

Proposed by:	Administration
Attorney Review:	08/13/2018
First Reading:	09/06/2018
Second Reading:	09/20/2018
Vote:	5 Aye 0 Nay 1 Absent

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 18-16

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AUTHORIZING THE MUNICIPALITY OF SKAGWAY TO LEASE PROPERTY TO SKAGWAY CHILD CARE COUNCIL

WHEREAS, the Municipality received a request from the Skagway Child Care Council to renew the lease expiring on September 30, 2018, for lots 1-3 on block 128;

WHEREAS, the Municipality intends to work in concert with the Child Care Council, a private, non-profit corporation dedicated to helping children of Skagway between ages 0 and 12 years of age, to accommodate the long-term needs of the community of Skagway in providing licensed daycare services to the community; and

WHEREAS, based on a normal lease rate of \$2,680 per month according to Exhibit A, the Municipality will provide an in-kind donation to the Skagway Child Care Council in the amount of \$2,180 per month for five months, which totals \$10,500 annually;

NOW, THEREFORE BE IT ORDAINED BY THE ASSEMBLY OF THE MUNICIPALITY OF SKAGWAY, ALASKA that the Municipality of Skagway shall lease to Skagway Child Care Council lots 1-3, block 128, as described in the appraisal report dated July 19, 2018, by Horan & Company LLC (Exhibit A), for the period of April 15 through September 30 of each year for a 5-year period, from October 1, 2018, through September 30, 2023; and

BE IT FURTHER ORDAINED that the lease is subject to the terms and conditions set forth in SMC 16.02.160; and

BE IT FURTHER ORDAINED that the Skagway Child Care Council shall be charged \$500.00 per month, paid on the first day of each month of use; and

BE IT FURTHER ORDAINED that the Borough Manager is authorized to execute said lease with terms as defined above.

Section 1. Classification. This is a non-code ordinance.


Section 2. Effective Date. This ordinance shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 20th day of September, 2018.



Monica Carlson, Mayor

ATTEST:


Emily Deach, Borough Clerk
(SEAL)





Skagway Child Care Council
DBA Little Dippers Learning Center
PO Box 419, Skagway, Alaska 99840
www.skagwaylittledippers.com ~ skagwaychildcarecouncil@gmail.com

July 11, 2018

Dear Mayor & Assembly,

The Skagway Child Care Council (SCCC) d.b.a. Little Dippers Learning Center would like to request a lease extension for the maximum amount (10 years) ending September 30, 2028. In addition, we'd like to amend the ages for the facility to include 0 years of age as we became certified and licensed to accept children birth through 12 years in May 2018.

However, SCCC would like to petition for exemption from paying the application fee of \$100 and the appraisal fee considering we are a non-profit organization which relies heavily on fundraising, which is an extremely unpredictable revenue stream, to keep its doors open. Furthermore, SCCC only leases the facility for 169 days out of the year (April 15 - September 30), while the MOS maintains control the majority (196 days).

The financial burden of paying for an appraisal, along with the possibility of an increase in rent could be very detrimental to Little Dippers and the working families of Skagway. SCCC would be forced to pass these increases along to our clients while childcare is already an economic strain on many households, especially those with more than one child in care.

The SCCC would like to apologize for the tardiness of this letter, but the notification email was sent to our Administrator, Amy Wasiura, on June 26. However it is a busy time of year for us all and was not forwarded to the SCCC board until this week. For further lease communication we request correspondence be delivered to the Board of Directors email as we make the financial decisions for the organization.

We are good tenants, follow all protocol, and continue to make improvements which add value to the property's outdoor space. We have provided this critical service during Skagway's busy summer months since 1987 and look forward to continuing to serve our community and cultivate upstanding young citizens for many years to come. The SCCC looks forward to working with the MOS in a mutually beneficial partnership.

Sincerely,

Skagway Child Care Council
Claire Barrett, President
Lacey Chandonnet, Vice President
Julienne Miles, Treasurer
Michaela Stidham, Secretary
Jesse Guilliams
Jessica Jagelski
Chezare Leipold

EXHIBIT A

**APPRAISAL REPORT
IN FEE SIMPLE INTEREST OF LOT 1-3, BLOCK 128
LEASED TO LITTLE DIPPERS DAY CARE
LOCATED ON 23RD AVENUE,
SKAGWAY, ALASKA**



(031418_1747)

PREPARED FOR: Michelle Gihl, Deputy Clerk
Municipality of Skagway
P O Box 415
Skagway, Alaska 99840

PREPARED BY: William G. Ferguson
Horan & Company, LLC
403 Lincoln Street, Suite 210
Sitka, Alaska 99835

INSPECTION DATE: March 14, 2018

EFFECTIVE DATE: July 5, 2018

REPORT DATE: July 19, 2018

OUR FILE NO.: 18-034

HORAN & COMPANY

REAL ESTATE APPRAISERS/CONSULTANTS

CHARLES E. HORAN, MAI / WILLIAM G. FERGUSON,
JOSHUA C. HORAN, AND SLATER FERGUSON

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835

PHONE NUMBER: (907)747-6666 FAX NUMBER (907)747-7417 commercial@horanappraisals.com

July 19, 2018

Michelle Gihl, Deputy Clerk
Municipality of Skagway
P O Box 415
Skagway, Alaska 99840

Re: Summary Appraisal Report in Fee Simple Interest of Lot 1-3, Block 128;
Leased to the Little Dippers Daycare, Skagway, Alaska; Our File 18-034

Dear Ms. Gihl:

I have completed the attached appraisal report of the above-referenced property per your request. The report is provided in a brief narrative format with analysis of four land comparables, and five building comparables found within the report. The market value as of July 5, 2018, for this leased property is estimated at:

\$402,000

Your attention is directed to the content of this report with further descriptions of the subject property as well as brief descriptions of comparables considered. We appreciate the opportunity to be of service to you. Should there be any further questions regarding this subject, please do not hesitate to contact us.

Respectfully submitted,



William G. Ferguson
HORAN & COMPANY, LLC

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Qualifications of William G. Ferguson

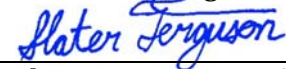
CERTIFICATION OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
- Both William and Slater Ferguson inspected the site on March 14, 2018. It is an extraordinary assumption of this report that the subject property is in a similar condition as of the effective date, as it was during the time of inspection. The effective date of this report is July 5th, 2018.
- Slater Ferguson, Appraiser Trainee, provided significant real property appraisal assistance to the person signing this certification.
- Our office has performed assessment services regarding the subject property within the prior three years, as contract assessors for the Skagway Municipality. We have performed no other appraisal services with regard to the subject property in the previous three years.



