

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 12, 2019

RE: **Ordinance No. 19-1897 – Authorizing The Sale Of Certain Surplus Real Property Located At Carlanna Lake Road, Ketchikan, Alaska To Charles Edwardson; Providing For The Filing Of Referendum Petitions; And Establishing An Effective Date**

At its meeting of April 4, 2019, the City Council directed staff to prepare an ordinance providing for the sale of property designated as Lot 10 Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591) for \$500 or such other amount the City Council determines is a fair return to the City. The attached ordinance was prepared by City Attorney Mitch Seaver, who asked that it be placed before the City Council for consideration at its meeting of June 20, 2019. If adopted, the motion provides for declaring the property as surplus and selling it to Mr. Edwardson for a purchase price of \$500. The City Attorney has advised my office that Ordinance No. 19-1897 must be approved by at least five affirmative votes of the City Council.

Public Works Director Mark Hilson and Attorney Seaver will be attending the City Council meeting of June 20, 2019, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion approving in first reading Ordinance No. 19-1897 authorizing the sale of certain surplus real property located at Carlanna Lake Road, Ketchikan, Alaska to Charles Edwardson; providing for the filing of referendum petitions; and establishing an effective date.

Recommended Motion: I move the City Council approve in first reading Ordinance No. 19-1897 authorizing the sale of certain surplus real property located at Carlanna Lake Road, Ketchikan, Alaska to Charles Edwardson; providing for the filing of referendum petitions; and establishing an effective date.

Mitch Seaver
City Attorney
City of Ketchikan, Alaska

334 FRONT STREET
Ketchikan, Alaska 99901
Telephone (907) 228-5611
Facsimile (907) 247-2111

TO: Karl Amylon
City Manager

FROM:  **Mitch Seaver**
City Attorney

DATE: June 11, 2019

SUBJECT: Carlanna Surplus Property Ordinance

The ordinance authorizing the sale of surplus property on Carlanna Lake Road is attached.

THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 19-1897

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; AUTHORIZING THE SALE OF CERTAIN SURPLUS REAL PROPERTY LOCATED AT CARLANNA LAKE ROAD, KETCHIKAN, ALASKA TO CHARLES EDWARDSON; PROVIDING FOR THE FILING OF REFERENDUM PETITIONS; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1: Surplus property. The following described property is hereby declared to be surplus City Property:

A tract of land previously described as Lot 10, Block 13, U.S. Survey 1591, Ketchikan Recording District, First Judicial District, State of Alaska, corrected and described as follows:

That certain triangular portion of land situated and lying within the subdivisional survey of U.S. Survey No. 1591, more particularly described to-wit: Beginning at Corner No. 2 of said U.S. Survey No. 1591, thence south along the east line of U.S. Survey No. 1591, said line being common with the west line of U.S. Survey No. 1229, a distance of 102.69 feet to the north right-of-way line of Denali Avenue; thence North 50°00' West along said north right-of-way line a distance of 124.18 feet; thence North 40°00' East a distance of 29.84 feet to a point on the north line of said U.S. Survey No. 1591; thence east along said north line a distance of 75.95 feet to Corner No. 2 and the true point of beginning, EXCEPTING THEREFROM any portions lying within the Carlanna Lake Road and Bailey Boulevard rights-of way.

Section 2: Conveyance to Charles Edwardson. The City Manager is authorized to sell said surplus property to Charles Edwardson for a purchase price of \$500.00 and in accordance with the terms and conditions of that Agreement for Sale of Surplus Property attached as Exhibit 1 hereto.

Section 4: Exemption from Certain Requirements. The sale of said surplus property is exempt from any competitive bidding and other requirements concerning the disposition of real property including but not limited to those set forth in Ketchikan Municipal Code Chapters 3.12 and 3.16 and Sections 5-16 and 5-17 of the Charter of the City of Ketchikan.

Section 5: Effective Date. If one or more referendum petitions with signatures are properly filed within one (1) month after passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until this ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one (1) month after its passage and publication.

PASSED ON FIRST READING _____.

