



329 Harbor Drive, Suite 212 * Sitka, Alaska 99835 * Phone: 907-747-2660

Tuesday, December 15, 2009

MEMORANDUM

To: Jim Dinley, Administrator
From: Garry White – Director – Sawmill Cove Industrial Park (SCIP)
Subject: Boat Company Building

Background

The CBS entered into a 10 year lease on Lot 4 in 2000 with the Boat Company for 26,031 SF of upland property and 24,214 SF of tideland property. The first year of operation the Boat Company constructed a building on the upland lease area, which they own, with plans to construct a floating docking structure to complete maintenance on their vessels. The Boat Company halted their plans for development on their lease property in 2001 due to a shift in their business plan. The property has sat vacant since.

Proposal

The Boat Company has proposed transferring ownership of the building to the McIntosh Foundation (Please see attached quit claim deed). The McIntosh Foundation is proposing to gift the building to the CBS (Please see attached quit claim deed and letter from Sonosky, Chambers, Sachse, Miller & Munson, LLP).

The McIntosh Foundation wishes to complete this transaction by the end of their fiscal year, 12/31.

The Boat Company wishes to terminate their current lease which expires 10/2010 concurrently with gifting the property.

General Building Description

The 6,900 SF building was built in 2001. Building dimensions are 60' wide by 115' long by 12' tall. The building is a sidewall engineered metal building with radiant slab heat and R-19 insulation. The building does not have utilities hooked up the building, but utilities are available in the area. The building is not currently sprinkled, but the fixtures to complete the process are on premise and will be transferred with the building. Additional building materials will also be included in transfer. The building appears to be in excellent condition.

Additional Information

- The 2009 CBS assessed Value is as follows:

Building:	\$306,500
Lease-hold interest:	<u>\$177,500</u>
Total Value	\$484,000

- Current annual lease income to the CBS = \$18,304.56
- A Title Search has been ordered on the property, results should be available by 12/22/09

SCIP 12/14/09 unofficial meeting minutes

I. NEW BUSINESS

1. Boat Company Building

- The Boat Company can take advantage of a tax break if the property is donated back to the City before the end of 2009.
- CBS has assessed the property.
- Paperwork for the transaction has been prepared, including quit claim deeds for the building and tidelands.
- The Boat Company requests that their lease, which ends in October 2010, be terminated at the time of property transfer.
- The City is doing a title search to identify any liens.

MOTION: M/S Horan / Harang Moved to recommend to the Assembly that they accept The Boat Company proposal to terminate the current lease that expires in October 2010, as long as they concurrently gift the property back to the City and Borough of Sitka.

Discussion resulted in an amendment to the motion.

AMMENDED MOTION: M/S Horan / Harang Moved to recommend to the Assembly that they accept The Boat Company proposal to terminate the current lease that expires in October 2010, as long as they concurrently gift the property back to the City and Borough of Sitka *with a title that is free and clear.

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ACTION: Amended Motion PASSED - 4/0 with a roll call vote.

Grant Miller - Yes Trevor Harang - Yes Charles Horan - Yes Chris Fondell - Yes
Lowell Frank - Absent

Action:

Approval to accept building from McIntosh Foundation and concurrently early termination of existing lease of property.

LAW OFFICES

**SONOSKY, CHAMBERS, SACHSE
MILLER & MUNSON, LLP**

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KAY E. MAASSEN GOUWENS*

MARVIN J. SONOSKY (1909-1997)

Theresa L. Hillhouse
Municipal Attorney
City and Borough of Sitka
100 Lincoln St.
Sitka, Alaska 99835

December 11, 2009

Via Email to hillhouse@cityofsitka.com

Re: The McIntosh Foundation
Sawmill Cove Property

Dear Theresa:

This is to confirm that the McIntosh Foundation is prepared to make a gift of property at Sawmill Cove to the City and Borough of Sitka, if the transaction can be completed by year end. The property proposed to be gifted consists of Tideland Lease No. 1 and Upland Lease No. 4A, approximately 50,245 square feet in area, with an energy efficient, 60' by 20' metal warehouse building. The current value of the property and improvements, according to the Sitka Borough Assessor, is \$484,000.

