

TENAKEE SPRINGS MUNICIPAL CODE

TITLE 08

ACQUISITION AND DISPOSAL OF MUNICIPAL PROPERTY

Chapters:

08.01 **DISPOSAL OF CITY LAND**

08.02 **SALE OF LAND FOR ATTRACTING BENEFICIAL NEW INDUSTRIES**

CHAPTER 08.01

DISPOSAL OF CITY LAND

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08.01.010 Applicability. The provisions of this chapter shall constitute the formal procedure for the lease, sale or other disposal of real property or interest in real property acquired by the city.

08.01.020 Power to Dispose of Real Property. A. City land may be disposed of by any lawful means or conveyance when the City Council determines it is no longer required for a public purpose.

B. Any instrument requiring execution by the city shall be signed by the mayor or his/her designee and attested by the city clerk.

08.01.030 Authorization and Preparation for Disposal. A. Before any disposal of real property is made, the council shall make the following findings in a resolution:

1. that the land has been reviewed by the Planning Commission relative to the proper use of the land, including the projected need, if any, of the land for present and future public use and for compatibility with the city's land use or comprehensive plan; and

2. that the disposition is in the best interest of the city and fulfills a public purpose;
3. that if water, electricity and access are to be provided by the city to the buyers of the land, then the method and cost of providing water, electricity and to the land being sold has been ascertained;
4. that the land has been appraised at its fair market value by the assessor or by any competent appraiser selected by the mayor or the City Council may determine the fair market value by any other means it deems appropriate; and
5. that the land has been surveyed, including the platting of easements and rights-of-way, and that a final plat has been approved by the Planning Commission.

B. The City Council, after issuing its findings, shall then decide by non-code ordinance the terms and conditions of the sale or lease including, but not limited to, the following:

1. the date, time and place of disposal;
2. the period during which applications will be accepted;
3. the minimum sales price or bid for each parcel of land to be disposed;
4. if a minimum improvement is required for each parcel of land as a condition of sale or lease, then its amount and nature;
5. terms of payment and length of contract;
6. preference rights; and
7. any other special conditions or limitations.

08.01.040 Methods of Disposal.

A. City land may be disposed of by exchange with another government, lease, lottery sale, auction sale and sealed competitive bid. The method to be used in a particular disposal shall be determined by the City Council in the ordinance authorizing disposal.

B. Property valued at twenty-five thousand dollars (\$25,000) or more shall be sold or leased only when the ordinance authorizing the disposal has been ratified by a majority of qualified city voters, when:

1. voting at a General Municipal Election on the question; or
2. voting at a Special Municipal Election on the question when the written request for the Special Election, along with advance payment for the cost of the Special Election as determined by the mayor, has been approved by three-fourths (3/4) vote of the total membership of the council.

C. The City Council may, by ordinance, place special conditions on any disposal of land which may be different from the conditions set forth in this title.

08.01.050 Lottery Sale.

A. Conducted by the mayor. Lottery sales shall be conducted by the mayor or his/her designee. The lottery drawing shall be site specific and not for the right to choose among lots placed in a pool.

B. Advertisement. The public notice requirement is contained in Section 08.01.080, subsections A. through C.

C. Application. An applicant who seeks to purchase or lease land from the city may apply for as many parcels as desired, but may file no more than one application per parcel. Each application must be separate and complete.

D. Application form and fee. An applicant may apply in person or by mail to the city clerk. The application shall be on the form provided by the city. A non-refundable registration fee of ten (\$10) dollars per parcel applied for must accompany the application. If a person's

name is drawn at the lottery, all other registrations made by that person are thereby canceled, if the person accepts. Registration fees are not refundable after the close of business of the last day upon which registration may be received.

E. Qualification. An applicant or bidder for the lease or purchase of city land must be a person at least eighteen (18) years old or be a corporation that is authorized to conduct business under the laws of Alaska. Persons having previously purchased city land under the terms of this chapter are disqualified from subsequent participation in land sales. No person may acquire more than one parcel at a particular disposal.

F. Sales price. The sale price of a lot won in a lottery shall be the appraised value as determined by the city not more than ninety days prior to the drawing.