FINAL PASSAGE _____.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker
Acting City Clerk

FYI: Bracketed language is intended to be removed from the existing ordinance, and underlined language in bold type is intended as an addition to the existing Ketchikan Municipal Code.

EFFECTIVE DATE: *			
ROLL CALL	YEA	NAY	ABSENT
BERGERON			
COOSE			
FLORA			
GAGE			
KIFFER			
WILLIAMS			
ZENGE			
MAYOR			

**AGREEMENT FOR SALE
OF SURPLUS REAL PROPERTY**

THIS AGREEMENT is made this ____ day of _____, 2019, (“the Effective Date”) by and between **THE CITY OF KETCHIKAN, ALASKA**, a home rule municipality (hereinafter “the City”), 334 Front Street, Ketchikan, Alaska 99901, and **CHARLES EDWARDSON**, whose mailing address is 3309 Ohana Court, Ketchikan, Alaska 99901 (hereinafter “the Buyer”).

The City and the Buyer agree as follows:

Section 1: Sale of Surplus Land. The City agrees to quitclaim to the Buyer, and the Buyer agrees to buy from the City on the terms and conditions set forth hereinafter, the following surplus property:

A tract of land previously described as Lot 10, Block 13, U.S. Survey 1591, Ketchikan Recording District, First Judicial District, State of Alaska, corrected and described as follows:

That certain triangular portion of land situated and lying within the subdivisional survey of U.S. Survey No.. 1591, more particularly described to-wit: Beginning at Corner No. 2 of said U.S. Survey No. 1591, thence south along the east line of U.S. Survey No. 1591, said line being common with the west line of U.S. Survey No. 1229, a distance of 102.69 feet to the north right-of-way line of Denali Avenue; thence North 50°00' West along said north right-of-way line a distance of 124.18 feet; thence North 40°00' East a distance of 29.84 feet to a point on the north line of said U.S. Survey No. 1591; thence east along said north line a distance of 75.95 feet to Corner No. 2 and the true point of beginning, EXCEPTING THEREFROM any portions lying within the Carlanna Lake Road and Bailey Boulevard rights-of way

(hereinafter, the “Property”).

Section 2: Purchase Price. The total purchase price to be paid by the Buyer to the Seller for the Property is \$500.00.

Section 3: No Warranties of Title. The Property will be conveyed by quitclaim deed in the form attached as Exhibit A. **THE CITY MAKES NO WARRANTIES OR REPRESENTATIONS AS TO TITLE.**

Section 4: Condition of the Property. The Property is sold **AS IS** with no warranties or representations of any kind by the City, its agents, officers, or employees. Buyer accepts all risks that the Property may, for whatever reason be insufficient for use, may have apparent, latent or hidden defects, may contain undesirable materials, and may be affected by other conditions which render the Property less valuable or worthless. Such insufficiencies, conditions, materials or defects include, but are not limited to:

- (a) Debris, junk, garbage, abandoned vehicles, construction materials, wood, rock, concrete, and other materials which have been dumped or deposited on the Property prior to closing;
- (b) Lack of or inadequate access to the Property;
- (c) Lack of or inadequate utility lines, facilities or service, or failure to have utility service lines built to the lot line, even if such utility lines, service lines, facilities or services are required by law;
- (d) Substandard lot size, and zoning restrictions;
- (e) Substandard or inadequate soil, rock or subsoil conditions, muskeg, rubble, organic material, or other site conditions which make the Property unsuitable or expensive for building or which will require Buyer to provide and pay for additional engineering plans prior to issuance of building permits;
- (f) Foundations, and building debris;
- (g) Survey and platting errors;
- (h) Drainage or lack thereof, wetlands, waterways and flooding;
- (i) Noncompliance with federal, state or local governmental regulations.

