

*So you'd like to
purchase
Heritage Land Bank
properties...*

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Heritage Land Bank
632 W 6th Avenue, Suite 640
Anchorage, AK. 99501
www.muni.org/hlb/

Revised: 5/18/04

subject matter covered. It is provided with the understanding that the Municipality of Anchorage is **not** engaged in rendering legal, accounting or other professional service. This brochure should not be utilized as a substitute for professional service in specific situations. If legal advice or other expert assistance is required, the services of a professional should be sought.

Municipality of Anchorage

Heritage Land Bank Property Sale, Lease, Exchange or Easement Information

**Heritage Land Bank
City Hall
632 W 6th Avenue, Suite 640
Anchorage, AK 99501
907-343-4333**

The purpose of this guide is to help you through the process of how to successfully obtain property from the Heritage Land Bank, a department of the Municipality of Anchorage.

This process begins with an understanding of some very important terms such as 'disposal' and 'fair market value.' An explanation of limitations and liabilities follows, and then an overview of the process itself completes this document.

Please read everything carefully! People have been known to get very frustrated with the restrictions placed on the Heritage Land Bank in how it disposes of its land. We want you to know the process ahead of time, in detail, and why those restrictions are in place.



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The Mission of the Heritage Land Bank

“It is the mission of the Heritage Land Bank to manage uncommitted municipal land and the Heritage Land Bank fund in a manner designed to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the comprehensive plan.” – Anchorage Municipal Code 25.40.010

Anchorage Municipal Code (AMC) 25.40 explains the purpose of the Heritage Land Bank (HLB), and how it is to manage and dispose of its inventory and fund. A copy of this chapter of the code is attached to this document as Appendix A.

TERMS AND DEFINITIONS YOU SHOULD KNOW

Inventory

The HLB has about 8,000 acres of property in its inventory. This is primarily vacant land within the Municipality of Anchorage, but includes some parcels with structures, so in fact not all of HLB’s inventory is “uncommitted.” Furthermore, most of HLB’s land is **not** in the Anchorage Bowl; most –about 5,000 acres- actually lies in the Girdwood Valley.

Also, few people know that HLB’s property constitutes only about a **quarter** of all municipally-owned land. The greatest percent of municipal land is actually under the management authority of the Parks and Recreation Department. Just think of all the parks, ball fields, recreation centers and greenbelts that exist throughout the municipality!

Disposal

The municipal code defines the word ‘disposal’ of HLB inventory as “land sales, land exchanges, leases and easements.” (AMC 25.40.025.A) There is a process as outlined in AMC 25.40 that HLB must follow in order to effect any of these disposals, and will be covered in this document.

Appraised Fair Market Value

This is covered in AMC 25.40.025.G, regarding land sales or exchanges (but not leases), and means the “most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, at which the appraised property would sell for in a competitive [real estate] market.” HLB land must be appraised by a licensed and certified appraiser before it can be sold or exchanged.

Heritage Land Bank Advisory Commission

A seven-member panel of knowledgeable professionals living in the Municipality of Anchorage acts as an advisory body for HLB. Review and approval of any changes to the inventory or significant uses of the HLB Fund usually must first be made by this group (with the exception of the Mayor or Assembly).

The advisory commission conducts regularly scheduled monthly meetings on the second Wednesday of each month whenever there are action items for its consideration. For more information on the HLBAC, check out our website at:

<http://www.muni.org/hlb/advise.cfm> .

Sealed Bid Sale

Like most government entities, the Heritage Land Bank sells or leases land by an open competitive bid process. For more information on the lease procedure options, please read AMC 25.40.025.F in Appendix A. Property must sell for at least fair market value (FMV) as determined by a certified appraiser, so the minimum allowable bid would be FMV. The sale is conducted as an advertised sealed bid sale. Notice of the Sealed Bid Sale is published in the local newspaper following the Anchorage Assembly's approval for the sale.

