

Monday, December 8, 2008

## MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors (SCIP Board)

From: Garry White, Director

Subject: Sitka Trail Works – Temporary Storage of Construction Materials

### **Background**

The SCIP Director and CBS Public Works department have been working together to clean up the Sawmill Cove Industrial Park (SCIP). A pile of lumber at the park has been determined to belong to Sitka Trails Works. From researching the past history of the lumber in regards to its location at the SCIP it was determined that the SCIP Board approved short term storage of the lumber at their August 16, 2005. Please see attached memo. Per the memo, the approval to store the lumber expired 12/31/05.

The lumber in question is scheduled to be used for the proposed trail from Herring Cove to Beaver Lake Trail. The contract for construction of this trail has been awarded to a group called Oregon Woods. Construction of the trail is scheduled to begin this spring as soon as the snow has melted from the area.

### **Lease Area and Fee**

The lumber pile occupies a portion of Lot 3, encompassing approximately 1,500 SF.

The CBS assessor's office is working on getting the Board updated market values for properties in SCIP. A 02/2006 appraisal for Lot 5 gave a value of \$4/SF for the uplands associated with the Lot. Lot 3 has some similar characteristics of Lot 5.

Therefore, using a 9% return on the asset:

$1,500 \text{ SF} \times \$4.00/\text{SF} = \$6,000 \times 9\% = \$540 / 12 \text{ months} = \$45 \text{ per month leases rate.}$

Estimate cost for CBS billing expense = \$7/month

Based off above factors, the estimated market lease rate for the property would be \$52/month.

### **Action Item**

1. Development of a short term lease.




**SITKA ECONOMIC DEVELOPMENT ASSOCIATION**

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Wednesday, August 17, 2005

MEMORANDUM

To: Lynne McGowan, Parks Director  
From: Hugh Bevan,   
Subject: Sawmill Cove Industrial Park  
Temporary Storage of Construction Materials

At their August 16, 2005 meeting the SMC Board approved the temporary storage of construction materials at the SMC site for the purpose of construction of the Thimbleberry to Hart Lake trail.

The conditions are:

1. Users must abide by the Memorandum of Agreement between the City and Borough and the State of Alaska.
2. Rent is no-charge for 10,000 square feet
3. The site must be vacated and cleaned up to the satisfaction of Warren Lee by December 31, 2005.
4. Users must have at least \$1,000,000 liability insurance with CBS listed as an additional insured.
5. Petroleum storage is not allowed.
6. Vehicle and heavy equipment storage is not allowed.
7. Users are responsible for the security of their materials.
8. Access will be via the north gate only.

C: Warren Lee, Rich Riggs