

Stores Building



Monday, January 19, 2009

MEMORANDUM

To: Sawmill Cove Board of Directors
From: Garry White, Director
Subject: Stores Building discussion

Background

The Stores Building located at the Sawmill Cove Industrial Park (SCIP) was constructed by Alaska Pulp Corporation (APC) some time in the late 1950's. In 1999 when the SCIP was transferred to the city the building was appraised at \$418,168.

The building has roughly 38,347 SF of building space with 30,570 SF of rental space. The building sits on a 49,846 SF lot. The building is a concrete and steel structure with some interior masonry walls. There are several overhead cranes and a service elevator in the building.

Current Tenants

Table with 3 columns: Tenant Name, Area/Rate, and Total. Rows include Silver Bay Seafoods, Tongass Biofuels (TO BE CANCELED), and Total.

Building Expense

The total FY 09' operating budget for SCIP is \$346,153, of this \$46,728 has been allocated for the Stores Building. (Please see attached Budget breakdown).

\$46,728 / 30,570 SF = \$1.529/SF/yr or \$.127/SF/month

Building Condition Report

Attached is the building condition report performed by CBS PW. Total low estimated cost to repair building is \$560,000. Since CBS PW evaluation of the building additional rain leaders have failed creating serious water problems within the building. There is currently standing water in multiple areas within the building, including all leased tenant space. As a result one tenant had damaged finished product as a result of the flooding in the building.

Block 4, Lot 22 Valuation

On Jan. 8, 2009, the CBS Assessor valued the properties located at the SCIP (please see attached). The property associated with the Stores Building was valued at \$4/SF. This valuation is comparable to an appraisal conducted on February 16, 2006 by Hugh A. Thompson & Associates, Inc. for Block 4, Lot 5 (TAB Building) of \$4/SF.

$49,846 \text{ SF} \times \$4/\text{SF} = \$199,384$ or ~\$200,000 value for the land

The building value is undetermined as a recent appraisal is not available. The CBS Assessor estimates the building to have a value of roughly \$60,000. The February 16, 2006 appraisal by Hugh A. Thompson & Associates, Inc. for the TAB building valued the building at \$2/SF. Both buildings were constructed in the late 50's.

$38,347 \text{ SF} \times \$2/\text{SF} = \$76,694$ value of building. This value may need to be adjusted for roof and rain leader failures.

Action

Discussion on Capital requests for Building.

Discussion on Sale of building.

August 28th, 2008					
FY09 Sawmill Cove Budget Breakdown					
Operating Budget					
	Allocation of Expenses				
Category	Proposed Budget	Admin Building	Stores Building	Interior Land	Waterfront Land
Salaries & Benefits	61,284	30,642	6,128	18,385	6,128
Utilities	13,000	10,400	2,600		
Heating Fuel	13,500	13,500			
Telephone	4,000	1,200	400	1,200	1,200
Insurance	45,000	27,000	9,000	4,500	4,500
Office Supplies	6,000	1,800	600	1,800	1,800
Repair and maintenance	20,000	8,000	6,000	6,000	
Building maintenance	2,317	1,390	927		
Contract services					
landfill testing	1,000			1,000	
ADEC oversight	2,000			1,000	1,000
SEDA contract	75,000	2,508	3,358	50,331	18,803
road maintenance	5,000	500	500	4,000	
snow removal	5,000	1,500	500	3,000	
janitorial	6,000	6,000			
electrician	5,000	2,000	2,000	1,000	
surveyor	5,000			5,000	
wastewater testing	2,000	400		1,600	
sprinkler/alarm	12,000	6,000	6,000		
stormwater testing	1,000			1,000	
audit fees	2,625	656	656	656	656
Interdepartmental services	45,488	13,646	4,549	22,744	4,549
Vehicles	3,764	941	941	941	941
Tools/small equipment	9,000	2,250	2,250	4,500	
Advertising	1,000	250	250	250	250
Credit card expense	75	19	19	19	19
Other Expense	100	50	50		
Total Operating Budget	346,153	130,653	46,728	128,926	39,846
Capital Budget					
Close fire line gap	10,000	3,300	3,300	3,400	
Fiber	10,000				
Stores building sprinklers	30,000		30,000		
Total Capital Budget	50,000	3,300	33,300	3,400	0



City and Borough of Sitka

PUBLIC WORKS

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November 20, 2008

Sawmill Cove Board of Directors

Re: Stores building condition report with some repair cost estimates

Background

The SCIP Board recently asked for a report on the Stores Building condition, focused on those building elements which require repair in order to make the building rentable. The purpose of the information is to assist in setting priorities for funding recommendations.

On October 15, 2008 I inspected the building with Chris Wilbur, CBS Facilities Manager, and Brent England, SCIP Watchman. We made a visual inspection of various building components in a 90-minute walk-through. No member of the inspection team is an engineer, this was not a formal engineering inspection, and the inspection or this report should not be relied on by any party in lieu of a formal engineering report. It should be expected that in such a limited inspection material defects could have been missed.

The Stores Building footprint is approximately 221' X 111', or 24,531 square feet. There are interior second stories in some areas, not included in the square foot total.

Foundation: slab on grade. No apparent evidence of major cracking or other telltales of differential settlement or foundation failure. Two masonry brick interior walls in the northeast area of the building show "stair step" cracks, indicating some differential settlement. However, the modest degree of cracking does not suggest an ongoing or significant problem.

