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## **Real Estate Department**

*Anchorage: Performance. Value. Results.*

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### **Mission**

Manage all municipal land, both uncommitted and under management authority of municipal agencies, in a manner designed to benefit present and future citizens, to promote orderly development and improvement of lands for municipal purposes.

### **Core Services**

- Acquisitions and disposals: Authority to administer on behalf of the Municipality of Anchorage the acquisition and disposal of real property via lease, exchange, sale, easements, permits and use agreements.
- Inventory: Maintain current and accurate inventory of municipal lands
- Property Management: Provide management of municipal lands and improvements
- Protection: Conservation and preservation of wetlands, maintenance and protection of MOA lands and improvements, to include prevention and cleanup of hazardous conditions
- Highest and Best Use: Employ maximum valued use and purpose for municipal lands and improvements
- Tax Foreclosures: Administer foreclosure proceedings for delinquent real estate property taxes

### **Accomplishment Goals**

- Maximize amount of acreage mitigated through appropriate responses to negative impacts on HLB inventory due to fire, insect damage, illegal dumping of hazardous or contaminated materials, and/or vandalism.
- Number of disposals from HLB inventory provided to: a) municipal agencies, and b) the private sector
- Respond to project reviews with a goal of no more than five working days
- Annual tax foreclosure process: Collection of delinquent property taxes and assessments
- Annual process for taking Clerk's Deed and subsequent sale of deeded properties via sealed bid auction.

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## Heritage Land Bank Division Real Estate Department

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### Purpose

"It is the mission of the Heritage Land Bank (HLB) to manage uncommitted municipal land and the Heritage Land Bank Fund in a manner designed to benefit present and future residents of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan." (AMC 25.40.010)

### Division Direct Services

Provide stewardship of municipal land in the HLB inventory with responsibility for:

- Land placed in the inventory for management reserved for unspecified purposes
- Land held in the inventory for specific or future public purposes.
- Land held for mitigation and conservation
- Land determined as excess to present or future municipal needs which may be suitable for disposal
- Land determined excess to municipal needs but unsuitable for disposal

### Accomplishment Goals

- Respond appropriately in assessing and mitigating impacts of hazardous conditions such as fire, insect damage, illegal dumping of hazardous materials, vandalism, and trespass on HLB properties
- Dispose of inventory to appropriate municipal agencies and the private sector
- Timely reviews in order to keep current and move forward on municipal projects involving real estate

### Performance Measures

Progress in achieving goals will be measured by:

**Measure #1: Number of HLB parcels mitigated through appropriate responses to negative impacts on HLB inventory due fire, insect damage, illegal dumping of hazardous or contaminated materials, and vandalism.**

**2013: # of Inspected HLB Inventory Parcels, by Quarter**

	1 <sup>st</sup> Qtr 2013	2 <sup>nd</sup> Qtr 2013	3 <sup>rd</sup> Qtr 2013	4 <sup>th</sup> Qtr. 2013	2012 Totals
Region 1	0	1	12		6
Region 2	0	0	3		0
Region 3	0	4	4		2
Region 4	0	4	5		13
Region 5	0	0	0		1
Region 6 (Bird/Indian)	0	0	0		1
Region 6 (Girdwood)	0	8	0		13
<b>TOTAL</b>	<b>0</b>	<b>17</b>	<b>24</b>		<b>36</b>

Due to the amount of snow and inclement weather, there were no on-site inspections conducted of HLB inventory during the 1<sup>st</sup> quarter of 2013. Weather and seasonal change contributed to the jump in property inspections during the 2<sup>nd</sup> quarter.

**Measure #2:** Number of disposals from HLB inventory provided to: a) municipal and public sector agencies and; b) the private sector.

**3rd Quarter 2013**

	ENTITY	ACTION	HLB PARCEL #	ACRES	AMOUNT
<b>a) PUBLIC SECTOR</b>					
<b>b) PRIVATE SECTOR</b>					
	Misc.	Permits	Various	n/a	\$3,000
	Troy Davis	Sale	1-072B & 1-073	(total)	\$415,000

Two new permits were issued in the 3<sup>rd</sup> quarter of the year to private sector interests, and a sale of two HLB parcels in the Eagle River area closed in third quarter 2013.

