

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Heritage Land Bank
For Reading: September 25, 2007

CLERK'S OFFICE

APPROVED

ANCHORAGE, ALASKA

Date: 10-9-07 AO No. 2007- 126

1 AN ORDINANCE AUTHORIZING DISPOSAL OF HERITAGE LAND BANK
2 PARCEL 2-144, LOCATED ON POTTER VALLEY ROAD, BY COMPETITIVE BID
3 SALE TO THE HIGHEST QUALIFYING BIDDER.

4
5 **WHEREAS**, the Heritage Land Bank (HLB) was established to...“manage uncommitted
6 municipal land and the Heritage Land Bank Fund in a manner designed to benefit the
7 present and future citizens of Anchorage, promote orderly development, and achieve the
8 goals of the Comprehensive Plan. The Heritage Land Bank shall acquire, inventory,
9 manage, withdraw, transfer and dispose of municipal land which has not been dedicated or
10 transferred to a specific municipal agency for one or more municipal uses.” (AMC
11 section 25.40.010); and

12
13 **WHEREAS**, “The disposal responsibility of the Heritage Land Bank is, at the direction of
14 the mayor and Assembly, to convey from municipal ownership Heritage Land Bank land or
15 interests in land which is not needed for specific public facilities or purposes. Each
16 disposal shall be in the municipal interest, and based at or above appraised fair market
17 value or for other equivalent municipal values or objectives, under the procedures specified
18 in section 25.40.025.” (AMC section 25.40.010E.); and

19
20 **WHEREAS**, the 2007 Work Program lists this HLB parcel for disposal during 2007 by
21 competitive bid sale; and

22
23 **WHEREAS**, the proposed sale to the private sector has generated public interest and will
24 add the subject parcels to the tax rolls and create revenue for the Municipality; and

25
26 **WHEREAS**, an appraisal of the subject property conducted in February, 2006 by Black-
27 Smith, Bethard & Carlson LLC estimated fair market value at \$650,000.00; with the
28 addition of the appraisal fee and closing costs, a minimum bid amount of \$655,000.00 is
29 required, payable upon closing by the highest qualifying bidder; and

30
31 **WHEREAS**, HLB posted the properties and conducted an agency review by all potentially
32 interested Municipal agencies to establish the subject parcels are surplus to municipal
33 needs and therefore eligible for the proposed sale; and

34
35 **WHEREAS**, the Heritage Land Bank Advisory Commission authorized sale of the subject
36 property following a public hearing held on June 26, 2007; now, therefore,
37

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Heritage Land Bank (HLB) Parcel 2-144, legally described as:

T11N R3W Sec. 14 Portion N2 (TID #020-281-02)

shall be sold to the highest qualifying bidder for at least the established fair market value plus appraisal and closing costs, resulting in a minimum bid of \$655,000.00.

Section 2. HLB shall delineate appropriate areas within Parcel 2-144 reserved for park by the 1999 Potter Valley Land Use Analysis, and require such delineated areas be dedicated during the platting process by the successful bidder as a condition of sale.

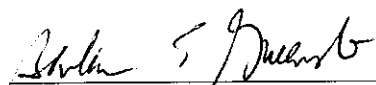
Section 3. HLB shall require an area within Parcel 2-144 equivalent to the designation in the Potter Valley Land Use Analysis as "open space" to be so designated in the platting process by the successful bidder as a condition of sale.

Section 4. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 9th day of October, 2007.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2007-126Title: **AN ORDINANCE AUTHORIZING DISPOSAL OF HERITAGE LAND BANK PARCEL 2-144, LOCATED ON POTTER VALLEY ROAD, BY COMPETITIVE BID SALE TO THE HIGHEST QUALIFYING BIDDER.**

Sponsor: MAYOR
Preparing Agency: Heritage Land Bank
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)					
	FY07	FY08	FY09	FY10	FY11
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COSTS:	0	0	0	0	0
6000 IGCs	0	0	0	0	0
FUNCTION COST:	0	0	0	0	0
REVENUES:	655	0	0	0	0
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

Sale of this property conforms to the Potter Valley Land Use Analysis recommendations by coordinating development of open space, residential and park area on/near Potter Valley Road.

PRIVATE SECTOR ECONOMIC EFFECTS:

Any residential development resulting from the replat adds portions of the subject parcel to the tax rolls and creates revenue for the Municipality of Anchorage.

