll call vote, motion to amend **passed 7-0.**

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

*Bailer* said he did have a concern for the neighbor's lot and drainage. He asked if the City still had a fill permit. *S. Greenwood* said that they will require drainage to be addressed.

*M/Bailer S/Frohnapfel* to amend to add a second special condition that a drainage plan will be approved to the satisfaction of the City Engineer before filling.

Upon roll call vote, motion to amend **passed 7-0.**

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

Upon roll call vote, main motion **passed 7-0.**

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

**6/3/2015** - At the City Council Regular Meeting, the proposal from Joe Arvidson was considered.

*M/Bailer S/Reggiani* to award the disposal with special conditions to Joe Arvidson of Lot 13, Block 12, Original Townsite

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

At this time, the resolution approving the lease with option to purchase is in front of council for approval.

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

#### **5.22.010 - Disposal authority.**

Except where state statute, the Charter or this code establishes a specific mandatory procedure for disposing of city real property, the city may dispose of city real property by resolution of the council.

### **PART IV – SPECIAL CONDITIONS**

These special conditions are included in the lease with option to purchase:

1. The lot line between the adjoining properties will be dissolved as a condition of sale. Section 21 D in the lease with option to purchase.
2. Before filling, a drainage plan will be approved to the satisfaction of the City Engineer. Section 4B in the lease with option to purchase.

### **PART V – SUGGESTED MOTION**

“I move approve resolution 10-15-44.”

**CITY OF CORDOVA, ALASKA  
RESOLUTION 10-15-44**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A FIVE (5) YEAR LEASE  
AGREEMENT WITH CARL J. ARVIDSON AND MARGARET R. ARVIDSON, WHICH  
INCLUDES AN OPTION TO PURCHASE FOR LOT 13, BLOCK 12, ORIGINAL TOWNSITE**

**WHEREAS**, it is in the City of Cordova’s best interest to lease Lot 13, Block 12 Original Townsite (“Property”) to Carl J. Arvidson and Margaret R. Arvidson for the uses specified in the lease agreement; between the City of Cordova, Alaska (“City”) and Carl J. Arvidson and Margaret R. Arvidson attached to this resolution as Exhibit A (“Lease”);

**WHEREAS**, it is also in the City’s best interest to offer an option to purchase to Carl J. Arvidson and Margaret R. Arvidson upon the terms provided in the Lease.

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

Section 1. The City Manager is authorized and directed to lease the Property to Carl J. Arvidson and Margaret R. Arvidson in accordance with the terms in the Lease as attached as Exhibit A to this resolution. 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 as executed.

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF OCTOBER 2015**

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

ATTEST:

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

**CITY OF CORDOVA  
Cordova, Alaska**

**LEASE WITH OPTION TO PURCHASE**

This LEASE WITH OPTION TO PURCHASE (“Lease”) is made by and between the CITY OF CORDOVA, a municipal corporation organized and existing under the laws of the State of Alaska (the “City”), and Carl J. Arvidson and Margaret R. Arvidson (“Lessee”).

**RECITALS**

WHEREAS, the City owns that certain parcel of land in Cordova, Alaska, including the improvements located thereon as of the Commencement Date (the “Property”), described as follows:

Lot 13, Block 12, Original Townsite, according to according to, Plat No. 1-11, located in the Cordova Recording District, Third Judicial District, State of Alaska; and

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

**1. LEASE OF PREMISES**

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

**2. LEASE TERM**

The Lease Term will be up to 5 years (5) years, commencing on October \_\_\_\_\_, (the “Commencement Date”) and terminating at 11:59 p.m. on October \_\_\_\_\_, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

**3. RENT**

A. Base Rent. The monthly rent during the Lease Term will be Two Thousands Six Hundred and Forty Dollars (\$2640.00) (“Base Rent”). Base rent is due on the commencement date of the lease and then annually on that for the term of the lease. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without notice or demand. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

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

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

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

D. Adjustment of Base Rent. Base Rent will be adjusted to fair market value at least every two years, but no such adjustment will cause a reduction in the Base Rent, as detailed in Cordova Municipal Code 5.22.090.

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

A. Authorized Uses. Subject to the terms and conditions of this Lease, Lessee's development of the Premises is limited to clear the vegetation from the property, excavate property and fill with rock/gravel to make Lot 13 level with Lot 14 as described in proposal Exhibit B. Subject to the terms and conditions of this Lease, Lessee's uses are limited to storage. The Premises shall not without the prior written consent of the City, be used for any other purpose.

B. Conditions. Prior to excavating the property, a drainage will be developed and presented to the City Engineer for approval. Drainage plan will include but not be limited to the redirection of runoff and natural drainage.

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

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

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

## 5. DEVELOPMENT PLAN AND SUBSTANTIAL COMPLETION

A. Development Proposal. This Lease will not be valid or binding on the parties unless a Development Proposal is attached to this Lease as Exhibit B.

B. Substantial Completion. Lessee must substantially complete excavation and fill as set forth in the proposal attached as Exhibit B by \_\_\_\_\_2020, which is Five (5) years after the Lease's Commencement Date. As used in this Lease, the term "substantially complete" shall mean the stage where the drainage plan has been approved and implemented and Lots 13 and 14 have been filled to equal grade. If Lessee fails to substantially complete the construction of the project set forth in the development proposal by \_\_\_\_\_2020, Lessee will be in default of this Lease and the City may terminate the Lease and take any other action detailed in Section 13.

## **6. REPRESENTATIONS AND WARRANTIES**

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

## **7. ASSIGNMENTS AND SUBLETTING; SUBORDINATION**

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

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

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

## **9. LIENS**

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

## **10. INDEMNIFICATION**

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

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

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

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

As used in this Lease, "Hazardous Material" means any substance which is toxic, ignitable, reactive, or corrosive or which is regulated by any federal, state, or local law or

regulation, as now in force or as may be amended from time to time, relating to the protection of human health or the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to the same. "Hazardous Material" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" under any law or regulation.

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

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

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

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

## **12. DEFAULT AND REMEDIES**

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

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

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

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

B. Lessee's failure to substantially complete the development proposal, as required by Section 5;

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

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

iv. The abandonment or vacation of the Premises continues for a period of three (3) months of any consecutive four (4) month period during the Initial Term;

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

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

vii. 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 thirty (30) days after written notice has been given to Lessee. Notices given under this subsection shall specify the alleged breach and the applicable Lease provision and demand that the Lessee perform according to the terms of the Lease. No such notice shall be deemed a forfeiture or termination of this Lease unless the City expressly elects so in the notice.

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

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

- ii. Re-enter the Premises, take possession thereof, and remove all property from the Premises. The property may be removed and stored at Lessee's expense, all without service of notice or resort to legal process, which Lessee waives, and without the City becoming liable for any damage that may result unless the loss or damage is caused by the City's negligence in the removal or storage of the property. No re-entry by the City shall be deemed an acceptance of surrender of this Lease. No provision of this Lease shall be construed as an assumption by the City of a duty to re-enter and re-let the Premises upon Lessee's default. If Lessee does not immediately surrender possession of the Premises after termination by the City and upon demand by the City, the City may forthwith enter into and upon and repossess the Premises and expel Lessee without being deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenant;
- iii. Declare this Lease terminated;
- iv. Recover, whether this Lease is terminated or not, reasonable attorneys' fees and all other expenses incurred by the City by reason of the default or breach by Lessee;
- v. Recover an amount to be due immediately upon breach equal to the sum of all Base Rent, Additional Charges, and other payments for which Lessee is obligated under the Lease;
- vi. Recover the costs of performing any duty of Lessee in this Lease; or
- vii. Collect any and all rents due or to become due from subtenants or other occupants of the Premises.

### **13. SUBSIDENCE**

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

### **14. VACATION BY LESSEE**

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

## **15. RESERVATION OF RIGHTS**

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

## **16. SIGNS**

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

## **17. HOLDING OVER**

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

## **18. EMINENT DOMAIN**

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

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

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

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

## 19. COSTS

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

## 20. BUYER'S OPTION TO PURCHASE

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

B. Option Period. The Option will commence upon the Commencement Date of this Lease and terminate 5 years after commencement date or the Lease terminates (the "Option Period"). If Lessee fails to exercise the Option during the Option Period, neither party shall have any further rights or claims against the other party by reason of the Option.

C. Exercise of Option. To exercise the Option, Lessee must provide written notice ("Notice of Exercise of Option") to the City, delivered or mailed by certified or registered mail, return receipt requested, to the City's address set forth in Section 22.E, at least ninety (90) days prior to the date Lessee intends to exercise the Option.

D. Conditions to Exercise Option. Lessee can only exercise the Option if all of the following conditions are satisfied: (i) no default exists or is continuing under this Lease; (ii) all development described the development proposal is substantially completed as described in Section 5 on the Premises as set forth in the development proposal attached as Exhibit B; and (iii) a survey is completed and a plat is created that dissolve the lot lines between Lot 13 and Lot 14, Block Original Town Site creating a single lot which will be recorded prior to closing.

F. Purchase Price. Lessee shall have the right to purchase the Premises for its fair market value of Fourteen Thousands Four Hundred Dollars (\$14,400.00), excluding the value of improvements added by Lessee ("Purchase Price"). In the event that Lessee exercises the Option on or before three years of the commencement date \_\_\_\_\_2018, the amount owed to the City at Closing ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments



paid by Lessee to the City under this Lease. In the event that Lessee exercises the Option after three years of the commencement date \_\_\_\_\_, the Closing Payment will equal the Purchase Price at the current fair market value, the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

G. Closing Date. The Closing must occur on a date (the "Closing Date") mutually agreed upon by the parties, but must be within thirty (30) days after the exercise of the Option.

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

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

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

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

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

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

## 21. MISCELLANEOUS

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

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

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

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

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

TO CITY:

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

TO LESSEE:

Carl J. and Margaret R. Arvidson  
P.O. Box 1696  
Cordova, AK 99574

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

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

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

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

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

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

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

L. Recordation of Lease. The parties agree that this Lease shall not be recorded, but upon the request of either party, the other party will join the requesting party in executing a memorandum of lease in a form suitable for recording,

and each party agrees that such memorandum shall be prepared and recorded at the requesting party's expense.

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

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

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

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

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

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

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

**CITY: CITY OF CORDOVA**

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

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

**LESSEE:**

By: \_\_\_\_\_  
Carl J. Arvidson

\_\_\_\_\_  
Margaret R. Arvidson

DRAFT

**Exhibit A**  
**Leased Premises**

Lot 13, Block 12, Original Townsite, according to according to, Plat No. 1-11,  
located in the Cordova Recording District, Third Judicial District, State of Alaska.

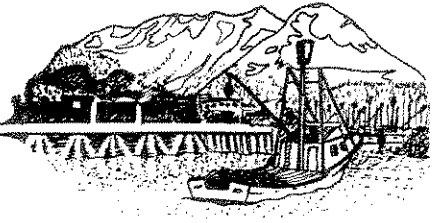
DRAFT

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

DRAFT

Exhibit B

# CITY OF CORDOVA



## SEALED PROPOSAL FORM

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

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

Name of Proposer: Joe Arvidson

Name of Organization: N/A

Address: 710 3<sup>rd</sup> Street  
Cordova, AK 99574  
(PO Box 1666)

Phone #: 907-429-7095

Email: cjarvidson@yahoo.com

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

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

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

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

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

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

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

Proposed Price \$ 14,400.00

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

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



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

See attached doc.

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

**Included for your convenience:**

**Attachment A:** Criteria used when evaluating each submitted proposal.

**Attachment B:** A location map showing the subject property.

**Attachment C:** The property parcel with measurements.

**Attachment D:** Cordova Municipal Code – R Medium Density Residence District

**Attachment E:** Sample Lease with Option to Purchase Agreement

**Please mail proposals to:** City of Cordova  
Attn: City Manager  
C/O Proposals  
P.O. Box 1210  
Cordova, Alaska 99574

**Or email proposals to [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net) and [planning2@cityofcordova.net](mailto:planning2@cityofcordova.net).** The email subject line shall be "Proposal for Lot 13, Block 12," and the proposal shall be attached to the email as a PDF file.

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

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

**Proposals received after Friday, May 1<sup>st</sup>, 2015 at 10 AM will not be considered.**

## ARVIDSON

- ① Cut trees, dig swamp down 7-9 ft and backfill with rock/gravel to level with our abutting lot.
- ② Intend to join this lot with our existing abutting lot. Total sq ft would be 5,000.  
There is no development planned.
- ③ We would eventually like to build on the joined lots but are not proposing any structure on this bid or promising to do so.
- ④ Additional developed buildable land. Taxes.
- ⑤ Estimated cost is \$14.4K to purchase \$20K to backfill & level, and ~~\$4K-5K~~ to ~~to~~
- ⑥ 3 years.



PO Box 71  
Cordova, AK 99574

Mayor Kacsh  
City Council

September 14, 2015

Dear Mayor Kacsh and Councilors,

Cordova Arts & Pageants is bringing in the first concert to our new North Star Theater! The Martha Redbone Trio will be performing live in concert Wednesday, October 14 at 7:00 pm.

On behalf of the aforementioned organization, I would like to request an exceptional use permit to City Ordinance 6.12.030 regarding the allowance of alcoholic beverages within a municipal building for this inaugural concert.

The hours of wine sales are from 5:00 PM – 6:30 PM, Wednesday, October 14, immediately before the concert, in the lower atrium outside the theater. There will be no alcohol sales after that time, and the alcohol will be removed from the area. This event will be manned by volunteers from Cordova Arts and Pageants and The Cordova Museum.

Cordova Arts pledges all proceeds from the Martha Redbone concert and pre-concert wine sales to be donated to a fund to purchase a piano, grand curtain, and lighting for the new North Star Theater stage. You can check out the Cordova Arts and Pageants website at: [www.cdvars.org](http://www.cdvars.org) or visit us on FB at Cordova Arts.

Thank you for your consideration,

Paula Payne

Volunteer and President  
Cordova Arts & Pageants

Cordova Arts presents

# MARTHA REDBONE ROOTS PROJECT

The “charismatic indie-soul diva”, **Martha Redbone**, is an Independent Music Award-winning musician of Cherokee, Choctaw, Shawnee and African-American descent.

A true original; the kind of artist who sets trends, as opposed to following them. —*Billboard*

Native American, roots, and neo-soul music. Poised to be Americana’s next superstar. —*Village Voice*

Loved it. She just blows me away every time I see her. She is ripe for stardom, really. I know it’s right around the corner. —*Isobel Soffer (Live Sounds, New York)*

*Live in Concert!*

**Wednesday, October 14, 2015 at 7:00 pm**

Location: .....wait for it.....wait for it.....

**The North Star Theater in the Cordova Center!**

**Pre-Concert New Theater Celebration and Wine Reception**  
5:00—6:30 PM in the Lower Atrium of the Cordova Center  
*Cash wine bar and sparkling cider*

## Concert Ticket Prices:

ADULT \$17.00 65+ \$10.00 STUDENT \$8.00 FAMILY \$45.00

Tickets on sale at the door beginning at 6:30 pm

*All proceeds from this evening go toward purchasing stage lighting, piano, and a grand curtain for your theater.*



**CITY COUNCIL SPECIAL MEETING  
OCTOBER 29, 2014 @ 6:00 PM  
CITY HALL CONFERENCE ROOM  
MINUTES**

**A. CALL TO ORDER**

*Mayor James Kacsh* called the Council Special Meeting to order at 6:00 pm on October 29, 2014 in the City Hall Conference Room.

**B. ROLL CALL**

Present for roll call were *Mayor James Kacsh* and Council members *Kristen Carpenter, Tom Bailer, Bret Bradford, Hayley Hoover* and *David Reggiani*. Council members *Tim Joyce* and *James Burton* were absent. Also present was City Clerk *Susan Bourgeois*.

**C. APPROVAL OF AGENDA**

*M/Reggiani S/Bradford* to approve the agenda.

Vote on motion: 5 yeas, 0 nays, 2 absent (Joyce and Burton). Motion carried.

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

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

1. Audience Comments regarding agenda item - none

**F. NEW BUSINESS**

2. City Clerk annual evaluation

(may be held in executive session)

*M/Bradford S/Reggiani* to enter into an executive session to discuss subjects that tends to prejudice the reputation and character of any person; provided that the person may request a public discussion, specifically the City Clerk's annual evaluation.

Vote on motion: 5 yeas, 0 nays, 2 absent (Joyce and Burton). Motion carried.

Council entered executive session at 6:02 pm. The special meeting was reconvened at 6:52 pm.

**G. AUDIENCE COMMENTS - none**

**H. COUNCIL COMMENTS**

*Bradford* thanked *Susan (Bourgeois)* for another great year.

*Hoover, Reggiani* and *Carpenter* agreed and said thanks.

**I. ADJOURNMENT**

*M/Bradford S/Bailer* to adjourn.

Hearing no objection, the meeting was adjourned at 6:52 pm

Approved: October 7, 2015

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

**CITY COUNCIL SPECIAL MEETING  
NOVEMBER 12, 2014 @ 5:45 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Mayor James Kacsh* called the Council Special Meeting to order at 5:45 pm on November 12, 2014 in the Library Meeting Room.

**B. ROLL CALL**

Present for roll call were *Mayor James Kacsh* and Council members *Kristen Carpenter, Tom Bailer, Bret Bradford, Hayley Hoover* and *David Reggiani*. Council member *Tim Joyce* was present via teleconference. Council member *James Burton* was absent. Also present were City Manager Randy Robertson and City Clerk *Susan Bourgeois*.

**C. APPROVAL OF AGENDA**

*M/Reggiani S/Bradford* to approve the agenda.

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion carried.

**D. DISCLOSURES OF CONFLICTS OF INTEREST**

*Hayley Hoover* has a conflict of interest on agenda item 3, as she is employed by the PWSSC.

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

1. Audience Comments regarding agenda item - none

**F. NEW BUSINESS**

2. Resolution 11-14-46

Certification of the official results of the November 4, 2014 Special Election.

*M/Reggiani S/Bailer* to approve Resolution 11-14-46 the certification of the official results of the November 4, 2014 Special Election.

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion carried.

Council member *Burton* arrived at 5:58 pm.

3. PWSSC deadline for site plan (December 1, 2014) – possible Council action

Council discussed this and decided that it would be a good idea to extend the time allowed for the site plan for the PWSSC. Within the discussion, the concept of a longer term lease was also discussed and Council concurred that they would consider a longer term lease. There was Council concurrence to give the City Manager the authority to delay the deadline until at least the first meeting in January 2015.

**G. AUDIENCE COMMENTS - none**

**H. COUNCIL COMMENTS - none**

**I. ADJOURNMENT**

*M/Reggiani S/Burton* to adjourn.

Hearing no objection, the meeting was adjourned at 6:10 pm

Approved: October 7, 2015

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

**CITY COUNCIL SPECIAL MEETING  
JUNE 23, 2015 @ 5:30 PM  
CITY HALL CONFERENCE ROOM  
MINUTES**

**A. CALL TO ORDER**

*Mayor James Kacsh* called the Council Special Meeting to order at 5:30 pm on June 23, 2015 in the City Hall Conference Room.

**B. ROLL CALL**

Present for roll call were *Mayor James Kacsh* and Council members *Kristen Carpenter*, *Josh Hallquist* and *David Reggiani*. Council members *Tim Joyce* and *Robert Beedle* were present via teleconference. Council member *Tom Bailer* arrived at 5:32 pm and Council member *James Burton* was absent. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

**C. APPROVAL OF AGENDA**

*M/Reggiani S/Hallquist* to approve the agenda.