As we discussed, The Boat Company presently holds title to the property. Upon the Borough Assembly's acceptance of this gift, The Boat Company will transfer title to the McIntosh Foundation, which in turn will transfer title by gift to the Borough. We understand that the transfer needs to be reviewed by the Sawmill Cove Industrial Park Board at its December 14th meeting and then approved by the Assembly at its December 23rd meeting.

QUITCLAIM DEED

The Grantor, The Boat Company, Ltd., an Alaska non-profit corporation, whose registered mailing address is 5280 Thane Road, Juneau, Alaska 99801, by its authorized officer, hereby quitclaims and conveys for the sum of Ten (\$10.00) Dollars and other valuable consideration unto the Grantee, the McIntosh Foundation, whose address is 1200 18th St. NW, #801, Washington, D.C. 20036, all of The Boat Company, Ltd.'s right, title and interest, if any, in and to the following described real property together with all structures and appurtenances upon the property, situated in the City and Borough of Sitka, Alaska and valued by the City and Borough of Sitka's Assessor's Office at \$484,000, and more particularly described as follows:

Portions of US Survey 2797, US Survey 3351 and ATS 6, described as Tideland Lease No. 1 and Upland Lease No. 4A, Sitka Recording District, First Judicial District, State of Alaska.

DATED this _____ day of December, 2009.

GRANTOR:

The Boat Company, Ltd.
By Michael A. McIntosh, Sr.
Its Authorized Officer

ACKNOWLEDGMENT

City of Washington,)
)ss.
DISTRICT OF COLUMBIA)

THIS certifies that on the _____ day of December, 2009, Michael A. McIntosh, Sr. personally known to me and known to be the person whose name is subscribed to the foregoing instrument, personally appeared before me, a Notary Public in and for the District of Columbia, and acknowledged to me that he is an officer of The Boat Company, Ltd., and is fully and properly authorized to execute the foregoing instrument for the uses and purposes mentioned on behalf of The Boat Company, Ltd.

WITNESS my signature and official seal on the day and year above written in this certificate.

NOTARY PUBLIC for the District of Columbia

My Commission Expires: _____

QUITCLAIM DEED

The Grantor, the McIntosh Foundation, whose address is 1200 18th St. NW, #801, Washington, D.C. 20036, by its authorized officer, hereby quitclaims and conveys unto the Grantee, the City and Borough of Sitka, Alaska, as a gift to the people of Sitka, Alaska, all of the McIntosh Foundation's right, title and interest, if any, in and to the following described real property together with all structures and appurtenances upon the property, situated in the City and Borough of Sitka, Alaska and valued by the City and Borough of Sitka's Assessor's Office at \$484,000, and more particularly described as follows:

Portions of US Survey 2797, US Survey 3351 and ATS 6, described as Tideland Lease No. 1 and Upland Lease No. 4A, Sitka Recording District, First Judicial District, State of Alaska.

DATED this _____ day of December, 2009.

GRANTOR:

