

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Real Estate Department
For reading: December 14, 2010

CLERK'S OFFICE

APPROVED

ANCHORAGE, ALASKA

Date: 1-11-11

AR No. 2010-369

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-SIX THOUSAND THREE HUNDRED TWENTY-SIX DOLLARS (\$126,326) FROM THE 2010 OPERATING BUDGET, REAL ESTATE DEPARTMENT, REAL ESTATE SERVICES DIVISION, TO THE AREAWIDE GENERAL CIP FUND (401) FOR PAYMENT OF INTEREST ON AN INTER-FUND LOAN FROM MUNICIPAL LIGHT AND POWER FUND (530).

WHEREAS, a parcel legally described as Tract B Muldoon Estates was purchased in 2006 through an inter-departmental loan from Municipal Light & Power (ML&P) for \$3,688,437, for a five-year term; and

WHEREAS, annual interest is charged based upon the Cash Pool Earnings Rate plus 50 basis points; and

WHEREAS, the last payment which was approved by the Assembly, AR 2009-308, was for interest accrued through the end of 2009; now, therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

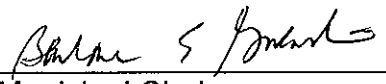
Section 1. The sum not to exceed One Hundred Twenty-Six Thousand Three Hundred Twenty-Six Dollars (\$126,326) is hereby appropriated from the 2010 Operating Budget, Real Estate Department's Real Estate Services Division Areawide fund (101) to the Areawide General CIP Fund (401) for the repayment of interest on the inter-fund loan between ML&P and the Real Estate Services Division.

Section 2. This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Assembly this 11th day of January, 2011.


Chair of the Assembly

ATTEST:


Municipal Clerk

Department of Appropriation:

Real Estate Department/ Real Estate Services Division \$126,326

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 677-2010

Meeting Date: December 14, 2010

From: MAYOR

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-SIX THOUSAND THREE HUNDRED TWENTY-SIX DOLLARS (\$126,326) AS A CONTRIBUTION FROM THE 2010 OPERATING BUDGET, REAL ESTATE DEPARTMENT, REAL ESTATE SERVICES DIVISION AREAWIDE FUND (101) TO THE AREAWIDE GENERAL CIP FUND (401) FOR PAYMENT OF INTEREST ON AN INTER-FUND LOAN FROM MUNICIPAL LIGHT AND POWER FUND (530).

The Municipality of Anchorage (MOA) and Municipal Light and Power (ML&P) entered into an agreement on October 24, 2006 (AO 2006-149(S), attached as **Appendix A**) whereby ML&P loaned to MOA \$3,688,437 for the purchase of land. Interest is based upon the Cash Pool Earnings Rate plus 50 basis points and term is not to exceed five (5) years.

The Municipality paid ML&P \$38,332.46 in 2006, and paid \$595,000 in accrued interest for 2007 through 2009. Total estimated amount of interest owed to ML&P at the end of December 2010 is calculated at \$126,326 (**Appendix B**).

The budget accounting detail is as follows:

Revenue:

Account number	Description	Amount
401-1253-9601-125304-BP2010	Contributions Other Funds	\$126,326

Expenditure:

Account number	Description	Amount
401-1253-3819-125304-BP2010	Interest-Other	\$126,326

THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-SIX THOUSAND THREE HUNDRED TWENTY-SIX DOLLARS (\$126,326) AS A CONTRIBUTION FROM THE 2010 OPERATING BUDGET, REAL ESTATE DEPARTMENT, REAL ESTATE SERVICES DIVISION AREAWIDE FUND (101) TO THE AREAWIDE CIP FUND

**(401) FOR PAYMENT OF INTEREST ON AN INTER-FUND LOAN BETWEEN
ML&P AND THE REAL ESTATE SERVICES DIVISION.**

Prepared by: Tammy Oswald, Acting Director
Real Estate Department
Fund certification: Lucinda Mahoney, CFO
101-1222-3901 BP2010 \$126,326
(2010 Operating Budget)
Concur: George J. Vakalis, Municipal Manager
Respectfully submitted: Daniel A. Sullivan, Mayor

Appendices:

Appendix A - AO 2006-149(S)

Appendix B – ML&P Inter-fund Loan Calculated Interest and GCP spreadsheet

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Real Estate Services
For Reading: OCTOBER 24, 2006

CLERK'S OFFICE

APPROVED

Date: 10-24-06
IMMEDIATE RECONSIDERATION
FAILED 10-24-06

ANCHORAGE, ALASKA

AO NO. 2006 - 149(S)

1 AN ORDINANCE APPROVING THE ACQUISITION OF REAL PROPERTY
2 DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE
3 APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION
4 DOLLARS (\$4,000,000.00).