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## **Real Estate Services Division Real Estate Department**

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### **Purpose**

The Real Estate Services Division (RES) is responsible for administering the acquisition and disposal of real municipal property committed to government use via sale, lease, exchange, use permit or easement that is not in the ACDA or HLB inventories. RES administers the foreclosure process of delinquent property taxes and assessments. It also negotiates, funds and manages the leasing of office, warehouse and other spaces required for local government agencies to have a place to perform their services on behalf of citizens.

### **Division Direct Services**

- Provide effective management of all non-HLB or ACDA municipal properties, including leased properties
- Administer the foreclosure process resulting from delinquent property taxes and assessments
- Administrative oversight of acquisition, retention and disposal of municipal lands
- Public and private businesses act as Lessors of facilities space for municipal agencies. As a result, this serves the public by providing leased space for local government agencies and programs that also serve the public.

### **Accomplishment Goals**

- Annual foreclosure process: Collection of delinquent property taxes and assessments
- Annual process to complete taking Clerk's deeds to foreclosed properties and subsequent sale of deeded properties via sealed bid auction.

**Measure #3: Annual foreclosure process: Collection of Delinquent property taxes and assessments**

	FORECLOSURE PUBLICATION				JUDGMENT & DECREE OF FORECLOSURE				EXPIRATION OF REDEMP COURT CLERKS DEED			
TAX YEAR	FRCL Year	No. Accts.	Prin., Penalty Interest, Cost		FRCL Year	No. Accts.	Prin., Penalty Interest, Cost		Deed Year	No. Accts.		
2008	2009	Tax	1,601	\$7,253,192	2009	Tax	1,040	\$5,568,889	2010	Tax		31
	1st Pub 3/5/2009	DID	42	\$41,920	27-Apr	DID	27	\$31,999		DID		0
		S.A	81	\$59,939		S.A	25	\$25,626		S.A		0
	3AN-09-05631		1,724	\$7,355,051			1,092	\$5,626,514				31
2009	2010	Tax	1,746	\$9,436,513	2010	Tax	1,008	\$5,822,545	2011	Tax		92
				APU 004-201-10 PENDING SEPARATE RESOLUTION			(1)	(\$916,757)				
						ADJ'D TAX FRCL'D BAL-	1007	\$4,905,788				
		DID	41	\$77,255		DID	25	\$48,725		DID		
		S.A	48	\$41,221		S.A	21	\$23,887		S.A		1
	3AN-10-05650		1,835	\$9,554,989		ADJ'D FRCL'D BAL-	1,053	\$4,978,400				93
2010	2011	Tax	1,677	\$7,417,715	2011	Tax	972	\$5,006,176	2012	Tax		40
	1st Pub 3/3/2011	DID	47	\$45,127		DID	24	\$33,077		DID		
		S.A	44	\$42,557		S.A	22	\$25,339		S.A		6
	3AN-11-05912		1,768	\$7,505,399			1,018	\$5,064,592				46
2011	2012	Tax	1,526	\$7,636,407	2012	Tax	996	\$5,749,710	2013	Tax		
	1st Pub 3/8/12	DID	65	\$51,631		DID	35	\$37,631		DID		
		S.A	43	\$44,246		S.A	26	\$34,089		S.A		
	3AN-12-05833		1,634	\$7,732,284			1,057	\$5,821,430				
2012	2013	Tax	1,602	\$7,189,222	2013	Tax	1,011	\$5,180,801	2014	Tax		
	1st Pub 3/7/13	DID	53	\$40,946		DID	31	\$27,021		DID		
		S.A	25	\$26,057		S.A	11	\$12,294		S.A		
	3AN-13-05671		1,680	\$7,256,225			1,053	\$5,220,116				
2013	2014	Tax			2014	Tax			2015	Tax		
		DID				DID				DID		
		S.A				S.A				S.A		
	3AN-14-0		0	\$0				\$0				
2014	2015	Tax			2015	Tax			2016	Tax		
		DID				DID				DID		
		S.A				S.A				S.A		
	3AN-15-0		0	\$0				\$0				
2015	2016	Tax			2016	Tax			2017	Tax		
		DID				DID				DID		
		S.A				S.A				S.A		
	3AN-16-0		0	\$0				\$0				

**Measure #4: Annual Process for taking Clerk's Deed and subsequent sale of deeded property via sealed bid auction**

In the first quarter of this year, the Assembly approved the annual sale of tax-foreclosed properties (AO 2013-48) and was provided with the initial list of 31 properties slated for sale, a number that is within the normal range at this stage of the sale notification process. The Real Estate Services Division strives to reduce this number significantly before the actual sale date.