Any insufficiency, apparent, latent or hidden defect, material, or other condition affecting the Property shall be corrected, removed, or remediated by Buyer at Buyer's expense. Buyer, its successors, designees, and assignees shall unconditionally release the City, its agents, contractors, officers and employees from and against any and all known or unknown, present and future: liability, lost use, profits, rents, business or sales; costs of remediation or removal; costs of repairing, maintenance, replacement, reconstruction or remodeling; and damages, injuries, or deaths arising out of or related to the existence, remediation or removal of any such insufficiency, apparent, latent or hidden defects, materials, or conditions affecting the Property regardless of whether or not caused by the negligence of the City, its agents, contractors, officers or employees.

Section 5: Hazardous Substances. In addition to the risks assumed by Buyer under Section 6, Buyer shall assume all risks as to the existence on the Property of any contamination, or hazardous, toxic, or polluting substances and as to the remediation, removal or correction of such contamination, or hazardous, toxic or polluting substances. The Buyer, its successors, designees, and assignees shall unconditionally release the City, its agents, contractors, officers and employees from and against any and all known or unknown, present and future: liability, lost use, profits, rents, business or sales; costs of remediation or removal; costs of repairing, maintenance, replacement, reconstruction or remodeling; and damages, injuries, or deaths arising out of or related to the existence, remediation or removal of any such contamination or hazardous, toxic or polluting substances on the Property regardless of whether or not caused by the negligence of the City, its agents, contractors, officers or employees. For purposes of all sections of this Agreement, hazardous, toxic or polluting substances are defined as including substances: the presence of which require investigation, or remediation under any federal, state, or local law, order or regulation; which are defined as hazardous waste, hazardous substances, pollutants or contaminants under state, federal or local law, order or regulation; or which are toxic, carcinogenic, explosive, corrosive, infectious, polluting or contaminating under any federal, state or local law, order or regulation including without limitation, gasoline, diesel fuels, oil, other petroleum, hydrocarbons, solvents, and asbestos.

Section 6: Closing. The sale of the Property shall be closed at a mutually agreeable time.

Section 7: Closing Costs. Buyer shall pay all closing and recording costs.

Section 8: Possession. It will be the sole responsibility of the Buyer to evict any occupants of the property the Buyer does not want to remain on the property.

Section 9: Adjoining Property. Nothing in this Agreement shall be construed to restrict Buyer from taking any plat alteration action to combine the Property with Buyer's adjoining property which consists of Lot 9I, Block F and the un-subdivided remainder of Lot 9, Block F, U.S. Survey 1781 as shown on Plat No. 91-23, Ketchikan Recording District to create a single lot.

Section 10: Notice. Any notice, demand, request, consent, approval, or other communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail at the address set forth on page one. Either party may change its address by notifying the other party of its change of address in writing.

Section 11: Terms Construed as Covenants and Conditions. Every term and each provision of this Agreement to be performed by Buyer or the City shall be construed to be both a covenant and a condition.

Section 12: Brokerage Commission. It is understood that the City and the Buyer have dealt directly as principals and that neither party has knowledge of any brokerage commission

claimed or payable as a result of the purchase contemplated by this Agreement. The parties agree to mutually hold each other harmless from the claims for brokerage commissions asserted by any party as a result of dealings by either party to this Agreement that claim to give rise to such brokerage commission.

Section 13: No Reliance on City Documents or Statements. Buyer hereby warrants and represents that he/she has relied solely upon his/her own surveys, inspections, environmental assessments and tests and upon his/her own independent sources of advice and information. Buyer warrants and represents that he/she has not relied upon the statements, records, reports, appraisal reports, or representations of the City, its officers, contractors, agents or employees.

Section 14: Entire Agreement. The City and the Buyer each acknowledge that they have read this entire Agreement, fully understood the provisions thereof, are satisfied therewith, and have signed the same of their own free will. The City and the Buyer further acknowledge that any prior contracts, promises, representations, or agreements between the City and the Buyer, relating to the sale of the Property, are hereby extinguished: that there are no oral or written promises, warranties, representations or agreements between the City and the Buyer relating to sale of the Property.

