



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Education
& Early Development**

MT. EDGE CUMBE HIGH SCHOOL

1330 Seward Avenue
Sitka, Alaska 99835
Main: 907.966.3200
Fax: 907.966.2442

February 12, 2021

Commissioner Michael Johnson
Department of Education & Early Development
801 W 10th St. Suite 200
Juneau, AK 99811-0500

Dear Commissioner Johnson,

The MEHS Advisory Board is greatly appreciative of being included in the important discussions of land lease and disposal regarding the MEHS campus. The MEHS Advisory Board is made up of alumni, parents, and other stakeholders with a deep interest in the current and future success of MEHS and we are happy to provide you with this perspective.

As an Advisory Board, we have considered carefully what our guiding principles are in considering questions of this magnitude. Core to our stewardship is our belief that any land sale or lease should consider the impact on both current and future MEHS students. This includes a consideration of future expansion or use of the land as well as considering how any profit from the sale of the land can benefit MEHS. We also value our relationship with our neighbor, SEARHC, and desire to work with them for the benefit of the people served by MEHS and SEARHC.

Guided by these principals, the MEHS Advisory Board has considered the land purchase proposal by SEARHC.

SEARHC Proposal: SEARHC submitted a letter of interest to purchase three plots of land as a bundle for at total \$1,000,000 paid over 10 years in annual payments of \$100,000.

MEHS Advisory Board Position: The position of the MEHS Advisory Board is that each lot should be considered separately with the following additional considerations:

MEHS Advisory Board supports the transfer of SSLs 97-63 (Penrod Hall) to SEARHC at no cost with the agreement that SEARHC takes responsibility for all demolition.

In 1997, SEARHC assumed a 30-year low cost lease with the state. SEARHC initially used the building for storage, but abandoned use about a decade ago. The building has deteriorated to its current condition and is unsafe for any use. The land is adjacent to SEARHC operations and the demolition of the building would be of benefit to everyone.

MEHS Advisory Board supports the immediate lease of Lot 15G, USS 1496 (Millerville) as well as the continued discussion of a potential sale of the same land. The support of this sale is contingent upon:

- The establishment of an endowment fund to accept the funds from the sale. The intent of the endowment is to provide long-term funding for projects to benefit the current or future MEHS students, the endowment fund should not be used to reduce any state or federal funds for the operation of the MEHS school, nor should the endowment fund be an expected source of operational funds for the MEHS Aquatic Center.
- Sale is at fair market value (unless a reduction is agreed upon for other services)
- SEARHC provides a description of an intended use past construction.
- Purchase includes a reversion clause if land is no longer used to directly support health care.
- If a multi-year payment structure is considered, payments include interest.

MEHS Advisory Board does not support the sale of Proposed Lot 2, Lot15D1 (Water Tower). This lot is directly adjacent to the MEHS dormitories. It is currently used for recreational activities and plays a role in providing a space between the living quarters of students and neighboring activities. Additionally, this land has potential to be used for future expansion of dorm buildings. Since 1996, campus master plans have identified this lot for dorm and classroom expansion. In addition, MEHS has active easements and lease agreements with other parties for land use on this parcel.

MEHS Advisory Board supports prioritizing the demolition of the two derelict buildings on Proposed Lot 2, Lot15D1.

MEHS Advisory Board requests to work with the State Department of Education and Early Development to identify options for accomplishing the demolitions. MEHS Advisory Board may support a reduction in payments for Lot 15G, USS 1496 (Millerville) in exchange for building demolition on Lot 15D1, however the determined amount should be based on actual bid or 3rd party estimate on the cost of demolition. A 2011 MEHS Master Plan update estimated the demolition of the firehouse at \$426,720 in 2019 dollars; this is significantly different from the estimate of \$1,042,426. A careful review of the work may provide a more accurate estimate and consideration of funding options.

MEHS Advisory Board requests the State Board of Education prioritize an update of the MEHS Master Plan including a concept for future expansion.

The MEHS Advisory Board considers long range plans for the benefit of future MEHS students in any recommendation regarding land and buildings. The above position statements are based on the information available, but in the process it was evident that an updated master plan would be invaluable in assessing the benefits for current and future MEHS students and families.

Sincerely,



Mary (Suzzuk) Huntington
MEHS Advisory Board Chair