This year, the sealed bid sale occurred on June 18, 2013. It was anticipated that by that date fewer than ten properties would remain to be sold, with the rest successfully repurchased by the former owner(s) or record or their legal representatives. As a result, nine properties were sold in this year's foreclosure sale.

Results from the June 18, 2013 sale are reflected in the updated graph below of foreclosed properties sales since 2008.



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**Performance Measure Methodology Sheet**  
**Heritage Land Bank Division**  
**Real Estate Department**

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**Measure #1: Number of HLB parcels mitigated through appropriate responses to negative impacts on HLB inventory due to fire, insect damage, illegal dumping of hazardous or contaminated materials, and vandalism.**

**Type**

Effectiveness

**Accomplishment Goal**

Reduce risk and restore value to contaminated or damaged HLB inventory

**Definition**

Protection of HLB land, in coordination with Land Use Enforcement, from adverse impacts such as fire, insect damage, illegal dumping of hazardous or contaminated materials, and vandalism, and mitigate adverse conditions on inventory in order to eventually return properties to future municipal use.

**Data Collection Method**

Selected parcels will be visited and inspected by Land Management Officers on a scheduled basis, with selection based upon the potential for adverse impacts on parcels in the HLB Inventory. Provide immediate response to public inquiries and notifications of illegal activities (within 72 hours). Create and file reports on the condition of inspected parcels in the HLB inventory. Observations by professional services contractors will be reported to HLB staff and included in reports to the HLB Director, with emphasis on corrective actions taken. Data will be collected in the inventory file and on inventory data spreadsheet lists by region.

**Frequency**

Site visits are an on-going responsibility of all Land Management Officers. Respond to public notification of illegal activities on HLB property to be made within 72 hours of initial call.

**Measured by**

All Land Management Officers and contracted professional services shall observe and provide reports for inclusion in the appropriate parcel file. Data spreadsheets of HLB Inventory, listed by region, shall include inspection dates and comments from Land Management Officers.

**Reporting**

HLB will memorialize information with written comments and/or photos for inclusion in appropriate parcel files in hard copy format, and in electronic format. A report on the action taken will be added to the parcel files and made available to the Heritage Land Bank Advisory Commission at its regular meetings.

**Used By**

The Executive Director will use the reports to prioritize capital expenditures and actions required. Resources will be allocated as available to provide protection of the inventory.



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**Performance Measure Methodology Sheet**  
**Heritage Land Bank Division**  
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<b>Measure #2: Number of disposals from HLB inventory provided to: a) municipal agencies, and b) the private sector.</b>
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**Type**

Effectiveness

**Accomplishment Goal**

Insure: a) appropriate inventory is made available for municipal uses that will benefit the citizens of Anchorage, and b) parcels considered excess to municipal needs are disposed from the Heritage Land Bank with the intent of providing for the growth of the Anchorage tax base and providing revenue to the HLB Fund.

**Definition**

Disposal of property from HLB inventory to other non-self-supporting agencies, or through Fair Market Value (FMV) sales, leases, exchanges or easements

**Data Collection**

Properties considered for disposal are generally listed in the annual HLB Work Program. Properties are deemed excess to municipal needs through an agency review process before a recommendation for disposal is made by the Heritage Land Bank Advisory Commission. A public hearing is required. Following recommendation for disposal, the Municipal Assembly must approve specific property disposals, also through a public hearing process. Data for properties earmarked for potential disposal is included in the HLB's annual work program, available in both hard copy and online.

**Frequency**

Disposals are conducted as deemed necessary and with respect to market conditions. Most uncommitted land is held for a future unidentified use.