William G. Ferguson, AA618



Slater M. Ferguson, APRT972

July 19, 2018

Report Date

July 5, 2018

Effective Date

1 INTRODUCTION

1.1 LOCATION

The subject property is referred to as the Little Dippers Daycare lease property. It is located on the corner of 23rd Avenue and Main Street. The property, including both the building and site, is leased from the Municipality of Skagway and is identified as Lots 1-3, Block 128, Skagway Townsite.

1.2 PURPOSE OF APPRAISAL; INTENDED USE AND USER

The purpose and intended use of this appraisal is to estimate the fair market value to be used as a basis for annual lease rates. The market value estimated is limited by the Assumptions and Limiting Conditions herein. The property is leased to the Skagway Child Care Council/Little Dippers Daycare for continued use as a child care facility. The intended user and client is the Municipality of Skagway.

1.3 PROPERTY RIGHTS APPRAISED

The subject property is appraised in its fee simple interest.

1.4 INSPECTION AND EFFECTIVE DATE

The subject property was inspected on March 14, 2018 by William G. Ferguson, and Slater M. Ferguson. The effective date of this report is July 5th, 2018. It is considered an extraordinary assumption of this report that the subject is in a similar condition on the effective date as when the site was inspected on March 14, 2018.

1.5 THREE YEAR PROPERTY HISTORY AND OSTENSIBLE OWNER

The subject property is owned by the Municipality of Skagway and has been for some time. It has not sold in the last three years. It is proposed to be in a continued use and leased to a private business, in this case, the Skagway Child Care Council. It has been leased by this business since 2003. The current lease rate is \$500/month.

1.6 SCOPE OF APPRAISAL

This appraisal employs the Comparable Sales Approach. Sales data was collected and developed through interviews with primary market sources such as buyers and sellers, as well as secondary sources including brokers, lenders, assessors, attorneys, and appraisers.

1.7 ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and valuation contained herein are expressly subject to the following assumptions and/or conditions:

Extraordinary Assumption: It is an extraordinary assumption of this report that the property was in the same condition on the effective date of this report, July 5, 2018 as observed during the date of inspection, March 14, 2018.

1. It is assumed that the data, maps and descriptive data furnished by the client or his/her representative are accurate and correct. Photos, sketches, maps, and drawings in this appraisal report are for visualizing the property only and are not to be relied upon for any other use. They may not be to scale.
2. The valuation is based on information and data from sources believed reliable, correct and accurately reported. No responsibility is assumed for false data provided by others.
3. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
4. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of the highest and best use.
5. It is assumed that the title to the property is marketable. No investigation to this fact has been made by the appraiser.
6. No responsibility is assumed for matters of law or legal interpretation.
7. It is assumed no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property. No engineering report was made by or provided to the appraiser.
8. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
9. The value estimate is made subject to the purpose, date and definition of value.
10. The appraisal is to be considered in its entirety, the use of only a portion thereof will render the appraisal invalid.
11. Any distribution of the valuation in the report between land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.
12. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.

1.8 TERMINOLOGY

Market Value

A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following:

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under duress.
2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories:
 - a. the relationship, knowledge, and motivation of the parties (i.e., seller and buyer);
 - b. the terms of sale (e.g., cash, cash equivalent, or other terms); and
 - c. the conditions of sale (e.g., exposure in a competitive market for a reasonable time prior to a sale).

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, Pages 141-143

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, Page 90

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute, Page 83

2 AREA ANALYSIS

2.1 SKAGWAY AREA ANALYSIS

It is assumed the readers and reviewers of this report are familiar with the social and economic conditions and trends of the Skagway market. Skagway is situated at the northern most point of the inside passage in Southeast Alaska. It has historically been a transportation point connecting these protected waterways to the interior of Alaska and the Yukon Territory. Skagway is about 90 miles northwest of the state capital of Juneau.

Real Estate Market Trends

The increased seasonal demand has caused significant appreciation in general real estate housing and commercial land. Statistics kept for assessment adjustments show that values have gone up about 160% since 1995 for real estate land in general and over 200% for land in the central Historic Business District. The suburban Hillside District and Dyea area has not experienced the same level of overall appreciation, with assessment values increasing just 110% in the same time period. There was a 10% decline in 2010 and another 15% decline in 2011 in the assessment values for Skagway's core town land, reflecting the market's reaction to the decline of tourism visitation. Tourism numbers have again been increasing, and assessed values proved stable for 2012 and 2013 and gradually increased in varying degrees 2014 – 2018, depending on the area.

2.2 NEIGHBORHOOD ANALYSIS

The subject neighborhood is defined as the business general zoned strip of land that intersects the Skagway town site along State Street in a North/South Direction from 1st Avenue to 23rd Avenue, and ending at the bridge that divides 23rd Avenue from the Klondike Highway. State Street, which turns into 23rd Avenue, is the primary transportation corridor used to provide access between downtown Skagway and the Klondike Highway. The southern half of the neighborhood is only one block from the business historic district, which is heavily influenced by the tourism industry during summer months. The subject neighborhood however, is generally less impacted by tourism, as the majority of the commercial development along State Street is catered to locals and independent travelers. The subject neighborhood consists of a mix of both commercial and residential uses. Commercial uses include a laundry mat, gas station, several hotels, a grocery store, a natural foods store, houses of worship, public service facilities, a recreational facility, an RV park, and more. There is also both single family and multifamily housing throughout. A railroad yard is located across 23rd Avenue from the subject.

This defined neighborhood is almost completely built-up with minimal vacant land available for further development, however, the growth of the tourist market in Skagway has continued to play a key role to the development of Skagway as a whole.

3 PROPERTY DESCRIPTION

3.1 SITE DESCRIPTION

The subject site is made up of three town site lots that are rectangular in shape and total 15,000 SF. The property borders 23rd Ave to the North (150' of frontage), and Main Street to the East (100' of frontage).

Topography, Utilities & Access

The subject site is level, near the same grade as Main Street, and slightly below the grade of 23rd Avenue. All local utilities are available to the site. Access to the subject is via a public alley way that bisects the entirety of block 128 in an east/west direction.

3.2 ZONING

The subject site is zoned Business General (BG). The purpose of this district is to provide a centrally located area for general retail shopping, personal and professional services, entertainment establishments, restaurants, and similar businesses. Most commercial activities are permitted outright. This zoning district is also intended to accommodate a mixture of residential uses.

3.3 EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments on the subject parcel.

3.4 ASSESSED VALUATION AND TAXES

The subject site is owned by the Municipality of Skagway. It is currently not taxed. The assessor's parcel number is 2TOWN128010.