Section 15: Independent Contractor; No Authority to Bind City. The parties hereto agree that the Buyer is an independent entity and is not, and shall not be construed to be a partner, joint venturer, employee or agent of the City and shall not, and is not authorized to, enter into or make any contracts, agreements, or enter into any other understanding with any other person, corporation, governmental agency, partnership, joint venturer, or other entity, in the name of or for the benefit of the City.

Section 16: No Third Party Beneficiaries. Except as provided in Section 4, nothing in this Agreement shall be construed to give any person other than the City and the Buyer any legal or equitable right, remedy or claim under this Agreement, but it shall be held to be for the sole and exclusive benefit of the City and the Buyer.

Section 17: Nonwaiver. No delay or omission of the right to exercise any power by either party shall impair any such right or power, or be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 18: Survival. The covenants, representations and warranties of the City and the Buyer herein contained will be effective as of the date of this Agreement and shall continue and survive the Closing of this transaction.

Section 19: No Merger. The covenants, promises, agreements, terms, conditions and understandings set forth in this Agreement shall survive Closing and shall remain in full force and effect after Closing. The terms, conditions and agreements set forth in this Agreement shall not be merged at Closing and shall not be merged as the result of the execution of the Quitclaim Deed.

Section 20: Law Applicable. The laws of the State of Alaska shall govern the construction, validity, performance and enforcement of this Agreement. Venue as to any action, claim, or proceedings arising out of, or based upon this Agreement, including, but not limited to, any action for declaratory or injunctive relief, shall be the appropriate state court sitting in the City of Ketchikan, First Judicial District, Alaska.

Section 21: Successors and Assigns. except as otherwise provided herein, the covenants, agreements and obligations herein contained shall extend to bind and inure to the benefit not only of the parties hereto, but their respective personal representatives.

Section 22: Severability. In the event any clause, phrase, word, words, paragraph, subparagraph or other provision of this Agreement is adjudicated or held to be invalid or unenforceable, the remaining clauses, phrases, words, paragraphs, subparagraphs or other provisions shall remain in full force and effect.

DATED at Ketchikan, Alaska, on the Effective Date shown on page one.

CITY OF KETCHIKAN

Karl R. Amylon
City Manager

ATTEST

Kim Stanker
City Clerk

CHARLES EDWARDSON
Buyer

CITY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **KARL R. AMYLON** and **KIM STANKER** to me known to be the **City Manager** and the **City Clerk** of the **CITY OF KETCHIKAN**, a municipal corporation, the corporation which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument and affix the corporate seal thereto on behalf of said corporation; who acknowledged to me that they signed and sealed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

NOTARY PUBLIC FOR ALASKA

My Commission Expires: _____

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **CHARLES EDWARDSON** to me known to be the person described in and who executed the foregoing instrument, and acknowledged to me that he signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate above written.

NOTARY PUBLIC FOR ALASKA

My Commission Expires: _____

QUITCLAIM DEED

The **GRANTOR, CITY OF KETCHIKAN, ALASKA**, a municipal corporation whose address is 334 Front Street, Ketchikan, Alaska 99901, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration does convey and quitclaim to **GRANTEE, CHARLES EDWARDSON**, whose mailing address is 3309 Ohana Court, Ketchikan, Alaska 99901, any and all interest, except as stated below, that it may have in the following described real estate, situated in the Ketchikan Recording District, First Judicial District, State of Alaska, described as follows:

A tract of land previously described as Lot 10, Block 13, U.S. Survey 1591, Ketchikan Recording District, First Judicial District, State of Alaska, corrected and described as follows:

That certain triangular portion of land situated and lying within the subdivisional survey of U.S. Survey No.. 1591, more particularly described to-wit: Beginning at Corner No. 2 of said U.S. Survey No. 1591, thence south along the east line of U.S. Survey No. 1591, said line being common with the west line of U.S. Survey No. 1229, a distance of 102.69 feet to the north right-of-way line of Denali Avenue; thence North 50°00' West along said north right-of-way line a distance of 124.18 feet; thence North 40°00' East a distance of 29.84 feet to a point on the north line of said U.S. Survey No. 1591; thence east along said north line a distance of 75.95 feet to Corner No. 2 and the true point of beginning, EXCEPTING THEREFROM any portions lying within the Carlanna Lake Road and Bailey Boulevard rights-of way.

