

MEMORANDUM

CITY/BOROUGH OF JUNEAU

Lands and Resources Office
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TO: Alicia Hughes-Skandijs, Chair of the Assembly LHED Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: Taku Terrace Association Request to Purchase City Property Cont.
DATE: November 2, 2022

At the September LHED Committee meeting, the Committee reviewed the Taku Terrace letter to the Assembly requesting to purchase City property for \$150,000. This lease request originated in 2020 and has taken many hours of staff time over the past three or four years with multiple LHED meetings and Planning staff and Commission review. The Assembly already provided a motion to work with the original proposer to dispose of this property at Fair market Value as determined by the City manager in accordance with City Code 53.09.200

Strictly from a financial standpoint, the CBJ should retain this property as a constant revenue source for the Land Fund and use the proceeds to facilitate development of CBJ property to meet community needs. Once the existing lease expires, the new lease would be adjusted to fair market value under terms the Assembly could determine at that time. There is zero cost to the City for managing the land. This would be a similar policy to that of the Mental Health Trust Land Office and the University Land Office. Despite the obvious financial reasons for retaining this property, when this lease began, it was with a single apartment building owner and now the condos are individually owned. Because of this reason, the Assembly has been considering the sale of this land at fair market value.

At this time, Taku Terrace has requested that the Assembly sell them this property for \$150,000. If the Assembly takes no action, the lease will continue for the remainder of its term (38 years) with the expected CBJ revenue to be \$394,426.14 plus the value of the land once the lease expires. The Manager recommend declining this offer to purchase the property for \$150,000. Once this application is denied the applicant could still come forward with a new fair market value offer and application at a later date.

Staff request a motion to deny the Taku Terrace Associations request to purchase this property for \$150,000 as the Manager has determined it does not reflect fair market value.

Attachments:

1. September 26, 2022 LHED packet material