3.5 BUILDING DESCRIPTION

The subject building is a 2,048 SF 1-story wood frame structure with a composition shingle hip roof, metal gutters/downspouts, and cement fiber lap siding. It has a poured concrete perimeter foundation, and vinyl thermopane windows throughout. The building has three entry porches, the main entry includes a wheel chair accessible ramp. The interior is finished with wall to wall commercial grade carpeting throughout the recreational areas, vinyl flooring in the bathrooms and kitchen, painted drywall walls, wood trim, and drop tile ceilings. The building is heated by an oil fired boiler that distributes heat through a hot water baseboard system. There are two ½ baths, one utility room, two large recreational rooms, and a fully functioning kitchen. Additional amenities include a small detached wood shed, and a wraparound wood fence, approximately 6 ft. in height. Both items are considered personal property and are not analyzed in this report. Please see the building sketch on the following page.

Overall, the condition of the building is considered to be above average. The structure appears to be well maintained with minimal signs of wear and tear.

EXHIBIT A

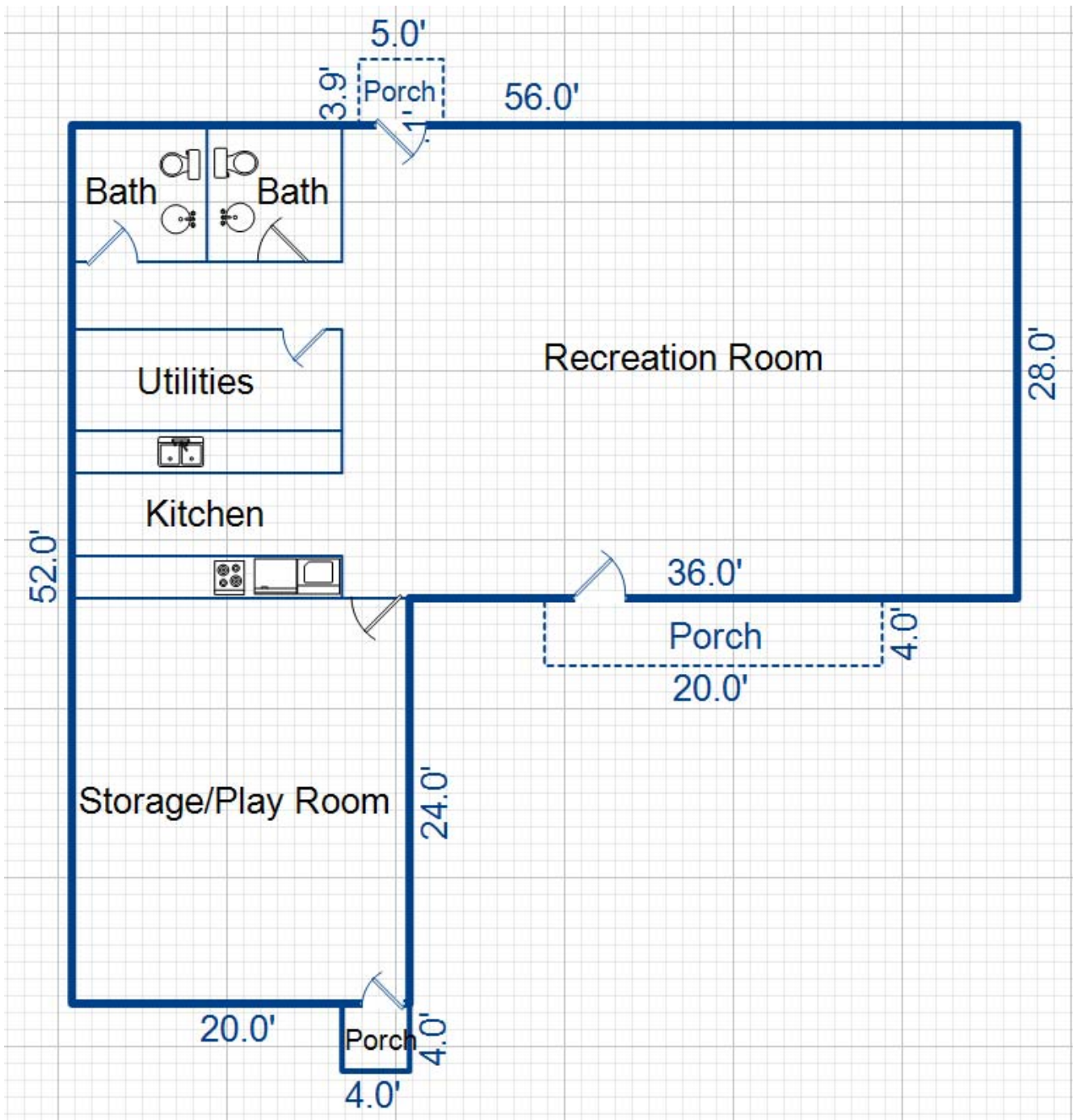


Figure 3.1 – Subject Building Sketch

4 VALUATION

4.1 HIGHEST AND BEST USE

H&B Use is defined as: The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

The Dictionary of Real Estate Appraisal, 6th ed., Appraisal Institute, Page 109

The Business General zoning allows for a large variety of uses with preference towards commercial demands. Any commercial or residential use would fit well in this location and the highest and best use scenario. The current use by the Skagway Child Care Council meets all four tests of highest and best use.

4.2 LAND VALUATION

The subject land is valued by the Sales Comparison Approach. This approach employs the principal of substitution, whereby willing buyers would typically pay no more for a property than what could be found as a substitute property within a reasonable period of time. This approach compares sales or capitalized leases of vacant land relatively similar to the subject, or at least bracketing the subject, as superior or inferior, on a price per unit basis. Since there are no two properties alike, some adjustments or ranking of the comparable sales will be performed. Following is a summary of the comparable sales or capitalized leases used in developing a market value estimate for the subject property.

TABLE 4.1 - COMPARABLE SALES TABLE						
FM#	Location	Date	Price	Zone	SF	\$/SF
1-9155	Lots 7-9, Block 85, ST	10/15	\$211,750*	BG	15,000	\$14.12/SF
2-10137	Lots 11 & 12, Block 38, ST	08/16	\$188,700	BG	10,000	\$18.87/SF
3-9191	Lots 1 & 2, Block 84, ST	10/15	\$131,250*	BG	10,000	\$13.12/SF
4-10673	Lot 3, Block 5, ST	01/17	\$90,513*	BG	5,000	\$18.10/SF
Subject		05/18	Solve	BG	15,000	Solve

**Land Allocation*

EXHIBIT A



Comp 1 (090808_1183)



Comp 2 (030917_0118)



Comp 3 (090808_1188)



Comp 4 (030917_0176)

Comparable 1 is the sale of a BG zoned 1 story house and three lots located in the Skagway townsite. The land value was allocated from the improved sale. The three lots are somewhat cleared but vegetated with grass, and trees. A small creek runs through Lot 7. Although similar in size, due to inferior vegetation, and topography, Comp #1 is rated overall **inferior** on a \$/SF basis.

