

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Dept. of Law

For Reading: May 22, 2007

CITY OF ANCHORAGE

APPROVED

ANCHORAGE, ALASKA

Date: 6-12-07 AO No. 2007-83

AN ORDINANCE AUTHORIZING DISPOSAL OF LOTS 3 & 4, BLOCK 1, NORTHERN HARBOR SUBDIVISION TO SUNRISE HOMES LLC AND APPROPRIATING ALL PROCEEDS TOTALING FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS AND FIFTY CENTS (\$57,636.50) TO PROJECT MANAGEMENT & ENGINEERING FROM WITHIN FUND 441 AS REIMBURSEMENT FOR ACTUAL COSTS AND EXPENSES.

WHEREAS, Northern Harbor LLC executed a subdivision agreement in September, 2003, pledging Lots 3 & 4, Block 1, Northern Harbor Subdivision, with the consent of the owner of the lots, Sunrise Homes LLC. The property became subject to a deed of trust in favor of the Municipality to guarantee performance of public improvements; and

WHEREAS, Northern Harbor LLC, due to the death of the sole member, defaulted under the subdivision agreement and, by 2006, the conditions of the subdivision were deteriorating, causing problems for adjoining property, including runoff, drainage, and flooding, requiring prompt action by the Municipality; and

WHEREAS, the Municipality incurred substantial costs to design, construct and repair water and sewer connections in the subdivision, necessitating foreclosure of the deed of trust; and

WHEREAS, by virtue of foreclosure of the collateral, the Municipality of Anchorage holds title to Lots 3 & 4, Block 1, Northern Harbor Subdivision, according to Plat 2004-80, located between Lake Otis Parkway and Laurel Street, on the north side of East 52nd Avenue; and

WHEREAS, the Municipality is entitled only to actual costs incurred to complete the public improvements, with the remainder of the proceeds returned to the owner; and

WHEREAS, just prior to public auction, the former owner of the property reimbursed the Municipality for actual costs and expenses of FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS and FIFTY CENTS and requested return of the lots given as collateral; and

WHEREAS, the funds received from the former owner should be appropriated to Project Management & Engineering, the municipal department incurring the costs and expenses to complete the public improvements; now, therefore,

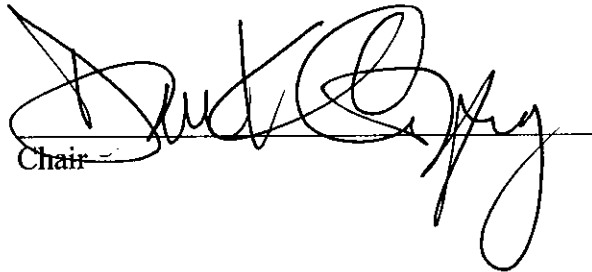
THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The disposal of Lots 3 & 4, Block 1, Northern Harbor Subdivision, to Sunrise Homes LLC for FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS and FIFTY CENTS (\$57,636.50) is hereby approved.

Section 2. The sum of \$57,636.50 is appropriated to Project Management & Engineering, from within Anchorage Roads and Drainage Service Area CIP Fund (441), as reimbursement for actual costs and expenses incurred in completing public improvements to Lots 3 & 4, Block 1, Northern Harbor Subdivision.

Section 3. This ordinance shall be effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 12th day of June, 2007.


Chair

ATTEST:


Municipal Clerk

Department of Appropriation:
Project Management & Engineering \$57,636.50

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2007-83 Title: **AN ORDINANCE AUTHORIZING DISPOSAL OF LOTS 3 & 4, BLOCK 1, NORTHERN HARBOR SUBDIVISION TO SUNRISE HOMES LLC AND APPROPRIATING ALL PROCEEDS TOTALING FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS AND FIFTY CENTS (\$57,636.50) TO PROJECT MANAGEMENT & ENGINEERING FROM WITHIN FUND 441 AS REIMBURSEMENT FOR ACTUAL COSTS AND EXPENSES.**