G. Deposit. Prior to the close of business on the day of the drawing, the buyer shall provide the city a good faith deposit equal to five percent (5%) of the purchase price. The deposit shall be made in cash or by check or similar instrument. If the buyer fails to prove his or her qualifications or to tender an additional five percent (5%) for the purchase price or to execute the necessary note, deed of trust, development agreement, purchase agreement or other instruments necessary to close the sale within thirty (30) days of the lottery-winning announcement (or if the check does not clear), the sale is void and the city shall retain the five percent (5%) deposit as liquidated damages. All rights of the buyer in the property arising out of the sale are terminated. Unless specifically provided otherwise by the mayor in writing, the buyer shall have no right of possession to the property until all necessary notes, security and other instruments necessary to close the sale have been executed and the sale closed.

H. Payment of balance. Unless otherwise provided for by the City Council in the non-code ordinance authorizing a particular disposal, the balance shall be paid in ten equal annual installments of principal and interest on the unpaid balance at a rate of ten percent (10%). The city clerk may authorize payments in quarterly or monthly installments and may establish a service fee for such installment payments. There shall be no prepayment penalty. If the balance of the principal is paid before due, that final principal and interest payment may be reduced by an amount equal to one tenth (1/10) of the principal amount due.

08.01.060 Auction Sale. A. Conducted by the mayor. Auction sales shall be conducted by the mayor or his/her designees. The auction shall be an outcry auction.

B. Advertisement. The public notice requirement is contained in Section 08.01.080, subsections A. through C.

C. Registration. Prior to bidding on any parcel, a bidder shall register with the mayor or his/her designee and be given a bidder identification.

D. Qualification. To qualify to register and bid at an auction sale, a person must be at least eighteen (18) years old, be a resident of Alaska, and be present at the auction; a corporation must be registered to do business in the state of Alaska. Persons having previously purchased city land under the terms of this chapter are disqualified from subsequent participation in land sales. No person may acquire more than one parcel at a particular disposal.

E. Minimum bid. The minimum acceptable bid shall be the appraised value as determined by the city not more than ninety (90) days prior to the auction.

F. Deposit. Immediately upon the announcement of the winning bid, the successful bidder shall provide the city a good faith deposit equal to five percent (5%) of the purchase price or to execute the necessary note, deed of trust, development agreement, purchase agreement or other instruments necessary to close the sale within thirty (30) days of the auction, or if the check

does not clear, the sale is void and the city shall retain the five percent (5%) deposit as liquidated damages—all rights of the buyer in the property arising out of the sale are terminated. Unless specifically provided otherwise by the mayor in writing, the buyer shall have no right of possession to the property until all necessary notes, security and other instruments necessary to close the sale have been executed and the sale closed.

G. Re-offering of parcels. Immediately upon the sale of the last parcel to be auctioned at the auction sale, the auctioneer shall determine whether any bidder other than the successful bidder on the last parcel has failed to make his/her five percent (5%) deposit. The auctioneer may re-offer any lot which was previously the subject of a successful bid but for which the successful bidder has failed to make the required five percent (5%) deposit. The bidder who has failed to make the required deposit prior to the sale of the last parcel shall have no further rights in the lot once the auctioneer has opened bidding on the parcel the second time. If the successful bidder on the last parcel has not made his deposit within a reasonable time, that lot may be re-offered.

H. Payment of balance. Unless otherwise provided for by the council in non-code ordinance authorizing a particular disposal, the balance shall be paid in ten (10) equal annual installments of principal and interest on the unpaid balance at a rate of ten percent (10%). The city clerk may authorize payments in quarterly or monthly installment payments. There shall be no prepayment penalty. If the balance of the principal is paid before due, that final principal and interest payment may be reduced by an amount equal to one tenth (1/10) of the principal amount due.

08.01.070 Sealed Competitive Bid Sale. A. Conducted by the mayor. The mayor or his/her designee shall conduct sales by competitive sealed bids which the City Council has determined should be disposed of in that manner.

B Advertisement. The public notice requirement is contained in Section 08.01.080, subsections A. through C.