Comparable 2 is the sale of two adjacent vacant lots located approximately 1 mile south of the subject near the business historic district. These lots were level, and vegetated with grass and alder trees at the time of sale. Comp 2 sets the upper end of the market. Due to its larger size, superior location, and condition of sales, Comp 2 is considered slightly **superior** to the subject on a \$/SF basis.

Comparable 3 is the sale of two adjacent lots with two single-family homes on them. The land value was allocated from the improved sale. These lots are located approximately a half mile south of the subject. In reference to a previous appraisal, this property is considered to have sold at slightly below market value. Due to the conditions of sale, Comp 3 is considered **inferior** to the subject on a \$/SF basis.

Comparable 4 is the land allocation of a sale of a 5,000 SF lot with a foundation on it. This lot is cleared, level and buildable. Due to its smaller size, and the economies of scale, Comp 4 is considered **superior** on a \$/SF Basis.

EXHIBIT A

TABLE 4.2 - COMPARABLE SALES RANKING GRID				
Comp	Date	Location	Price/SF	Rating
2	8/16	Lots 11 & 12, Block 38, ST	\$18.87/SF	Superior
4	1/17	Lot 3, Block 5, ST	\$18.10/SF	Superior
Subject	7/18	Subject	Solve	Similar
1	10/15	Lots 7-9, Block 85, ST	\$14.12/SF	Inferior
3	10/15	Lots 1 & 2, Block 84, ST	\$13.12/SF	Inferior

The comparables indicate a relatively tight range of price per square foot value. All of the comps are within the subject neighborhood with the same zoning classification. The comps range in size from 5,000 SF to 15,000 SF. The subject is estimated slightly below the middle of the range, with most weight given to comp #1 due to its similar size. Comps #2 & 4 are also considered given their more recent sales dates. The estimated value of the subject land is summarized below:

$$\mathbf{15,000\ SF\ @\ \$14.50/SF = \$217,500}$$

4.3 SALES COMPARISON APPROACH

The subject improvement is valued by the Sales Comparison Approach. This approach compares sales or capitalized leases of buildings relatively similar to the subject, or at least bracketing the subject, as superior or inferior, on a price per unit basis. Since there are no two properties alike, some adjustments or ranking of the comparable sales will be performed. The following is a summary of the comparable improvement sales analyzed on a price per square foot basis of the buildings only.

Table 4.3 - Comparable Building Sales					
Comparable		Date	Allocated Bldg Price	GBA (SF)	\$/SF
1 (7911)	2010 Alaska St	06/16/14	\$167,326	2,060 SF	\$81/SF
2 (8222)	1010 Broadway St	08/14/15	\$107,250	1,254 SF	\$85/SF
3 (9165)	1360 Main St	10/01/15	\$230,931	2,286 SF	\$101/SF
4 (10633)	490 3 rd Ave	07/21/17	\$222,155	1,870 SF	\$119/SF
5 (9167)	430 Main St	03/30/10	\$143,888	2,048 SF	\$70/SF
Subject		07/05/18	Solve	2,048 SF	Solve



Comparable 1 is the 2014 sale of a 1 story home located in the Skagway townsite. This house is of older construction and is considered to be inferior to the subject in both quality and condition. Due to Comp #1's older sales date and quality/condition, it is rated overall **inferior** on a \$/SF basis.



Comparable 2 is the 2015 sale of a 1 story home located in the Skagway townsite, SE of the subject. This house is smaller in size, and inferior in condition to the subject. The buyer noted several substantial renovations that were needed post-closing. Comp #2 is rated overall **similar** to the subject on a \$/SF basis.



Comparable 3 is the 2015 sale of a 1 story house located in the Skagway townsite. It is slightly larger in size when compared to the subject, and is considered to be similar in both quality and condition. Overall, Comp #3 is considered **similar** to the subject on a \$/SF basis.

EXHIBIT A



Comparable 4 is the 2017 sale of a 2 story home located in the Skagway townsite. This house is smaller in size when compared to the subject, and considered superior in overall quality/condition. Overall, Comp #4 is **superior** on a \$/SF basis.



Comparable 5 is the 2010 sale of a small church building located near downtown Juneau. This sale was included as it has a similar community use to the subject. It is similar in size, however, due to its older sales date, Comp #5 is considered **inferior** on a \$/SF basis.

There is a lack of matched paired sales to make meaningful quantitative adjustments. Therefore, the Qualitative method is used for the characteristics to rank the sales on a price per SF basis. The adjustments and rankings are as follows:

Characteristic	Subject	Comp #1 – 2010 Alaska St		Comp #2 – 1010 Broadway St		Comp #3 - 1360 Main St		Comp #4 – 490 3 rd Ave		Comp #5 – 430 Main St	
Allocated Price	Solve	\$167,326		\$107,250		\$230,931		\$222,155		\$143,888	
Adj. Price/SF of GBA	Solve	\$81/SF		\$85/SF		\$101/SF		\$119/SF		\$70/SF	
Eff. Date / Date of Sale	07/05/18	06/16/14	+1	08/14/15	+1	10/01/15	+1	07/21/17	0	03/30/10	+2
Location	2275 23 rd St	Similar	0	Similar	0	Similar	0	Similar	0	Superior	-1
GBA	2,048 SF	2,060 SF	0	1,254 SF	-1	2,286 SF	0	1,870 SF	0	2,048 SF	0
Quality/Cond.	Avg/Good	Inferior	+1	Inferior	+1	Similar	0	Superior	-1	Similar	0
Design/Use	Community	Residential	-1	Residential	-1	Residential	-1	Residential	-1	Community	0
Net Adj.		Inferior	+1	Similar	0	Similar	0	Superior	-2	Inferior	+1

Comp #	Location	Rank	Price/SF Overall
4 (10633)	490 3 rd Ave, Skagway	Superior -2	\$119/SF
3 (9165)	1360 Main St, Skagway	Similar	\$101/SF
	Subject	Similar	Solve
2 (8222)	1010 Broadway St, Skagway	Similar	\$85/SF
1 (7911)	2010 Alaska St, Skagway	Inferior +1	\$81/SF
5 (9167)	430 Main St, Juneau	Inferior +1	\$70/SF

EXHIBIT A

The five comparable sales originally indicate an overall range between \$70/SF and \$119/SF excluding land. After analyzing and rating these comparables in relation to the subject, a tighter bracket was formed between \$85/SF and \$101/SF, both indicators rated similar to the subject. The subject is placed conservatively towards the lower middle end of the indicated range due to its inferior community use and building layout. The price per square foot value of the subject building is estimated at \$90/SF.

