February 22, 2015

Mayor Jan Hill Members, Haines Borough Assembly

RE: HAINES BOROUGH, ALASKAORDINANCE No. 15-01-396

An Ordinance of the Haines Borough authorizing a one-year extension of a lease of the Human Resources Building by Chilkat Valley Preschool for the purpose of providing preschool educational services.

Might there be some discussion with respect to the first clause of the lease Tuesday evening? For decades, the borough has offered the CVP the Human Resources Building on a utilities only basis, similar to the offer of the senior center building to the Seniors.

But the first clause states that the Borough will charge the CVP \$500/month rent starting January 2016 unless the lessee "provides the Lessor a certified copy of a lease or a document of sale (hereafter referred to as the "Document") demonstrating that a structure suitable for use as a preschool has been obtained." In order for the January 2016 rent to be waived, such a document needs to be presented by December 15, 2015.

I would like to know how the sum of \$500/month has been determined. Does it represent a portion of the cost to the borough of maintaining the building for a tenant? Is the Borough, in fact, expending \$500/month on behalf of the pre-school (or tenant in the Human Resources Building)? So if the pre-school were not in the Human Resources Building would the community as a whole "save" \$500/month? Maybe \$500/month is the cost to the borough of the inability to dispose of the building because there is a tenant?

The Haines Borough K-8 School has very recently been recognized as a Blue Ribbon School. Research really does show that pre-school preparation of students contributes significantly to positive performance in elementary school. Doing everything we can do to support pre-school education is probably a very good investment in our community.

I support the disposal of the Human Resources Building. The lease allows the lessor (the Borough) to terminate with 30 days notice. I encourage the Administration to move forward vigorously with a plan to dispose of the building. If a plan is in place, and the plan is on-hold in favor of the pre-school, and staying the plan does indeed

cost the community \$500/month – well, then, maybe rent is appropriate. But if there is no imminent disposal activity, and if the tenant is not costing the borough any more than it has in the past, then I ask that you amend clause #1 to read: **No charge for rent for the term of this lease**.

Cc: Dave Sosa, Manager, Haines Borough Julie Cozzi, Clerk, Haines Borough