



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1010 Sandy Beach Road, Thorne Bay, Alaska 99919

(907) 828-8254

Fax: (907) 828-8257

E-mail: sisd@sisd.org

Meeting: September 21, 2022 – Regular Board of Education Meeting

Category: Business Item

Subject: Request for a One-Year Extension to The Sale Agreement and Promissory Note for the Purchase of the Southeast Island School District (SISD) Floating Building.

RECOMMENDATION

It is the administration's recommendation that the School Board approve Trevor Sande's request for a one-year extension to the sale agreement and promissory note for the purchase of the SISD floating building.

PERTINENT FACTS:

The original agreement included a 20% down payment on closing and the district carrying the contract for one year with a 6% annual interest rate and a balloon payment on or before October 22, 2022. As additional security, the offeror included a lien on a piece of their property until the final payment is made.

The structure is in place at the purchaser's oyster farm lease site in Ketchikan. The structure is insured; however, Trevor Sande, the purchaser, has been unable to obtain financing for the building as a floating structure. In response to that, he has started the amendment process with the Alaska Department of Natural Resources to modify his aquatic farming lease to include additional area that would enable him to ground the structure. Attached is the exhibit that accompanied his lease modification request. He asserts that once the structure is firmly grounded, it will be treated like a land-based building and should be quite simple to refinance.

Mr. Sande has requested a one-year extension to the sale agreement and promissory note to allow the permitting to be completed. A one-year extension would result in the final balloon payment being due on or before October 22, 2023. The monthly payments and interest rate would remain the same.

RECOMMENDED MOTION:

Approve the one-year extension to the sale agreement and promissory note for the purchase of the SISD floating building.