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

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

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

1. Audience Comments regarding agenda item - none

**F. NEW BUSINESS**

2. Resolution 06-15-31 A resolution of the City Council of the City of Cordova, Alaska, authorizing the Cordova City Manager and Cordova Community Medical Center (CCMC) interim CEO to begin the process of renovations and installation of a CT Scanner at CCMC

*M/Carpenter S/Bailer* to approve Resolution 06-15-31 a resolution of the City Council of the City of Cordova, Alaska, authorizing the Cordova City Manager and Cordova Community Medical Center (CCMC) interim CEO to begin the process of renovations and installation of a CT Scanner at CCMC

Council member *Bailer* arrived at 5:32 pm.

*Carpenter* asked for some more info from *Weston Bennett. Robertson* began by saying that there are new numbers in front of Council tonight because they went to the two proposers and asked for rock bottom prices and Triple V came down another \$25k. *Sundby* went through his white paper explaining to Council where the funding was coming from. He also mentioned that the actual CT Scanner had come down in price from \$300k to about \$230k by taking off the software package that isn't a necessity. He also mentioned the prospect of leasing the equipment for five years with a \$1 buyout at the end. He then went through some of the projected income streams once the scanner was in place.

*Reggiani* asked why this was in the form of a resolution when he would anticipate an agenda item asking for acceptance of a bid. *Robertson* said it was a time sensitive item, the numbers are still changing but he wanted it in front of council as soon as possible. *Bennett* and *Robertson* said they both recommend Triple V – responsive bid, they have checked references and the bid was \$40k plus/minus less than Dawson. *Bennett* said that he did a side by side comparison, Triple V came down a little more when they were asked to do so. He did get an opportunity for three references, he touched base with 2 of them and they have done this kind of project, scope, quality, schedule, change orders – all of the reviews were positive, and they have done repeat business with Triple V based on that. *Joyce* thought this could probably be amended on the floor in order to take care of this tonight.

*M/Carpenter S/Joyce* to amend the resolution by adding to the title, after at CCMC... (and to award the bid for the construction portion of the project to Triple V Contracting, LLC in the amount of \$525,209) and

by adding a last whereas, as follows: (Whereas, City Council and City and CCMC staff concur that the bid for the construction portion of the CT scanner project will be awarded to Triple V Contracting, LLC in the amount of \$525,209).

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

**Hallquist** said that the mechanical crew on the job is the same company that worked with him at the elementary school and they are a great outfit. **Bennett** and **Robertson** were glad to hear that from him.

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

3. Resolution 06-15-32 A resolution of the City Council of the City of Cordova, Alaska, authorizing a transfer from the general fund reserve in the amount of \$300,000 to Cordova Community Medical Center in order to fund short term operational expenses

**M/Carpenter S/Hallquist** to approve Resolution 06-15-32 a resolution of the City Council of the City of Cordova, Alaska, authorizing a transfer from the general fund reserve in the amount of \$300,000 to Cordova Community Medical Center in order to fund short term operational expenses.

After some discussion with **Tiffany Varnadoe** and **Stephen Sundby**, Council was made aware that within a day or two CCMC should be receiving a reimbursement from Medicare for about \$580,000 and since there is payroll Friday, they went ahead with this resolution but might not really need to use it. Varnadoe said she would be in touch with **Jon Stavig** first thing in the morning to advise if the reimbursement did hit the CCMC account as she anticipates it will.

**M/Reggiani S/Hallquist** to amend the resolution by in the last whereas, replacing “by December 31, 2015” with “within 48 hours of CCMC’s receipt of an anticipated Medicare reimbursement payment”.

**Reggiani** said he is ok with the motion with this amendment it explains the intent better.

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

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

4. City Council award of bid for surplus City personal property (Cordova Center windows)

**M/Bailer S/Reggiani** to direct the City Manager to accept the bid from Facility Contractors for a lump sum of \$15,000 for the purchase of the City of Cordova’s ‘Cordova Center’ surplus windows as identified in ITB #15-03.

**Bailer** said he supports the motion. There was some discussion about the timing of having to pick up and remove the windows from the site. Staff felt comfortable working with **Mr. Roemhildt** on timing. **Joyce** asked if this was the only bid. The answer was yes – only one bid.

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

Council member **Beedle** was unable to continue with the meeting. **Mayor Kacsh** said that he could get recordings of the interviews when he returned to town.

5. City Clerk Position – job interviews

a. Leif Stavig; b. Christie Jamieson; c. Tani Schoneman

City Council had a list of 14 or so questions in front of them and they decided to scrap a few and arrived at the favorite 10. The interviews were then held and each lasted between 20 and 30 minutes. **Leif Stavig** and **Tani Schoneman** were interviewed in person and **Christie Jamieson** was unable to make it to Cordova so was interviewed via teleconference by use of a Skype connection.



**6. Council discussion of City Clerk applicants: possible decision regarding a contract offer (may be discussed in executive session)**

**Mayor Kacsh** asked if there had been any new applicants. There were none that Council wanted to interview. Discussion ensued and **Joyce** said that he thought that **Christie (Jamieson)** was the applicant that was head and shoulders above the others regarding experience and in answering the interview questions. He was of the opinion that Council should negotiate a contract with her. **Bailer** agreed. **Reggiani** agreed and said he really liked the training and education of others that she spoke of in her interview. **Carpenter** agreed that she answered the questions well.

**M/Reggiani S/Bailer** to enter 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 possible contract offer.

Vote on motion: 5 yeas, 0 nays, 2 absent. Hallquist-yes; Reggiani-yes; Beedle-absent; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-absent. Motion was approved.

Council entered the executive session at 8:10 pm and reconvened the special meeting at 8:25 pm. **Mayor Kacsh** said that staff was given direction regarding negotiations during the executive session.

**G. AUDIENCE PARTICIPATION -none**

**H. COUNCIL COMMENTS**

**Reggiani** said it is hard for him to see CCMC come to them out of budget cycle and request funds and out of general fund reserve. If we feel we need to subsidize them he'd prefer it be as a budget item rather than dipping into the general fund reserve. He'd prefer such a subsidy be tied to a revenue source.

**I. EXECUTIVE SESSION** see above

**J. ADJOURNMENT**

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

Hearing no objection, the meeting was adjourned at 8:25 pm

Approved: October 7, 2015

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

**CITY COUNCIL REGULAR MEETING  
SEPTEMBER 16, 2015 @ 7:00 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Mayor James Kacsh* called the Council Regular Meeting to order at 7:00 pm on September 16, 2015 in the Library Meeting Room.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**C. ROLL CALL**

Present for roll call were *Mayor James Kacsh* and Council members *Kristin Carpenter, Tim Joyce, Tom Bailer, Josh Hallquist* and *James Burton*. Council member *Robert Beedle* was present via teleconference – arriving at 7:23 pm. Council member *David Reggiani* was absent. Also present was City Clerk *Susan Bourgeois*.

**D. APPROVAL OF REGULAR AGENDA**

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

*Joyce* mentioned that item 23 was listed as a discussion item and we had been staying away from items that were not action items. *Mayor Kacsh* said he would hold it to a brief ten minute discussion that could end in Council direction to staff.

Vote on motion: 5 yeas, 0 nays, 2 absent (Beedle, Reggiani). Motion was approved.

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

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

1. Guest Speaker - none

2. Audience comments regarding agenda items

*Tom Carpenter* of 501 Lakeview Drive said he was representing Copper River Seafoods tonight and said he would like to thank Council for their consideration of the final plat approval before them tonight (item 6). He said that the City has a great Planning Department – they worked quickly to get the information to the Planning Commission and then to Council in order to handle this timely, in short order, which will help satisfy their housing need for this construction project.

3. Chairpersons and Representatives of Boards and Commissions

*Burton* said the Harbor Commission met and will have a couple of resolutions coming to Council. They also discussed *Jim Johnson's* letter which is in correspondence tonight.

*Carpenter* said HSB had just met previous to the Council meeting and there is nothing to add.

Planning & Zoning Commission – *Bailer* said there a couple of items before Council that came through Planning and Zoning Commission.

a. P&Z Commission Resolution 15-12 re Capital Improvements

*Mayor Kacsh* asked *Bailer* about this resolution. *Bailer* said that the commission discussed and ordered these priorities and he said it's telling that the number one is street improvements because that hits everyone.

**G. APPROVAL OF CONSENT CALENDAR**

*Mayor James Kacsh* informed Council that the Consent Calendar was before them

4. Ordinance 1136 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code chapter 19.04 – flood protection to amend sections 19.04.010, 19.04.100, 19.04.150, 19.04.230, and 19.04.270 and enact sections 19.04.275, 19.04.276, and 19.04.277 to comply more fully with the national flood insurance program standards and to amend section 19.04.090 to adopt the December 16, 2015 flood insurance study and flood insurance rate map – 1<sup>st</sup> reading

5. Resolution 09-15-41 a resolution of the City Council of the City of Cordova, Alaska, approving the final plat of “Logan Subdivision”

6. Resolution 09-15-42 a resolution of the City Council of the City of Cordova, Alaska, approving a final plat titled “Vacating A.T.S. 220 T-4, Lot 9 Cannery Row Subdivision Plat 2003-3 and U.S. Survey 829 amended, creating: Copper River Seafood Tract A and Lot 9A”

7. Exception CMC 6.12.030 for Historical Society event in Cordova Center

8. Record unexcused absences of Council members Hallquist and Burton from the September 2, 2015 Regular Council meeting

Vote on the consent calendar: 5 yeas, 0 nays, 2 absent. Burton-yes; Joyce-yes; Beedle-absent; Hallquist-yes; Carpenter-yes; Reggiani-absent and Bailer-yes. Consent calendar was approved.

#### H. APPROVAL OF MINUTES

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

9. 09-02-15 Regular Meeting Minutes

Vote on motion: 5 yeas, 0 nays, 2 absent (Beedle, Reggiani). Motion was approved.

#### I. CONSIDERATION OF BIDS - none

#### J. REPORTS OF OFFICERS

10. Mayor's Report – *Mayor Kacsh* said he had a written report in the packet.

11. Manager's Report – with *Robertson* not in attendance, *Jon Stavig* said he had no report for Council tonight.

a. Cordova Center update report – *Weston Bennett* gave a report on construction at the Cordova Center. He said the asphalt paving in the upper and lower lots would begin on September 25. Furniture delivery and setup is ongoing – mostly the conference furniture. Electrical life and safety inspection will be on Monday, September 21. A/V install, Arctic IT install, occupancy inspection – all of these coming up week of September 21. The museum conference will start on September 29. *Joyce* asked if all the A/V equipment will be in for the conference. *Bennett* said that the different vendors and subs will be in doing their part – Dimensional, Alcantel, etal.

12. City Clerk's Report – *Bourgeois* said she has been catching up on minutes, inserting code updates and preparing for the move to the Cordova Center.

#### K. CORRESPONDENCE

13. Letter from B. Mickelson re breakwater fill lot 09-02-15

14. Letter from J. Reynolds re breakwater fill lot 09-02-15

15. Letter from J. Johnson re harbor stall billing 09-07-15

16. Letter from M. Henrichs, NVE request for sobriety donation 09-08-15

17. Letter from UFA, request for City of Cordova membership 08-28-15

18. Email from Dan Logan regarding Planning Department Staff 09-09-15

19. Letter from Kosloski, thanking Cordovans for help during his visit 09-09-15

*Joyce* asked *Burton* about the *Johnson* letter (15 above) and wondered how the discussion went at the Harbor Commission meeting. *Burton* said the commission opined that the Harbor department needs to be consistent on billing and they will support *Tony (Schinella)* and staff in that regard.

Council discussed items 16 & 17 and there was a concurrence to donate \$300 to NVE Sobriety and also to join UFA.

#### L. ORDINANCES AND RESOLUTIONS

20. Ordinance 1135 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a thirty year lease agreement, which includes an option to purchase, with Salty Steer, LLC for portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of ATS 220

*M/Bailer S/Burton* to adopt Ordinance 1135 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a thirty year lease agreement, which includes an option to purchase, with Salty Steer, LLC for portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of ATS 220

*Bailer* said he has supported this all along, he would have like to have seen more in-between steps during the development. *Joyce* said he also supports this. He is glad to see consistency as this looks a lot like other recent land sales we have done. *Hallquist* said he read through the agreement and he is satisfied and will support this. *Beedle* said he also read through this and is not happy that the Harbor Commission's recommendations were basically ignored. He said it is a breakwater not just a piece of land. *Burton* said he has every bit of comfort with this – he thinks we are on solid ground. *Carpenter* said that previously Council discussed the possibility of having something written as a plat note that would reference the breakwater maintenance.

Vote on motion: 4 yeas, 2 nays, 1 absent. Beedle-no; Joyce-yes; Hallquist-yes; Bailer-yes; Carpenter-no; Burton-yes and Reggiani-absent. Motion was approved.

#### M. UNFINISHED BUSINESS

21. Council confirmation of *Mayor Kacsh's* appointment of the City of Cordova representative to the PWSAC Board of Directors

*M/Bailer S/Burton* to approve **Mayor Kacsh's** appointment of **Bret Bradford** to serve as the City representative to the PWSAC Board of Directors for a term that runs October 2015 through September 2018.

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

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

**22.** Council direction regarding negotiating a contract with CCMC CEO

*M/Joyce S/Carpenter* to direct the City Manager to negotiate a contract for CCMC CEO between the HSB and Dr. Stephen Sundby.

*Joyce* said we have gone around on this; Providence was managing, governance of the hospital needs work, QHR soon to be coming on. *Joyce* said *Sundby* is there, has been there, has done a good job, has worked with QHR in the past and we need a CEO. *Bailer* said that in light of the recent audit he will not support this motion; he'd like to see more information in the next week to 10 days before we decide on anything. *Carpenter* said she understands what *Bailer* is saying but here we have someone who knows the lay of the land over there, someone who has stepped up, worked with staff, put a team together to take actions to address the findings in the survey. She supports working with the team we've got, especially with the transition imminent. *Hallquist* said he understands *Bailer's* comments because some of the stuff we've seen here is worrisome but he supports *Sundby* and the motion; doesn't think we can lay all of that at *Sundby's* feet. *Burton* is in support of the motion. *Beedle* said he is concerned that the head of the hospital for all this time was unaware of all of these policies that haven't been implemented/ followed per the audit. He is hesitant, and is uncertain of which way he'd go right now. *Joyce* said with the change forthcoming, a new administrator would not be a good idea, continuity is better during the transition to QHR. *Carpenter* said that a year ago she and *Joyce* and *Robertson* interviewed with Providence, three CEO candidates and *Sundby* was their pick – unanimously. *Mayor Kacsh* was also of the opinion that a change in leadership now would be difficult for everyone. *Bailer* further spoke against the motion stating that he would like to see all of the results of the inspection – said there is still some they haven't seen.

Vote on motion: 4 yeas, 2 nays, 1 absent. Carpenter-yes; Hallquist-yes; Bailer-no; Beedle-no; Burton-yes; Reggiani-absent and Joyce-yes. Motion was approved.

(may be discussed in executive session)

*Mayor Kacsh* said he would like to have an executive session at the end of the meeting to give guidelines/parameters to the Manager regarding this negotiation.

**23.** 2015 CCMC subsidy discussion – *Mayor Kacsh* said he wonders at what level the community is interested in subsidizing the hospital at annually. He said this isn't a short term cash-flow need or discussion it's an "annual" subsidy question. *Beedle* said this is "putting the tailgate before the horse". If we don't get our federal Medicare/Medicaid issues figured out soon, we'll be subsidizing the full \$2 - \$3 million to completely run the hospital. *Carpenter* said that this is more of a conceptual discussion regarding what we might think to put into the 2016 budget. *Joyce* agreed, this will be taken up at budget time; \$200K, \$400K, let's have that discussion at budget time.

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

Next regular council meeting is October 7. There will also be the regular quarterly HSB meeting on October 7 and *Bourgeois* said there would be a public hearing on 3 ordinances that will be up for second readings that evening as well.

#### **O. AUDIENCE PARTICIPATION**

*Randy Apodaca* of 329 First Street, a CCMC employee, said he is thankful that Council is willing to discuss the subsidy issue, because it is necessary, resources are thin there. He thanked them for opening up the dialogue on the subsidy issue.

*Sundby* said that to add on to that, the problems that were noted in the survey have to do with the lack of finances available to remedy a lot of those things.

#### **P. COUNCIL COMMENTS**

**25.** Council Comments

*Beedle* thanked the Fire Department for the calendar that was inside his Council envelope this time. He also received the Cordova Center pamphlet and he is in Kodiak at the RCAC meeting and he will pass on that pamphlet to the right people to hopefully score an RCAC upcoming meeting in Cordova.

*Joyce* said there is already quite the list of meetings to take place over the next couple of years. Outside money into town – that's why we did this.

**Carpenter** said one of those events is a wedding (Council member **Burton's**). She also noted that RCAC is scheduled for the Cordova Center a year from now. She encouraged people to look for the schedule of the upcoming museum conference because there are a ton of cool events scheduled for that conference.

**Bailer** said it is interesting that we spent quite a bit of time deciding to spend \$300 yet we are paying so-called experts a lot of money to design buildings and they are just blowing smoke... He thinks there's an opportunity to save \$10K - \$15K on that building by doing it right. He said it is tough sitting in this seat when money is tight and you know it's wrong but it goes on, it's tough.

**Hallquist** opined that on the LT2 project, he didn't want to get down into the weeds but he thinks we should listen to **Bailer** more on that, he knows that stuff. He would like to see the in-house engineer do more in-house.

At 8:15 pm Mayor Kacsh called for a 5 minute recess; there was no objection.

Council member **Beedle** said he had to leave the meeting.

Council was back in the regular session at 8:18 pm.

## **Q. EXECUTIVE SESSION**

**M/Carpenter 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 the contract negotiation for the CCMC CEO.

Vote on motion: 5 yeas, 0 nays, 2 absent (Beedle, Reggiani). Motion was approved.

Council entered executive session at 8:18 pm and was back in regular session at 8:44 pm.

Council opted for a second round of Council comments as some issues were raised regarding Council's roles and duties and City staff's roles and duties. **Bailer** said he is frustrated and he knows he should ask the manager these things – i.e. what his different staff members are tasked with. He thought maybe a meeting with the manager should be held regarding expectations. He shakes his head at some of the things he sees getting done and he has brought it to staff's attention with no satisfaction. **Bailer** said he imagined this would be done during the Manager's evaluation. **Joyce** suggested a meeting with the Manager for **Bailer** to get copies of the various job descriptions. However, **Joyce** continued, as far as **Bailer's** comments in open session to the public, about the employees, he is way out of line. **Bailer** said he isn't getting his concerns answered and he'd prefer to meet as a group to discuss expectations. **Mayor Kacsh** was of the opinion that Council's roles and responsibilities might need to be gone over again. **Joyce** said that would be appropriate in the form of a training session. **Burton** said it doesn't have to be so difficult. When there was a question about specific building materials, he stopped and talked to the City employees who were using the materials and he just asked for the details behind their decision making, etc. **Burton** was satisfied. **Burton** continued that if we, as Council members, get our answers behind the scenes then there is less to tackle here, at the meetings. **Bailer** said, we can't talk to the guys at the shop. **Bourgeois** said, it is fine to talk to/ ask questions of City employees. Council members should avoid directing or telling City employees what to do or how to do it; there is absolutely nothing wrong with asking questions. **Burton, Joyce** and **Carpenter** all concurred with that sentiment. **Bailer** and **Hallquist** each further commented regarding specific employees and **Mayor Kacsh** advised them against making such comments in an open session. **Mayor Kacsh** continued that Council is the policy making body. If not happy with **how** something is going to be undertaken based on how it is presented, then Council has the ability to vote no on whether or not it gets done at all. However, once Council as a whole votes to proceed, then Council members individually, should cease from commenting on **how** that thing is being done; they are then out of it at that point. **Carpenter** commented also that these "project" type concerns are a really narrow slice of the entirety of the managing of the City that is going on and that the City Manager is doing great things in other arenas and that needs to be considered by Council sometimes. **Mayor Kacsh** also opined that Council members should speak their minds but the manner they use to do so is pretty important; tactfully, respectfully, and directed to the Manager when that is appropriate, not to staff.