Work Plan

The municipal code also requires that HLB have a work plan or program that outlines current and future activities, including disposals of any of its properties. Those properties under consideration for disposal are listed in a section of the work plan, which is available either from the HLB office or online in PDF form at: www.muni.org/hlb/



HLB Land Sales and Exchanges – The Process

Let's say you would like to purchase a parcel that you have learned is in HLB's inventory. How do you go about doing this, and what do you need to know? First of all, the HLB inventory is considered 'banked' for possible future municipal use. It's stated in the code under which the Heritage Land Bank operates. Land retained in the HLB inventory "...shall be managed in a manner which will protect and enhance its economic and other municipal values..." and it is the HLB's –and municipality's- responsibility "... to ensure that the economic and other public values of this land are not diminished as a result of ongoing land management activities. **It shall be the responsibility of the Heritage Land Bank to work with the school district, public works department, community planning and development department, department of cultural and recreational services [now Parks and Recreation] and other municipal agencies to contribute to the long range analysis of the need of the municipality to retain various properties in the Heritage Land Bank for future municipal needs.**"(AMC 25.40.010C)

In short, this means that land in HLB's inventory is in a 'bank' for future municipal needs, and parcels may only be sold **if no other municipal department or agency states that it has a potential use for the land.**

However, this does not mean that the HLB cannot sell, lease or trade out any of its land from its inventory. As a matter of fact, it's an essential part of the HLB's self-supporting structure. The Heritage Land Bank is a self-funded agency (not supported by taxes), and depends to a large extent on being able to sell or lease land in its inventory as a means of supporting its operations and the HLB Fund.

That's where the HLB Work Plan comes in. The administration and HLB staff look over property in the inventory and makes general selections of properties to be considered for sale or lease. Such properties on face value may be too small, remote or superfluous to most municipal agencies' uses. These properties are then added to the work plan as parcels deserving greater examination by HLB staff for possible disposal. If a property you are interested in buying or leasing is in the work plan, it eliminates a step in the disposal process.

If a property that you are interested in is **not** in the work plan, then an application must be made to the HLB to begin the disposal process. To help you with this, attached to this document are Appendix B: Heritage Land Bank Policies, and Appendix C: Application to Lease or Purchase. These are what you will need to make written application to HLB for disposing of property that is not listed in the most recent work plan. **DO NOTE:** there is a non-refundable fee. **ALSO NOTE:** because of the way HLB must dispose of most of its properties (public sealed bid sale), this application process provides no bidding advantage to the applicant!

Once someone requests HLB staff to begin the disposal process, it may be initiated at the discretion of the administration. No one, including the Heritage Land Bank, can be coerced into selling or otherwise disposing of land in its inventory, but HLB tries to accommodate such requests whenever reasonable and feasible. So here are the steps that HLB takes once the administration approves undertaking a disposal of property:

1. Agency Review

To determine if a property in HLB's inventory meets that criteria, its first step is to determine if another agency (or agencies) has a current or anticipatory use of a parcel. This is done by conducting an agency review. A description and map of the parcel under consideration for disposal is sent to all applicable municipal departments (those departments that use land or need satellite offices) and the school district. HLB requests department heads to review the information and to advise us if they wish to have the parcel in question retained or reserved for their use. If a department sees a need for the parcel(s) in question, it requests HLB to not dispose of the property, and the HLB will withdraw the parcel(s) from consideration for disposal. If no department objects to the disposal of subject property, HLB can go to Step Two.

2. Appraisal

A fair market value (FMV) appraisal must be conducted to determine the current market value of the property (or leasehold value in the event of a lease disposal). The Heritage Land Bank has at least three local appraisal companies on contract to provide FMV, and are used depending upon availability. The requestor can request a specific appraiser among the three, or choose his/her own at their own expense, provided HLB and the requestor can agree on the choice. Of all the steps, this generally takes the longest to complete, particularly if an appraisal is requested during the busy summer season.

3. Public Noticing and HLB Advisory Commission Recommendation

AMC 25.40.030 outlines the public notice procedures for proposed disposal actions by the advisory commission:

- a) publication in one or more newspapers of general circulation;
- b) posting a notice on the property/properties;
- c) mailing notices to everyone listed in the municipal assessor records as owners of land abutting the parcel(s) and to all owners within 500 feet of the outer boundary of the parcel or to 50 parcels nearest the outer boundary of the parcel(s), whichever is greater; and
- d) noticing either by e-mail or regular mail to people requesting general notice of proposed HLB land disposals.

