

CLERK'S OFFICE
APPROVED
Date: 8-17-04

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Department of Law
For reading: August 3, 2004

ANCHORAGE, ALASKA
AR NO. 2004- 199

**A RESOLUTION APPROVING THE ACQUISITION OF REAL PROPERTY AT THE
SOUTHEAST CORNER OF LAKE OTIS AND TUDOR, FORMERLY OPERATED AS A
CHEVRON SERVICE STATION, FROM COOK INLET MARKETING GROUP FOR SIX
HUNDRED FIFTY THOUSAND DOLLARS (\$650,000.00) FOR MUNICIPAL RIGHT-OF-WAY
ACQUISITION.**

WHEREAS, the Municipality has an opportunity to acquire real property on the southeast corner of Lake Otis Parkway and Tudor Road, also described as Lot 13A, Urbanek Kerkove Subdivision, formerly occupied by a Chevron Service Station ("Chevron") from the current owner, Cook Inlet Marketing Group; and

WHEREAS, the Municipality is negotiating, in order to facilitate the sale, with Chevron for assurances regarding responsibility for remediation and/or clean-up of the real property, in the event contamination is encountered during right-of-way construction, as the result of Chevron's operation of the station. The Municipality has received a proposed Environmental Agreement from Chevron, under which Chevron would agree to remediate contamination resulting from Chevron's service station operations and to indemnify the Municipality for damages resulting from any such contamination. Acquisition and purchase of this real property is conditioned upon entering into such an agreement with Chevron; and

WHEREAS, the Municipality negotiated with Cook Inlet Marketing Group to purchase the Chevron real property for \$650,000.00, and authority to close the purchase transaction is conditioned upon execution by the parties of an Agreement for Purchase and Sale; and

WHEREAS, in 2002 the Chevron real property was appraised at \$660,000.00 (Exhibit A), and a 2004 realtor's letter of opinion obtained by Heritage Land Bank confirms the property value to be \$650,000.00 (Exhibit B); and

WHEREAS, acquisition of the Chevron real property will provide the Municipality with an opportunity to widen the Lake Otis and Tudor intersection and potentially ease some of the traffic congestion at that intersection; and

WHEREAS, the funds to acquire the property are available in the 2004 ARDSA G.O. Bonds account; now therefore,

1 THE ANCHORAGE ASSEMBLY RESOLVES:
2

3 **Section 1.** Subject to and conditioned upon (1) receipt of written assurances with regard remediation and
4 clean-up of any existing contamination caused by Chevron operations on the property, and (2) execution of
5 an Agreement for Purchase and Sale by Cook Inlet Marketing Group and the Municipality, acquisition and
6 purchase of the real property at the southeast corner of Lake Otis Parkway and Tudor Road, formerly
7 occupied by a Chevron Service Station, for Six Hundred Fifty Thousand Dollars (\$650,000.00) is approved.
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9 PASSED AND APPROVED by the Anchorage Assembly this 17th day of August, 2004.
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13 _____
14 Chair of the Assembly

15 ATTEST:
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18 _____
19 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 614 -2004

MEETING DATE: August 3, 2004

FROM: MAYOR

SUBJECT: A Resolution Approving the Acquisition of Real Property at the Southeast Corner of Lake Otis and Tudor Roads, Formerly Operated as a Chevron Service Station, from Cook Inlet Marketing Group, for Six Hundred Fifty Thousand Dollars ((\$650,000) for Municipal Right-of-Way Acquisition.

Traffic congestion at the intersection of Lake Otis Parkway and Tudor Road has long been a problem for commuters in the Anchorage area. This Administration has pledged to make every effort to bring relief to the situation. This acquisition is our first step in living up to that pledge.

The subject property was the formerly occupied by a Chevron Service Station that has since been decommissioned and is currently available for acquisition. A 2002 appraisal determined the market value of the real property to be \$660,000.00; a 2004 Broker's letter of opinion, obtained by the Heritage Land Bank, confirmed a market value for the real property of \$650,000.00. The current owners of the property have agreed to sell the real property for the market value of \$650,000.00.

Funds for the purchase of the property are available and appropriated in the funds provided by the voter approval of ARDSA General Obligation Bonds in 2004.

The Administration recommends approval of this resolution, approving the Acquisition of Real Property Located at the Southeast Corner of Lake Otis Parkway & Tudor Road, also known as Lot 13A, Urbanek Kerkove Subdivision for the amount of \$650,000.