## **R. ADJOURNMENT**

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

Hearing no objections the meeting was adjourned at 8:54 pm.

Approved: October 7, 2015

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

Mayor and Councilors:

Per your guidance a request for legal services (RFP attached) was developed and forwarded to 8 law firms throughout the state of Alaska. The firms selected were those with a solid record of providing municipal legal services as recommended by the Alaska Municipal League. The release date was 20 July 2015 with responses due by 14 August. Five firms, all located in the Anchorage area, submitted responses. They were: Boyd Chandler & Falconer, Landye Bennett & Blumstein, Birch Horton Bittner & Cherot, Levesque Law Firm, and Hoffman & Blasco.

After review of the five submittals, we recommend a continued contractual relationship with Birch Horton Bittner & Cherot. This is based upon the fee for services schedule; team composition and depth, experience and education; recommendations from other municipal clients and bonding capabilities. Certainly a positive factor for Birch Horton is their historical and institutional experience(s) with the City of Cordova, the staff and City Council.

A summary sheet was provided to Council earlier. It outlined the fee proposals along with other evaluative criteria.

Based upon the above, recommended motion would be: City Council directs the City Manager to engage with Birch Horton Bittner and Cherot for a contract to continue providing legal services to the city for a term NTE 3 years.

Respectfully,

Randy Robertson  
City Manager

Susan Bourgeois  
City Clerk

**REQUEST FOR PROPOSALS**  
**General Counsel Legal Services**  
**RELEASE DATE: Monday, 20 July, 2015**  
**SUBMISSION DEADLINE: Friday, 14 August, 2015 @ 5:00 pm**

**Mail Proposals to:**

**City of Cordova**  
**Office of City Manager (Attn: R. Robertson)**  
**602 Railroad Avenue**  
**P.O. Box 1210**  
**Cordova, Alaska 99574**

Subject: City of Cordova General Legal Services Request for Proposals

To: All interested parties

The City Council of the City of Cordova offers the enclosed Request for Proposals (RFP) for City Attorney and general municipal legal services for your consideration.

I encourage you/your firm to submit a proposal per the enclosed guidelines if you are interested in providing services to the City of Cordova in the areas of general legal services and to act as City Attorney. If you have any questions, please contact me at (907) 424-6200, or email at [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net).

In advance, thank you for your interest and consideration.

Respectfully,

Randy Robertson  
City Manager

**Description:**

The City of Cordova, Alaska, will receive sealed proposals from firms qualified to perform City Attorney/General Legal Services (hereinafter CA/GLS) until 5:00 p.m. (local) on Friday, 14 August 2015 at the Cordova City Hall located at 602 Railroad Avenue, P.O. Box 1210, Cordova, Alaska 99574. Firms are invited to submit a proposal outlining their experience and qualifications in performing work directly related to the services required as detailed in this RFP packet.

The City invites interested firms to submit written proposals to perform legal services which cover the scope of its' municipal business and public service duties and affairs and are generally/usually associated with the duties performed by a CA. These services will be provided on a contractual basis for a three (3) year period, and may be renewed through mutual consent of both parties under the same terms and conditions. For budgetary stability the City wishes a fixed rate for the duration of this contract. The City may elect to seek new proposals at any time during the duration of the contract.

While the City is requesting proposals for CA/GLS, this action should not be construed as a negative reflection on the products and services currently being provided by legal counsel, and in fact, invite and encourage the current vendor to submit a proposal under the guidelines of this RFP. The City Council believes it is in Cordova's best interest to periodically examine and seek opportunities for new proposals.

No proposal will be considered unless fully completed in the manner provided by this packet. Only hard copied bids will be accepted (no facsimile or electronic copy). Ten (10) bound copies (one (1) "MASTER" and nine (9) copies) complying with provisions of this packet must be submitted by the stated due date and time. Proposals received after closing time will be considered non-responsive. All expenses related to the submitting a proposal are the Proposer sole responsibility and all documentation submitted will become the property of the City of Cordova. Early submissions are authorized and encouraged.

Submission of a proposal establishes a conclusive presumption that the Proposer is familiar with the RFP and the specifications and terms outlined therein, and that the Proposer understands and agrees to abide by each and all of the stipulations and requirements contained therein.

The City may reject any proposal not in compliance with the prescribed public bidding procedures and requirements. Copies of this document may be found on the city's web site at: <http://cityofcordova.net>, or obtained from the City Clerk or City Manager.



**Background:**

The City of Cordova is governed under a Mayor/Council-City Manager form of government, with the Mayor serving as presiding officer of the Council. The City Manager is the city's executive officer with the code-derived authority and responsibility to oversee and manage the day-to-day duties of the city staff. He/she is responsible for the appointment and removal of all city department heads and employees with the exception of the City Clerk. The City Manager prepares and presents Cordova's annual budget and is generally the primary contact with the City Attorney for GLS matters. The City Council consists of seven (7) city-wide elected seats selected by citizens for rotational three year terms. The City Council will serve as the hiring authority for the CA/GLS firm selected by this process.

**Proposed Timelines and Instructions:**

Monday, 20 July 2015: RFP Opening date  
Friday, 17 August 2015: RFP Closing date (5:00 p.m. local)  
Possible interviews with City Council: Late August thru September 2015  
Award of Contract and start date: Target date is o/a 1 October 2015

**Note:** The City of Cordova reserves the right to modify this schedule at its discretion. Notification of changes will be made via the city's web page and to those who are known potential vendors.

**Proposal Validity Period and Withdrawal:** Each proposal shall be irrevocable for a period of one-hundred-and- twenty (120) days from the RFP Opening date. Proposal may only be withdrawn by written notice prior to the date and time set for the opening of the proposal. No proposal may be withdrawn after 120 days from the deadline for submission.

**Rejection:** The City of Cordova reserves the right to reject any and all proposals, or to accept or reject any proposal in part or in total and to waive any minor informality or process irregularity in proposals received if it is determined by the Council or City Manager that the best interest of the City will be served in doing so. In the event all proposals are rejected by the City, notice of such will be posted to the City's web-based home-page. No proposal will be considered from any person, firm or corporation in arrears or in default to the city on any contract, debt or other legal obligation or if the proposer's is disqualified by the City from consideration for a contract award or if the proposer's has committed a violation of a contract or other material sanction within the last five (5) years immediately preceding the date of issuance of this document.

**Procurement Policy:** Procurement for the city will be handled in a manner providing fair opportunity to all businesses. This will be accomplished without abrogation or sacrifice of quality and determined to be in the best interest of Cordova. The City of Cordova is an equal employment opportunity employer.

**Proposal Signatures:** Proposals must be signed and dated by an authorized official of the firm submitting the proposal. Each signature represents binding commitment upon the proposer to provide the goods and/or services offered to the city if the proposer is determined to be the most responsive and responsible.

**Contract Award:** The city reserves the right to award by item, group of items or total proposal. The proposer to whom the award is made will be notified at the earliest possible date. Notification of actions associated with the RFP will be made via announcements on the city's web page, through phone conversations or by electronic emails with the interested parties from the City Manager.

**No RFP Response:** Firms who are direct recipients of this RFP by actions taken of the City Council or City Manager but who do not intend to submit a proposal are requested to return a notice stating the reason(s) for not responding. Electronic (email) responses are preferred and should be submitted to: [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net).

**NOTE:** Proposals are subject to public disclosure after the deadline for submission IAW public law.

### **SPECIAL REQUIREMENTS & INSTRUCTIONS**

Minimum Qualifications: Proposer will be deemed unqualified and rejected if they do not meet the following minimum qualifications or submit documentation which reflects that:

- No conflicts of interest between the city and those of its existing elected or appointed officials as determined by the city;
- The CA and principles of the firm hold a juris doctorate degree from an American Bar Association (ABA) accredited college or university and an active license in good standing with the Alaska State Bar. No sustained complaints on file with the State Bar Association for the past 3 years. Admitted to practice before State and Federal Courts;
- The firm in general and the CA in specific have demonstrable experience in the following areas of law: land use, codes and ordinances, election law, open meetings and FOIA, contracts, construction, public finance, employment, municipal litigation, medical malpractice and criminal matters. Individual/firm must be experienced and proficient in legal matters affecting the City, to include without limitation, federal and state constitutional law, federal and state non- constitutional law, Alaska Statutes, and the City of Cordova Municipal Code.
- The RFP reflects competence, legal and client management experience of all attorney's assigned to represent the city of Cordova under this contract;

- The RFP is received with a minimum of three (3) Alaskan municipalities for reference;
- The proposal reflects that the firm selected will provide responsive, timely service to the needs of the City of Cordova;
- A three (3) year fixed rate duration;
- A demonstrable ability to effectively represent and advocate for the interest of the City of Cordova and its elected officials and/or public servants in writing or at all public forums.

### SCOPE OF SERVICES

It is the intention of the City of Cordova to enter into an agreement with a qualified law firm to provide CA/GLS on behalf of the City, Mayor and Council and City staff at a fixed hourly rate. The services will consist of providing legal counsel per Article 3.8, Charter of the City of Cordova, Alaska, and include but not be limited to:

- a. Providing the Mayor, Council and City Staff legal and/or regulatory advice, recommendations, and opinions on issues that routinely come up in normal day to day operation of the City. From time to time, there may be instances where the leadership of Cordova feel the circumstances require outside legal counsel.
- b. Prepare legal documents such as deeds, easements, ordinances, resolutions and legal opinions as needed. Provide representation in court, negotiate on the City's behalf and handle other legal matters that may arise.
- c. Be reasonably accessible for consultation by the City Council, Mayor and the City Staff.
- d. Draft opinion letters regarding, among other subjects, the interpretation of the City code, state and federal laws, and policies.
- e. Perform other such duties as may be prescribed by ordinance or by direction of the City Manager, Mayor and/or City Council.
- f. Work effectively with the Mayor, City Council, and City Staff, and also with other public agencies with which the City has legal connections.
- g. Assist with all appeals as provided per general provisions and intent of the Cordova Municipal Code.
- h. Serve as the city's primary point of contact for issues related to the formal conduct of Council or City Committee meetings.

- i. Advise the City Clerk on matters/issues related to the conduct of municipal elections.
- j. Attend regular or special called meetings when determined to be in the best interest of the city.

**STATEMENT OF QUALIFICATIONS (SOQ) REQUIREMENTS:**

For submission uniformity and to strengthen comparability, the SOQ submitted in response to this RFP must be no more than twenty (20) pages in length (excluding letter of transmittal, resumes, title page(s), index/table of contents, attachments, dividers or other forms, if required). Please provide the name, address, phone number, fax number, website for your firm, and any other firm or firms with whom you would collaborate with on this matter, together with the name, address, phone, fax and email, for the point of contact for your firm. If you propose to collaborate with another firm, provide the same information requested in this Statement for that firm. Please detail each of the following points in your Proposal:

- a. Table of Contents (identify materials by section and page number).
- b. Letter of Transmittal (Limited to two (3) pages).

Briefly state your organization's understanding of the services to be performed and your commitment to provide the services as specified. The transmittal letter must be signed by a corporate officer or other individual who has the authority to bind the firm.

- c. Statement of Qualifications shall, at minimum, address the following areas:

1. **Experience:** The firm's demonstrated experience, abilities, and past performance in handling municipal matters . . . be specific. Outline a detailed snap-shot of the professional and educational qualifications of key professional staff. Include quality, depth and range of experience(s), academic and professional background and expertise with representation of a small municipal government. Please list any other information that relates directly to the firm's ability to perform the requested services. In particular, the City is interested in the firm's caseload over the last 10 years in the following areas of law: Municipal zoning, Police Liability, Ordinance drafting, application and prosecution, Land use appeals, Civil rights, Premises liability, Public employment labor law, Condemnation, Pension and tax matters, Ordinance drafting, and general contracts and construction contracting.

2. **Primary Attorney:** Provide detailed professional and educational qualifications of the primary attorney proposed for the City. Include quality, depth and range of experience(s) and expertise with representation of a small municipal government including areas of law outlined above.

3. **Legal Approach:** Describe the organizational structure of the firm and the proposed method of performing the defined services. Such description should include, at a minimum, identification of principal counsel, supervising counsel and staff to be assigned to particular

matters, identification of available administrative resources, and the general workflow and means of communication with the City. Outline who and how you would handle litigation within your firm.

**4. References:** The names and current telephone numbers of three (3) Alaskan client references who are familiar with the firm's experience and the experience of the primary attorney in the areas described in above. It is the firm's responsibility to ensure that their reference submissions are received by the City Manager on, or before, the proposal submission deadline, for inclusion in the evaluation process. Business references that are not received, or are not completely robust to address the basic work scope of the RFP and contributions of the proposing firm may adversely affect the firm in the evaluation process. The City may contact any or all business references for validation of information submitted.

**5. Conflicts:** A list of all matters and/or cases where the firm currently represents an individual or entity with interests adverse to the City; include in the letter of transmittal.

#### **FIRM BACKGROUND AND REFERENCES:**

**PRIMARY FIRM INFORMATION:** - Firms must provide a company profile. Information shall be provided in within the RFP as a separate section and include, at minimum, the following:

a. Company ownership. If incorporated, the state in which the company is incorporated and the date of incorporation. An out-of-city firm must become duly qualified to do business with the City by acquiring a City of Cordova business license and possess other licenses as they may be required by the State of Alaska.

b. Disclosure of any alleged significant prior or ongoing contract failures, contract breaches, any civil or criminal litigation or investigation pending which involves the firm or in which the firm has been judged guilty or liable. **This is a mandatory disclosure.**

c. Location(s) from which employees will be assigned.

d. Name, address and telephone number of the firm's point of contact for a contract resulting from this RFP.

e. Company background/history and why firm is qualified to provide the services described in this RFP.

f. Length of time firm has been providing services described in this RFP to the public and/or private sector. Please provide a brief description.

g. Has the firm ever been engaged under contract by any State or Municipal agency located within the State of Alaska? If "Yes," specify when, for what duties, and for which agency.

h. Is the firm or any of the firm's employees employed by the City, any of its political subdivisions or by any other government? If "Yes," is that employee planning to render services while on annual leave, compensatory time, sick leave, or on his own time.

i. Has the firm ever been engaged under contract with a union? If "Yes," specify when, for what duties, and for which union.

j. Resumes for key staff to be responsible for performance of any contract resulting from this RFP.

**INDEPENDENT COUNSEL INFORMATION:**

The proposal must reflect consideration of whether they will use independent counsel? If the response in "yes", the firm must:

- Identify specific independent counsel to be utilized and the specific requirements of this RFP for which each proposed independent counselor will perform services.

- Provide the same information for any proposed independent counsel as requested in the Primary Firm Information section.

- References as specified above must be provided for any proposed independent counsel.

- The City requires that the awarded firm provide proof of payment to any independent counsel used for this project. Proposals shall include a plan by which the City will be notified of such payments.

**COST:**

A cost fee statement shall contain all pricing information relative to the services as described in this RFP. The City is not responsible for expenses incurred in preparing and submitting responses to the RFP, and such costs will not entertained in the submission.

Proposals will state the following cost information:

a. An hourly cost for services to be provided for each task of the contract. If attorneys of various billable rates will provide the city with work products, please provide that schedule.

b. Travel time costs and associated expenses to travel to attend one meeting for one full business day to City Hall, Cordova, Alaska. This number will be used to calculate the cost of additional trips in a budget year.

### **PAYMENT:**

Payment for the contracted service will be within 30 days upon receipt of invoice and the using city's review and approval process. Payment tied to an hourly rate or on an "as needed basis." The City generally pays for services billed on a monthly basis, upon receipt of an invoice and using agency approval. Firms may propose an alternative payment option; alternative payment options must be listed as an attachment to the RFP. Alternative payment options will be considered if deemed in the best interest of the City, project or service solicited herein. The City does not issue payment prior to receipt of goods or services.

### **SUBMITTAL INSTRUCTIONS:**

Given the distance and requisite travel the City will not be conducting a pre-bid conference for potential proposers. However, the City will accept questions and/or comments in writing, received either by mail, facsimile or e-mail regarding this RFP. Questions must reference this RFP and be electronically submitted to the City Manager: [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net). Deadline for submitting questions is 5:00 p.m. local, Tuesday, 4 August 2015. All questions and/or comments will be addressed in writing and responses mailed or emailed to prospective firms as quickly as possible. Please provide company name, address, phone number, email address and contact person when submitting questions.

**SUBMITTALS:** - Proposers shall submit one (1) original proposal marked "MASTER", and nine (9) identical copies to:

City of Cordova  
Office of the City Manager (Attn: R. Robertson)  
602 Railroad Avenue  
P.O. Box 1210  
Cordova, AK 99574

Proposals shall be clearly labeled in a sealed envelope or box as follows:  
"REQUEST FOR PROPOSAL: General Legal Services"

**PROPOSAL SUBMISSION DEADLINE: Proposals must be received in Cordova City Hall by 5:00 p.m. local, Friday 14 August 2015.** Proposals that do not arrive by proposal opening time and date WILL NOT BE ACCEPTED. Proposers may submit their proposal any time prior to the above stated deadline.

**ERRORS** - The City will not be held responsible for proposal envelopes mishandled as a result of the envelope not being properly prepared. Facsimile, e-mail or telephone proposals will NOT be considered; however, at the City's discretion, a proposal may be submitted all or in part via electronic media if prior arrangements with the City Manager are made. The City will not be responsible for any error or failure in facsimile or email transmission or receipt.

**DISCREPANCIES** - If discrepancies are found between two or more copies of the proposal, the master copy will provide the basis for resolving such discrepancies. If one copy of the proposal is not clearly marked "MASTER," the City may reject the proposal. However, the City may, at its sole option, select one copy to be used as the master.

**FORMAT** - For ease of evaluation, the proposal should be presented in a format that corresponds to and references sections outlined within this RFP, and should be presented in the same order. Responses to each section and subsection should be labeled so as to indicate which item is being addressed. Exceptions to this will be considered during the evaluation process.

**DOCUMENTATION** - If complete responses cannot be provided without referencing supporting documentation, such documentation must be provided with the proposal and specific references made to the tab, page, section and/or paragraph where the supplemental information can be found.

**FORMAT** - Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc., are not necessary or desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

**DETAILS** - Descriptions on how any and all equipment and/or services will be used to meet the requirements of this RFP shall be given, in detail, along with any additional information documents that are appropriately marked.

**SIGNATURE** - The proposal must be signed by the individual(s) legally authorized to bind the company.

**CITY CONTACT** – As previously outlined, for purposes of addressing questions concerning this RFP, the sole contact at the City of Cordova will be the City Manager. (907) 424-6200 or email [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net).

