

April 6, 2018

Rorie Watt, City Manager  
City and Borough of Juneau  
155 S. Seward Street  
Juneau, AK 99801



2600 Cordova Street, Suite 100  
Anchorage, AK 99503  
Tel 907.269.8658  
www.trustlandoffice.com

RE: 450 Whittier Street Sale

Dear Mr. Watt,

The City and Borough of Juneau (CBJ) expressed interest in purchasing the 450 Whittier Street property. We are in receipt of the appraisal performed by CBJ, which valued the parcel at \$520,000 utilizing an income approach, assuming the property was operated as a parking lot and a sales comparison approach for the raw land. Both methods disregarded any costs to demolish the existing improvements on the land.

The TLO plans to retain the property, demolish the building and convert the property to a parking lot to create a dependable stream of spendable income. The TLO would need to receive a minimum of \$390,585 purchase price to forgo the leasing income opportunity. The TLO will sell the property, as is, under the following scenarios and prices:

1. Negotiated Sale (non-competitive) - \$488,231;
2. Competitive Sale (to the highest bidder) - \$390,585 (minimum bid)

11 AAC 99.020(d) requires that disposals be made on a competitive basis unless the executive director determines that a non-competitive disposal is in the best interest of the Trust and its beneficiaries. The difference in price between the negotiated and competitive prices listed above is the result of a 25% premium added to the base price of \$390,585 for a total price of \$488,231. This premium, for which the CBJ receives the exclusive right to purchase the property, ensures that the Trust obtains a return that would account for not offering it competitively. A competitive sale will require a minimum bid of \$390,585, and may result in the purchase of the property by another party and may result in a price substantially higher than the minimum bid. The property will not be offered for sale under either scenario unless CBJ proffers a good-faith expression of interest at either price point. If no expression of interest is received, as directed below, we will move forward with converting this property to parking use.

If CBJ has interest in pursuing either the negotiated sale or competitive sale now that you have specific figures, please provide a response of interest by April 18<sup>th</sup> in the form of an application submitted to the TLO with application fee. You can go to <https://mhtrustland.org/index.php/land/land-use-application/> to fill out and submit the application. I recognize that you would still be required to go through the assembly and such to obtain approval for purchase which can be run concurrently with either process.

Sincerely,

A handwritten signature in purple ink that reads "Wyn Menefee".

Wyn Menefee  
Executive Director