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January 20, 2015

MEMORANDUM

To: Mark Gorman – CBS Administrator
From: Garry White, Director
Subject: Monarch Tannery Lot 17 Purchase Request

Introduction

Ed and Claire Gray dba Monarch Tannery request to purchase Lot 17 at the GPIIP for the construction of a building for tannery operations. The Gray's will partner with Dale Adams on the purchase and construction of the building.

The GPIIP Board met with Monarch Tannery at its December 17th meeting and passed the following motion:

MOTION: M/S Miller/Fondell moved to recommend that the Assembly approve the sale of Block 4, Lot 17 to Monarch Tannery for the 2014 appraised value of \$110,000.

Background

Monarch Tannery has been a tenant of the Administration Building at the GPIIP since April 2011, operating out of room 11a in the basement. Monarch is looking to expand their business and need additional space. The lease with Monarch was meant to be temporary in nature as the operation of a tannery in the Administration Building was not an ideal fit for other tenants of the building.

Additional Information

- A recent 2014 appraisal completed by Alaska Appraisal Associates, Inc. values Lot 17 at \$110,000. Please see attached valuation from appraisal. (*Full appraisal available at www.sawmillcove.com*)
- Recent property sale requests at the GPIIP have been structured as short term leases with performance benchmarks to be met before the sale of the property is executed to ensure property is developed as proposed.
 - The GPIIP did not require benchmarks for the Monarch Tannery transaction as Monarch has been a successful tenant of the park for over three years and is being displaced by board action, and due to Lot 17 location in perimeter of the GPIIP property.

- Lot 17 has a fire water line running through the middle of the property. Construction of a building over the water line is prohibited.

Action

- Assembly approval of GPIIP Board recommendation.