Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: Carl Uchytil, Port Director

To: Docks & Harbors Finance Committee

Date: October 25th, 2013

Re: MT Roberts Tram – Appraisal

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1. Enclosed is the Reliant Advisory Services "unrestricted use" appraisal provided by Goldbelt for the Mt Roberts Tram. It is anticipated that the appraiser, Mr. Per Bjorn-Roli will be on hand to present at the Finance Committee. The value of the unimproved land value as appraised by Reliant Advisory Services is $1.36M.

2. I have also contracted with Horan & Company to provide a cursory review of the enclosed appraisal.

3. At the September 26th Board Meeting, the following motion was approved by a vote of 7-2:

By MR. DONEK: TO ACCEPT THE APPRAISAL METHODOLOGY AS OUTLINED IN SECTION 6 OF THE LEASE AND SETTING THE BASE RENT OF THE MT ROBERTS AIREAL TRAM LEASE WITH THE LEASE PAYMENT SET AT 10% OF THE APPRAISED MARKET VALUE PLUS ROYALTY RENT AND INVOICE GOLDBELT ACCORDINGLY.

The intended purpose of the motion was to bring closure to stalled negotiations surrounding an extraordinary assumption that the facility was limited to that of an aerial tramway for purposes of land valuation. The direction provided by the Board was to proceed with billing Goldbelt at a rate commensurate with the motion. Because we are in receipt of an "unrestricted use" appraisal, I recommend the Finance Committee recommend to the Board that the above noted motion be held in abeyance until a suitable lease rent value is established.

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Encl: Reliant Advisory Services – Unrestricted Appraisal of 490 S. Franklin St as of July 1, 2012