**REVIEW** - Proposers who believe proposal requirements or specifications are unnecessarily restrictive or limit competition may wish to discuss the matter with the City Manager. To be considered, a request for clarification or review must be received no later than to affect the receipt of the proposer's response to the RFP's deadline of 5:00 p.m. local, Friday, 14 August 2015.

**CHANGES** - If a proposer changes any material RFP language, proposer's response may be deemed non-responsive.

**LICENSING** - Proposers are cautioned that some services may contain licensing requirement(s). Proposers shall be proactive in verification of these requirements prior to proposal submittal. Proposals, which do not contain evidence of the proposer's possession of the requisite licensure, may be deemed non-responsive.



SUBMITTAL REQUIREMENT - Proposals shall be submitted in two (2) distinct parts - the narrative/technical proposal and the cost proposal. **The narrative/technical proposal must not include cost and pricing information.** While Technical and Cost proposals may be shipped together (i.e., in the same box/envelope), each proposal, inclusive of the master and requisite number of copies, must be bound or packaged separately.

#### **SELECTION & AWARD:**

The City of Cordova reserves the right to reject any or all proposals and is not bound to accept the lowest cost proposal if that proposal is determined to not be in the best interest of the city.

The City Council will conduct interviews and, by resolution appoint the firm or firms selected to provide the services outlined within this document. It is the intent of the City Council to award a contract for legal services for three (3) years at a fixed rate during the duration. At any time during the contract the Council may take action to terminate the contract with 90 day notice. Prior to the expiration of the agreement the Council will review and assess the firm's performance. They may take action to either extend, terminate, or seek new proposals through an RFP.

If the Council determines interviews will take place, selection of the firms to be interviewed shall be based upon, but not limited to the following criteria:

- a. The firm's approach to and understanding of the Scope of Work.
- b. The firm's experience with similar contracts and clients.
- c. Experience and qualifications of the proposed staff in providing similar services.
- d. A demonstrated ability to deliver work on time and within budget.
- e. Input from references.
- f. Financial acceptability (cost of providing services per the proposed rate schedule).
- g. Demonstration of workload capacity commensurate with the level of services required by the City.
- h. Exhibit of sound judgement, integrity and reliability as determined by the references provided.

Clarification may, at the City's sole option, be conducted with firms who submit proposals determined to be acceptable and competitive. Firms shall be accorded fair and equal treatment with respect to any opportunity. There shall be no disclosure of any information derived from proposals submitted by competing firms.

An award is contingent upon the successful negotiation of final contract terms and upon approval of the Cordova City Council. Negotiations shall be confidential and not subject to disclosure to competing firms unless and until an agreement is reached. If contract negotiations cannot be concluded successfully, the City may negotiate a contract with another firm or withdraw the RFP.

**TERMS AND CONDITIONS:**

- a. This contract shall remain in effect for an initial time period of three (3) years, after which it may then be renewed by the City Council. At any time, the city's may terminate the agreement with 90 day notice.
  
- b. Any contract periods and/or any renewals shall be based upon:
  - Satisfactory service and performance;
  
  - Being mutually agreed to, in writing, within 90 days prior to the expiration date of the contract;
  
  - Continuation of this contract beyond the current year is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Cordova City Council. The City may terminate this Contract, and Contractor waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if, for any reason, the Contracting Agency's funding from City, State, and/or federal sources is not appropriated, or is withdrawn, limited, or impaired;
  
  - Procurement and annual renewal of a City of Cordova Business License;
  
  - The City reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time prior to the award of a contract.

The Point of Contact for this RFP is Randy E. Robertson, City Manager, (907) 424-6200, or [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net)

The City of Cordova is an Equal Employment Opportunity organization.

\*\*\*\*\*

*Again, I encourage you/your firm to submit a proposal per the enclosed guidelines if you are interested in providing services to the City of Cordova in the areas of general legal services and to act as City Attorney. If you have any questions, please contact me at (907) 424-6200, or email at [citymanager@cityofcordova.net](mailto:citymanager@cityofcordova.net).*

*In advance, thank you for your interest and consideration.*

*Respectfully,*

*Randy Robertson  
City Manager*



**UBS Financial Services Inc.**

3000 A Street, Suite 100  
Anchorage, Alaska 99503

Buck Adams, CFP®, CIMA®, ChFC®  
Senior Vice President – Investments  
Senior Managed Accounts Consultant  
buck.adams@ubs.com  
Direct: (907) 261-5944

September 24, 2015

City Council Members and Staff  
City of Cordova, Alaska  
602 Railroad Avenue  
Cordova, Alaska 99574

Dear Council Members and Staff,

Chad and I are looking forward to attending the October 7<sup>th</sup> meeting in person.

The City of Cordova had a total of **\$16,386,577** (including accrued interest), on deposit with UBS, distributed among six funded accounts as of September 21, 2015. Four of these accounts are under active investment management utilizing the UBS Portfolio Management Program (three within the Permanent Fund portfolio and one in Central Treasury). Both the Permanent Fund and Central Treasury also have an additional account primarily used for cash management purposes. The credit line only has an outstanding balance of **\$2,045**.

To date, 2015 has been a difficult year for many of the global stock, bond and commodity markets. In the US, the stock market trended sideways for most of the first two quarters of the year, with the DOW peaking at just over 18,300 in May. A downtrend began, taking the DOW down to 16,510 by September 21<sup>st</sup>. Many other markets experienced much larger drawdowns, especially in areas such as energy. Historically, the August-October time period has been the weakest time of year in the US stock market. This year has been no exception.

*Year to date, Cordova's overall portfolio is down 3.18%. Despite that, since the inception in late 2009, the portfolio still has realized and unrealized gains in excess of \$1,613,000 with an annualized net return of 1.90% per year. This compares very favorably in relation to money market type portfolios, whose returns have been in the tenths or hundredths of 1% for years.*

Fortunately, earlier this summer, the two city's portfolios that have the greatest exposure to stocks, began to become progressively more defensive. These two portfolios, Aurora and Tactical Income Builder, use proprietary mathematical algorithms to generate buy/sell/hold signals. Both portfolios moved towards short-term treasury and cash positions during the summer. However, during the extreme volatility on August 24<sup>th</sup> a flaw was revealed in the way the Exchange Traded Fund (ETFs) market was trading. This trading issue appears to have been an unintended consequence of the mountain of new financial regulations created by the Dodd/Frank act after the 2007-2009 financial crisis. Since both Aurora and Tactical Income Builder use ETFs extensively, we are in the process of repositioning both these portfolios away from the ETF market and to mutual funds, until such time as we are confident that regulators and market exchanges have addressed the underlying trading issue.

I have attached a research piece from Goldman Sachs that provides a concise and current overview of the markets and economy. During our presentation on October 7<sup>th</sup> we will delve into these issues and our recommendations in more detail. Thank you for the opportunity to serve Cordova.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®



**Branch office:**  
 3000 "a" Street  
 Suite 100  
 Anchorage, AK 995034040

**Financial Advisor:**  
 AURORA WEALTH MANAGEMENT  
 9072615900

# UBS Client Review

as of September 21, 2015

## Prepared for

City of Cordova - CT

## Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542 ^	• CT	• Basic Investment Account - Business
UC 03543	• BSA - Cash	• Business Service Account
UC 04046	• Quality Income	• Portfolio Management Program

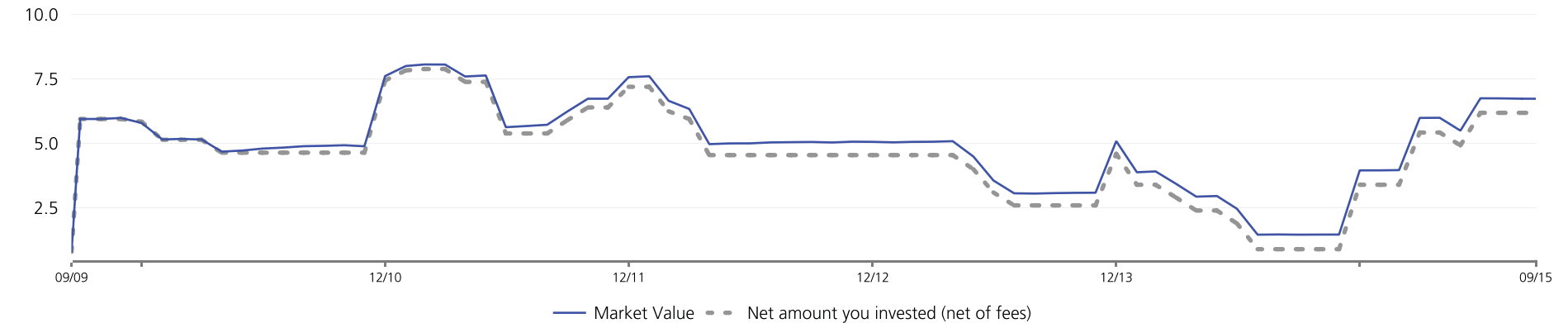
## What's inside

Sources of portfolio value. . . . .	2
Asset allocation review. . . . .	3
Expected cash flow. . . . .	4
Performance by account. . . . .	5
Important information about this report. . . . .	6

# Sources of portfolio value

as of September 21, 2015

\$ Millions



	2009 09/17/2009 to 12/31/2009	2010 12/31/2009 to 12/31/2010	2011 12/31/2010 to 12/31/2011	2012 12/31/2011 to 12/31/2012	2013 12/31/2012 to 12/31/2013	2014 12/31/2013 to 12/31/2014	2015 12/31/2014 to 09/21/2015
<b>Opening value</b>	<b>800,000.00</b>	<b>5,794,545.62</b>	<b>7,612,402.78</b>	<b>7,570,835.68</b>	<b>5,061,769.65</b>	<b>5,089,543.21</b>	<b>3,953,951.65</b>
Net deposits/withdrawals	5,041,732.88	1,601,067.36	-246,325.06	-2,650,000.00	50,000.00	-1,200,000.00	2,791,308.16
Investment return	-47,187.26	216,789.80	204,757.96	140,933.97	-22,226.44	64,408.43	-12,383.70
<b>Closing value</b>	<b>5,794,545.62</b>	<b>7,612,402.78</b>	<b>7,570,835.68</b>	<b>5,061,769.65</b>	<b>5,089,543.21</b>	<b>3,953,951.65</b>	<b>6,732,876.11</b>
Net Time-weighted ROR	-0.87	4.24	3.13	2.58	-0.32	1.63	-0.15

Performance returns are annualized after 1 year. Investment return is the sum of dividends and interest income, change in accrued interest, change in market value and fees.

## Benchmarks - Annualized time-weighted returns

BC Gbl Trsy x US 1-3 Yr	-1.99	4.47	2.70	-2.57	-5.63	-10.55	-4.25
US Treasury Bill - 3 Mos	0.02	0.13	0.07	0.08	0.05	0.02	0.01
Barclays Global Agg 3-5Y	-0.07	4.64	4.38	3.09	-1.11	-3.21	-1.75
BC Govt/Credit - 1-3 Yr	0.53	2.80	1.59	1.26	0.64	0.77	0.87

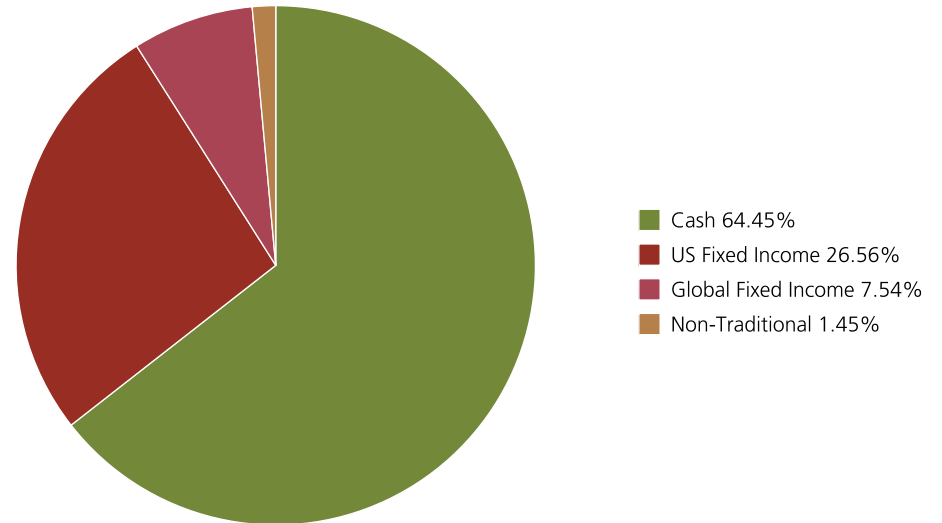
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

# Asset allocation review

as of September 21, 2015

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>4,339,191.61</b>	<b>64.45</b>
Cash	4,339,191.61	64.45
<b>Fixed Income</b>	<b>2,296,059.88</b>	<b>34.10</b>
US	1,788,084.15	26.56
Global	507,975.73	7.54
<b>Equity</b>	<b>0.00</b>	<b>0.00</b>
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>97,624.62</b>	<b>1.45</b>
Non-Traditional	97,624.62	1.45
<b>Other</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Portfolio</b>	<b>\$6,732,876.11</b>	<b>100%</b>

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations





# Expected cash flow

from 10/01/2015 to 09/30/2016

## Summary of expected cash flows

	2015			2016									
	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)
<b>Total Portfolio</b>	<b>4,371</b>	<b>4,371</b>	<b>5,166</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>53,244</b>
<b>Taxable</b>	<b>4,371</b>	<b>4,371</b>	<b>5,166</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>53,244</b>
<b>Taxable U.S. income</b>	<b>4,371</b>	<b>4,371</b>	<b>5,166</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	<b>4,371</b>	
Dividends	4,371	4,371	5,166	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	4,371	53,244



# Performance by account

as of September 21, 2015

## Summary of performance by account

	Performance start date	Value on 09/21/2015 (\$)	% of portfolio		Performance returns (annualized > 1 year)			
					MTD 08/31/2015 to 09/21/2015	QTD 06/30/2015 to 09/21/2015	YTD 12/31/2014 to 09/21/2015	ITD Start Date to 09/21/2015
UC 03542 CT•Basic Investment Account - Business Risk profile: Conservative Return objective: Current Income	Dec 05, 2013	0.00	0.00%	Net time-weighted	N/A	N/A	N/A	N/A
UC 03543 BSA - Cash•Business Service Account Risk profile: Conservative Return objective: Current Income	Sep 17, 2009	5,349,102.90	79.45%	Net time-weighted	0.00%	0.00%	0.06%	-4.79%
UC 04046 Quality Income•Portfolio Management Program•Aurora Wealth Management Risk profile: Conservative Return objective: Current Income and Capital Appreciation	Feb 08, 2011	1,383,773.21	20.55%	Net time-weighted	-0.12%	-1.31%	-1.05%	2.16%
<b>Total Portfolio</b>	<b>Sep 17, 2009</b>	<b>\$6,732,876.11</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>-0.02%</b>	<b>-0.27%</b>	<b>-0.15%</b>	<b>1.69%</b>

<b>Benchmarks - Annualized time-weighted returns</b>	MTD 08/31/2015 to 09/21/2015	QTD 06/30/2015 to 09/21/2015	YTD 12/31/2014 to 09/21/2015	ITD Start Date to 09/21/2015
BC Gbl Trsy x US 1-3 Yr	0.31%	0.42%	-4.25%	-3.09%
US Treasury Bill - 3 Mos	0.00%	0.01%	0.01%	0.06%
Barclays Global Agg 3-5Y	0.31%	0.27%	-1.75%	0.94%
BC Govt/Credit - 1-3 Yr	0.15%	0.14%	0.87%	1.41%

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.





**Branch office:**  
 3000 "a" Street  
 Suite 100  
 Anchorage, AK 995034040

**Financial Advisor:**  
 AURORA WEALTH MANAGEMENT  
 9072615900

# UBS Client Review

as of September 21, 2015

## Prepared for

City of Cordova - PF

## Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03544	• Mkt. Linked CD	• Business Service Account
UC 03545 ^	• Tact. Inc. Bldr	• Portfolio Management Program
UC 03546	• Global Income	• Portfolio Management Program
UC 04047 ^	• PF	• Basic Investment Account - Business
UC 05458	• Aurora	• Portfolio Management Program

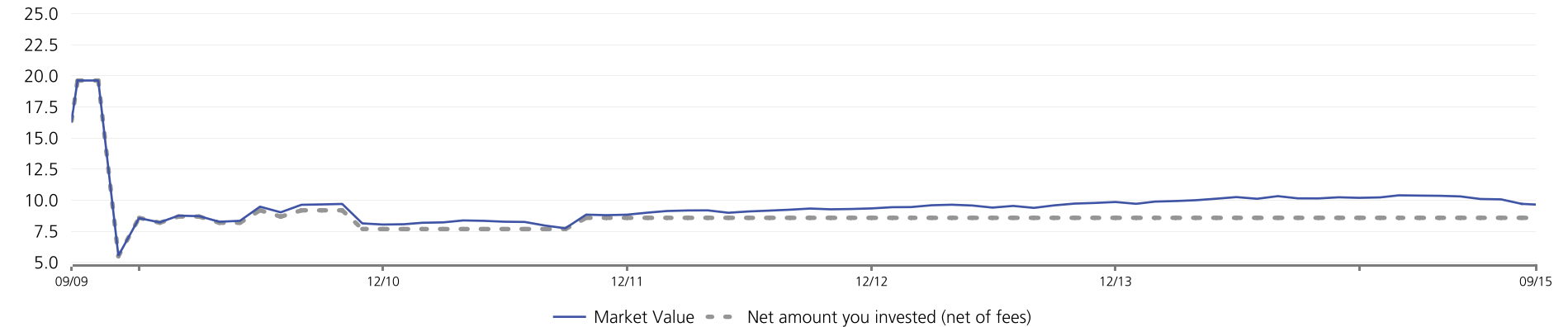
## What's inside

Sources of portfolio value. . . . .	2
Asset allocation review. . . . .	3
Expected cash flow. . . . .	4
Performance by account. . . . .	5
Important information about this report. . . . .	6

# Sources of portfolio value

as of September 21, 2015

\$ Millions



	2009 09/21/2009 to 12/31/2009	2010 12/31/2009 to 12/31/2010	2011 12/31/2010 to 12/31/2011	2012 12/31/2011 to 12/31/2012	2013 12/31/2012 to 12/31/2013	2014 12/31/2013 to 12/31/2014	2015 12/31/2014 to 09/21/2015
<b>Opening value</b>	<b>16,384,107.34</b>	<b>8,560,297.33</b>	<b>8,044,951.78</b>	<b>8,838,201.86</b>	<b>9,343,491.25</b>	<b>9,859,714.58</b>	<b>10,194,351.69</b>
Net deposits/withdrawals	-7,794,834.92	-905,474.83	901,341.06	0.00	0.00	0.00	0.00
Investment return	-28,975.09	390,129.28	-108,090.98	505,289.39	516,223.33	334,637.11	-540,650.68
<b>Closing value</b>	<b>8,560,297.33</b>	<b>8,044,951.78</b>	<b>8,838,201.86</b>	<b>9,343,491.25</b>	<b>9,859,714.58</b>	<b>10,194,351.69</b>	<b>9,653,701.00</b>
Net Time-weighted ROR	-0.78	4.52	-1.41	5.72	5.52	3.39	-5.30

Performance returns are annualized after 1 year. Investment return is the sum of dividends and interest income, change in accrued interest, change in market value and fees.

