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SEAN PARNELL, GOVERNOR

**DEPARTMENT OF LAW**  
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July 18, 2011

**VIA EMAIL AND U.S. MAIL**

Cathy Sherman  
Information Services Director  
Cordova Historical Museum/Cordova Public Library  
P.O. Box 391  
Cordova, Alaska 99574

Dear Cathy:

On November 3, 2010, the Exxon Valdez Trustee Council ("Trustee Council") voted unanimously to provide to the City of Cordova \$7,000,000 or one-third the cost of construction of the Cordova Center, whichever is less, providing certain conditions were met. Resolution 11-02 of the Trustee Council sets forth ten conditions for expenditure of the funds. Condition number two provides:

The City of Cordova will provide, before any expenditure from the EVOS Restoration Fund, documentation demonstrating to the satisfaction of the Alaska Department of Law and National Oceanic and Atmospheric Administration that the city has firm commitments for the funding of all the anticipated costs of construction of the Cordova Center, and that the Cordova Center will be used for the EVOS-related purposes as described in the October 2010 proposal.

On June 1, 2011 the City of Cordova sent a letter to Elise Hsieh, Executive Director of the Trustee Council, and to Trustee Council members setting forth the updated funding commitments for the Cordova Center. This letter was requested to provide an update on the funding status of the Cordova Center, as the previous funding status had been provided by the City in September 2010. The June 1 letter identifies over \$19.5 million in secured funding yet also identifies more than \$1.8 million as "potential" or "projected" funding. In addition, budget spreadsheets sent to the Department of Law on June 16, 2011 establish that the City had to date secured funding in the amount of approximately \$17.76 million. The current project budget (or overall cost) is identified in these documents as \$21.385 million and \$21.368 million, respectively.

The numbers in the June 1, 2011 letter and the budget spreadsheets indicate that there is currently a funding gap for the Cordova Center of between \$1.8 million and \$3.6 million.

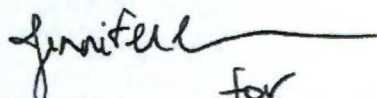
In order to meet the requirements of Resolution 11-02, the Department of Law and NOAA will need a greater showing of firm monetary commitments sufficient to complete construction of the Cordova Center. You indicated that the City of Cordova might approve a Resolution providing that the City will commit a financial contribution equal to the amount of funding required to fill any gap. We suggest that this approach would be the best way for the City to demonstrate that all anticipated costs of construction will be funded. In addition, the Department of Law and NOAA suggest that the City provide specific information regarding the manner in which the City plans to obtain funding for any gap in the project budget. Such additional information will be required prior to the Department of Law and NOAA's confirmation that the requirements of Trustee Council Resolution 11-02 have been satisfied and EVOS Restoration Funds may be expended.


Thank you for your assistance. Please contact us with any questions.

Sincerely,

National Oceanic and Atmospheric  
Administration

JOHN J. BURNS  
ATTORNEY GENERAL

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