



November 6, 2022

Mr. Bleidorn, Committee and Assembly Members,

The Homeowners Association would like to thank you all again for your consideration regarding the purchase of CBJ land leased to our community. The Board of Directors respectfully asks that you approve the sale of the Taku Terrace land to the Association. Considering the Leasehold Interest based on the information provided, we feel that your approval would reflect the City's continued commitment to retaining and creating affordable housing options in Juneau.

Please allow us to make the following important points:

- At the inception of the lease, CBJ had determined that the property was “unusable” for CBJ purposes or projects.
- All improvements were made and have been maintained by the developer and then the HOA.
- Access to the property was not provided in the original lease by CBJ. A private easement has been required for access to the property, which creates a permanent annual cost to the owners, with annual increases tied to the increases in property tax.
- A purchase price of \$150K would create a reasonable burden to owners (\$16K annually), so they may have true ownership and eliminate the complications of sales, based on the existing lease. A purchase at \$411K would triple the burden of cost to owners (\$46K annually), based on current lending rates applicable to an HOA. Numbers are based on a 15 year loan term.
- Financial institutions are already beginning to decline financing on condos in Taku Terrace. This will now continue to expand until the land ownership can be resolved. Simply continuing on with the lease term as it stands will create a greater burden on owners and budgets.

Both the Fee Simple and Leasehold Interest dollar amounts have validity. However, in this specific situation, we believe that with all of the mitigating factors the offer we are making is valid and reasonable. We feel this offer would not be in conflict with other City property sales, exchanges or gifting. As the Board of Directors, our commitment and obligation to our owners is to maintain the quality, structure, safety, and marketability of this community. Securing this land purchase would serve not just this homeowners community, and also the overall Juneau Community.

Board of Directors
Taku Terrace Association