## Benchmarks - Annualized time-weighted returns

BC Gbl Try xUS Cap 2007	-0.48	4.07	3.61	6.69	-2.14	-2.58	-5.19
US Treasury Bill - 3 Mos	0.02	0.13	0.07	0.08	0.05	0.02	0.01
BC Aggregate Bond Index	0.86	6.54	7.84	4.21	-2.02	5.97	0.60
Alerian MLP Infra		34.98	16.99	4.21	29.48	7.61	-22.46
MSCI Emerging Mkt - Net	8.98	18.88	-18.42	18.22	-2.60	-2.19	-13.01
MSCI EAFE	2.28	7.75	-12.14	17.32	22.78	-4.90	-2.30
S&P 500	5.33	15.06	2.11	16.00	32.39	13.69	-3.02
DJ UBS Commodity Index	11.19	16.83	-13.32	-1.06	-9.52	-17.01	-15.09

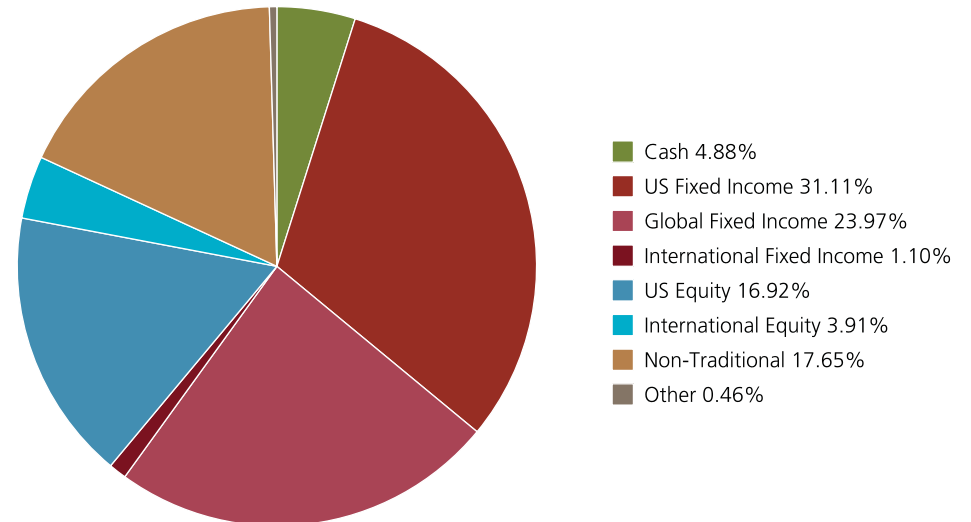
Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

# Asset allocation review

as of September 21, 2015

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>470,944.15</b>	<b>4.88</b>
Cash	470,944.15	4.88
<b>Fixed Income</b>	<b>5,423,930.15</b>	<b>56.18</b>
US	3,003,446.16	31.11
Global	2,313,976.34	23.97
International	106,507.65	1.10
<b>Equity</b>	<b>2,010,612.67</b>	<b>20.83</b>
US	1,633,394.29	16.92
International	377,218.38	3.91
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>1,703,578.15</b>	<b>17.65</b>
Non-Traditional	1,703,578.15	17.65
<b>Other</b>	<b>44,635.88</b>	<b>0.46</b>
Other	44,635.88	0.46
<b>Total Portfolio</b>	<b>\$9,653,701.00</b>	<b>100%</b>

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Pooled investment cash allocation: **\$63,624.11**

# Expected cash flow

from 10/01/2015 to 09/30/2016

## Summary of expected cash flows

	2015			2016									
	October	November	December	January	February	March	April	May	June	July	August	September	Total (\$)
<b>Total Portfolio</b>	<b>17,457</b>	<b>16,397</b>	<b>43,083</b>	<b>17,139</b>	<b>16,397</b>	<b>29,973</b>	<b>37,752</b>	<b>16,397</b>	<b>33,211</b>	<b>17,139</b>	<b>16,397</b>	<b>29,973</b>	<b>291,314</b>
<b>Taxable</b>	<b>17,457</b>	<b>16,397</b>	<b>43,083</b>	<b>17,139</b>	<b>16,397</b>	<b>29,973</b>	<b>37,752</b>	<b>16,397</b>	<b>33,211</b>	<b>17,139</b>	<b>16,397</b>	<b>29,973</b>	<b>291,314</b>
<b>Taxable U.S. income</b>	<b>16,450</b>	<b>16,397</b>	<b>42,915</b>	<b>16,450</b>	<b>16,397</b>	<b>29,805</b>	<b>36,134</b>	<b>16,397</b>	<b>33,044</b>	<b>16,450</b>	<b>16,397</b>	<b>29,805</b>	
Dividends	16,450	16,397	42,915	16,450	16,397	29,805	36,134	16,397	33,044	16,450	16,397	29,805	286,643
<b>Taxable non-U.S. income</b>	<b>1,006</b>		<b>167</b>	<b>689</b>		<b>167</b>	<b>1,619</b>		<b>167</b>	<b>689</b>		<b>167</b>	
Dividends	1,006		167	689		167	1,619		167	689		167	4,671

# Performance by account

as of September 21, 2015

## Summary of performance by account

	Performance start date	Value on 09/21/2015 (\$)	% of portfolio		Performance returns (annualized > 1 year)			
					MTD 08/31/2015 to 09/21/2015	QTD 06/30/2015 to 09/21/2015	YTD 12/31/2014 to 09/21/2015	ITD Start Date to 09/21/2015
UC 04047 PF•Basic Investment Account - Business Risk profile: Moderate Return objective: Capital Appreciation	Dec 05, 2013	0.00	0.00%	Net time-weighted	N/A	N/A	N/A	N/A
UC 03546 Global Income•Portfolio Management Program•Aurora Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 05, 2009	6,773,162.44	70.16%	Net time-weighted	-0.75%	-3.24%	-3.79%	2.03%
UC 03545 Tact. Inc. Bldr•Portfolio Management Program•Aurora Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 21, 2012	1,756,786.41	18.20%	Net time-weighted	-0.32%	-6.46%	-8.13%	6.66%
UC 05458 Aurora•Portfolio Management Program•Aurora Wealth Management Risk profile: Aggressive/Speculative Return objective: Capital Appreciation	Oct 29, 2013	874,065.24	9.05%	Net time-weighted	0.22%	-9.92%	-11.56%	-6.85%
UC 03544 Mkt. Linked CD•Business Service Account Risk profile: Conservative Return objective: Current Income	Sep 21, 2009	249,686.91	2.59%	Net time-weighted	-0.39%	-1.43%	-1.69%	-1.07%
<b>Total Portfolio</b>	<b>Sep 21, 2009</b>	<b>\$9,653,701.00</b>	<b>100%</b>	<b>Net time-weighted</b>	<b>-0.57%</b>	<b>-4.43%</b>	<b>-5.30%</b>	<b>1.86%</b>

	MTD 08/31/2015 to 09/21/2015	QTD 06/30/2015 to 09/21/2015	YTD 12/31/2014 to 09/21/2015	ITD Start Date to 09/21/2015
<b>Benchmarks - Annualized time-weighted returns</b>				
BC Gbl Try xUS Cap 2007	0.70%	1.29%	-5.19%	0.57%
US Treasury Bill - 3 Mos	0.00%	0.01%	0.01%	0.06%
BC Aggregate Bond Index	0.16%	0.71%	0.60%	3.94%
Alerian MLP Infra	-5.58%	-12.86%	-22.46%	N/A
MSCI Emerging Mkt - Net	-0.18%	-15.50%	-13.01%	0.58%
MSCI EAFE	-2.09%	-7.41%	-2.30%	4.41%
S&P 500	-0.14%	-4.20%	-3.02%	13.12%
DJ UBS Commodity Index	-2.60%	-13.75%	-15.09%	-5.54%

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.



**Branch office:**  
 3000 "a" Street  
 Suite 100  
 Anchorage, AK 995034040

**Financial Advisor:**  
 AURORA WEALTH MANAGEMENT  
 9072615900

# UBS Client Review

as of September 21, 2015

## Prepared for

City of Cordova - Total

## Accounts included in this review

\* excluded from performance exhibits ^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542 ^	• CT	• Basic Investment Account - Business
UC 03543	• BSA - Cash	• Business Service Account
UC 03544	• Mkt. Linked CD	• Business Service Account
UC 03545 ^	• Tact. Inc. Bldr	• Portfolio Management Program
UC 03546	• Global Income	• Portfolio Management Program
UC 04046	• Quality Income	• Portfolio Management Program
UC 04047 ^	• PF	• Basic Investment Account - Business
UC 05458	• Aurora	• Portfolio Management Program
5V D7092 *	• LOC	• Premier Variable Credit Line

## What's inside

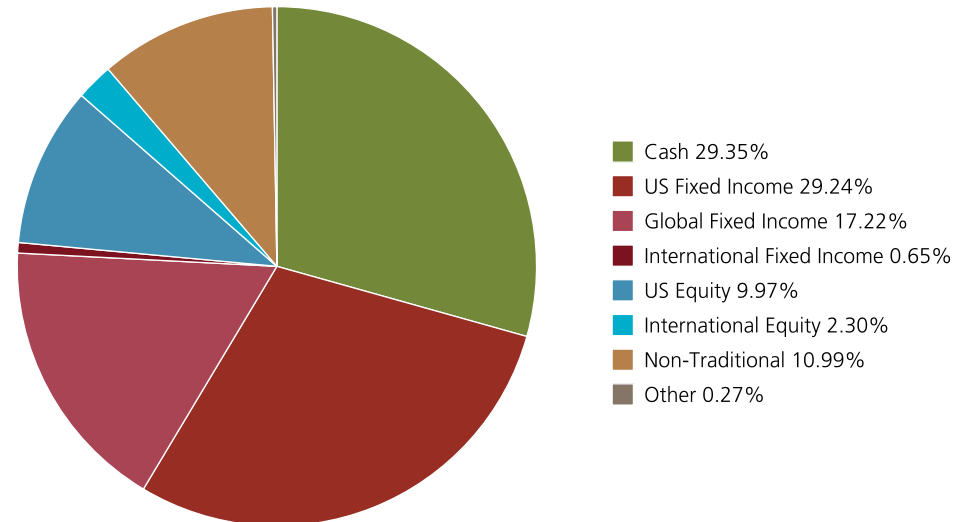
Asset allocation review. . . . .	2
Expected cash flow. . . . .	3
Sources of portfolio value. . . . .	4
Important information about this report. . . . .	5

# Asset allocation review

as of September 21, 2015

	Market value (\$)	% of portfolio
<b>Cash</b>	<b>4,810,135.76</b>	<b>29.35</b>
Cash	4,810,135.76	29.35
<b>Fixed Income</b>	<b>7,719,990.03</b>	<b>47.11</b>
US	4,791,530.31	29.24
Global	2,821,952.06	17.22
International	106,507.66	0.65
<b>Equity</b>	<b>2,010,612.67</b>	<b>12.27</b>
US	1,633,394.29	9.97
International	377,218.38	2.30
<b>Commodities</b>	<b>0.00</b>	<b>0.00</b>
<b>Non-Traditional</b>	<b>1,801,202.77</b>	<b>10.99</b>
Non-Traditional	1,801,202.77	10.99
<b>Other</b>	<b>44,635.88</b>	<b>0.28</b>
Other	44,635.88	0.28
<b>Total Portfolio</b>	<b>\$16,386,577.11</b>	<b>100%</b>

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Pooled investment cash allocation: **\$63,624.11**



# Expected cash flow

from 10/01/2015 to 09/30/2016

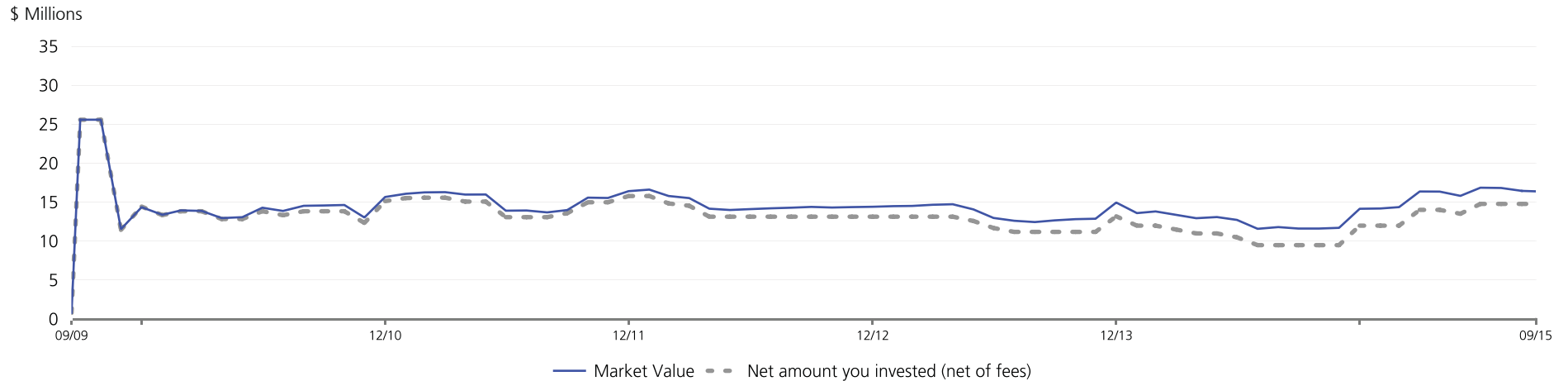
## Summary of expected cash flows

	2015			2016									Total (\$)
	October	November	December	January	February	March	April	May	June	July	August	September	
<b>Total Portfolio</b>	<b>21,827</b>	<b>20,768</b>	<b>48,249</b>	<b>21,510</b>	<b>20,768</b>	<b>34,343</b>	<b>42,123</b>	<b>20,768</b>	<b>37,582</b>	<b>21,510</b>	<b>20,768</b>	<b>34,343</b>	<b>344,558</b>
<b>Taxable</b>	<b>21,827</b>	<b>20,768</b>	<b>48,249</b>	<b>21,510</b>	<b>20,768</b>	<b>34,343</b>	<b>42,123</b>	<b>20,768</b>	<b>37,582</b>	<b>21,510</b>	<b>20,768</b>	<b>34,343</b>	<b>344,558</b>
<b>Taxable U.S. income</b>	<b>20,821</b>	<b>20,768</b>	<b>48,082</b>	<b>20,821</b>	<b>20,768</b>	<b>34,176</b>	<b>40,504</b>	<b>20,768</b>	<b>37,415</b>	<b>20,821</b>	<b>20,768</b>	<b>34,176</b>	
Dividends	20,821	20,768	48,082	20,821	20,768	34,176	40,504	20,768	37,415	20,821	20,768	34,176	339,887
<b>Taxable non-U.S. income</b>	<b>1,006</b>		<b>167</b>	<b>689</b>		<b>167</b>	<b>1,619</b>		<b>167</b>	<b>689</b>		<b>167</b>	
Dividends	1,006		167	689		167	1,619		167	689		167	4,671



# Sources of portfolio value

as of September 21, 2015



	2009 09/17/2009 to 12/31/2009	2010 12/31/2009 to 12/31/2010	2011 12/31/2010 to 12/31/2011	2012 12/31/2011 to 12/31/2012	2013 12/31/2012 to 12/31/2013	2014 12/31/2013 to 12/31/2014	2015 12/31/2014 to 09/21/2015
<b>Opening value</b>	<b>800,000.00</b>	<b>14,354,842.95</b>	<b>15,657,354.56</b>	<b>16,409,037.55</b>	<b>14,405,260.91</b>	<b>14,949,257.80</b>	<b>14,148,303.33</b>
Net deposits/withdrawals	13,631,005.30	695,592.53	655,016.00	-2,650,000.00	50,000.00	-1,200,000.00	2,791,308.16
Investment return	-76,162.35	606,919.08	96,666.98	646,223.36	493,996.89	399,045.54	-553,034.38
<b>Closing value</b>	<b>14,354,842.95</b>	<b>15,657,354.56</b>	<b>16,409,037.55</b>	<b>14,405,260.91</b>	<b>14,949,257.80</b>	<b>14,148,303.33</b>	<b>16,386,577.11</b>
Net Time-weighted ROR	-0.83	4.43	0.34	4.32	3.61	2.95	-3.18

Performance returns are annualized after 1 year. Investment return is the sum of dividends and interest income, change in accrued interest, change in market value and fees.

## Benchmarks - Annualized time-weighted returns

BC Gbl Try xUS Cap 2007	-1.47	4.07	3.61	6.69	-2.14	-2.58	-5.19
US Treasury Bill - 3 Mos	0.02	0.13	0.07	0.08	0.05	0.02	0.01
Barclays Global Agg 3-5Y	-0.07	4.64	4.38	3.09	-1.11	-3.21	-1.75
BC Aggregate Bond Index	0.59	6.54	7.84	4.21	-2.02	5.97	0.60
MSCI Emerging Mkt - Net	7.89	18.88	-18.42	18.22	-2.60	-2.19	-13.01
MSCI EAFE	0.55	7.75	-12.14	17.32	22.78	-4.90	-2.30
S&P 500	5.25	15.06	2.11	16.00	32.39	13.69	-3.02
DJ UBS Commodity Index	7.97	16.83	-13.32	-1.06	-9.52	-17.01	-15.09

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

## Perspectives from GSAM Strategic Advisory Solutions

### MARKET SUMMARY



**STOCKS:** US stocks fell as the Federal Reserve (Fed)'s decision to leave interest rates unchanged affirmed concerns about slowing global growth. The S&P 500 fell -1.35% for the week, and remains negative for the year. Historical patterns, as shown in the Chart of the Week, may suggest the equity market is due for a bounce. Since 1980, the S&P 500 has risen in the three months following 13 of the past 14 corrections, posting a median post-bounce return of about 10%. Meanwhile, several international indices, including the MSCI EAFE and EM, have turned negative for the year, following the S&P's lead ahead of a potential Fed rate increase.



**FIXED INCOME:** US government bond yields continued their descent. The benchmark 10-year US Treasury yield briefly hit a one-month low below 2.1% before finishing the week at 2.17% after Fed Chairwoman Janet Yellen said rates could rise later this year. Yields have fluctuated amid a pickup in global economic turbulence. The German 10-year Bund yield dropped to a one-month low and the yield on the five-year Bund fell back below zero.



**FX:** The US Dollar strengthened for four straight days through Wednesday, a surprise move after the Fed stood pat on rates. The Euro fell to \$1.12 after rising near a two-month high a week earlier. And emerging-market currencies were hit hard again, with the Brazilian real falling its lowest level against the Dollar since 1994.



**COMMODITIES:** West Texas Intermediate (WTI) crude oil prices were little changed, as the US supply glut showed some signs of shrinking. WTI rose to \$45.70, but remains down by about 50% from last year. Meanwhile, gold rallied to a one-month high.

### ECONOMIC SUMMARY



**MANUFACTURING:** A closely followed gauge of manufacturing activity in China slid to a six-year low in September, offering additional evidence of slowing growth in the world's second largest economy. A private survey conducted by research firm Markit showed China's Purchasing Managers' Index (PMI) fell to 47.0 in September, down from 47.3 a month earlier and the lowest level since March 2009. Employment, output, and new orders fell. Meanwhile, Eurozone PMI fell to 53.9 in September, down from 54.3 a month ago and below expectations, according to Markit.



**GROWTH:** The US economy expanded at a 3.9% rate in the second quarter, better than expected, as stronger consumer and construction spending drove the headline gain. Second-quarter growth has been upwardly revised twice following the initial 2.3% estimate, and far exceeds 0.6% growth in the first quarter. Economists expect third-quarter growth to be slightly above 2%.