Property posting, mail-outs and newspaper publication for the disposal of HLB land must be done at least fourteen days prior to the HLBAC public hearing.

3. Heritage Land Bank Advisory Commission Public Hearing

A land management officer does research and writes a report to the commission regarding the requested disposal, providing the commission with necessary background information, results of the agency review, the department's recommendation and a draft resolution. These reports are sent to the commissioners for review prior to a public hearing, and are provided at the public hearing for attendees. A public hearing is required, and approval of a resolution for the disposal must be passed.

4. Assembly Approval

If the HLBAC approves its resolution for disposal of the property, staff then writes an Assembly Ordinance (AO) and Assembly Memorandum (AM). The AM provides all the background information on the request and department recommendation, and includes the commission's resolution as endorsement of the disposal. The AO and AM also require a public hearing before the Assembly, usually two weeks after the documents are introduced. The introduction phase provides a 'heads-up' to the public in case anyone wishes to testify on this disposal at the public hearing.

5. The Bid Process

Once the ordinance is passed by the Assembly, HLB can now create bid packets for the sale and advertise the land disposal. The ad will include minimum bid and deadline. Bids are prepared by filling out forms that come in bid packets that will be available from the Heritage Land Bank Office in Room 640 (6th floor) of City Hall for a specified period of time as noted in the advertisement, usually a few weeks before the actual sale. Detailed

instructions are included in each bid packet on how to fill them out. Completed bid packets must be submitted to HLB by a posted date and time and include a cashier's check or money order constituting a pre-set percentage (usually 10 or 25%) of the bidder's total bid amount, made out to: Municipality of Anchorage.

When the bids are opened, they are examined to determine that they meet all qualifications, and the highest qualifying bid is declared the winning bid. Successful bidders will be notified by telephone and must be available to sign an agreement to purchase within **24 hours** of notification, unless otherwise stipulated in the bid instructions. There will be a deadline noted in the bid instructions for the HLB to receive the balance due. Your 25% bid deposit will be credited toward the purchase price. If the balance is not received by the deadline, the deposit shall be forfeited and the opportunity to purchase will go to the next highest bidder.



Some Disclaimers

- 1.** Unless otherwise stated, the Municipality has **not** done any site assessments to determine the presence of any hazardous material, hazardous waste or above-ground or underground tanks or containers on any of these properties. Some of the properties may have varying degrees of contamination or other undesirable conditions. It is the bidder's responsibility to thoroughly inspect and research any property and to understand that the bidder is relying solely on his/her own inspection and research to determine the condition of property.
- 2.** **No** cash, personal or company checks or any other types of payment will be accepted.
- 3.** Bids will be accepted at the date, time and place as noted in the Bid packets. Mail-in bids are not accepted. Bidders may submit only one bid per parcel. If a bidder wishes to change his/her bid, the first bid must be withdrawn and the new bid received prior to the bid deadline. Bids are date- and time-stamped at the office upon hand-delivery to the office in order to qualify. Be sure to come with time to spare on the day they're due!
- 4.** All property is offered for sale "as-is" and "where is" and without recourse against the Municipality of Anchorage. No representation or warranty, expressed or

implied, is made as to the validity of the title, size, dimension, or condition of any property, or its suitability for any use or purpose whatsoever.

If you are not a successful bidder. Following verification of the winning bidder and completion of the sale, deposits are returned to low bidders or their representatives (who must have power of attorney) upon presenting picture identification. They may be picked up at the HLB office in City Hall (Suite 640) between 8 a.m. and 5 p.m., Monday through Friday.

Guarantees

There aren't any. We must inform you that successful bidders have NO guarantees of any kind concerning the sale or lease of municipal properties.

In Conclusion...

Bidding on municipal properties is not an entirely risky venture. However, if you're inexperienced in real estate dealings and/or have minimal financial resources, we don't recommend that you bid. Those who spend the time needed to research the process and the property have significantly more chance of success than those who don't.

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