The market value for the subject building, on a price per square foot basis, is summarized below:

Summary of Sales Comparison Approach

$$2,048 \text{ SF} \times \$90/\text{SF} = \$184,320$$

4.4 FINAL RECONCILIATION

The total market value for the subject property is indicated by utilizing the sales comparison approach for both the land value and the allocated improvement value. The cost approach is not presented since the building is not new construction. The income approach was not utilized since there are very limited income producing properties that are considered similar to the subject in Skagway.

The overall indicated market value for the subject property is summarized below:

Land –	\$217,500
Building –	<u>\$184,320</u>
Total Indicated Value -	\$401,820
	\$402,000 (Rounded)

ADDENDA

EXHIBIT A
SUBJECT PHOTOS



PHOTO 1 – LOOKING NW AT SUBJECT BUILDING FROM MAIN STREET. (031418_1747)



PHOTO 2 – WESTERN SIDE OF THE SUBJECT BUILDING FROM THE FENCED IN YARD. (031418_1761)

EXHIBIT A
SUBJECT PHOTOS



PHOTO 3 – STREET VIEW, SUBJECT PHOTO RIGHT. LOOKING SOUTH DOWN MAIN STREET. (031418_1750)



PHOTO 4 – SUBJECT INTERIOR: RECREATION ROOM (031418_1751)

EXHIBIT A
SUBJECT PHOTOS



PHOTO 5 – SUBJECT INTERIOR: KITCHEN (031418_1753)



PHOTO 6 – SUBJECT INTERIOR: STORAGE/PLAY ROOM (031418_1754)

EXHIBIT A
SUBJECT PHOTOS



PHOTO 7 – SUBJECT INTERIOR: 1 OF 2 BATHROOMS (031418_1758)

EXHIBIT A

LITTLE DIPPERS DAYCARE LEASE AGREEMENT

This lease agreement is entered into on this 30 day of September, 2003, by and between the City of Skagway (hereinafter "the City"), a municipal corporation, and the Skagway Child Care Council (hereinafter, "Child Care Council"), which in consideration of the respective promises and conditions stated below, consent and agree as follows:

I. INTENT

It is the intent of the City, working in concert with the Child Care Council, a private, non-profit corporation dedicated to helping children of Skagway between ages 1 and 12 years of age, to accommodate the long term needs of the community of Skagway in providing licensed daycare services to the community.

1. Duration

The lease shall be in effect from April 15, 2004 to September 30, 2004 and each subsequent year thereafter until the lease has expired on September 30, 2018.

2. Facilities

The City agrees to lease to the Child Care Council the building and grounds located on lots 1-3, block 128, formerly known as the Temporary City Offices.

3. Permissible Uses

A. Child Care Council shall have use of the above described premises for the purposes of running a day care facility.

4. Lease Amount

Lease payments shall be in the amount of Five Hundred Dollars (\$500.00) per month, payable by the first day of each month. The month of April shall be prorated depending on the date the Child Care Council begins using the building. This amount may be considered and adjusted on each 5th anniversary of the signing of this lease, and subsequent modification.

5. Operation and Maintenance

A. Child Care Council shall at all times provided sufficient personnel to operate and maintain the leased premises. Child Care Council shall maintain the premises and facilities at all times in a clean, safe, and sanitary condition.

B. Child Care Council shall pay heat and electric utilities during the months per year of their use of the facility.

C. City shall pay the cost of water, sewer and garbage.

D. Child Care Council shall promptly notify the City of any damages, repairs, or maintenance, which needs to be done at the above-described premises.

EXHIBIT A

- E. Child Care Council agrees that there shall be no more children admitted in facility than are allowed under their license.
- F. Child Care Council shall make no additions, improvements or modifications to the facility without prior written consent of the City Manager.
- G. The City reserves the right to negotiate with the Child Care Council the allocation of the cost of the utilities.
- H. If the City is not using the building during the winter months, the Child Care Council may leave their personal property in the building at no additional rent expense provided the Child Care Council maintains insurance to cover their property.

6. Termination

Upon termination of this Lease, the Child Care Council agrees to quit the premises, and leave the same and all property and equipment subject to this Lease in the same condition as received initially, normal wear and tear excepted. The Child Care Council shall have the right to terminate the Lease without liability upon giving thirty (30) days of written notice of their intention to vacate. The City may terminate the Lease without liability with One (1) year written notice of intent.

7. Indemnity and Insurance

- A. Child Care Council shall indemnify, hold harmless, and defend the City from any and all claims or actions for injuries or damages sustained by any person or property arising out of, or in connection with, or incident to, the operation of the leased premises.
- B. Child Care Council shall provide adequate personal property and personal injury damage insurance and a minimum of \$500,000.00 liability insurance. Proof of such insurance shall be provided to the City as a condition of entering into the Lease. Child Care Council must notify the City thirty days (30) in advance of any cancellation or alteration of such insurance. Failure to maintain insurance shall constitute default. The City shall be named as an additional insured on all applicable policies.
- C. The City will provide property insurance coverage for the City's owned assets.

8. Default

If the City determines that all provisions of this Lease are not being met and attempts to be reasonable in the matter are unsuccessful, written notice shall be given to the lessee stating the nature of the deficiency and necessary corrective action. Child Care Council shall either take immediate corrective action or respond to the City in writing within ten (10) calendar days stating the reason for noncompliance and a schedule for

EXHIBIT A

compliance. If the City determines this response is unacceptable, the City shall give Child Care Council written notice to remove personal property. If such property is not removed within the time period, the City may take possession of the property.

9. Terms

Unless otherwise provided for in this Lease, the provisions of Skagway Municipal Code Title 16.02.160, "Terms and Conditions of Lease," shall govern this Lease and are attached to and hereby incorporated into the Lease by reference.