Prepared by: William M. Mehner,
Heritage Land Bank Director

Telephone: **343-4337**



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 553 -2007

Meeting Date: September 25, 2007

FROM: MAYOR

SUBJECT: AN ORDINANCE AUTHORIZING DISPOSAL OF HERITAGE LAND BANK PARCEL 2-144, LOCATED ON POTTER VALLEY ROAD, BY COMPETITIVE BID SALE TO THE HIGHEST QUALIFYING BIDDER.

This ordinance allows the Heritage Land Bank (HLB) to sell by competitive bid sale 37.5 acres of municipal land in upper Potter Valley, located on the South Anchorage hillside. The subject property flanks Potter Valley Road near the intersection with Finland Road (**Appendix A**). It is zoned PLI (Public Lands and Institutions), subject to significant portions to be dedicated as park land (5 acres) and open space (12.5 acres) per the Potter Valley Land Use Analysis of 1999. The parcel value of the developable 19.5 acres was appraised in February, 2006 as \$650,000.00 by Black-Smith, Bethard & Carlson LLC (**Appendix B**).

In 1999, a land use analysis was conducted of HLB properties in the Potter Valley area, which was subsequently approved by the HLB Commission and the Assembly. AM 1008-99, a support document for the ordinance approving the Potter Valley Land Use Analysis, recommends the area not designated for park to be rezoned R-10 (Residential Alpine/Slope District). Physical Planning staff also recommended rezoning to R-10SL, with SL referring to, among other constraints, lot size and open space requirements.

Staff met with trail groups and community councils to discuss protection or enhancement of existing trail systems connecting to Chugach State Park. After a fair market value (FMV) is established, the minimum bid shall be equal to FMV plus appraisal fee, title insurance and closing costs.

The Heritage Land Bank Advisory Commission (HLBAC) first approved the sale of HLB Parcel 2-144 in January 2006, subject to a replat prior to sale. Staff conducted an agency review and received no objection from other municipal agencies for disposal of the parcel and posted the property, notifying surrounding property owners of the proposed disposal.

A revised resolution was presented to the HLB Advisory Commission and approved at its June 26, 2007 meeting (**Appendix C**), to allow sale of the parcel subject to "a replat of the property is to be conducted, designating the northern 5 acres, more or less, and the southerly 12.5 acres, more or less, as park ... pursuant to the Potter Valley Land Use Analysis." Notices for the June 2007 HLBAC meeting were published in the Anchorage Daily News on June 12, 19 and 26, 2007.

The HLB Advisory Commission determined this proposed sale is in the best interest of the Municipality and recommends Assembly approval of the sale of HLB Parcel 2-144, subject to sale conditions requiring dedication of park land, open space, trail corridor, and road corridor connecting adjoining parcels yet to be developed. A minimum bid of \$655,000.00 reflects appraised value and closing costs to be paid by the successful bidder.

**THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE
AUTHORIZING DISPOSAL OF HERITAGE LAND BANK PARCEL 2-144,
LOCATED ON POTTER VALLEY ROAD, BY COMPETITIVE BID SALE TO
THE HIGHEST QUALIFYING BIDDER.**

Prepared by:	Heritage Land Bank
Approved:	William M. Mehner, Director
	Heritage Land Bank
Concur:	Mary Jane Michael, Executive Director
	Office of Economic and Community Development
Concur:	James N. Reeves, Municipal Attorney
Concur:	Denis C. LeBlanc, Municipal Manager
Respectfully submitted,	Mark Begich, Mayor

Appendix A: Parcel map
Appendix B: Summary page, property appraisal by Black-Smith, Bethard & Carlson
Appendix C: HLBAC Resolution 2007-10

