

**To: Members of the State Board of
Education & Early Development**

December 8, 2022

From: Heidi Teshner, Acting Commissioner

Agenda Item: 9

◆ ISSUE

The board is being asked to consider authorizing the Commissioner to enter into a binding agreement to sell approximately 1.56 acres over three parcels of land owned by the Department of Education and Early Development and located at 1460, 1470, and 1480 Seward Avenue in Sitka, Alaska to the U.S. Coast Guard for construction of a floating dock and support building for a new Fast Response Cutter (FRC) and reconstruction the existing pier for U.S. Coast Guard Cutter Kukui.

◆ BACKGROUND

- In a July 16, 2021 letter, the U.S. Coast Guard approached the Department of Education and Early Development regarding their intent to expand operations in the port of Sitka and inquiring about the availability of land owned by the State of Alaska for potential purchase.
- The U.S. Coast Guard has identified Tract C (1480 Seward Avenue), Tract C-1 (1470 Seward Avenue), and Tract F-1 (1460 Seward Avenue) as the parcels of land needed for their expansion.
- On July 19, 2022, department staff met with U.S. Coast Guard representatives to discuss their plan and timelines for these parcels.
- On September 7, 2022, the board heard a presentation from department staff and a U.S. Coast Guard representative regarding the initial request to purchase the three parcels of land and directed department staff to work with the U.S. Coast Guard to further investigate the request to purchase the requested parcels.
- On November 3, 2022, the department received from the U.S. Coast Guard their offer letter of \$950,000 for the three parcels. This offer was based on the appraisal the U.S. Coast Guard received.
- On November 3, 2022, department staff presented this land sale request to the Mt. Edgecumbe Advisory Board. Given the timelines for a decision, the Advisory Board then created a committee to review the request in more detail in advance of their December 1, 2022 meeting to give their final decision.
- If approved to finalize this sale to the U.S. Coast Guard, the department's next step would be to work through the land disposal requirements under AS 14.07.030(a)(6) and issue a preliminary decision of land conveyance supporting a negotiated sale of the subject parcel to the U.S. Coast Guard "at or above fair market value." This preliminary determination is estimated to be issued for public comment within a week of the board's approval.

- Materials associated with this agenda item can be found behind the cover memo for Agenda Item 5.
- Heidi Teshner, Acting Commissioner, will be present to brief the board.

◆ **OPTIONS**

Authorize the Commissioner, subject to completion of the public notice process and a supporting Final Best Interest Decision, to negotiate and enter into an agreement to sell and to finalize the sale when possible.

Authorize the Commissioner, subject to completion of the public notice process and a supporting Final Best Interest Decision, to negotiate and enter into an agreement to sell, except that the final sale shall be subject to board approval.

Seek more information.

◆ **ADMINISTRATION'S RECOMMENDATION**

Authorize the Commissioner, subject to completion of the public notice process and a supporting Final Best Interest Decision, to negotiate and enter into an agreement to sell and to finalize the sale when possible.

◆ **SUGGESTED MOTION**

I move that the State Board of Education and Early Development authorize the Commissioner, subject to a Final Best Interest Decision, to negotiate and enter into an agreement to sell approximately 1.56 acres over three parcels of land owned by the Department of Education and Early Development and located at 1460, 1470, and 1480 Seward Avenue in Sitka, Alaska. If the proposed sale is found to be in the best interest of the State of Alaska, Department of Education and Early Development, and Mt. Edgecumbe High School, this motion also authorizes the Commissioner to finalize the negotiated sale when possible.