In addition this deed is Subject to the following:

1. Taxes and/or assessments, if any due the City of Ketchikan and/or Ketchikan Gateway Borough;
2. Reservations and exceptions as contained in the U.S. Patent and acts relating thereto;
3. Reservations and exceptions as contained in the State of Alaska Patent and acts relating thereto.

EXHIBIT A

The **GRANTOR** makes no warranties or representations as to the condition of the above-described real estate or as to its suitability for any use. The above-described real estate is conveyed in "as is" condition with **GRANTEE** solely responsible for hidden, undiscovered, unknown, undisclosed or sub-surface defects or conditions.

DATED at Ketchikan, Alaska, this ____ day of _____, 2019.

CITY OF KETCHIKAN

Karl R. Amylon
City Manager

ATTEST

Kim Stanker
City Clerk

CITY ACKNOWLEDGMENT

STATE OF ALASKA)
) **ss.**
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2019, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **KARL R. AMYLON** and **KIM STANKER** to me known to be the **City Manager** and the **City Clerk** of the **CITY OF KETCHIKAN**, a municipal corporation, the corporation which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument and affix the corporate seal thereto on behalf of said corporation; who acknowledged to me that they signed and sealed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in the certificate first above written.

NOTARY PUBLIC FOR ALASKA
My Commission Expires: _____

After recording return to:

Charles Edwardson
3309 Ohana Court
Ketchikan, Alaska 99901

EXHIBIT A

NEW BUSINESS

Public Works Department's 2019 Programmed Maintenance of City Streets

Moved by Flora, seconded by Coose the City Council approve the Public Works Department's programmed maintenance of City streets for 2019 as detailed in the Assistant Public Works Director's report dated March 12, 2019.

Mayor Sivertsen questioned the cost of concrete versus asphalt for City projects. He noted there is an upfront cost, and ownership cost in regards to how long concrete lasts compared to asphalt. He said he wanted to bring this to light as we move forward in regards to our highways and whether or not we stay with asphalt or use concrete.

Assistant Public Works Director Jurczak answered questions from the Council. She said based on prior years, concrete has been around \$230 a ton. She indicated there are more contractors in town doing concrete, and noted concrete is evaluated on every contract that is put out.

Motion passed with Isom, Bergeron, Gage, Flora, Zenge and Coose voting yea; Kiffer absent.

Award of Contract No. 19-04 - Update Aerial Photos and Topographic Mapping

Moved by Zenge, seconded by Flora the City Council award Contract No. 19-04, Update Aerial Photos and Topographic Mapping, to Lidar America Inc. in the amount of \$74,551.12; establish a fifteen percent contingency in the amount of \$11,182.88, bringing the total project cost to \$85,734; authorize funding in the respective amounts of \$42,867, \$16,375, \$12,860 and \$13,632 from the Engineering, Electric, Telecommunications and Water Divisions' 2019 Update Aerial Photos & Topographic Mapping Capital Accounts; and direct the city manager to execute the contract documents on behalf of the City Council.

Councilmember Gage said the Borough bowed out of this project and questioned if this project was essential.

Public Works Director Hilson said it was essential, and felt it was important to have quality aerial mapping with an effective GIS System. He said the existing aerial mapping is stitched together and less than ideal. He said they would be mapping the limits of KPU which would include the Borough, and there are some areas that are not covered that will be included in this project.

Motion passed with Isom, Bergeron, Gage, Flora, Zenge and Coose voting yea; Kiffer absent.

**Providing Direction for the Disposal of City Owned Property
– Lot 10 Carlanna Lake Road**

Moved by Bergeron, seconded by Zenge the City Council direct the city manager to take such action regarding the disposal of City owned property designated as Lot 10 Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591) as determined appropriate by the City Council.

April 4, 2019

Councilmember Bergeron said this lot has had no interest since the City acquired it. He stated Mr. Edwardson is developing, adding value to his property and putting it back on the tax rolls. He indicated Mr. Edwardson is building much needed affordable housing and as local government the Council should promote this.