Sponsor: MAYOR
Preparing Agency: Dept. of Law
Others Impacted: Project Management & Engineering

| CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars) | | | | | |
|---|-------------|----------|----------|----------|----------|
| | FY07 | FY08 | FY09 | FY10 | FY11 |
| Operating Expenditures | 57.6 | | | | |
| 1000 Personal Services | | | | | |
| 2000 Supplies | | | | | |
| 3000 Other Services | | | | | |
| 4000 Debt Service | | | | | |
| 5000 Capital Outlay | | | | | |
| TOTAL DIRECT COSTS: | 57.6 | 0 | 0 | 0 | 0 |
| 6000 IGCs | 0 | 0 | 0 | 0 | 0 |
| FUNCTION COST: | 0 | 0 | 0 | 0 | 0 |
| REVENUES: | 57.6 | 0 | 0 | 0 | |
| CAPITAL: | 0 | 0 | 0 | 0 | 0 |
| POSITIONS: FT/PT and Temp. | 0 | 0 | 0 | 0 | 0 |

PUBLIC SECTOR ECONOMIC EFFECTS:

The property is released to the former owner, and the proceeds are appropriated to Project Management & Engineering to reimburse for actual costs and expenses of public improvements and foreclosure.

PRIVATE SECTOR ECONOMIC EFFECTS:

The property returns to a developer for additional development and sale.

Prepared by: Dept. of Law

Telephone: **343-4545**



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 374-2007

Meeting Date: May 22, 2007

From: MAYOR

Subject: AN ORDINANCE AUTHORIZING DISPOSAL OF LOTS 3 & 4, BLOCK 1, NORTHERN HARBOR SUBDIVISION TO SUNRISE HOMES LLC AND APPROPRIATING ALL PROCEEDS TOTALING FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS AND FIFTY CENTS (\$57,636.50) TO PROJECT MANAGEMENT & ENGINEERING FROM WITHIN FUND 441 AS REIMBURSEMENT FOR ACTUAL COSTS AND EXPENSES.

After default under a Subdivision Agreement, the Municipality foreclosed on 2 lots in Northern Harbor Subdivision pledged by Sunrise Homes LLC as collateral for public improvements, more particularly described as:

Lots 3 & 4, Block 1, NORTHERN HARBOR SUBDIVISION, according to Plat 2004-80, located in the Anchorage Recording District, Third Judicial District, State of Alaska.

The 2 lots are located between Lake Otis Parkway and Laurel Street, on the north side of 52nd Avenue.

The Municipality incurred \$57,636.50 in actual costs and expenses to complete the public improvements and foreclose the deed of trust. To recoup its actual costs, the Municipality scheduled a public auction of the 2 lots in May 2007. On the day of sale, former owner Sunrise Homes reimbursed the Municipality for expenses incurred and requested reconveyance of the lots. Sunrise Homes, as the former owner of the lots, was entitled to any funds received at auction in excess of the Municipality's actual costs.

The proceeds are appropriated to Project Management & Engineering as reimbursement for actual costs and expenses incurred to complete the public improvements.

The corresponding budget detail is as follows:

REVENUES:

| <u>Account Number</u> | <u>Account Name</u> | <u>Amount</u> |
|-----------------------------|---------------------|---------------|
| 441-7005-9744-M5D021-BP2005 | Land sales-cash | \$57,636 |

EXPENDITURES:

| <u>Account Number</u> | <u>Account Name</u> | <u>Amount</u> |
|------------------------------|-------------------------|---------------|
| 441-7005-5302- M5D021-BP2005 | Infrastructure-Any Cost | \$57,636 |

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE AUTHORIZING DISPOSAL OF LOTS 3 & 4, BLOCK 1, NORTHERN HARBOR SUBDIVISION TO SUNRISE HOMES LLC AND APPROPRIATING ALL PROCEEDS TOTALING FIFTY SEVEN THOUSAND SIX HUNDRED THIRTY-SIX DOLLARS AND FIFTY CENTS (\$57,636.50) TO PROJECT MANAGEMENT & ENGINEERING FROM WITHIN FUND 441 AS REIMBURSEMENT FOR ACTUAL COSTS AND EXPENSES.

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|-------------------------|---|
| Prepared by: | Dept. of Law |
| Approved: | Howard Holtan, Municipal Engineer Project Management & Engineering |
| Fund Certification: | Jeffrey E. Sinz, Chief Fiscal Officer 441-7005-9744-M5D021 BP 2005 \$57,636.50 |
| Concur: | James N. Reeves, Municipal Attorney |
| Concur: | Denis C. LeBlanc, Municipal Manager |
| Respectfully submitted, | Mark Begich, Mayor |