10. Notice

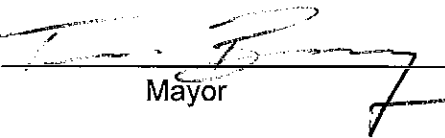
All notices and requests in connection with this Lease shall be in writing and shall be addressed as follows:

City: City Manager
City of Skagway
P.O. Box 415
Skagway, AK 99840

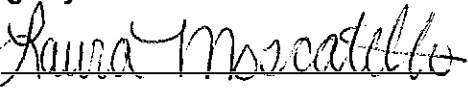
Child Care Council: Skagway Child Care Council
P.O. Box 419
Skagway, AK 99840
www.littledippersdaycare@yahoo.co

m

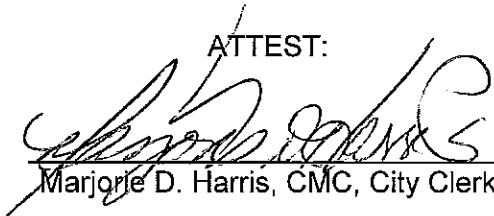
Dated: 11-21-03

By: 
Mayor

Dated: 12-1-03

Skagway Child Care Council
By: 

ATTEST:


Marjorie D. Harris, CMC, City Clerk

(SEAL)

EXHIBIT A

CITY OF SKAGWAY, ALASKA
ORDINANCE NO. 03-28

AN ORDINANCE OF THE CITY OF SKAGWAY, ALASKA AUTHORIZING THE CITY OF SKAGWAY TO EXTEND THE LEASE OF THE BUILDING LOCATED ON LOTS 1, 2 & 3, BLOCK 128, ON THE INTERSECTION OF STATE STREET AND MAIN STREET TO THE CHILD CARE COUNCIL.

WHEREAS, the city received a request from the Child Care Council, to extend the lease of the building located on Lots 1, 2 & 3, Block 128 for use by the Little Dipper's Day Care Center; **and**

WHEREAS, the lease of said property is in the interest of the City of Skagway by addressing daycare needs to Skagway residents.

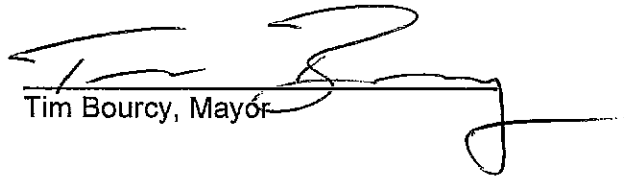
NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SKAGWAY, ALASKA:

That the City of Skagway will lease the building and grounds on Lots 1, 2 & 3, Block 128 to the Child Care Council for use by the Little Dipper's Day Care Center. The lease shall be in effect from April 15, 2004 to September 30, 2004 and each subsequent year thereafter until the lease has expired on September 30, 2018.

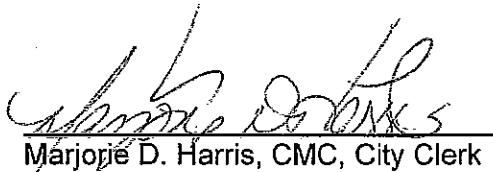
Section 1. Classification. This ordinance is not of a general and permanent nature and shall not become a part of the code of the City of Skagway, Alaska.

Section 2. Effective Date. This ordinance shall become effective immediately upon adoption.

PASSED AND APPROVED this 2nd day of October, 2003.


Tim Bourcy, Mayor

ATTEST:


Marjorie D. Harris, CMC, City Clerk

(SEAL)

First Reading: 09/18/2003

Second Reading: 10/02/2003

QUALIFICATIONS OF SLATER M. FERGUSON

Education:

Graduated from Sitka High School, Sitka, Alaska

Graduated with a BS in Geography from Western Oregon University, Monmouth, OR

Employment:

June 2014 to Present - Real Estate Appraiser Trainee - Horan & Company, LLC

- Further in depth assistance of Commercial/Residential Appraisal Development and Market Data Research
- Leadership role in the 2015 Mass Appraisal/Revaluation for the City of Craig, AK

Oct 2012 to June 2014 – Office admin/Appraiser Assistant – Horan & Company, LLC

Summers, 2009 to 2012 – Maintenance & Trail Crew, U.S. Forest Service, Sitka, Alaska

Certification & Approvals:

Real Estate Appraiser Trainee, State of Alaska License #972

Appraisal Education:

Appraisal Principles; Appraisal Institute, Online Course, October 2013

15-Hour USPAP, Tigard, OR, November 2013

Appraisal Procedures, Appraisal Institute, Online Course, April 2014

General Appraiser Sales Comparison Approach, Chicago, IL, October 2014

Real Estate Finance Statistics and Valuation Modeling, Las Vegas, NV, February 2015

General Appraiser Site Valuation & Cost Approach, Chicago, IL, October 2015

General Appraiser Income Approach/Part 1, Houston, TX, September 2016

General Appraiser Income Approach/Part 2, Houston, TX, September 2016

2016-2017 7-Hour Equivalent USPAP Update Course, Online, June 2017

Residential Sales Comparison and Income Approaches, Louisville, KY, October 2017

General Appraiser Report Writing and Case Studies, Woburn, MA, November 2017

General Appraiser Market Analysis with Highest and Best Use, Aurora, CO, August 2018

Types of Property Assessed for Taxation:

City of Craig real property assessment roll; single-family, multi-family and mobile homes.

City of Skagway real property assessment roll, single-family, multi-family and mobile homes.

Types of Property Appraised:

Residential – Assistance in Single Family, Multi-Family, Vacant Lands and Mobile Homes.

Commercial – Assistance in Warehouses, Office Buildings, and vacant lands.

EXHIBIT A

QUALIFICATIONS OF WILLIAM G. FERGUSON

Education:

Graduated from Pennsylvania State University, B.S./B.L.A. in Landscape Architecture, 1977

Employment:

Appraiser, Horan & Company, LLC, 08/04-Present

Appraiser, Horan, Corak & Company, formerly Pomtier, Duvernay & Horan, 03/87-07/04

Appraiser, Pomtier, Duvernay & Horan, 1986-1987

Associate Planner, City and Borough of Sitka, Alaska 1985-1986

Landscape Architect, U.S. Forest Service, Sitka, Alaska, 1983-1985

Landscape Architect, GWSM Inc., Pittsburgh, PA, 1977-1983

Certification:

State of Alaska, General Real Estate Appraiser, APRG618

Appraisal Education:

AIREA Residential Valuation, May 1989, Portland, Oregon

AIREA Residential Case Studies and Report Writing, May 1989, Portland, Oregon

AIREA Standards of Professional Practice, October 1987, Anchorage, Alaska

FNMA Appraisal Guidelines Seminar, July, 1987

FNMA Appraisal Guidelines Seminar, July, 1988

Veterans Administration Guidelines Seminar, February, 1988

AIREA Real Estate Appraisal Principals, October 1988 Traverse City, Michigan

Residential Demo - Appraisal Report Writing, Northern California Chapter, August 1992

Feasibility Analysis - Highest and Best Use, Alaska Chapter, November 92

Appraising the Tough Ones, Alaska Chapter, November 1992

Standards of Professional Practice - Part A, Alaska Chapter, January 1993

Standards of Professional Practice - Part B, Alaska Chapter, January 1993

New URAR Seminar, Anchorage, Alaska, December 1993

Valuation of Leasehold Interests, Anchorage, Alaska, December 1993

Understanding Limited Appraisals, Anchorage, Alaska, July 1994

Appraisal Institute, Appraisal Procedures, Pittsburgh, Pennsylvania, February, 1995