C. Registration. To qualify to bid, a person must be at least eighteen (18) years old, be a resident of Alaska, and be present at the auction; a corporation must be registered to do business in the state of Alaska. Persons having previously purchased city land under the terms of this chapter are disqualified from subsequent participation in land sales. No person may acquire more than one parcel at a particular disposal.

D. Deposit. Within ten (10) days of notification, the successful bidder shall provide the city a good faith deposit equal to five percent (5%) of the purchase price. The deposit shall be made in cash or by check or similar instrument. If the buyer fails to prove his or her qualifications or to tender an additional five percent (5%) of the purchase price or to execute the necessary note, deed of trust, development agreement, purchase agreement or other instrument necessary to close the sale within thirty (30) days of the auction, or if the check does not clear, the sale is void and the city shall retain the five percent (5%) deposit as liquidated damages—all rights of the buyer in the property arising out of the sale are terminated.

E. Payment of balance. Unless otherwise provided for by the City Council in the non-code ordinance authorizing a particular disposal, the balance shall be paid in ten (10) equal annual installments of principal and interest on the unpaid balance at a rate of ten percent (10%). The city clerk may authorize payments in quarterly or monthly installments and may establish a service fee for such installment payments. There shall be no prepayment penalty. If the balance

of the principal is paid before due, that final principal and interest payment may be reduced by an amount equal to one tenth (1/10) the principal amount due.

F. Post bid negotiations. If a significant factor in the award of the bid is to be the development proposal made by the bidder and if the bidders have been so informed either in the public notice or on the bid form, the mayor or his/her designee may negotiate with the best bidder or in his/her sole discretion, with the best bidder.

G. Council approval. The award of a bid in which the development proposal is a significant factor in the award is subject to approval by the City Council.

08.01.080 Notice of Disposal.

A. Notice of the sale shall be given of time, place, minimum acceptable bid, manner of selling, and any improvements to be made for each parcel of land.

B. Notice of the sale shall be made in any of the following manners at the discretion of the City Council:

1. publishing this information in a newspaper of general circulation, distributed within the city at least five (5) days apart, with the first publication at least thirty (30) days before the disposal; or
2. posting this information for at least thirty (30) days before the disposal in at least three (3) public places in the city.
3. Where considered proper by the City Council, notice shall be sent by the city clerk by return receipt, Certified Mail, to abutting land owners.

C. Applications and bids must be received or postmarked no later than the date specified in the notice of sale.

08.01.090 Long Term Lease of Municipal Property.

A. Conducted by the Mayor. The Mayor or his/her designee shall negotiate the terms of lease for real property which the City Council has determined should be made available in that manner. For real property valued over \$25,000 the terms shall be as outlined in TSMC Section 08.01.040 authorizing the lease and ratified by the voters.

B. Rent or Other Lease Payments. The annual rent amount shall be based on a percentage of the fair market value of the property and reflect the rates charged by the State of Alaska for similar real estate.

1. The rates for long term lease of municipal land shall be determined by the City Council by Resolution and become part of the Tenakee Springs Regulations, Policies and Fees.
2. The rate when applied to a Beneficial New Business as outlined in Chapter 08.02 may be reduced by half for three (3) years to help establish such new business. Should the City subsequently decide to sell the real property to such Business the lease payments may be applied to the sale price.
3. Payments are due annually, semi-annually, or monthly on the first day of the period for which the payment is due. Payments are late 10 days after the first, and may incur a late fee. Payments are delinquent after 90 days and the lease is canceled and all improvements and material or goods on the land are forfeit to the City of Tenakee Springs. Lessee is responsible to the City for all costs incurred for disposing and cleanup of the goods or materials.

C. Availability. The Planning Commission may determine the availability of suitable lands for lease from time to time or when a request is made by an individual.

D. Qualification. A potential lessee must be 18 years old and a resident of Alaska. A corporation must be licensed to do business in the State of Alaska.

08.01.100 Short Term Lease. It is the intention of the Planning Commission to identify land in the Harbor Uplands suitable for the storage of goods or equipment. These will be relatively small plots rented by the square foot.

A. Conducted by the Mayor. The Mayor or his/her designee shall make arrangements within the city administration to arrange for the billing and collection of short term rental fees.