Frame: structural steel frame. No apparent evidence of frame breakdown or weakening. In general, frame appeared to be in good condition. Steel column bases showed some rust but not to a degree that would suggest significant weakening or be cause for concern. No deformation observed in frame elements.

Exterior walls: Building walls on three sides are nonstructural. Exterior walls are of various materials, including but not limited to translucent plastic or fiberglass panels, and preformed concrete panels. Walls appear uninsulated.

Walls on south and east sides of building are basically intact, sufficient to keep out wind and water. North wall on second story has gaping holes. Estimate to repair: \$1-5,000, depending on elaborateness of repair. ✓

The east side is a concrete retaining wall below grade. This wall shows some cracking and water seepage. The modest extent of the cracking and seepage does not in our judgment suggest a problem requiring repair at this time.

Roof: The support structure of the roof appears sound. The roof weather membrane is multiple layers of hot tar. The roof leaks in many areas of the building, especially near the perimeter. Several leaks are at or near roof drains. The entire roof is now heavily vegetated including some trees. The roof requires replacement. Substantial labor will be required to remove the accumulated organic layer and old roofing. Using an estimated cost for new roofing of \$20 square foot (a low estimate based on recent roof projects), roof replacement would cost approximately \$500,000.

Rain leaders: The buildings roof drains through a series of in-roof drains which flow through piping (rain leaders) internal to the building. Many of these leaders leak, either from freezing or corrosion.

Estimated cost to repair: \$10,000. ✓

Lead Paint and Asbestos: Due to the age of the building, it must be assumed that lead based paint and asbestos containing material was used in construction. These issues are regulated by DEC. It is not known what the overall costs would be or under what circumstances DEC would require abatement. Too many variables exist to be able to provide a cost estimate. (Variables include: what parts of building contain regulated building materials, what is level of contamination and therefore what type of clean-up is required, and, would DEC require abatement throughout or only in those areas to be used by a given tenant?)

Carpet: Carpet in interior offices would need to be pulled before those interior spaces could be used. It is possible asbestos containing adhesives were used, making removal costly. No cost estimate given due to unknowns. These interior offices lack natural light and natural ventilation.

Plumbing: The plumbing has not been charged for many years. It is almost certain that leaks from freezing, corrosion, or fitting failure would have developed over the years. Further investigation would be required to determine what parts of building plumbing are functional and which, if any, require repair. No cost estimate provided due to unknowns.

Heat: No building wide heating system.

Sprinkler system: Estimated cost to rehabilitate - \$45,000. ✓

Sincerely,

s/

Scott Brylinsky
Public Works Operations Chief

Garry White

From: Jim Corak [jimc@cityofsitka.com]
Sent: Thursday, January 08, 2009 10:50 AM
To: garrywhite@gci.net
Subject: SAWMILL COVE INDUSTRIAL PARK.doc

SAWMILL COVE INDUSTRIAL PARK
 2009 ASSESSED VALUATIONS
 land values only-in fee simple interest

Legal description	Size	Value per ---	Value for 09
Block 1, Lot 1	126.5 Ac Tidelands	NA	NA
Block 2, lot 1	5.1 ac upland	\$30,000/ac	\$150,000
Block 3, Lot1	8.18 ac upland	\$40,000/ac	\$320,000
Block 3, Lot2	11.1 ac	\$75,000/ac	\$825,000
Block 3, lot 3	11.9 ac	\$75,000/ac	\$875,000
Block 4, Lot 1 \$67,000	6.7 ac Asbestos dump	\$10,000/ac	
Block 4, lot 2	1.38 ac	\$5/sf	\$301,000
Block 4, lot 3	17,150 sf	\$3/sf	\$51,500
Block 4, lot 4 Boat Company	26,031 sf ul 24,217 sf tl	\$6.50/sf \$2.00/sf	\$169,000 \$48,400
Block 4, lot 5 True Bottling plant	130,680 sf	\$4/sf	\$523,000
Block 4, lot 6	41,028 sf	\$4/sf	\$164,000
Block 4, lot 7	32,879 sf	\$4/SF	\$132,000
Block 4, lot 8	32,362 sf	\$4/sf	\$129,000
Block 4, lot 9	197,911 sf wftf	\$5.50/sf	\$1,088,000
Block 4 lot10	187,063 sf up&wtf	\$6/sf up	\$816,000
Block 4, lot 11	sewer plant	\$2/sf tl	

Block 4, lot 12	137,368 sf		\$4/sf	\$550,000
Block 4, lot13	20,810 sf		\$4/sf	<u>\$85,000</u>
Block 4, lot 14	8,925 sf elect sub station			
Block 4, lot 15	113,389 sf	\$4/SF		\$454,000
Block 4, lot 16	86,626 sf	\$4/sf		\$346,000
Block 4, lot 17	16,997 sf	\$3/sf		\$51,000
Block 4, lot 18	16,380 sf	\$2.50/SF		\$41,000
Block 4, lot 19	12,669 SF	\$3/sf		\$38,000
Block 4, lot 20	13,088 sf	\$4/sf		\$52,000
Block 4, lot 21 Bunkhouse site	18,315 sf	\$4/sf		\$73, 500
Block 4, lot 22 Store bldg site	49,846 sf	\$4/sf		\$200,000
Block 4, lot 23 Admin. Bldg	37,244 sf	\$5/sf		<u>\$186,000</u>
SUBTOTAL OF ALL LAND				\$6,910,400

NOT INCLUDING TIDELANDS OFF SHORE OR ELECTRICAL SUBSTATION