The Internet and the Appraiser, May 1996, Seattle, Washington

HighTech Appraisal Office, May 1996, Seattle, Washington

Dynamics of Office Bldg. Valuation, October 1996, Anchorage, Alaska

Appraisal of Retail Properties, October 1996, Anchorage, Alaska

Standards of Professional Practice - Part B, April 1997, Seattle, Washington

Basic Income Capitalization, March 1998, Chapel Hill, North Carolina

Standards of Professional Practice - Part C, 1998, Edmonds, Washington

FHA Training Seminar, October 1999, Seattle, Washington

FHA Seminar, August 2000, Anchorage, Alaska

FHA Appraisal Inspection From the Ground Up, June 2000, Anchorage, Alaska

Undivided Partial Interest Valuation/Divided Partial Interest Valuation, May 2001, Anchorage

Technical Inspection of Real Estate, April 2003, Anchorage, Alaska

EXHIBIT A

Code of Professional Ethics/Scope of Work, April 2003, Anchorage, Alaska
Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Jan 2004, Philadelphia, PA
Rates and Ratios: Making Sense of GIMs, OARs and DCF, Feb 2005, Anchorage, AK
USPAP Update; Uniform Standards of Professional Appraisal Practice, Feb 2005, Anchorage, AK
USPAP 15 Hr; Uniform Standards of Professional Appraisal Practice, April 2006, Sacramento, CA
Basic Income Capitalization 310, July 2006, San Diego, CA
General Applications 320, July 2006, San Diego, CA
Subdivision Valuation, February 2008, Anchorage, AK
Appraisal of Local Retail Properties, February 2008, Anchorage, AK
USPAP 7 hr Update; Uniform Standards of Professional Appraisal Practice, June 2009, Juneau, AK
Home Valuation Code of Conduct & 1004 Market Conditions Form Seminar, June 2009, Juneau, AK
Business Practices and Ethics, November 2009, Online
Real Estate Appraisal Operations, February 2010, Online
USPAP 7 hr Update; Uniform Standards of Professional Appraisal Practice, February 2010, Kent, WA
Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), Dec 2010, Sacramento, CA
Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets, April 2012, Portland, OR
Appraising the Appraisal - Appraisal Review - General, September 2012, Reno, NV
USPAP 7 hr Update; Uniform Standards of Professional Appraisal Practice, February 2013, Pittsburgh, PA
USPAP 7 hr Update; Uniform Standards of Professional Appraisal Practice, April 2014, Juneau, AK
Real Estate Finance Statistics and Valuation Modeling; February 2015, Las Vegas, NV
Supervisory Appraiser/Trainee Appraiser Course; April, 2015 Anchorage, AK
USPAP 7 hr Update; Uniform Standards of Professional Appraisal Practice, January 2017, Online
Analyzing Operating Expenses, February 2017, Online
Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), May 2017, Seattle, WA
Using Spreadsheet Programs in Real Estate Appraisals – The Basics, December, 2017 Online

Types of Property Appraised:

Residential - Single family residences, duplexes, tri-plexes, four-plexes, mobile homes, and vacant land
Commercial - Warehouses, vacant tracts, islands, office buildings, remote sites, hangars, tidelands, retail buildings, apartments, industrial complexes, market data and research

Types of Property Assessed for Taxation:

Appraiser, City of Petersburg real property assessment roll; Assistant Assessor, Cities of Pelican and Skagway; Appraiser, City of Craig real property assessment roll; Expert Witness, Board of Equalization, Petersburg, Pelican, Craig and Skagway; Single family, multi-family, vacant lands, mobile homes, commercial properties, remote homesites, islands and subdivisions

Planning Experience:

Site planning, construction documentation, construction supervisor
Local government planning duties including public presentations, narratives, zoning rewrites, mapping
University and recreation master planning



MUNICIPALITY OF SKAGWAY

GATEWAY TO THE KLONDIKE
P.O. BOX 415, SKAGWAY, ALASKA 99840
(PHONE) (907) 983-2297
(FAX) (907) 983-2151
www.skagway.org

**Municipality of Skagway
And
Skagway Child Care Council
Little Dippers Lease Agreement**

This Lease is entered into on this ___ day of _____, 2018, by and between the Municipality of Skagway (hereinafter, Municipality) a municipal corporation, and Skagway Child Care Council (hereinafter Lessee), for the purpose of leasing 3 lots to provide daycare services.

WITNESSETH:

WHEREAS the Municipality intends to work in concert with the Child Care Council, a private, non-profit corporation dedicated to helping children of Skagway between ages 0 and 12 years of age, to accommodate the long-term needs of the community of Skagway in providing licensed daycare services to the community.

WHEREAS the Municipality wishes to offer the lease of a portion of land in conformance with the Skagway Municipal Code requirements;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, it is agreed as follows:

1. DURATION:

This lease shall be in effect from April 15th through September 30th of each year for a 10-year period, from October 1, 2018 to September 30, 2028.

2. FACILITIES:

A. The leased premises subject to this lease shall be the grounds located on lots 1-3, block 128 as described in the Appraisal Report dated July 19, 2018 (Attachment A).

B. The Lessee recognizes that the Municipality may construct improvements to the premises during the term of this lease. Adjustments to the lease amount shall be made in accordance with the municipal code and this Lease will be amended if those improvements add value to the leased premises.

3. **LEASE AMOUNT:**

Lease payments shall be in the amount of 500.00 (Five Hundred Dollars and No/100). This amount is payable on the first day of each month. The month of April shall be prorated depending on the date the Child Care Council begins using the building. This amount shall be adjusted on each 5th anniversary of the signing of this lease, and subsequent modification.

4. **OPERATIONS AND MAINTENANCE:**

- A. Lessee shall promptly repair, rebuild or restore premises or facilities damaged or destroyed, except damage caused solely by the Municipality.
- B. Child Care Council shall at all times provide sufficient personnel to operate and maintain the leased premises. Child Care Council shall maintain the premises and facilities at all times in a clean, safe, sanitary condition, free from all hazards.
- C. Child Care Council shall pay heat and electric utilities during the months per year of their use of the facility.
- D. The Municipality shall pay the cost of water, sewer and garbage.
- E. Child Care Council shall promptly notify the Municipality of any damages, repairs, or maintenance, which needs to be done at the above described premises.
- F. Child Care Council agrees that there shall be no more children admitted in the facility than are allowed under its State of Alaska license for operating a day care.
- G. Child Care Council shall make no additions, improvements or modifications to the facility without prior written consent of the Borough Manager.
- H. The Municipality reserves the right to negotiate with the Child Care Council the allocation of the cost of utilities.