B. Rent or Other Lease Payments. Lease rates and payment procedures shall be set forth by a resolution of the City Council and be contained in the Tenakee Springs Regulations, Policies and Fees.

1. Payments are due annually, semi-annually, or monthly on the first day of the period for which the payment is due. Payments are late 10 days after the first, and may incur a late fee. Payments are delinquent after 90 days and the lease is canceled and all improvements and material or goods on the land are forfeit to the City of Tenakee Springs. Lessee is responsible to the City for all costs incurred for disposing and cleanup of the goods or materials.

a.) semi-annual and monthly payments shall be at a higher rate than annual payments. The rate shall be set by the City Council Resolution.

C. Qualification. A Lessee must be 18 years of age and be a resident of Alaska. A corporation must be authorized to conduct business under the laws of the State of Alaska and be doing business in Tenakee Springs.

08.01.110 Temporary Short Term Lease. A. Purpose. The City of Tenakee Springs was conveyed the parcel of land in USS 2459, generally known as the Harbor Uplands. The City, through the Planning Commission, is working to identify land that is suitable for lease to individuals for storage of personal property. Currently there is a great deal of various types of personal property scattered through the Harbor Uplands. This material is in trespass on Municipal Property.

B. Procedure to issue a Temporary Lease. Officials of the city appointed by the Mayor will identify ownership of material of any type stored in trespass on the Harbor Uplands.

1. A square or rectangle encompassing the material will be established and its square footage calculated. A Temporary Lease Permit will be offered to that individual for that square foot amount. The rate will be \$0.10 per sq. ft. per month.

2. The Temporary Lease Permit will become valid May 1, 2016 at which time the first monthly payment for the Permit will be due. The monthly payment will be due the first day of each month thereafter. Payments will be late the 10th of the month and may include a late fee. Payments in arrears more than 90 days shall result in cancellation of the Temporary Lease and the material declared derelict and abandoned and becomes property of the City to dispose of in any manner it chooses.

3. Upon identification and preparation for lease of a storage area Temporary Short-Term Leaseholders shall be offered a site for their material under the terms in Section 08.01.100. Temporary Lease Holders shall have 60 days to effect transfer of their material to the new storage area. After 60 days any material left on the site is forfeit. The leaseholder may be charged a cleanup and disposal fee to be set by Resolution of the City Council. This fee if not paid shall become a debt to the City

and may be collected as such.

C. Abandoned and Derelict Material. Any material, gear, vehicles, or any other objects whose ownership cannot be established by lease agreement, the city officials assigned this task shall declare abandoned and derelict and shall become the property of the City of Tenakee Springs to dispose of in any manner the City see fit.

D. Sunset Provisions. TSMC Section 08.01.110 shall sunset and be repealed December 31, 2016 unless extended by Resolution prior to December 31, 2016.

08.01.120 Lease Fees. Fees accrued under Sections 08.01.080 through 08.01.110 shall be delinquent after 90 days and becomes a civil debt to the City of Tenakee Springs and may be collected in the manner of any civil debt.

CHAPTER 08.02

SALE OF LAND FOR ATTRACTING BENEFICIAL NEW INDUSTRIES

Sections:	08.02.010	FINDINGS BY THE CITY COUNCIL
	08.02.020	AUTHORIZATION FOR NEGOTIATED SALES

08.02.010 Findings by the City Council. A. The City Council of the City of Tenakee Springs finds:

1. that Tenakee Springs has a need to attract new industry;
2. that it is often unrealistic to attract new industry by issuance of a general invitation to bid;
3. that the city will be afforded more power and flexibility in attracting new industry if it can negotiate agreements with industries on a case-by-case basis, and that it may sometimes be desirable to negotiate the sale of city lands to provide sites for beneficial new industries.

08.02.020 Authorization for Negotiated Sales. Therefore, the mayor, when authorized by the City Council, may enter into negotiated sales, leases, or dispositions of tracts of municipally-owned land of five (5) acres or less directly with persons agreeing to operate a beneficial new industry without the necessity of selling by public auction or sealed bids. Provided, however, that the City Council must approve by ordinance the terms of any such sale or lease, including the terms for payment, before the city will be bound thereby.