Appendix A

Location

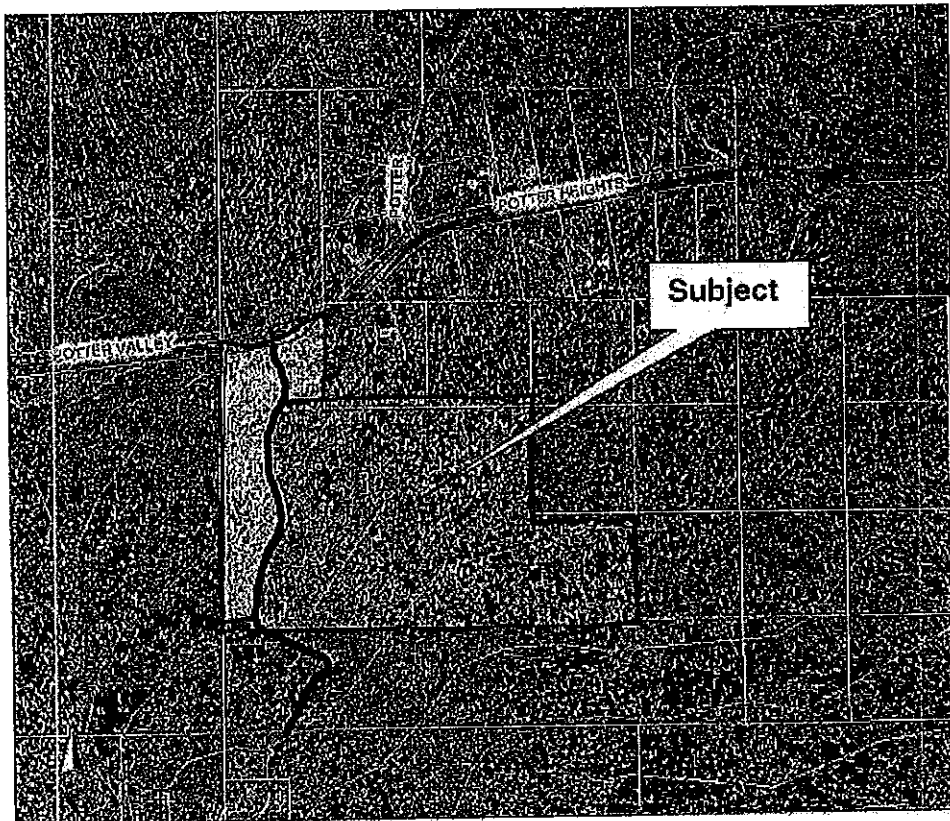
The subject is located in south Anchorage, 12 miles south of downtown Anchorage, in the area commonly referred to as Potter Valley.

Street Improvements and Access

The northwest corner of the subject fronts Potter Valley Road. Potter Valley Road is a MOA maintained gravel/dirt road. The road from the New Seward Highway to 1 mile west of the site is paved. Miller's Drive, a dirt driveway, connects to Potter Valley Road and runs south along the west side of the site. Access to the site is adequate.

Size

The subject is irregular in shape with an area of 19.5 acres.



BLACK-SMITH, BETHARD & CARLSON, LLC

February 21, 2006

Client: MOA Heritage Land Bank
PO Box 196650
Anchorage, Alaska 99519

Attention: Arthur Eash

Subject: Vacant land located in Upper
Property: Potter Valley
Anchorage, Alaska

Dear Mr. Eash:

We are submitting a *summary report* of our *complete appraisal* estimating the market value of the fee simple interest in the property referenced above. Our opinion of value as of February 6, 2006 is:

\$650,000

The subject property is in the path of development and a subdivision approach would best replicate a potential buyer's analysis of the property. We have attempted to estimate lot yield and development costs, but are not experts in this field. If the client were to provide an engineers estimate of lot yield and development costs, the reliability of the appraisal would be increased. We retain the right to amend the report if this information is provided.

The value estimate is stated in terms of cash. The market exposure period (looking backward) and the marketing time (looking forward) are both estimated at less than one year. The value opinions reported are qualified by certain definitions, assumptions, limiting conditions, and certifications.

The report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a summary appraisal report. As such, it represents only summary discussions of the data, reasoning, and analyses that were used to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of the discussion contained in this report is specific to the client's intended use.

This narrative appraisal report conforms to and satisfies the requirements of USPAP and Volume 12, Code of Federal Regulations, Part 34, Subpart C.