**JAPAN:** The Bank of Japan's (BoJ) main inflation metric fell into negative territory for the first time since April 2013, a byproduct of disappointing domestic demand and falling oil prices. Japan's consumer-price index fell 0.1% in August from a year ago. The drop may give the BoJ more support to increase monetary stimulus at next month's policy meeting.



**DURABLE GOODS:** Orders for US durable goods fell 2% in August from a month ago, roughly as expected, as a strong US Dollar has made domestic products more expensive for overseas purchasers. Durable goods orders tend to be volatile on a monthly basis. Excluding the transportation sector, core orders were virtually flat.

### Chart of the Week: The Post-Correction Path?

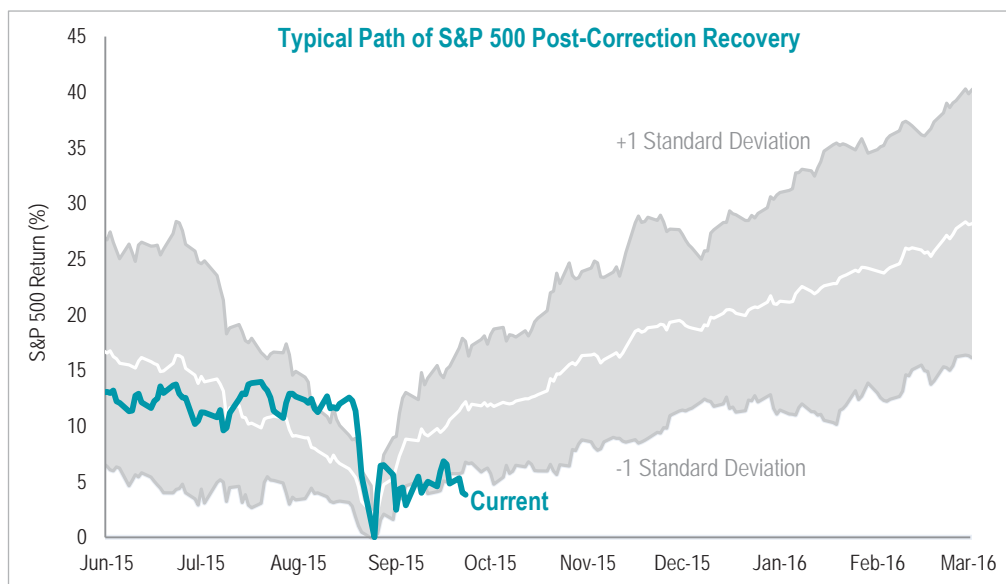


Chart Source: Goldman Sachs Investment Research, GSAM as of 9/10/15. Chart data shows 14 episodes since 1980. Market and Economic Summary Source: Bloomberg and GSAM. Key Economic Releases Source: Goldman Sachs Global Investment Research and Bloomberg. Please see end disclosures for definitions. **Past performance does not guarantee future results, which may vary.**

### Key Economic Releases<sup>1</sup>

#### Monday, September 28

Personal Income (Cons: +0.4%, Prior: +0.4)

#### Tuesday, September 29

Cons. Conf. (Cons: 96.5, Prior: 101.5)  
RBI Interest Rate (Cons: 7.0%, Prior: 7.3%)

#### Wednesday, September 30

Japan Ind Pro (Cons: +1.0%, Prior: -0.8%)  
Euro HICP (Cons: +0.3%, Prior: +0.4%)  
BoJ Q3 Tankan (Cons: 13.0, Prior: 15.0)

#### Thursday, October 1

ISM Manuf. (Cons: 50.7, Prior: 51.1)  
Const. Spend. (Cons: +0.6%, Prior: +0.7%)

#### Friday, October 2

Unempl. Rate (Cons: 5.1%, Prior: 5.1%)  
Nonfarm Payroll (Cons: 202k, Prior: 172k)

# Weekly Market Recap

## Weekly Data Center

Index Returns				
	1 week	MTD	QTD	YTD
<b>Equities</b>				
S&P 500	-1.35%	-1.94%	-5.93%	-4.77%
DJ Industrial Average	-0.43%	-1.17%	-6.81%	-6.78%
Nasdaq Composite (Price Return)	-2.92%	-1.88%	-6.02%	-1.05%
Russell 1000	-1.56%	-2.04%	-6.16%	-4.56%
Russell Midcap	-2.15%	-2.42%	-6.89%	-4.69%
Russell 2000	-3.47%	-3.07%	-10.21%	-5.95%
MSCI EAFE	-3.09%	-4.29%	-9.49%	-4.49%
MSCI EAFE Small Cap	-2.57%	-2.90%	-6.38%	3.12%
MSCI EM	-4.87%	-3.39%	-18.22%	-15.80%
MSCI BRIC	-3.81%	-3.10%	-20.99%	-14.44%
MSCI Frontier Markets	-1.00%	-1.16%	-9.56%	-12.41%
STOXX Europe 600 (€) *	-4.25%	-6.32%	-10.58%	1.41%
MSCI Asia-Pacific Ex-Japan	-4.75%	-2.38%	-16.63%	-13.71%
TOPIX (¥)	-0.59%	-5.41%	-10.80%	4.35%
<b>Fixed Income</b>				
Barclays Aggregate	-0.24%	0.32%	0.87%	0.77%
Barclays US High Yield	-1.45%	-1.39%	-3.67%	-1.24%
Barclays Muni Aggregate *	0.28%	0.48%	1.41%	1.53%
Barclays HY Muni *	0.25%	1.96%	1.83%	-0.13%
JPM EMBI Gbl. Divers.	-1.86%	-0.78%	-1.20%	0.45%
JPM GBI-EM Gbl. Divers.	-2.77%	-2.92%	-10.50%	-14.86%
Barclays TIPS	-0.97%	-1.06%	-1.59%	-1.47%
<b>Other</b>				
DJ US Real Estate	-0.44%	1.77%	0.57%	-4.65%
FTSE EPRA/NAREIT Dvlpd. Ex-US *	-1.80%	-1.73%	-6.26%	-5.26%
S&P GSCI	1.24%	-5.63%	-18.69%	-18.86%
Alerian MLP	-5.93%	-12.31%	-19.37%	-28.24%
US Dollar Index	1.55%	0.04%	0.89%	6.63%

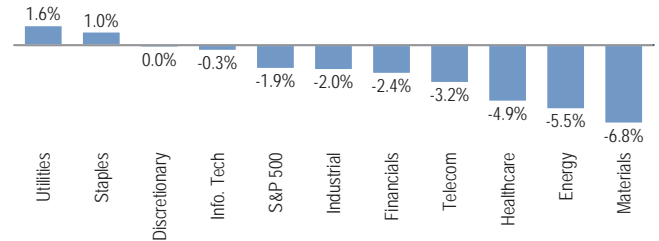
Rates & Spreads				
	09/25/15	08/31/15	06/30/15	12/31/14
Fed Funds Target	0.25%	0.25%	0.25%	0.25%
3-Month Libor	0.33%	0.33%	0.28%	0.26%
2-Year Treasury	0.70%	0.74%	0.64%	0.68%
10-Year Treasury	2.17%	2.20%	2.33%	2.17%
2-10 Treasury Slope	1.47%	1.46%	1.70%	1.50%
HY Corp. Spread (bps)	590	544	476	483
Bank Loan Spread (bps)	566	556	524	558
IG Corp. Spread (bps)	163	163	145	131
EMD Spread (bps)	417	387	346	342

Commodities				
	09/25/15	08/31/15	06/30/15	12/31/14
Oil (\$/barrel)	\$45.70	\$49.20	\$59.47	\$53.27
Gold (\$/oz)	\$1146.40	\$1133.40	\$1174.00	\$1184.90
Gasoline (\$/gallon) †	\$2.33	\$2.51	\$2.80	\$2.30
Natural Gas (\$/mmBtu)	\$2.56	\$2.69	\$2.83	\$2.89

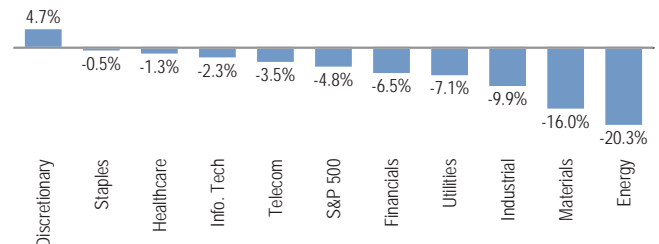
Currencies				
	09/25/15	08/31/15	06/30/15	12/31/14
Euro (\$/€)	\$1.1189	\$1.1237	\$1.1144	\$1.2099
Pound (\$/£)	\$1.5193	\$1.5349	\$1.5734	\$1.5579
Japanese Yen (¥/\$)	¥120.66	¥121.11	¥122.43	¥119.85

## S&P 500 Index Sector Returns

Month-to-Date, As of 09/25/15



Year-to-Date, As of 09/25/15



## Style Performance

### US Equity Size & Style Returns

Month-to-Date (as of 09/25/15)				Year-to-Date		
Value	Core	Growth		Value	Core	Growth
-2.74%	-2.04%	-1.37%	Large	-8.69%	-4.56%	-0.43%
-2.62%	-2.42%	-2.23%	Medium	-6.97%	-4.69%	-2.52%
-2.28%	-3.07%	-3.83%	Small	-8.96%	-5.95%	-2.96%

### US Fixed Income Maturity & Quality Returns

Month-to-Date (as of 09/25/15)				Year-to-Date		
Short	Intermed.	Long		Short	Intermed.	Long
0.30%	0.39%	0.09%	Government	1.38%	1.67%	-1.26%
0.45%	0.57%	0.51%	Corporate	1.53%	1.33%	-3.91%
-1.10%	-1.37%	-1.74%	High Yield	-1.61%	-1.31%	-0.07%

For style performance, Large, Mid, and Small refer to the Russell 1000, Russell Midcap, and Russell 2000 indices, respectively. Value refers to companies with lower price-to-book ratios and lower expected growth values, and Growth refers to higher price-to-book ratios and higher forecasted growth values. Government, Corporate, and High Yield refer to the US Treasury index, the US Corporate Credit index, and the US High Yield index, respectively. Short, Intermediate, and Long refer to the Short, Intermediate, and Long segments of their respective curves. Quality returns refers to the credit quality of asset classes ranging from Government, highest quality, to High Yield, lowest quality.

## Important Information

<sup>1</sup>"Personal Income" refers to US Personal Income. "Cons. Conf." refers to US Consumer Confidence. "RBI Interest Rate" refers to the Reserve Bank of India rate decision. "Japan Ind. Pro." refers to the Japan Industrial Production. "Euro HICP" refers to Eurozone Harmonized Consumer Price Index on a year over year basis. "BoJ Q3 Tankan" refers to the Japan Q3 Tankan manufacturing survey. "ISM Manuf." refers to the ISM Manufacturing Index. "Const. Spend." refers to US Construction Spending. "Unemp. Rate" refers to the US Unemployment Rate. "Nonfarm Payroll" refers to US Nonfarm Payrolls.

† Data is released weekly, as of Monday.

If data displays an asterisk:

\* Data is lagged by 1 day.

\*\* Data is lagged by 2 days.

### Risk Considerations

Equity securities are more volatile than bonds and subject to greater risks. Small and mid-sized company stocks involve greater risks than those customarily associated with larger companies. Bonds are subject to interest rate, price and credit risks. Prices tend to be inversely affected by changes in interest rates. Unlike stocks and bonds, U.S. Treasuries securities are guaranteed as to payment of principal and interest if held to maturity. High yield fixed income securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT). Investments in foreign securities entail special risks such as currency, political, economic, and market risks. These risks are heightened in emerging markets. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity.

The currency market affords investors a substantial degree of leverage. This leverage presents the potential for substantial profits but also entails a high degree of risk including the risk that losses may be similarly substantial. Such transactions are considered suitable only for investors who are experienced in transactions of that kind. Currency fluctuations will also affect the value of an investment.

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material is not financial research and was not prepared by Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of GIR or other departments or divisions of Goldman Sachs and its affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and GSAM has no obligation to provide any updates.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

The information contained in this presentation is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations. This presentation makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by GSAM to buy, sell, or hold any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual

performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Goldman Sachs has no obligation to provide updates or changes to these forecasts. Case studies and examples are for illustrative purposes only.

**Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.**

**Australia:** This material is distributed in Australia and New Zealand by Goldman Sachs Asset Management Australia Pty Ltd ABN 41 006 099 681, AFSL 228948 ("GSAMA") and is intended for viewing only by wholesale clients in Australia for the purposes of section 761G of the Corporations Act 2001 (Cth) and to clients who either fall within any or all of the categories of investors set out in section 3(2) or sub-section 5(2CC) of the Securities Act 1978 (NZ) and fall within the definition of a wholesale client for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (FSPA) and the Financial Advisers Act 2008 (FAA) of New Zealand. GSAMA is not a registered financial service provider under the FSPA. GSAMA does not have a place of business in New Zealand. In New Zealand, this document, and any access to it, is intended only for a person who has first satisfied GSAMA that the person falls within the definition of a wholesale client for the purposes of both the FSPA and the FAA. This document is intended for viewing only by the intended recipient. This document may not be reproduced or distributed to any person in whole or in part without the prior written consent of GSAMA. This information discusses general market activity, industry or sector trends, or other broad based economic, market or political conditions and should not be construed as research or investment advice. The material provided herein is for informational purposes only. This presentation does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

**United Kingdom and European Economic Area (EEA):** In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority.

**Asia Pacific:** Please note that neither Goldman Sachs Asset Management International nor any other entities involved in the Goldman Sachs Asset Management (GSAM) business maintain any licenses, authorizations or registrations in Asia (other than Japan), except that it conducts businesses (subject to applicable local regulations) in and from the following jurisdictions: Hong Kong, Singapore, Malaysia, and India. This material has been issued for use in or from Hong Kong by Goldman Sachs (Asia) L.L.C., in or from Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), in or from Malaysia by Goldman Sachs (Malaysia) Sdn Berhad (880767W) and in or from India by Goldman Sachs Asset Management (India) Private Limited (GSAM India).



**Japan:** This material has been issued or approved in Japan for the use of professional investors defined in Article 2 paragraph (31) of the Financial Instruments and Exchange Law by Goldman Sachs Asset Management Co., Ltd.

**United Arab Emirates:** This document and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. This document has not been approved by, or filed with the Central Bank of the United Arab Emirates or the Securities and Commodities Authority. If you do not understand the contents of this document, you should consult with a financial advisor. This document is provided to the recipient only and should not be provided to or relied on by any other person.

**Canada:** This material has been communicated in Canada by Goldman Sachs Asset Management, L.P. (GSAM LP). GSAM LP is registered as a portfolio manager under securities legislation in certain provinces of Canada, as a non-resident commodity trading manager under the commodity futures legislation of Ontario and as a portfolio manager under the derivatives legislation of Quebec. In other provinces, GSAM LP conducts its activities under exemptions from the adviser registration requirements. In certain provinces, GSAM LP is not registered to provide investment advisory or portfolio management services in respect of exchange-traded futures or options contracts and is not offering to provide such investment advisory or portfolio management services in such provinces by delivery of this material.

#### Index Benchmarks

The **S&P 500 Index** is the Standard & Poor's 500 Composite Stock Prices Index of 500 stocks, an unmanaged index of common stock prices. The **Dow Jones Industrial Average Index** is a price-weighted average of 30 actively traded blue-chip stocks. The **NASDAQ Composite** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The **Russell 1000 Index** is a market-cap weighted index that measures the performance of the 1,000 largest companies in the Russell 3000 Index. The **Russell Mid Cap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index. The **Russell 2000 Index** is an unmanaged index of common stock prices that measures the performance of the 2000 smallest companies in the Russell 3000 Index. The **MSCI EAFE Index** is a free-float weighted equity index, which covers developed markets countries in Europe, Australasia, Israel, and the Far East. The **MSCI Emerging Markets (EM) Index** is a free float-adjusted market capitalization index that captures large and mid-cap representation across five EM countries in Latin America. The **MSCI BRIC Equity Index** combines, on a market capitalization weighted basis, the components of the MSCI Brazil, MSCI Russia, MSCI India and MSCI China Equity Indices. The **MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region. The **Japan TOPIX Index** is a capitalization-weighted index of the largest companies and corporations that are found in the First Section of the Tokyo Stock Exchange. The **German DAX** is a capitalization-weighted blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. The **MSCI AC Asia Pacific ex Japan Index (MXAPJ)** is a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The **Shanghai Composite** is a market capitalization weighted index of all A-shares and B-shares that trade on the Shanghai Stock Exchange.

The **Barclays US Aggregate Bond Index** represents an unmanaged diversified portfolio of fixed-income securities, including US Treasuries, investment-grade corporate bonds, and mortgage-backed and asset-backed securities. The **Barclays US High-Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. The **Barclays US Aggregate Municipal Bond Index** is an unmanaged broad-based total return index composed of approximately 8,000 investment grade, fixed rate, and tax-exempt

issues, with a remaining maturity of at least one year. The **Barclays US High Yield Municipal Bond Index** (formerly the Lehman Brothers High Yield Municipal Bond Index) is an unmanaged index made up of bonds that are noninvestment grade, unrated, or rated below Ba1 by Moody's Investors Service with a remaining maturity of at least one year. The **J.P. Morgan Emerging Markets Bond Index Global (EMBI Global) Index** is an unmanaged market capitalization Index that tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign issuers. The **J.P. Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global) Index** is a market capitalization Index that tracks the performance of local currency debt issued by emerging market governments. The **Barclays US Treasury Inflation Protected Securities (TIPS) Index** consists of Inflation-Protection securities issued by the US Treasury. The **DJ Wilshire Real Estate Securities Index** is an unmanaged index of publicly traded REITs and real estate operating companies. The **FTSE EPRA/NAREIT Developed ex US Index** is a subset of the FTSE EPRA/NAREIT Developed Index and is designed to track the performance of listed real estate companies and REITs. The **S&P GSCI Commodity Index** is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The **USD Index** tracks the value of the USD relative to 6 major foreign currencies.

It is not possible to invest directly in an unmanaged index.

The **federal funds rate** is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight. The **2-Year Treasury** is a US Treasury debt obligation that has a maturity of 2 years. The **10-Year Treasury** is a US Treasury debt obligation that has a maturity of 10 years. The **2-10 Treasury Slope** is the difference between the 10-Year Treasury and the 2-Year Treasury. The **High Yield (HY) Corporate Spread** is the Barclays US Corporate High Yield Average Option Adjusted Spread (OAS), which measures the spread between the US Treasury yield curve and the Barclays US Corporate High Yield curve. The **Bank Loan Spread** is the daily discount margin (3-year life) of the Credit Suisse Leveraged Loan Index, which is designed to mirror the investable universe of the USD-denominated leveraged loan market. The **Investment Grade (IG) Corporate Spread** is the Barclays US Aggregate Corporate Average OAS, which measures the spread between the US Treasury yield curve and the Barclays US Corporate Average curve. The **EMD Spread** is the J.P. Morgan EMBI Global Diversified Sovereign Spread, which measures the spread between the US Treasury yield curve and the J.P. Morgan EMBI Global Diversified Sovereign curve. Oil refers to **West Texas Intermediate (WTI) Crude Oil**, a land-locked crude, delivered via pipeline into Cushing, Oklahoma. The **Gold Spot** price is quoted as US Dollars per Troy Ounce. The **Gasoline** price is quoted as the daily national average of unleaded regular gasoline in US Dollars per Gallon. The **Natural Gas** price is quoted as the New York Mercantile Exchange (NYMEX) Division natural gas futures contract in units of 10,000 million British thermal units (mmBtu). **EUR/\$** refers to the Euro's exchange rate with the Dollar. **GBP/\$** refers to the British Pound's exchange rate with the US Dollar. **\$/JPY** refers to the Japanese Yen's exchange rate with the US Dollar.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

Goldman, Sachs & Co., member FINRA.

