

12, BLOCK 1, TERMINAL ADDITION,
WITHOUT BENEFIT OF AN APPRAISAL.

Garzini noted the February 8, 1984, memorandum from Administrative Assistant Kerry Martin recommending approval of the proposed resolution. He stated that Wilma Weber, owner of the subject lots, had agreed to sell the parcel to the City for \$9,000. Purchase of these lots, along with the acquisition of the property currently owned by Donald L. Snellman [See agenda item IX(C)(2)] would make the City the sole owner of the new Gateway Subdivision, thus making development and marketing of the subdivision simpler. It was moved by Meehan, seconded by Swartz and unanimously carried by all those present to approve Resolution No. 84-8.

RESO/TERM.ADD/ 2. Copies having been made available to the public, Cripps GATE- noted by title only a proposed resolution entitled:

WAY SUB/

JESSE LEE HTS SUB:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, FINDING IT IN THE PUBLIC INTEREST TO NEGOTIATE A LAND TRADE WITH MR. DONALD L. SNELLMAN FOR PROPERTY IN THE TERMINAL ADDITION (PROPOSED GATEWAY SUBDIVISION) FOR CITY OWNED LOT 4, JESSE LEE HEIGHTS SUBDIVISION ADDITION NO. 2.

Garzini noted the February 7, 1984, memorandum from Administrative Assistant Martin setting forth the terms for the proposed land exchange and recommending approval of the proposed resolution. Following discussion, it was moved by Meehan, seconded by Swartz and unanimously carried by all those present to approve Resolution No. 84-9.

RESO/CON-074: 3. Copies having been distributed to Council and made available to the public, Cripps noted by title only a proposed resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, APPROPRIATING FUNDS FROM THE GENERAL FUND-FUND BALANCE TO THE LOWELL CREEK STORM SEWER ACCOUNT AND APPROVING A CHANGE ORDER TO SWALLING CONSTRUCTION.

Boyd Brownfield, representing Acres/Hanscomb, appeared from the audience and outlined the history of the Lowell Creek Tunnel project beginning with the Council's August 1982 decision to commission CH₂M Hill to inspect the tunnel, design the reconstruction and carry the project through award of a contract for reconstruction. He explained that CH₂M Hill's initial inspection and design had not revealed the true extent of the damage later found in the tunnel. He attributed this to two factors: 1) At the time of the initial inspection, the entrance to the tunnel had been covered with ice, making it impossible to ascertain the true size of the hole at that end of the tunnel; and 2) The initial inspection was carried out before construction of the diversion tunnel; therefore there was water running through the tunnel during the inspection. An inspection carried out after diverting the water this winter revealed much more extensive damage than had been expected--Not only was the hole much larger than anticipated, but in order to effect a complete repair, 15,000 feet of rails (rather than the 1,000 feet called for in the original design) would have to be replaced. Brownfield further explained that, since the February 9 meeting, he had met with the contractor (Swalling) and had agreed on a contract change order price based on a stipulation that a "best effort" approach would be taken with no guarantee of completion by March 15. He added that time was a critical factor and that the Contractor needed an answer from the City by tomorrow (February 14).

In response to a question from Gillespie, City Manager explained that the resolution as presented should be amended as follows:

Section 1.--Add \$412,000 to the blank (Amount to be transferred from the Fund Balance); and