



City Manager  
334 Front Street  
Ketchikan, AK 99901

Phone (907) 228-5603  
Fax (907) 225-5075

<b>TRANSMITTAL MEMORANDUM</b>
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TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: August 6, 2019

RE: **Request for Executive Session – Possible Purchase of Talbot’s, Inc.,  
1101 Tongass Avenue**

On July 22, 2019 Ms. Nancy McNulty, President of Talbot’s, Inc. forwarded the attached letter to my office offering to sell to the City the property located at 1101 Tongass Avenue for a purchase price of \$3,500,000. My office is requesting an executive session with the City Council following the regular course of business at its meeting of August 15, 2019. The purpose of this executive session is to discuss negotiation of a possible purchase of Talbot’s real property located at 1101 Tongass Avenue.

A motion has been prepared for City Council consideration.

**RECOMMENDATION**

It is recommended that the City Council adopt the motion declaring that consistent with the City Manager’s memorandum dated August 6, 2019, it is in the best interest of the City to discuss negotiation of a possible purchase of Talbot’s real property located at 1101 Tongass Avenue in executive session and that the City Council go into executive session pursuant to KMC 2.04.025(a) to discuss the matter and items auxiliary thereto which subjects the immediate knowledge of which would clearly have an adverse impact upon the finances of the City.

**Recommended Motion:** I move the City Council declare that consistent with the City Manager’s memorandum dated August 6, 2019, it is in the best interest of the City to discuss negotiation of a possible purchase of Talbot’s real property located at 1101 Tongass Avenue in executive session and that the City Council go into executive session pursuant to KMC 2.04.025(a) to discuss the matter and items auxiliary thereto which subjects the immediate knowledge of which would clearly have an adverse impact upon the finances of the City.

Karl Amylon  
City Manager  
City of Ketchikan  
334 Front St.  
Ketchikan, Alaska 99901

July 22, 2019  
Nancy McNulty  
President  
Talbot's, Inc.  
1101 Tongass Ave.  
Ketchikan, Alaska 99901  
(907) 225-6671

Dear Mr. Amylon,

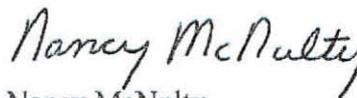
I would like to offer Talbot's property for sale to the city for \$3,500,000. The price is based on a 2009 appraisal of the property for \$3,040,000; and the value of the improvements made to the property at 1091 Tongass Ave to create a first class 3,960 square foot shopping experience.

As the development of the infrastructure to support the expanding tourist industry continues to develop, the Talbot's property represents a unique opportunity and a key element of that long term strategy. It bookends the tourist centered waterfront development and the Berth IV area and the unique street side access provides a direct connection to Tongass Ave. In addition to its current retail opportunities, the upper floors could be developed for residential use and the 364' dock provides a unique and existing opportunity from which smaller cruise and other support vessels could operate. Each of which would improve the tourist experience in Ketchikan and, if the City of Ketchikan owned the property, would provide lease revenue to the City, in addition to the increased tax income through sales.

If the city is interested, I would like to know by August 16, 2019.

If you have any questions, please feel free to contact me at any time. Thank you.

Sincerely,



Nancy McNulty  
President  
Talbot's, Inc.

cc: Mayor and City Council Members