© 2015 Goldman Sachs. All rights reserved. Date of First Use: 9/25/2015

Compliance Codes: **170078.MF.MED.OTU**

145220.OTHER.TMPL/11/2014 | 150055.OTHER.MED.TMPL/1/2015

169751.MF.MED.OTU

## Susan Bourgeois

---

**From:** mary bishop <bishopmary@yahoo.com>  
**Sent:** Tuesday, September 29, 2015 11:11 AM  
**To:** Susan Bourgeois  
**Subject:** Ordinance 1135

Mary Anne Bishop  
700 Fourth Street  
PO Box 2396  
Cordova, Alaska 99574  
Ph: 907-424-5290

September 29, 2015

Cordova City Council,  
Cordova Mayor  
Cordova City Manager

Re: Correspondence for inclusion in the next public hearing and Council packet regarding ordinance 1135, a thirty year lease agreement, which includes an option to purchase, with Salty Steer, LLC for portions of lot 1 & 2, block 7a, Tidewater Development park and a portion of ATS 220 and commonly referred to as "breakwater fill lot".

Dear Council, Mayor, & Manager,

I am writing to you regarding Ordinance 1135 which Council passed September 16, 2015 on the first reading. I understand that the Public Hearing and second reading is currently scheduled for the next Council meeting, on October 7, 2015. I remain opposed to this land deal, and believe it is not in the best interest of the citizens of Cordova. I urge you to vote NO on this ordinance.

In addition, in examining the ordinance and lease agreement provided in the September 16, 2015 City Council packet, - which is the information Council based its vote on for the first reading, - the information provided is inadequate for the public to make meaningful comment. The City has failed to provide documents needed for public review. This failure to provide adequate public notice is a violation of City Code, Charter, and possibly the Alaska State Constitution. Again I urge you to vote no on Ordinance 1135.

With great concern,  
Mary Anne Bishop



PRESERVING WILD  
SALMON HABITAT &  
INDIGENOUS CULTURE

**Board of Directors**

Dune Lankard  
*Founder & President*

Carol Kalafatic  
*Director & Secretary*

Phillip Blanchett  
*Director*

Rion Schmidt  
*Director*

Bryce Tugwell  
*Director*

**Advisory Council**

Nils Boisen

Susanna Colloredo

David Lynn Grimes

Chief Gary Harrison

Darcie Houck, Esq.

Robbin La Vine

Timothy Metz

Mariah Parker

Pamela Smith

David Titcomb

Alan Trist

Over 1.2 million plastic bags are purchased and distributed each year by the two largest retail stores in Cordova. With a population of approx. 2,300 this means people here use and throw away over 571 plastic bags per person per year. This results in a landfill that is filling too quickly and needless pollution of our local environment. This massive number of plastic bags has swamped the city's refuse department which is spending over 400 hours a year collecting plastic bags that are discarded and scattered all over the region. We have no idea how many of these bags are discarded into the ocean, but as we all know plastics are causing damage to our oceans, fish and birds. New evidence even concludes that micro plastics are mistaken as prey by marine animals at the bottom of the food chain. This should concern fishermen a great deal; surely no one wants to consume fish that may contain plastic.

Cordova is a city generates a lot of garbage; well over the national average per person. Many retailers within the community resell items that were purchased in Anchorage and are repackaged for sale locally; creating additional waste as each item is essentially packaged twice. The use of plastic bags for nearly all purchases results in further waste especially as vendors regularly double- bag all purchases.

The following is a petition initiated by the Eyak Preservation Council as part of its Bag It Cordova project. These signatures are proof residents of Cordova support either a plastic bag ban by retailers of Cordova or a fee per bag.

The Bag It Cordova project has several objectives:

1. To give shoppers a more eco-conscious alternative to single use disposable plastic bags.
2. Keep plastic bags OUT of the Cordova landfill, the land and the sea.
3. Increase support for public policies encouraging the use of reusable bags.
4. Increase public awareness in other regional cities and villages in Alaska about bringing a reusable bag to the store.





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Ivy Patton	PO BOX 85 Cordova	424-7738
2	Anne Schaefer	PO 946	605-695-2268
3	Signe Fitch	PO 1182	
4	Karen Johns	PO 2555	424-3919
5	Mike Mickelson	Box 1504	253-9199
6	Belle Middleton	Box 1362	424-5143
7	Nalani Tonle	Box 1875	424-6453
8	Pemela Oswat	Box 1302	429-4865
9	Greg Mann	PO Box 1342	<del>424-3000</del>
10	Anne <del>Cotton</del> <sup>Jarvis</sup>	Box 500	
11	Susan Farzan	PO Box 1148	
12	Donna Thormalen	4100 Dgo CO	FREE CORDOVA! 910-759-9039
13	Melina Meyer	BOX 1009	melina.jerel@gmail.com 424-300-1045
14	Eckhard Koehler		303 946 4615
15	Joshua Walker	Box 591	804-832-4957





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Eloise Burnett	PO BOX 231	429.3772
2	Kimmi Simpler	11 334	424-3086
3	Ken Sherman	PO BOX 2441	678-815-8889
4	Jana Lotteward	595	907-424-5299
5	Curly Henschel	PO Box 1661	253 6200
6	Alicia Jawsow	Box 709	424-7711
7	S. Vicari	1653 cdv	5288
8	Thomasina Andersen	PO Box 993	424-7519
9	Kim Menster	2142	424-5223
10	Renee Lindow	POB 1612	424-3132
11	Linden O'Toole	PO Box 1825	253-3199
12	Chantel Caldwell	PO Box 944	249-207-8289
13	Kristie Beckett	Box 36	424-7147
14	Sean Lowman	PO Box 1272	
15	M. Klersler	P.O. Box 844	

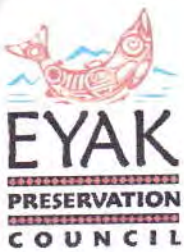


## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
✓ 1	S Ermold	P.O. Box 746	424-3697
2	Janice	PO Box 1040	507 305-1259
✓ 3	Erica Clark	Box 2453	907 424 7629
✓ 4	Ellen Shuidan	Box 375	907-423-8140
5	Kaishali Tiedeman	Box 1275	907-253-9642
6	Maria Poon	Box 2021	907-253-9169
7	Kelsey Lewis	Box 2102	424-5788
8	Karrin Merchant	Box 805	424-7399
9	Linda Brown	782	3943
10	Christine Ray	PO BOX 1250	748-1490
11	Melissa Guy	PO BOX 2476	424-5096
12	Sara Tiedeman	P.O. Box 1102	424-5069
13	Kate Morse	P.O. Box 201	424-5433
14	Kelsey Appleton	PO Box 1956	424-5357
15	Alyssa Kleisler	PO Box 2194	424-3632





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Fred Shipman	Box 1471	3726
2	Mary Little	Box 1793	3492
3	Xiomara	Box 1520	
4	ELIZABETH CAMARATA	PO BOX 280 CORDOVA, AK 99574	585-690-9193
5	Diana R Reidel	po box 4 Cordova, AK 99574	(907) 253-5364
6	Jim Smith	Box 231 CDV, AK 99574	907 738 0878
7	Shae Bowman	Box 1035 CDV	907-232-0312
8	Kelsey Hawley	Box 2208	503-881-0035
9	Stacie Webber	Box 234	907-253-5753
10	Carb Webber	Box 934	907-253-7160
11	Jennifer	Box 1786	907-429-7474
12	Randy Nelson	Box 2076	907-424-4568
13	Jeanne Joslin	Box 980	424-3528
14	Tim Olsen	Box 33	
15	J. Spencer	PO Box 200	720-470-7539



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	mandy TOONG	611 Cedar Street	413-320-6047
2	CAROLYN Roesbery	701 Chase Ave	907-424-3360
3	Rosemary McGuire	Box 2275, Cordova AK 99574	907-253-3202
4	Bruce Reid	Box 1862 Cordova AK 99572	907 409 3158
5	Stephanie Bernard	930 Lake	928 848 8324
6	Brandon Ryan	6 mile	907-429-5688
7	Rachel Hawk	Box 132	206-883-7669
8	Pat Kristovich	Box 726	474 7673
9	Ginger Drake	Box 662	7788
10	Lynne Steen	Box 1310	#8327
11	Jean Songer	Box 1019	424-3152
12	Jean Ann Krichmeier	Box 2641	424-4353
13	Bekka Kitley		424-5219
14	Cassi Seaton	PO Box 1644	429-3757
15	Walter Bennett	P.O. Box 2345	





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Joy Rawlins	Box 454	424-7604
2	Kristin Mahlen	6483 Saddle Mtn Way Deer Park WA 99006	687-5191
3	Lance Westing	<del>1045</del> PO Box 1045 Cordova	424-5574
4	Charlotte Westing	PO Box 1045 Cordova	424-5574
5	Katherine Mead	P.O. Box 94	429-7177
6	Kristel Rush	PO Box 2204	424-3622
7	Meadow Scott	POB 853	424-3835
8	Elise Burnett	106 NW 104th St Seattle WA 98177	429-3772
9	Kristin Carpenter	Box 1430 Cdv.	424-5735
10	Lue Erwin	P.O. 1954	424-7066
11	Stella Pivette	PO Box 706	424-3032
12	Steve Schoonmaker	P.O. Box 1333 Cordova	205-0206
13	LLA SMITH	Box 52 Cordova	253-5278
14	Monica RIEDER	P.O. Box 6 Cordova,	
15	Nina Cloak	PO Box 6 CDV	



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Faith Collins	P.O. Box 2212	424-4393
2	Anita Smyke	Box 2022	424-7636
3	Sarah Hoepfner	Box 1204	424-3140
4	Robin Pegau	Box 2126	424-7785
5	Eli Eckley	Box 1274	424-5726
6	Mathias Lund	Box 1234	424-7448
7	Lindsey Hammer	Box 43	424-3165
8	Kate Baier	Box 2533	424-5301
9	Kay Groff	Box 911	424-5542
10	Dick Groff	Box 91	424-5542
11	Karen Hallquist	Box 861	424-4784
12	Julie Reynolds	Box 1936	424-5141
13	Nicole Nothstine	Box 1114	424-7524
14	Kathryn Stoltzjan	Box 1394	424-3714
15	Jared Niles	Box 75	424-5453





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Ryan Tortelt	600 Adams Ave Unit H	907 253 9762
2	Denise Hambeger	6013 Cedar St	424-4530
3	Dorlene Robertson	PO Box 1965	423-8181
4	Dez Myer	Box 1841	253-7092
5	Robert Skorka	PO 1044	424-3844
6	Kirsi Jurica	PO 754	253-7338
7	Steve Witsoc	P.O. 191	424-4668
8	Kara Johnson	box 954	429-3711
9	Foni Bore	1023	5182
10	Carolyn Roesbenty	701 CHASE AVE	907 424 3360
11	Mark Steen	505 1st	424-5455
12	Robert Borelli	2092	424-3671
13	D. Church	512 3rd	424 3389
14	W. G. Galt	107 Ethel's Pt. Dr	424-7290
15	MOLLY MCGRAW	PO Box 1163	253-7828



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Lauren Holbrook	PO BOX 553	253-9761
2	Kara Clegg	PO BOX 2423	727 599 3410
3	Meagan Abel	P.O. Box 1896	253-307-5607
4	Lisa Ray	PO Box 1903	907-942-2492
5	Shannon Pellemus	Box 313	
6	Maryse Habertop	PO 353	3533
7	A Kennedy	PO. 202	
8	Amelda Sandoval	P.O. Box 936	469-652-3595
9	Teal Webber	POB 1205	317-7204
10	Jane Allen Schmid	PO Box 383	970 946 2326
11	Lisa David	PO Box 2003	907-424-5085
12	Sarah Phillips	Box 1675	907-351-7487
13	Stephen Phillips	Box 1675	907 351 9447
14	Dennis Marchant	P.O. BOX 805	424-7399
15	Raena Kempe	PO Box 142	860 227 5216

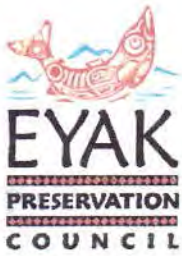




## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	MATTHEW HEMPE	PO BOX 142	860-514-5619
2	Fred Soucie	<sup>Tomball</sup> 113 CABIN RIDGE Rd	612 218 8032
3	Linda Soucie	113 Cabin Ridge Rd	612-325 9809
4	TATJANA ZEMCZUKOVA	113 CABIN RIDGE Rd	612 581 _____
5	TAMMY ALTERNAT	BOX 2106 CDV	424 - 3742
6	Jessica Ovasmith	Po Box 1496	423-8100
7	Sam Christa	P.O. BOX 1193	429 3149
8	Caitlin Haar	P.O. Box 1144	856 412-0240
9	Wick Haar	P.O. Box 1144	424-5092
10	KEITH SMITH	P.O. BOX 1432	429-6521
11	Megan Butler	PO BOX 544	424-3672
12	Sally Bennett	PO Box 2345	854-2043
13	Oycan	PO BOX 641	L
14	Dir/B...	BOX 1912	7633
15	Marianne S. Be...	523	7189



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Adrian Smith	POB 1376 CDV	424-2345
2	Debbie Collins	P.O. Box 1734	424-5272
3	Alma Ridao	PO BOX 1971	423 8228
4	Vikki Simpson	Box 2323	424-3188
5	Melanie Okouke	Box 2753	424-3374
6	Camtu		3174
7	Magg 3344	PO 345	
8	[Signature]	Box 1875	424-3693
9	Ellen Americas	PO Box 802	253-3276
10	JIM JOHANSON	BOX 263	424-3410
11	Donald Kure	Box 1704	424-5437
12	Debra Adams	Box 194	429-5450
13	Laura Blackader	PO. Box 2444	818 523 596
14	Tamera Russian	Box 1323	424-3813
15	Byan Curry	P.O. Box 61	←





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Dawn Renner	Box 756 Corcovt	424-7563
2	Kenny Renner	Box 6 Cordova	253 5366
3	Danny Vedder	Box 373 CDV	3504
4	Jamie Foote	Box 1783 cov	4468
5	Chelsea Heisman	Box 174	253-3724
6	Sarah Renner	P.O. Box 1181	424-5696
7	Mary	P.O. Box 2573	424-3922
8	Stephen James	Box 332	424-5691
9	DO	95	7274
10	JJ Holley	2246	5988
11	L. Hankan	823	
12	Laurel Carter	P.O. 2771	3739
13	Brady Thone	PO Box 1911	3357
14	Barb Jewell	P.O. Box 273	8095
15	Alexis Osborn	Box 93	7933

call - Amira Spike



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Teresa Cagador	27 MacLaughlin	429-7258
2	Catherine Busby	PO Box 2474	307-690-2506
3	DIXIE LAMBERT	Box 614	907 424 5146
4	Shulamite Sison	P.O. Box 1782	424-5414
5	Lauren Padover	Box 394	424-4695
6	HXL LEWIS	713 Chase	
7	molly mcgraw	PO Box 1163	612-703-5207
8	Kendra Apodaca	PO Box 421	907 424 3800
9	Mimi Briggs		
10	Nikal Berry		
11	Butch Hidalgo	P.O. Box 2336	
12	Mark Hoover	2344	
13	J. Racy		424-3613
14	Brandy Griffith	PO Box 1119	
15	Chou Bednary	Box 1096	





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	CLAY KORCIN	Box 172 CORDOVA AK 99574	424-3536
2	SEAN Groom	Box 926 CORDOVA AK 99574	424-5044
3	Randy Apodaca	Box 421 Cordova, AK 99574	424-3800
4	Janella	Box 175. CDV	907-312-2732
5	Andrea Walker	Box 591 Cordova AK 99574	804-832-1053
6	Amanda Wiese	Box 435 Cordova AK	424-7700
7	Carol Patten	Box 1721 Cordova, AK	252-8679
8	Ann Ameron	P.O. Box 802 Cordova, AK	253-3276
9	Christine Thero	PO Box 214 Homer, AK 99503	907-252-0678
10	Brandi West	PO Box 102 Cordova AK 99574	907-253-3356
11	Suzette Sciffa	POB 821 Cordova, AK 99574	424-3025
12	Dan Clark	P.O. Box 2453 CDV, AK 99574	424-7629
13	Sharon Elash	P.O. Box 824 CDV 99574	424-3634
14	Jeddetady	P.O. Box 2288	907-741-2494
15	Trinda O'Toole	Box 1075	424-3199

2010



## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	Shannon Pary	PO 1258	423 8121
2	STORMY HAUGHT	PO 742	253-6878
3	MARK HAUGHT	PO 742	253-6878
4	Aimee Lann	PO 1263	253-3469
5	Robert Masolini	PO 1131	429-7325
6	Amy O'Neal	PO Box 1145	907-254-5003
7	Rob O'Neal	PO Box 1145	907-254-5002
8	Susan Farzan	P.O. Box 1148	424-7544
9	Bill BLACK	Box 204	360 398 8029
10	Linda Sohse	Box 14	907-424-7170
11			
12			
13			
14			
15			

2/15





## Help make Cordova Plastic Bagless!

We support a mandatory fee per plastic bag and/or passing city ordinance prohibiting the distribution of plastic bags in retail stores in the City of Cordova.

	NAME	ADDRESS	PHONE NUMBER
1	NORA FIORED	P.O. BOX 554	429-4021
2	Livi T	PO BOX 661	478-353-9004
3	Jasmine Torres	PO BOX 1315	
4	Seena Allen	PO BOX 1088	253 3303
5	Jim McDaniel	Box 1002	907-424-9304
6	Ken Engle	2314	
7	Mimi Hodges	Box 241	429-8523
8	Keeshal Hodges	Box 764	429-5007
9	Sh Kift	Box 2433	
10			
11			
12			
13			
14			
15			

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 9/8/2015  
**Re:** Breakwater Fill Lot Disposal Ordinance

---

## **PART I – GENERAL INFORMATION**

Requested Actions: Lease with option to purchase contract approval  
Legal Description: Portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of  
ATS 220 herein referred to as the “Breakwater Fill Lot” as described in lease with  
option to purchase Exhibit A  
Zoning: Unzoned -- to be zoned Waterfront Commercial Park District within one year of  
commencement date of lease with option to purchase  
Attachments: Ordinance 1135  
Lease with option to purchase

## **PART II – BACKGROUND**

3/10/15 – Planning Commission Regular Meeting

Discussion:

- Zoning Breakwater Fill Lot (Consensus to come back with action to rezone)

Action:

- Disposal of Breakwater Fill Lot by RFP (failed due to lot not being zoned)

3/18/15 – City Council Regular Meeting

Action:

- Designate Breakwater Fill Lot as Available (motion withdrawn, lot was already available)
- Designate Breakwater Fill Lot as Waterfront Commercial Park District (motion was referred in order to zone lot after proposals were received)
- Disposal of Breakwater Fil Lot by RFP (referred for Planning Commission to come back with recommendation)

3/31/15 – Planning Commission Special Meeting

Action:

- Disposal of Breakwater Fill Lot by RFP (passed)

4/15/15 – City Council Regular Meeting

Action:

- Disposal of Breakwater Fill Lot by RFP (passed)

The public notice period for this property disposal began April 21<sup>st</sup> and ended June 1<sup>st</sup> at 10 AM. The City received one proposal for the property.