Councilmember Isom explained she owns property that has a sub-standard lot with a similar situation as Mr. Edwardson. She felt by selling this property for \$500 it would set precedence and everyone in the community will want to purchase the adjoining non-conforming lot for that price. She indicated if this moves forward she would be submitting a formal request on her own property.

Councilmember Flora agreed with Councilmember Bergeron's comments and the City should put it out there and start collecting property tax. He said we should be looking for these situations and start getting rid of them in an efficient manner. He indicated the fair market value is what someone is willing to pay for it. He stated the Council should support local businesses and this situation seems like a good idea.

Councilmember Coose felt we should go ahead and surplus the property as the City has no need for it. He stated we went through this with the old fire station, and the Council should put this property out through the competitive bidding process with no established value.

Councilmember Zenge felt we should get rid of it and get it back on the tax rolls.

Councilmember Gage questioned what the collectable tax would be.

Public Works Director Hilson said this property is currently assessed at \$10,100, but the property is pretty unique as there are no other adjacent property owners besides Mr. Edwardson. He noted the property is currently a drainage ditch. He informed there is a large pipe that was placed in the ditch years ago, then upland development in the area rerouted water away from this pipe. He indicated the City will abandon the large pipe and put in a smaller pipe which will be in the right-of-way of Carlanna Lake Road.

After lengthy discussion Council directed staff to bring back an ordinance to be passed by five affirmative votes and subject to referendum that accepts Mr. Edwardson's offer of \$500 for the property designated as Lot 10 Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591), or such other amount the Council determines is a fair return to the City.

Motion passed with Isom, Bergeron, Gage, Flora, Zenge and Coose voting yea; Kiffer absent.

APPROVAL OF VOUCHERS - None

CITY MANAGER'S REPORT

Manager Amylon referenced the laid on the table regarding a report updating the status of the reconfiguration of Berth III and Berth III parking lot. He said as Public Works Director Hilson noted there were six damaged concrete hollow core panels and informed they were damaged sometime during the Berth II project back in the mid 1970's. He said staff is fairly confident they can be repaired and stay within the project budget.



City Manager
334 Front Street
Ketchikan, AK 99901

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

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: March 27, 2019

RE: **Providing Direction for the Disposal of City Owned Property – Lot 10
Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591)**

The motion detailed below was prepared at the request of the Public works Director and City Attorney, who asked that it be placed before the City Council for consideration at its meeting of April 4, 2019. If adopted, the motion provides for City Council direction regarding the disposal of City property at Lot 10 Carlanna Lake Road. The options for disposal of the property and potential interest of an adjacent property owner are detailed in the Public Works Director's transmittal memorandum and require no elaboration on the part of my office.

The Public Works Director and City Attorney will be attending the City Council meeting of April 4, 2019, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion directing the City Manager to take such action regarding the disposal of City owned property designated as Lot 10 Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591) as determined appropriate by the City Council.

Recommended Motion: I move the City Council direct the City Manager to take such action regarding the disposal of City owned property designated as Lot 10 Carlanna Lake Road (Lot 10, Block 13, U.S. Survey 1591) as determined appropriate by the City Council.

MEMORANDUM

TO: Karl Amylon, City Manager
CC: Lacey Simpson, Assistant City Manager
Mitch Seaver, City Attorney
FROM: Mark Hilson, P.E., Public Works Director
DATE: March 24, 2019
SUBJECT: **Surplus Property – Lot 10 Carlanna Lake Road**

Chas Edwardson has purchased the former Vanderweele property bounded by Carlanna Lake Road and Bailey Boulevard and shown on the attached Exhibit A. Mr. Edwardson's property is the sole property adjacent to a City owned approximately 3200 square foot remnant of land (Lot 10, Block 13, U.S. Survey 1591) that was left over from the original Carlanna Lake Road construction project. The City's ownership began in 1975, and the roughly triangular shaped surplus remnant remains vacant to this day. The City's property is non-conforming under the Borough's zoning ordinance, thus it could be sold to the adjoining owner for the assessed value plus survey, platting, recording and other costs to the City under KMC 3.12.060(d)(3).