Sincerely,

BLACK-SMITH, BETHARD & CARLSON, LLC



Brian Z. Bethard, MAI
General Real Estate Appraiser (Cert. #281)



Eric Kennard
Appraiser

Appendix C
Heritage Land Bank Advisory Commission
Resolution 2007-10

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDING ASSEMBLY APPROVAL OF A SALE BY COMPETITIVE BID OF HLB PARCEL #2-144, COMPRISING A TOTAL OF 37.5 ACRES, OF WHICH 19.5± ACRES ARE DEVELOPABLE, IN THE POTTER HEIGHTS AREA OF THE UPPER HILLSIDE

WHEREAS, "It is the mission of the Heritage Land Bank to manage uncommitted municipal land ... to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the comprehensive plan." (AMC 25.40.010); and

WHEREAS, the HLB, at "the direction of the Mayor and Assembly, may convey HLB land or interest not needed for specific public facilities or purposes. Each disposal shall be in the municipal interest and based at or above fair market appraised value or for other equivalent municipal values or objectives" (AMC 25.40.010E); and

WHEREAS, the HLB Advisory Commission is required to hold a public hearing, with public notice as specified in this chapter, prior to making a recommendation to the mayor and assembly regarding the disposal of Heritage Land Bank land or an interest in land (AMC 25.40.025A); and

WHEREAS, land disposals under AMC 25.40.025.F include land sales, land exchanges, leases, and easements; and

WHEREAS, the subject property was identified in the 1999 Potter Valley Land Use Analysis as suitable for residential development and park land; and

WHEREAS, a replat of the subject property is to be conducted, designating the northern 5 acres, more or less, and the southerly 12.5 acres, more or less, as park, and the central 19.5 acres, more or less for residential development, pursuant to the Potter Valley Land Use Analysis; and

WHEREAS, public notice has been given according to Anchorage Municipal Code requirements; and

WHEREAS, the subject properties shall be disposed from the HLB inventory via sealed bid sale for at least fair market value as determined by fee appraisal,

NOW THEREFORE THE HERITAGE LAND BANK ADVISORY COMMISSION RESOLVES TO RECOMMEND ASSEMBLY APPROVAL FOR COMPETITIVE BID SALE OF HLB PARCEL # 2-144, SUBJECT TO:

- Section 1.** HLB shall delineate appropriate areas reserved for park as set forth in the 1999 Potter Valley Land Use Analysis, and require that such delineated areas be dedicated during the platting process by the successful bidder as a condition of sale.
- Section 2.** HLB shall require that an area within Parcel #2-144 equivalent to that designated in the Potter Valley Land Use Analysis as "open space" be so designated in the platting process by the successful bidder as a condition of sale.
- Section 2.** This resolution shall take effect immediately upon passage and approval.

PASSED and APPROVED on this, the 26TH day of June, 2007 by the Heritage Land Bank Advisory Commission.

APPROVED:

Gordon Severson

Gordon Severson, Chair
Heritage Land Bank Advisory Commission

ATTEST:

William M. Mehner
William M. Mehner, Executive Director
Heritage Land Bank

Content Information**Content ID :** 005417**Type:** Ordinance-InvolvingFunds - AO**Title:** Disposal of HLB Parcel 2-144 by Competitive Bid Sale**Author:** vanhornlr**Initiating Dept:** HLB**Description:** Disposal of HLB Parcel in Potter Valley, Anchorage, by competitive bid sale**Keywords:** HLB Parcel #2-144 Bid Sale Disposal**Date Prepared:** 8/31/07 9:28 AM**Director Name:** Bill Mehner**Assembly Meeting Date**
MM/DD/YY: 9/25/07**Public Hearing Date**
MM/DD/YY: 10/9/07**Workflow History**

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllFundOrdinanceWorkflow	8/31/07 9:34 AM	Checkin	vanhornlr	Public	005417
HLB_SubWorkflow	9/4/07 8:01 AM	Approve	oswaldtr	Public	005417
ECD_SubWorkflow	9/4/07 9:35 AM	Approve	thomasm	Public	005417
OMB_SubWorkflow	9/4/07 1:44 PM	Approve	mitsonjl	Public	005417
CFO_SubWorkflow	9/5/07 1:38 PM	Approve	sinzje	Public	005417
Legal_SubWorkflow	9/6/07 11:41 AM	Approve	gatesdt	Public	005417
MuniManager_SubWorkflow	9/14/07 10:53 AM	Approve	leblancdc	Public	005417
MuniMgrCoord_SubWorkflow	9/14/07 11:03 AM	Approve	maglaquijp	Public	005417

2007 SEP 14 AM 11:54
 M.O.A.
 MEMOS OFFICE