6/9/15 – At the Planning Commission Regular Meeting, the proposal from George and Carrie Daskalos was discussed.

*M/Bailer S/Baenen* to recommend to City Council approve the proposal from George and Carrie Daskalos for the Breakwater Fill Lot.

Upon roll call vote, main motion **passed** 4-3.

*Yea: Greenwood, Bailer, Baenen, Frohnappel*

*Nay: McGann, Pegau, Roemhildt*

6/17/15-Regular City Council Meeting City

*M/Bailer S/Reggiani* to award the disposal to George and Carrie Daskalos of the Breakwater Fill Lot.

Upon roll call vote, main motion **passed** 5-2

*Yea: Joyce, Bailer, Burton, Reggiani, Hallquist*

*Nay: Carpenter, Beedle*

The lease with option to purchase and ordinance is before you tonight.

### **PART III – SUGGESTED MOTION**

“I move to adopt Ordinance 1135.”

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1135**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY MANAGER TO ENTER INTO A THIRTY YEAR LEASE  
AGREEMENT, WHICH INCLUDES AN OPTION TO PURCHASE, WITH SALTY  
STEER, LLC FOR PORTIONS OF LOT 1 & 2, BLOCK 7A, TIDEWATER  
DEVELOPMENT PARK AND A PORTION OF ATS 220**

**WHEREAS**, it is in the best interest of the City of Cordova, Alaska (“City”) to lease portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of ATS 220 as more specifically described and identified as the Property in Exhibit A to this ordinance (the “Lease” or “Exhibit A”); and

**WHEREAS**, it is in the City’s best interest to lease the Property to Salty Steer, LLC for the uses specified in the Lease; and

**WHEREAS**, it is also in the City’s best interest to offer an option to purchase to Salty Steer, LLC, upon the terms provided in the Lease.

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

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

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

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

1st reading: September 16, 2015

2nd reading and public hearing: October 7, 2015

**PASSED AND APPROVED THIS 7<sup>th</sup> DAY OF OCTOBER, 2015.**

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

ATTEST:

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

DRAFT

**CITY OF CORDOVA  
Cordova, Alaska**

**LEASE WITH OPTION TO PURCHASE**

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

**RECITALS**

WHEREAS, the City owns that certain unimproved parcel of land in Cordova, Alaska generally described as Portions of Lot 1 & 2, Block 7A, Tidewater Development Park and a portion of ATS 220 herein referred to as the "Breakwater Fill Lot." See Exhibit A, (referred to hereinafter as the "Premises");

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

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

**1. LEASE OF PREMISES**

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

**2. LEASE TERM**

The Lease Term will be Thirty Years (30) years, commencing on \_\_\_\_\_, 2015, (the "Commencement Date") and terminating at 11:59 p.m. on \_\_\_\_\_, 20XX, unless earlier terminated in accordance with the terms of this Lease. The Lease does not provide a lease renewal option.

**3. RENT**

A. Base Rent. The annual rent for the first ten years of the Lease Term will be Thirty Thousand Dollars and no cents (\$30,000) or Twenty Five Hundred Dollars (\$2500.00) per month. ("Base Rent"). Base Rent is due on the first day of each calendar month during the Lease Term. Base Rent must be paid in lawful money of the United States without abatement, deduction or set-off for any reason whatsoever, at the address set forth in Section 22.E of this Lease, or at any other place the City directs in writing. Base Rent shall be paid promptly when due without notice or demand therefore. The parties intend the Base Rent to be absolutely net to the City. All costs, expenses, and

obligations of every kind and nature whatsoever in connection with or relating to the Premises shall be the obligation of, and shall be paid by, Lessee.

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

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

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

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

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

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

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

B. The leasee at their expense will initiate the re-zoning and re-plat of the property as described in Exhibit A within One (1) year of the commencement date of the Lease to zone the property Waterfront Commercial Park District.

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

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

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

A. Development Plan. The attached site development plan has been approved by the Cordova City Council, and is attached to this Lease as Exhibit B. Any proposed material change to the attached site development plan by Lessee will be treated as an

amendment to the Lease, requiring the written consent of both parties in accordance with Section 22.B. The Lease does not confer any approval from the Cordova Planning Commission regarding the site development plan or substitute for any approval process required in Cordova Municipal Code. Rather it is Lessee's responsibility to ensure the site development plan complies with all city code requirements and procedures.

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

## **6. REPRESENTATIONS AND WARRANTIES**

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

## **7. ASSIGNMENTS AND SUBLETTING; SUBORDINATION**

Lessee shall not assign or otherwise transfer this Lease or any interest herein and/or sublet the Premises or any portion thereof, and/or permit the occupancy of any part of the Premises by any other person or entity, with the prior written consent of the City, which consent may not be unreasonably withheld.

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

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

## 9. LIENS

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

## 10. INDEMNIFICATION

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

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

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



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

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

## **11. INSURANCE**

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

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

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

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

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

All insurance required under this Lease shall contain an endorsement requiring thirty (30) days' advance written notice to the City before cancellation or change in the coverage, scope, or amount of any policy. Before commencement of the Lease Term, Lessee shall provide the City with proof of the insurance required by this Section 11, except where noted above.

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

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

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

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

## **13. DEFAULT AND REMEDIES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

iii. Declare this Lease terminated;

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

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

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

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

#### **14. SUBSIDENCE**

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

#### **15. VACATION BY LESSEE**

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

Premises any items of personal property brought on to the Premises. Any such property not removed from the Premises within thirty (30) days of the expiration or termination of this Lease shall become the property of the City at no cost or charge to the City, and may be removed, sold, destroyed, or otherwise disposed of in any manner deemed appropriate by the City, all at Lessee's sole expense, and Lessee hereby agrees to pay the City for these expenses.

## **16. RESERVATION OF RIGHTS**

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

## **17. SIGNS**

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

## **18. HOLDING OVER**

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

## 19. EMINENT DOMAIN

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

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

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

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

## 20. COSTS

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

## 21. BUYER'S OPTION TO PURCHASE

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

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

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

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

E. Purchase Price. Lessee shall have the right to purchase the Premises for \$300,000.00 ("Purchase Price") until the tenth anniversary of the Commencement Date. If Lessee exercises its Option to purchase the Premises after the tenth anniversary of the Commencement Date, the Purchase Price will be adjusted to the current fair market value, as reasonably determined by the City, excluding all improvements completed by Lessee under this Lease. In the event that Lessee exercises the Option on or before \_\_\_\_\_, 7th anniversary of the Commencement Date, payment due at Closing to the City ("Closing Payment") will equal the Purchase Price reduced by all Base Rent payments paid by Lessee to the City under this Lease. In the event that Lessee exercises the Option after the 7<sup>th</sup> anniversary of the Commencement Date the Closing Payment will equal the Purchase Price, the Closing Payment will not be reduced by any Base Rent payments paid by Lessee to the City under this Lease.

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

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

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

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

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

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

## **22. MISCELLANEOUS**

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

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

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

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

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

TO CITY:



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

TO LESSEE:

Salty Steer LLC  
P.O. Box 1412  
Cordova, Alaska 99574

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY: CITY OF CORDOVA**

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

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

**LESSEE:**

**George Daskalos**

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

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

**Carrie Daskalos**

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

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

DRAFT

**Exhibit A**

**Exhibit B  
Development Plan**

DRAFT

---

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

---

DATE: September 30, 2015  
TO: Mayor and City Council  
SUBJECT: Ordinance 1137

---

Mayor Kacsh has researched other Codes and decided to mimic the Bethel Municipal Code in this, his proposed ordinance adopting City Code regarding the use of non-biodegradable plastic bags and polystyrene foam disposable food service ware. He asserts that although the Problem Solvers initially suggested a “seasonal” ban, he would prefer it be year round so as not to appear as a punishment to locals (i.e. year round Cordovans) only. Also, his suggestion is to allow a year for businesses and the public to become prepared for the change. Therefore, the ordinance effective date says 30 days after passage and publication or October 1, 2016 whichever is later.

Required action: Majority voice vote on first reading.

**CITY OF CORDOVA, ALASKA  
ORDINANCE 1137**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA ADOPTING  
CORDOVA MUNICIPAL CODE CHAPTER 8.37 GOVERNING THE USE OF NON-  
BIODEGRADABLE PLASTIC CARRY-OUT BAGS AND POLYSTYRENE FOAM DISPOSABLE  
FOOD SERVICE WARE IN THE CITY OF CORDOVA**

**WHEREAS**, it is in the best interest of the City of Cordova to limit the littering of the environment with non-biodegradable and environmentally hazardous materials; and

**WHEREAS**, it would be cost-effective for less of this type of waste to wind up in Cordova’s landfill; and

**WHEREAS**, the Cordova School District’s ‘*Future Problem Solvers*’ brought this topic to the attention of the City Council and the group is also interested in pursuing the overall diminished use of plastics in Cordova; and

**WHEREAS**, this ordinance is flexible in its wording by allowing for some exemptions.

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

Section 1. Cordova Municipal Code Chapter 8.37 is adopted to read as follows:

**Chapter 8.37 - PLASTIC BAGS AND POLYSTYRENE CONTAINERS**

Sections:

- 8.37.010 Definitions
- 8.37.020 Non-biodegradable plastic carry-out bags
- 8.37.030 Polystyrene foam disposable food service ware
- 8.37.040 Exemptions

**8.37.010 Definitions.**

“Affected retail establishment” means any commercial business facility that sells goods directly to the ultimate consumer including but not limited to grocery stores, pharmacies, and retail stores.

“Biodegradable” means the entire product or package will completely break down and return to nature, i.e., decompose into elements found in nature within a reasonably short period of time after customary disposal.

“Customer” means any person obtaining prepared food from a restaurant or retail vendor.

“Disposable food service ware” means all containers, bowls, plates, trays, cartons, cups, lids, and other items that are designated for one-time use and on, or in, which restaurant or retail food vendors directly places or

packages prepared food or which are used to consume foods. This includes, but is not limited to, service ware for takeout foods and/or leftovers from partially consumed meals prepared at restaurants or retail food vendors.

“Food vendor” means any restaurant or retail food vendor located or operating within the city of Cordova.

“Polystyrene foam” means and includes blown polystyrene and expanded and extruded foams which are thermoplastic petrochemical materials utilizing a styrene monomer and processed by any number of techniques including but not limited to fusion of polymer spheres, injection molding, foam molding, and extrusion-blow molding. Polystyrene foam is generally used to make cups, bowls, plates, trays otherwise known as Styrofoam.

#### **8.37.020 Non-biodegradable plastic carry-out bags.**

A. Affected retail establishments, food vendors and nonprofit vendors are prohibited from providing plastic carry-out bags to their customers at the point of sale to transport purchased items. Reusable bags, recyclable paper bags and compostable bags, including biodegradable plastic bags, are allowed alternatives.

B. Nothing in this section shall be read to preclude affected retail establishments, food vendors and nonprofit vendors from making recyclable paper bags available to customers.

C. Affected retail establishments, food vendors and nonprofit vendors are encouraged to provide incentives for the use of reusable bags through education and through credits or rebates for customers that use reusable bags at the point of sale for the purpose of carrying away goods.

D. No person shall distribute plastic carry-out bags at any city facility or any event held on city property.

#### **8.37.030 Polystyrene foam disposable food service ware.**

A. Except as provided in CMC [8.37.040](#), food vendors are prohibited from providing prepared food to customers in disposable food service ware that uses polystyrene foam.

B. All city facilities are prohibited from using polystyrene foam disposable food service ware and all city departments and agencies will not purchase or acquire polystyrene foam disposable food service ware for use at city facilities.

C. All food vendors using any disposable food service ware will use biodegradable or compostable disposable food service ware unless they can show an affordable biodegradable or compostable product is not available for a specific application. Food vendors are strongly encouraged to reuse food service ware in place of using disposable food service ware.

#### **8.37.040 Exemptions.**

A. Prepared food prepared or packaged outside the city of Cordova is exempt from the provisions of this chapter. Purveyors of food prepared or packaged outside the city of Cordova are encouraged to follow the provision of this chapter.

B. Food vendors will be exempted from the provisions of this chapter for specific items or types of disposable food service ware if the city manager or his/her designee finds that a suitable affordable biodegradable or compostable alternative does not exist and/or that imposing the requirements of this chapter on that item or type of disposable food service ware would cause undue hardship.

C. Polystyrene foam coolers and ice chests that are intended for reuse are exempt from the provisions of this chapter.

D. Disposable food service ware composed entirely of aluminum is exempt from the provisions of this chapter.

E. Emergency Supply and Service Procurement. In a situation deemed by the City Manager to be an emergency, for the immediate preservation of the public peace, health or safety, city facilities, food vendors, contractors and vendors doing business with the city shall be exempt from the provisions of this chapter.

Section 2. This ordinance shall be effective thirty (30) days after its passage and publication or October 1, 2016, whichever date is later. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published within ten (10) days after its passage.

1st reading: October 7, 2015

2nd reading and public hearing:

**PASSED AND APPROVED THIS xx DAY OF Xxxx, 2015**

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

ATTEST:

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



# Memorandum

**To:** City Council  
**From:** City Manager and Planning Staff  
**Date:** 9/30/2015  
**Re:** Disposal of Library/Museum Building

---

## **PART I – GENERAL INFORMATION**

Requested Actions: Direction to City Manager  
Legal Description: Lots 12-18, Block 6, Original Townsite  
Lot Area: Each lot area = 2,500 SF; Total Area = 17,500 SF  
Parcel Number: 02-173-512, 513, 514, 515, 516, 517, 518  
Zoning: Central Business District  
Location Map: Attachment A

Staff need guidance on how to proceed with the Library/Museum buildings and lots since there were no proposals for the fair market value of the Library/Museum building.

## **PART II – BACKGROUND**

**4/1/15** - At the City Council Regular Meeting, the council had a discussion about the Library and Museum and expressed the desire to begin the disposal process for these lots.

**4/14/15** – At the Planning Commission Regular Meeting, Resolution 15-05 was passed recommending that City Council make Lots 12-18, Block 6, Original Townsite ‘Available’

**4/14/15** – At the Planning Commission Regular Meeting, the commission considered putting the buildings and land out for proposals. The special conditions were as follows:

1. Proposals will be requested for the following:
  - a. The old Library/Museum building to be purchased and relocated.
  - b. The land with no improvements. Proposals may be for individual or any combination of lots being disposed. (Additional costs for demolition of building may be added)
  - c. The land with the existing building.

The commission ultimately recommend to City Council to put only the Library/Museum building out for proposals. From the minutes:

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

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

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

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

Upon voice vote, motion to amend passed 7-0.

Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

Upon voice vote, amended main motion passed 7-0.

Yea: Greenwood, Bailer, McGann, Pegau, Baenen, Roemhildt, Frohnapfel

**5/6/15** – At the City Council Regular Meeting, council directed the City Manager to dispose of the buildings. From the minutes:

**M/Carpenter S/Hallquist** to direct the City Manager to dispose of the buildings on Lots 12-18, Block 6, Original Townsite by requesting sealed proposals with the special conditions contained in the staff report.

**Carpenter** said, again, just moving forward. **Joyce** said within P&Z there was discussion about selling the buildings vs. selling the lots and the buildings, he wanted to be clear what we were accomplishing with this motion. **Carpenter** said it was just the buildings. **Bourgeois** clarified that the special conditions say “to be purchased and relocated”. **Joyce** wondered what we would do if we received no bids to buy and relocate the buildings. Would we then try to go back out for sale of the land with the buildings together? Council said, yes, sure, let's take first step first.

Vote on motion: 4 yeas, 0 nays, 3 absent. Hallquist-yes; Reggiani-absent; Beedle-absent; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-absent. Motion was approved.

**10/1/15** – The City received no proposals for the Library/Museum Building.

### **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**

The following are several options Council can move forward with:

1. Dispose of the building for less than fair market value.
2. Not dispose of building and put an RFP out for the land with building on it.
3. Demolish the building.

**PART V – SUGGESTED MOTION**

“I move to direct the City Manager to (pick an option above or come up with new option).”

Location Map



## **Pending agenda:**

**Fall 2015 / after fishing:** Code change regarding HSB and/or creation of a Health Care Advisory Board

Capital Priorities List Meeting **Oct 21** or **Nov 4** (to coincide with budget discussions); **Mar 2, 2016;**  
**Jun 1, 2016; Sep 7, 2016**

HSB Quarterly regular meetings **Oct 7, 2015; Jan 6, 2016; Apr 6, 2016; July 6, 2016**  
Now to meet monthly – special meetings between the regular quarterly meetings

Staff quarterly reports in packets: **Oct 21, 2015; Jan 20, 2016; April 20, 2016; Jul 20, 2016**

Joint Work Session with the **Native Village of Eyak Tribal Council** – tbd

Budget Work Sessions – **October / November**

Goal for Budget approval – simultaneous with fee schedule resolution passage – **Dec ??**

## **Committees:**

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

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

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

## **Calendars:**

3 months of calendars are attached hereto  
Oct 2015; Nov 2015; Dec 2015

# October 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library CSD-Cdv Sch District				1  Fast Ferry Volleyball Tournament—CHS	2  Fast Ferry Volleyball Tournament—CHS	3  Fast Ferry Volleyball Tournament—CHS
4	5	6  MLB Postseason begins	7  6:45 pub hrg LMR 7:00 reg mtg LMR	8	9	10
11	12	13  6:30 P&Z LMR	14  7:00 Sch Bd HSL 7:00 Hrbr Cms CH	15	16	17
18	19 Alaska Day observed City Hall Offices Closed	20	21  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	22	23	24
25	26	27  6 pm Parks & Rec CH  World Series Game 1	28  CSD end Q1	29  CSD in-service	30  CSD in-service	31

# November 2015

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

# December 2015

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



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

### MAYOR AND CITY COUNCIL - ELECTED

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

### SCHOOL BOARD - ELECTED

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

### 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>	December-14 November-11	November-17
3 years	<b>Kay Groff</b>	December-14 December-11 January-09	November-17
3 years	<b>Mary Anne Bishop, Chair</b>	November-13 November-10 November-06	November-16

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

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

**PLANNING AND ZONING COMMISSION - APPOINTED**

length of term		Date Appointed	Term Expires
3 years	<b>Allen Roemhildt</b>	January-14	November-16
3 years	<b>Scott Pegau</b>	December-14	November-17
		December-11	
3 years	<b>John Baenen</b>	December-12	November-15
3 years	<b>Tom Bailer</b>	November-13	November-16
		December-11	
		November-08	
3 years	<b>Tom McGann</b>	December-14	November-17
		December-11	
		April-11	
3 years	<b>John Greenwood, Chair</b>	December-12	November-15
		November-09	
3 years	<b>Mark Frohnapfel</b>	February-15	November-17

**HARBOR COMMISSION - APPOINTED**

length of term		Date Appointed	Term Expires
3 years	<b>Robert Beedle</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>	February-15	November-17
		December-12	
3 years	<b>Miriam Dunbar</b>	August-14	November-15
3 years	<b>Wendy Ranney, Chair</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>Dave Zastrow</b>	February-15	November-17
		September-14	

seat up for re-election in 2016

termed out in 2016