I have been informed by Mr. Edwardson that he intends to develop his parcel and has some interest in acquiring the surplus City lot. It is worth noting that the feasibility of developing Mr. Edwardson's lot does not rely on the City's surplus lot. He informs me he is not willing to pay the Borough's assessed value or \$10,100 or a square foot value (approximately \$2.40 per square foot, or about \$7600 total) based on the purchase price he paid for his adjoining parcel. He has offered \$500 for the surplus lot.

As City Council is aware, the process prescribed in the City's Charter and Municipal Code is complex when it comes to selling of City owned surplus property. Since Mr. Edwardson appears unwilling to proceed under KMC 3.12.060(d)(3) the City Attorney and I, believe there are four options that may be pursued, should the City Council desire to act to divest of this surplus lot:

1. Since it appears since the property is worth less than \$30,000 the Council could declare the property surplus by motion or resolution and authorize its sale by competitive bidding for not less than the appraised value plus the cost of the

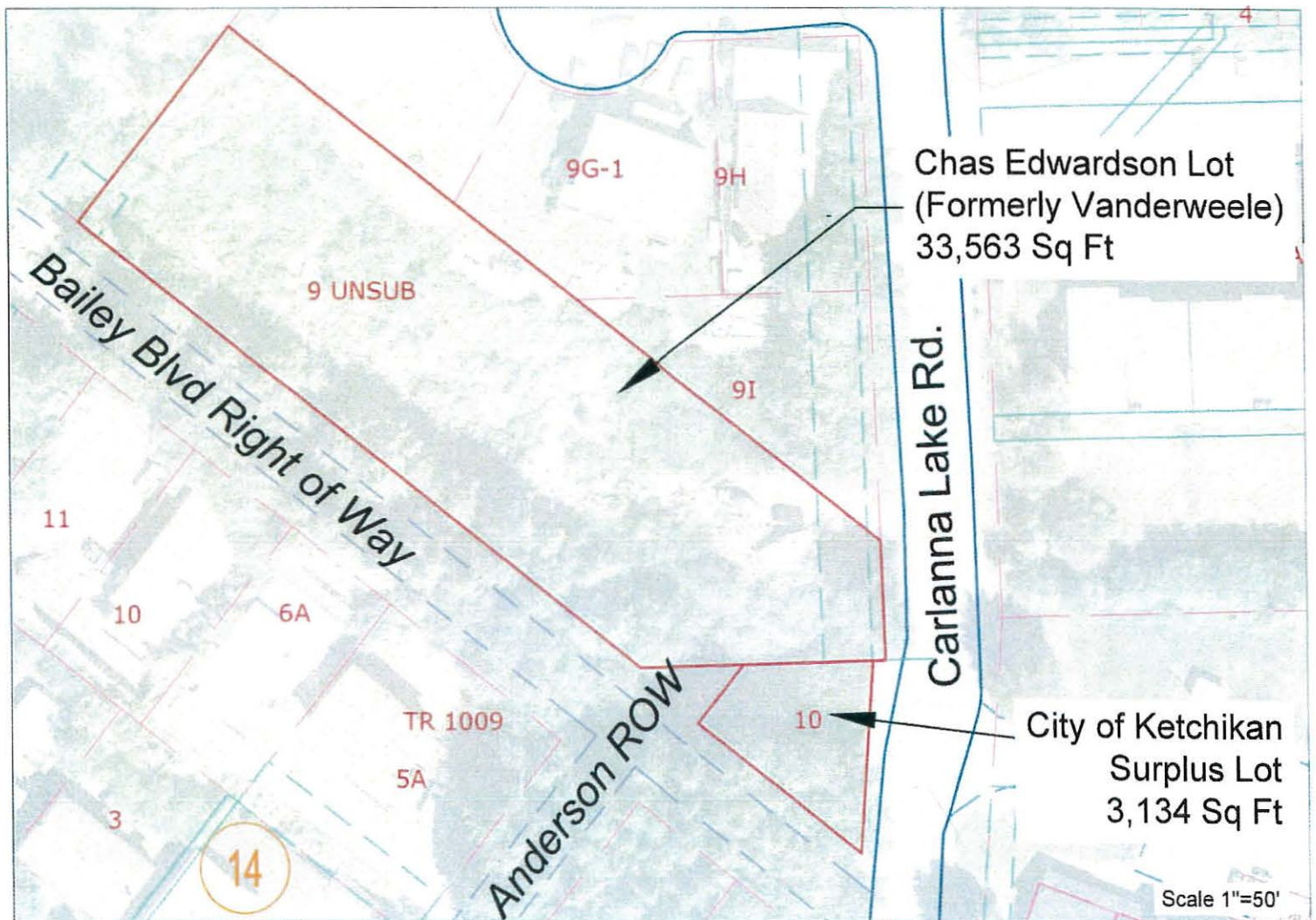
appraisal, survey, platting, recording and other costs to the City as provided for in KMC 3.12.060(a) and (b);

