

Tuesday, October 27, 2009

MEMORANDUM

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

From: Garry White, Director

Subject: TM Construction Lease Request

Introduction

Tm Construction Inc. would like to establish a wood products business at the SCIP. TM Construction owns a small commercial ramp barge, which it would use to offload wood at the park and move to a lease area for processing and drying. Attached is a map showing proposed locations for mooring the barge and storage of the wood.

Additional Information

1. The commercial barge is roughly 30' X 100'.
 - Current tideland lease rates at the park suggest a \$1.54 value for tideland properties and a 9% return on investment for a lease rate. This value and rate is concurrent with other CBS tideland leases in other parts of Sitka.
 - $3,000 \text{ SF} \times \$1.54 = \$4,620 \times 9\% = \415.80 annual rate / 12 = \$35/per month rate.
2. TM Construction requests a 10,000 SF lease area.
 - The CBS Assessor has valued Lots 14 & 15 at \$4/SF.
 - $10,000 \text{ SF} \times \$4 = \$40,000 \times 9\% = \$3,600$ annual rate / 12 = \$300/per month rate
3. Wharfage fees are not being considered at this time due to the start up nature of the business. CBS should reserve the right to charge wharfage fees at some point in the future.
4. TM Construction would like to offset some lease payments with infrastructure upgrades to the park.
5. The sale of firewood at the SCIP requires a conditional use permit per Table 22.16.015-6 of the retail sales allowed at the SCIP.

TM Construction, Inc.
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Sitka, AK 99835
(907) 747-4702

October 26, 2009

Mr. Garry White
Executive Director
Sitka Economic Development Association
329 Harbor Drive, Suite 212
Sitka, AK 99835

Dear Garry:

TM Construction would like to formally request space at the Sawmill Cove Industrial Park for moorage of a small commercial sized barge (approximately 30' x 100'). Last week, we discussed various sites that would be suitable for a barge landing. I believe we agreed that there is an existing space that would accommodate the barge quite well without compromising any plans that SEDA may have for the park in the short term. If a short term moorage lease is acceptable to the SEDA board, we would like to secure such a lease, though we will need to confirm the current moorage rates at that location.

TM Construction is also interested in leasing a 10,000 s.f. space at the Sawmill Cove location designated for light commercial/industrial use. This space would be utilized as storage for wood products and equipment in the short term, though we would likely be interested in expanding the space and seeking a long term lease as it becomes necessary. TM Construction may also wish to store other equipment at the leased property during the winter months as space allows, though the primary purpose of the space will be for commercial production and dry storage of wood and wood by-products.

I appreciate the board's consideration of our request and look forward to working with SEDA in the interest of sustaining jobs and creating new infrastructure in our community.

Sincerely,

Sandi Dalton
Project Manager