The McIntosh Foundation
By Michael A. McIntosh, Sr.
Its Authorized Officer

ACKNOWLEDGMENT

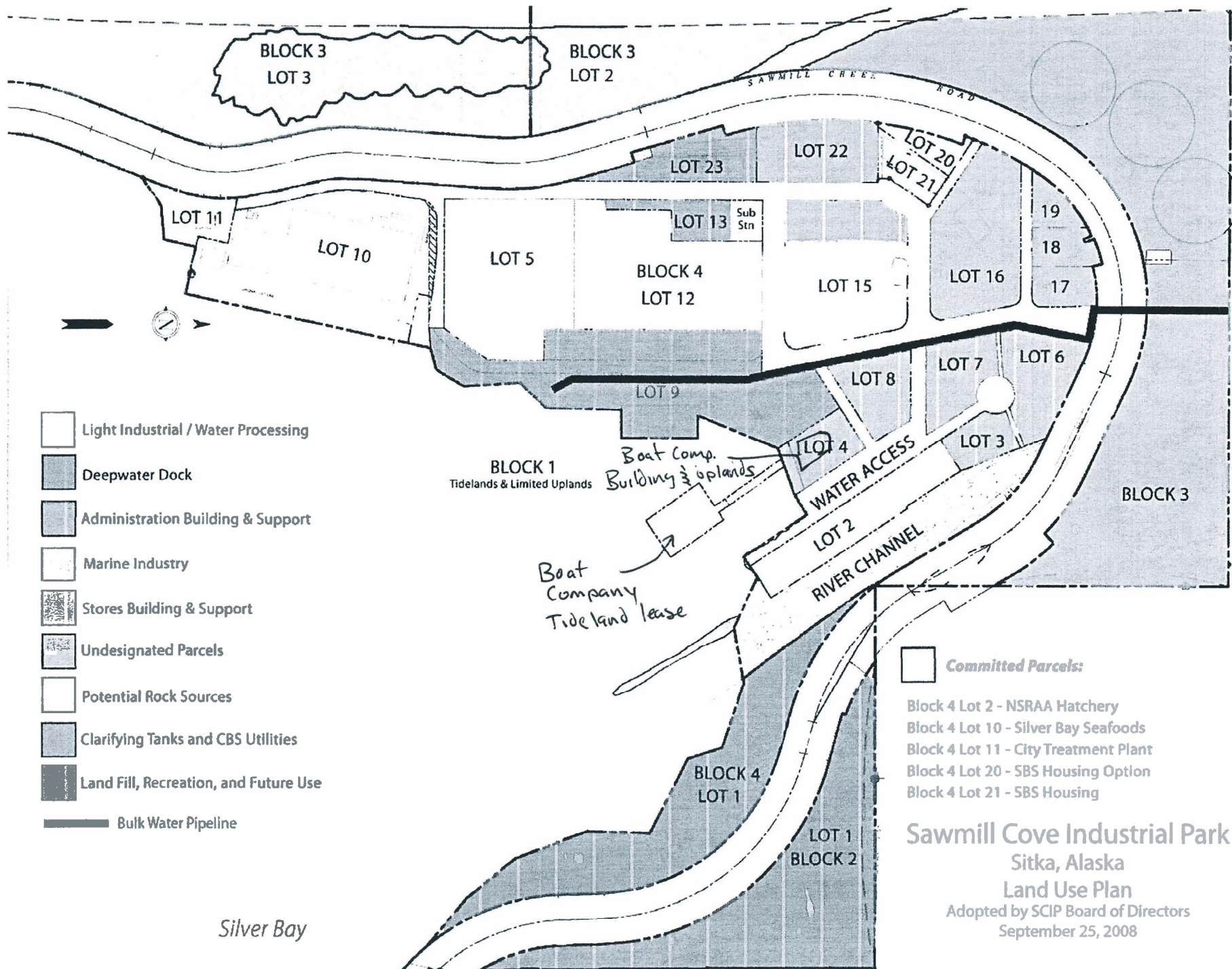
City of Washington,)
)ss.
DISTRICT OF COLUMBIA)

THIS certifies that on the _____ day of December, 2009, Michael A. McIntosh, Sr. personally known to me and known to be the person whose name is subscribed to the foregoing instrument, personally appeared before me, a Notary Public in and for the District of Columbia, and acknowledged to me that he is an officer of the McIntosh Foundation, and is fully and properly authorized to execute the foregoing instrument for the uses and purposes mentioned on behalf of the McIntosh Foundation.

WITNESS my signature and official seal on the day and year above written in this certificate.

NOTARY PUBLIC for the District of Columbia

My Commission Expires: _____



BLOCK 3
LOT 3

BLOCK 3
LOT 2

SAWMILL CREEK ROAD

LOT 23

LOT 22

LOT 20

LOT 21

LOT 11

LOT 10

LOT 5

BLOCK 4
LOT 12

LOT 13 Sub Stn

LOT 15

LOT 16

19

18

17



BLOCK 1
Tidelands & Limited Uplands

Boat Comp. Building & uplands

Boat Company Tideland lease

LOT 4

WATER ACCESS

LOT 7

LOT 6

LOT 9

LOT 8

LOT 2

LOT 3

RIVER CHANNEL

BLOCK 3

BLOCK 4
LOT 1

LOT 1
BLOCK 2

Silver Bay