2. Direct staff to bring back an Ordinance subject to referendum for City Council consideration without a minimum bid amount and subject to competitive bidding; or
3. Direct staff to bring back an Ordinance subject to referendum for City Council consideration with a minimum bid amount other than an appraised value and subject to competitive bidding; or
4. Direct staff to bring back an Ordinance to be passed by five affirmative votes and subject to referendum that accepts Mr. Edwardson's offer of \$500, or such other amount the Council determines is a fair return to the City, for City Council consideration.

Mr. Edwardson has indicated he will attend the April 4th, 2019 City Council meeting and is anticipated to advocate his position that the property has very little if any value due to the shape and size of the nonconforming lot, and the amount of money required to develop it.

The City Attorney and I are seeking City Council's direction on which, if any, of these options we should pursue.

Exhibit A





Ketchikan Gateway Borough

Assessment Department
1900 First Avenue, Suite 219
Ketchikan, Alaska 99901
(907) 228-6640

TAX YEAR	2019	PARCEL NO/LOCATION	01 1224 000 900 CARLANNA LAKE RD	CUSTOMER NO	602660
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CITY OF KETCHIKAN

REVISED NOTICE

334 FRONT ST
KETCHIKAN, AK

99901

****IMPORTANT***
****THIS IS NOT A TAX BILL**
Please review the information below

MAILING DATE	3/4/2019	APPRAISED LAND VALUE	10,100	EXEMPTIONS APPLIED: CitKet
		APPRAISED IMP VALUE	0	
APPEAL DEADLINE	4/8/2019	APPRAISED TOTAL	10,100	
		TOTAL EXEMPTED VALUE	10,100	
FIRST MEETING OF THE BOARD OF	3/18/2019	TOTAL ASSESSED (taxable) VAL	0	

NOTICE OF ASSESSED VALUE

1. This card is your annual notice of the Assessor's determination of the fair market value of your property as of January 1st of the current tax year. Taxes are calculated on this assessed value times the millage rate. The millage rate is set by the Assembly by June 15th of each year.
2. If you have concerns with the value or information provided on this notice, contact the Assessment Department for a review.
3. If you and the Assessor cannot agree as to a value, you have the right to appeal to the Board of Equalization (BOE). In order to appeal, you must file an appeal form to appear before the BOE. Appeal forms are available at the Assessor's office and must be filed with the Assessor on or before the appeal deadline on the front of this card. State statute provides that the appellant bears the burden of proof. You must provide any verifiable information you have that would support your basis for appeal. The BOE will be held at the Borough Assembly Chambers, 1900 First Avenue on the date shown on the front of this notice.
4. If you have any questions, or need assistance, please stop by the Assessment Department, Suite 219 of the Whitecliff Building at 1900 First Avenue, or call (907) 228-6640. Please use the Parcel ID Number on the front of this notice when referring to the property.

Tax Bills Mailed July 1

Taxes Due 5:00 p.m. September 30