**Measured by**

HLB reports on the number of sales, leases, exchanges, and easements in the annual HLB Work Program, and measures revenue levels on capital and operating budgets. Performance is based on the economy and the real estate market.

**Reporting**

Reports of property disposals are included in the following year's HLB Work Program.

**Used by**

The HLB Director, to assess progress of land disposals as a benefit to the community and to the MOA, and reports to the HLB Advisory Commission on their economic impacts to the tax base.

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**Performance Measure Methodology Sheet**  
**Real Estate Services Division**  
**Real Estate Department**

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<b>Measure #3: Annual foreclosure process: Collection of Delinquent property taxes and assessments.</b>
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**Type**

Effectiveness

**Accomplishment Goal**

Aggressively manage the annual foreclosure procedure to reduce the number of delinquent tax properties by having owners pay their properties and recoup lost revenue.

**Definition**

The foreclosure process is initiated annually against real properties which there are delinquent property taxes and assessments from the prior year(s). Properties on which a foreclosure judgment is entered for nonpayment of taxes are held by the Municipality for the statutory 'one year' redemption period. During the redemption period a party having an interest in the property may redeem the property from the judgment by paying the lien amount applicable under the judgment plus penalty, interest and costs.

**Data Collection**

The statutory expiration of redemption period process gives the owner, mortgage or lien holders of record the opportunity to redeem the property from a prior year(s) foreclosure judgment by paying the delinquent year(s) tax and/or assessment lien amount applicable under the foreclosure judgment to prevent the property from being deeded to the Municipality.

**Frequency**

The foreclosure process begins annually in February with the last day to pay to prevent foreclosure falling in the later part of April. Thereafter, the Request for Foreclosure Judgment documents are prepared and filed with the court. Once the judgment is entered the statutory 'one year' redemption period commences.

**Measured by**

Collection is largely dictated by continuous monitoring and additional noticing that ensures property owners are noticed of the foreclosure proceedings.

**Reporting**

Maintain delinquent property foreclosure reports, property owner and lien-holder foreclosure notice mailing lists, publications and the Petition for Foreclosure and Request for Foreclosure Judgment court documents.

**Used by**

Real Estate Services and the Municipal Attorney's Office to ensure all statutory foreclosure requirements have been met.

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**Performance Measure Methodology Sheet**  
**Real Estate Services Division**  
**Real Estate Department**

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<b>Measure #4: Annual process for taking Clerk's Deed and subsequent sale of deeded property via sealed bid auction.</b>
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**Type**

Effectiveness

**Accomplishment Goal**

Enforce collection to recover delinquent unpaid property taxes and assessments by the statutory expiration of redemption period process and through sale of foreclosed/deed real property by sealed bid auction which returns foreclosed/deeded properties to tax-producing status.

**Definition**

Recover unpaid taxes and assessments on property deeded to the Municipality Real Estate Services may sell the property at public sealed bid auction upon approval of the Assembly. All property owners share equally in the responsibility for providing funding for services for good local government. If some do not pay their taxes or assessments, the responsibility falls disproportionately upon those that do.

**Data Collection**

Expiration of Redemption Period occurs for those property taxes and special assessments delinquent for more than one year. Upon issuance of the Clerk's Deed, the property is technically owned by the Municipality of Anchorage. Records are prepared for each property to include all documentation relevant to each property beginning with the foreclosure process through the deed process, and ultimately to the repurchase or sale of the foreclosed property.

**Frequency**

This is a four month annual process. On the first business day of June, a courtesy notice is mailed to delinquent taxpayers regarding the impending expiration of redemption period on foreclosed properties. In mid-July, title reports are ordered for all remaining unredeemed properties. The expiration of redemption period arises during the last week of October.

**Measured by**

Statistically the Municipality takes deed to between ten to thirty properties a year and on average sells one to six properties per year. The numbers are directly related to current local economic factors such as unemployment, inflation and periods of recession.

**Reporting**

Real Estate Services staff maintains expiration of redemption reports, mailings, court documents, repurchase files, and all public auction sale documentation.

**Used by**

The Real Estate Services division, legal review, uses these reports to determine and forecast relative progress in tax recovery from year to year.