5. **INDEMNITY AND INSURANCE:**

- A. Lessee shall indemnify, save harmless and defend the Municipality from any and all claims or actions for injuries or damage of any kind and any nature, including but not limited to physical injury and death, property damage, special damages, consequential damages, expenses, costs, and attorney fees, directly or indirectly arising out of, in connection with, related to, or incident to the operation of the leased premises by the Lessee and the lessees employees, agents, guests, representatives, and invitees.
- B. Lessee shall provide to the Municipality of Skagway a certificate of insurance showing that the Lessee has obtained at least two million dollars (\$2,000,000.00) general liability insurance, which covers the Lessee's operations on the leased

premises. Lessee shall provide the Certificate of Insurance, naming the Municipality as an additional insured, at the time of the effective date of the lease. Failure to maintain such insurance shall constitute a material breach of the terms and conditions of the lease. Lessee shall notify the municipality twenty (20) days before the policy is canceled or terminated and unless the Lessee provides a new Certificate of Insurance within 30 days of cancellation or termination, the Municipality may terminate this lease without further notice at its sole option.

- C. **HAZARDOUS WASTE RESPONSIBILITY.** Lessee represents and warrants that the leased Premises will never be used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance. The term “Hazardous Waste or Substance” means hazardous or toxic substances, materials or wastes, including but not limited to any substance, material or waste which is (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls (PCBs); (iv) toxic or hazardous substances as defined in Alaska Statute 18.60.105 or 46.03.826, and associated regulations; (v) designated as a “Hazardous Substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ' 9601, *et. seq.*; (vi) designated as a “Hazardous Waste” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. ' 6901, *et. seq.*; (vii) designated as a “Hazardous Substance” under the Clean Water Act, 33 U.S.C. ' 1321, or listed pursuant to 33 U.S.C. § 11317; (viii) listed by the U.S. Department of Transportation at 49 C.F.R. Part 302; and (ix) any other substance, waste or material which is regulated as hazardous or dangerous by any Federal, State or local agency.

Lessee agrees to hold Lessor harmless and to indemnify and defend Lessor against any and all claims and losses resulting from Lessee' breach of this paragraph, including, but not limited to, any loss, damage, liability, cost, or expense, including reasonable actual attorneys' and consultants' fees and expert fees, and including without limitation (i) any claims of third parties for personal injury, property damage, or other harm, and (ii) any response costs, costs of remedial, restoration or clean-up actions, fines suffered or incurred by Lessor arising out of or related to the presence of Hazardous Materials in, on, or under the property, or out of any such use of the property, or due to the incorporation of such materials. This obligation to indemnify, defend and hold Lessor harmless shall survive the term of this lease and include any claim, cause of action or administrative regulatory enforcement action in which Lessee or Lessor are determined or alleged to be a potentially responsible party.

6. **DEFAULT:**

When the Municipality determines that the provisions of this Lease are not being met and attempts to resolve the matter are unsuccessful, written notice shall be given to the Lessee stating the nature of the deficiency and necessary corrective action. Lessee shall either take immediate corrective action or respond to the Municipality in writing within ten calendar days stating the reason for noncompliance and a schedule for compliance. If the Municipality determines this response unacceptable, in its sole discretion, the Municipality shall give Lessee written notice of default. In the event of default, Lessee shall have ten calendar days from receipt of notice to remove personal property and

vacate the premises. If such property is not removed within this time period, the Municipality may take possession of the property and dispose of the property without any liability to the Lessee.

7. TERMINATION

The Municipality or Lessee may terminate this Agreement at any time by giving no less than 90 days written notice to the other party of such termination and specifying the effective date of such termination.

8. TERM AND CONDITIONS:

- A. This Agreement specifically supersedes any prior written or oral agreements between parties relating to the Lease of the property as described in this agreement.
- B. Unless otherwise provided for in this Lease, the provisions of Skagway Municipal Code Title 16.02.140, 16.02.150, and 16.02.160 shall govern this lease and are attached to and incorporated into the terms and conditions of this lease and the Lessee is obligated to fully comply with Skagway Municipal Code Title 16.02.140, 16.02.150, and 16.02.160.

9. NOTICE:

All notices and requests in connection with this lease shall be in writing and shall be addressed as follows:

MUNICIPALITY: Municipality of Skagway
Municipal Manager
P.O. Box 415
Skagway, AK 99840

LESSEE: Skagway Child Care Council
P.O. Box 419
Skagway, AK 99840
skagwaychildcarecouncil@gmail.com

10. MISCELLANEOUS

- A. The Superior Court for the State of Alaska, First Judicial District at Juneau, Alaska, shall be the exclusive court for jurisdiction and venue of any and all actions of any kind and any nature arising out of or related to this Lease Agreement. Venue for trial in any action shall be in Skagway, Alaska. Lessee specifically waives any right or opportunity to request a change of venue from Skagway, Alaska for trial pursuant to A.S. 22.10.040. The parties agree that this Agreement shall be governed by the laws of the State of Alaska.

DRAFT

A LEASE AGREEMENT BETWEEN THE MUNICIPALITY OF SKAGWAY AND KIM MATHEWS LONG.

- B. This Agreement is binding upon the heirs, successors and assign of the parties.
- C. This Agreement represents the entire Agreement of the parties and no other Agreement whether oral or written which is not specifically set forth in this Agreement or an addendum to this Agreement will have any force or effect upon the other party. Lessee specifically understands and agrees that no Municipal employee, Assembly member, or the Mayor has any authority to verbally modify this lease and any modifications must be in writing approved by the Assembly.
- D. The Municipality's waiver of any term or condition in this Agreement shall not constitute a waiver of any term or condition in this Agreement.
- E. If any term of this Agreement is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall be valid and binding upon the parties.
- F. Titles and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.
- G. Lessee is not relying on any representations by a Municipal employee, officer, assembly member, consultant or attorneys. Lessee has had a full opportunity to consult with their own attorney before entering this Lease.
- H. This Lease shall not be assigned by the Lessee without the prior written consent of the Municipality. The Municipality will not approve an assignment to an LLC unless all the members of the LLC guarantee performance of the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the date first written above.

Monica Carlson, Mayor
For the Municipality of Skagway

Claire Barrett
For the Skagway Child Care Council

Date_____

Date_____

ATTEST:

Emily Deach, Borough Clerk

(SEAL)

A LEASE AGREEMENT BETWEEN THE MUNICIPALITY OF SKAGWAY AND KIM MATHEWS LONG.