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|-------------------------|---|
| Prepared by: | Robin E. Ward, Executive Director, Heritage Land Bank |
| Concur: | Mary Jane Michael, Director, Office of Economic and Community Development |
| Concur: | Denis C. LeBlanc, Municipal Manager |
| Respectfully submitted: | Mark Begich, Mayor |



November 1, 2002

Ms. Vanessa Esqueda

CHEVRON PRODUCT COMPANY
145 S. State College Boulevard, Suite 400
Brea, California 92822-2292

Re: Asset value of the fee simple estate in the petroleum facility with convenience store known as the Chevron Station 9-7324, located at 4417 Lake Otis Parkway in Anchorage, Anchorage County, Alaska 99507. *Hopkins File No. CH-19715.*

Dear Ms. Esqueda:

In accordance with your authorization, we have conducted the investigation necessary to form an opinion of the asset value of the fee simple estate in the above referenced property.

The appraisal report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable market data, the results of the investigation, and the reasoning leading to the conclusions set forth. Please pay particular attention to the Extraordinary Assumptions and Hypothetical Conditions regarding the *potential for site contamination.*

This report conforms to the Uniform Standards of Professional Appraisal Practice and is a complete appraisal prepared in a summary report format. The client has requested that the appraiser provide an asset value for the fee simple interest in the subject property. Asset value is defined as the market value of the site, as if vacant, plus the age-depreciated cost of the improvements and equipment. Please note, dealer owned equipment is excluded from this appraisal.

Ms. Vanessa Esqueda
November 1, 2002
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Based on the inspection of the property and the investigation and the analysis undertaken, we have formed the opinion that as of October 22, 2002, the asset value of the fee simple estate in the subject property is:

EIGHT HUNDRED FORTY THOUSAND DOLLARS
(\$840,000)

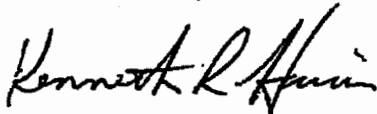
The indicated asset value of \$840,000 can be allocated as follows:

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|--|------------------|
| Contributory Value of Land Value (As If Vacant) | \$860,000 |
| Contributory Value of Real Property Improvements | \$70,000 |
| Contributory Value of Petroleum and Other Site Equipment | \$80,000 |
| Contributory Value of C-Store and QSR Equipment | \$30,000 |
| Total Value Opinion | <u>\$840,000</u> |

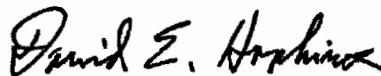
Based upon current market conditions, our analysis of the comparable sales utilized in the appraisal report and our familiarity with petroleum facilities, the estimated marketing and exposure time for this property would be six to twelve months.

Thank you for the opportunity to be of service to you.

Respectfully submitted,
Hopkins Valuation Services, Inc.



Kenneth R. Harris, MAI
Certified General Appraiser,
California Certificate No. AG027910



David E. Hopkins
Certified General Appraiser
Missouri Certificate No. RA-002063

Content Information**Content ID :** 002043**Type:** AR_AllOther - All Other Resolutions**Title:** Chevron Station Purchase**Author:** vanhornlr**Initiating Dept:** HLB**Review Depts:** PME**Description:** Chevron Station purchase**Keywords:** Chevron Station purchase**Date Prepared:** 7/29/04 12:22 PM**Director Name:** Robin Ward**Assembly Meeting Date MM/DD/YY:** 8/3/04**Public Hearing Date MM/DD/YY:** 8/17/042004 JUL 30 AM 8:07
CLERK OF COURT**Workflow History**

| <u>Workflow Name</u> | <u>Action Date</u> | <u>Action</u> | <u>User</u> | <u>Security Group</u> | <u>Content ID</u> |
|--------------------------|---------------------|---------------|-------------|-----------------------|-------------------|
| AllOtherARWorkflow | 7/29/04 12:24 PM | Checkin | vanhornlr | Public | 002043 |
| HLB_SubWorkflow | 7/29/04 12:26 PM | Approve | wardre | Public | 002043 |
| ECD_SubWorkflow | 7/29/04 12:34 PM | Approve | thomasm | Public | 002043 |
| AllOtherARWorkflow | 7/29/04 1:39 PM | Reject | holtanhc | Public | 002043 |
| AllOtherARWorkflow | 7/29/04 2:35 PM | Checkin | vanhornlr | Public | 002043 |
| HLB_SubWorkflow | 7/29/04 2:38 PM | Approve | wardre | Public | 002043 |
| ECD_SubWorkflow | 7/29/04 4:03 PM | Approve | thomasm | Public | 002043 |
| PME_SubWorkflow | 7/29/04 5:57 PM | Approve | holtanhc | Public | 002043 |
| MuniManager_SubWorkflow | 7/30/04 7:13 AM | Approve | leblancdc | Public | 002043 |
| MuniMgrCoord_SubWorkflow | 7/30/04 8:23 AM | Approve | katkusja | Public | 002043 |

ADDENDUM - CONSENT AGENDA - INTRODUCTION