5
6 WHEREAS, Tract B, Muldoon Estates Subdivision, also known as the former Alaska
7 Greenhouse property, consists of approximately 29.20 acres; and

8
9 WHEREAS, Joe Bryant and the Estate of Thomas Michael Cody IV submitted a
10 preliminary plat application, dividing Tract B into three smaller parcels, including
11 proposed Lot 3 consisting of 12 acres on the backside of Tract B; and

12
13 WHEREAS, on June 6, 2006, the Assembly approved Anchorage Ordinance (AO) No.
14 2006-84, attached hereto, authorizing the purchase and acquisition of proposed Lot 3,
15 and appropriating an amount not to exceed \$1,308,000.00 to fund the 12-acre purchase;
16 and

17
18 WHEREAS, prior to completing the acquisition of proposed Lot 3, and prior to the
19 recording of the final plat for Tract B, the United State of America commenced an
20 action in the United States District Court for the District of Alaska on May 19, 2006,
21 case no. 3:06-CV-118 RRB, seeking forfeiture of all of Tract B, pursuant to 21 USC
22 §881, 18 USC §981, and other federal laws; and

23
24 WHEREAS, thereafter the holder of the first Deed of Trust filed a Notice of Default and
25 Sale of Deed of Trust Foreclosure on July 28, 2006, for the benefit of Alaska
26 Greenhouses, Inc., and a foreclosure sale is scheduled for October 26, 2006; and

27
28 WHEREAS, at this time, there are outstanding delinquent taxes, penalties and interest
29 due to the Municipality exceeding \$78,900.00; and

30
31 WHEREAS, in order to protect the Municipality's contract rights to the 12 acres
32 described in AO 2006-84, the Municipality's tax lien position, and other municipal and
33 public benefits described in the accompanying Assembly Memorandum, the
34 Municipality offered to purchase all of Tract B for the sum of FIVE MILLION
35 DOLLARS (\$5,000,000.00), plus closing costs, based upon an appraisal, after deducting
36 unpaid taxes, of \$5,040,000.00; and

37
38 WHEREAS, the Municipality received verbal approval of its offer to purchase all of
39 Tract B, Muldoon Estates Subdivision, from all interested parties; and

WHEREAS, the Municipality must complete its purchase by recording and transferring fee title to the property not later than close of business on October 25, 2006 in order to avoid a sale at foreclosure or, in the alternative, the Municipality must be prepared to bid and pay for the Property at the foreclosure sale; and

WHEREAS, when combined with AO 2006-84, the authorization and appropriation of general obligation bond funds from the Anchorage Parks and Recreation Service Area Capital Improvement Program (CIP) Fund (461) for purchase of 12 acres (proposed Lot 3), the total purchase price including closing costs for all of Tract B, Muldoon Estates Subdivision, does not to exceed \$5,308,000.00; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The purchase of 29.20 acres, known as Tract B, Muldoon Estates Subdivision (including the 12 acres approved by AO 2006-84), by purchase or foreclosure bid, is hereby approved.


Section 2. The appropriation of an amount not to exceed FOUR MILLION DOLLARS (\$4,000,000.00) is approved.

Section 3. The Municipality is authorized to purchase Tract B, Muldoon Estates Subdivision, for an amount not to exceed \$5,308,000.00 (including closing costs), by combining the NTE \$1,308,000.00 appropriated under AO 2006-84 and the NTE \$4,000,000.00 appropriated in Section 2 above.


Section 4. The Municipality is authorized to appropriate the funds in Section 2 above by inter-fund loan from ML&P net assets (Fund 530) to Heritage Land Bank, Real Estate Services, capital purchase account (Fund 401), pursuant to the terms and conditions set out in the accompanying AM.

Section 5. This ordinance shall take effect immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 24th day of October, 2006.


Chair of the Assembly

ATTEST:


Municipal Clerk

Attachment: AO 2006-84

G:\na\open matters\Muldoon Estates - Property Acquisition\Tract B - final AO2006-149(S).doc

APPENDIX A

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2006-149(S) Title: AN ORDINANCE APPROVING THE ACQUISITION OF REAL PROPERTY DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000.00).

Sponsor: MAYOR
 Preparing Agency: Heritage Land Bank, Real Estate Services Division
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:		(In Thousands of Dollars)				
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	
Operating Expenditures						
1000 Personal Services						
2000 Non-Labor						
3900 Contributions						
4000 Debt Service						
TOTAL DIRECT COSTS:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Add: 6000 Charges from Others						
Less: 7000 Charges to Others						
FUNCTION COST:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
REVENUES:		<u>\$ (48)</u>	<u>\$ (48)</u>	<u>\$ (48)</u>	<u>\$ (48)</u>	
CAPITAL:	<u>\$ 4,000</u>					
POSITIONS: FT/PT and Temp						

PUBLIC SECTOR ECONOMIC EFFECTS:

Use of previously appropriated Park bond fund (461) monies of \$1.308 million, with an inter-fund loan of \$4 million contained in this AO request. Result of purchases will add land to Municipal inventory for public park use and site control for creek relocation and restoration. At a minimum, 12 acres of privately held land will no longer be taxed and the remainder of the parcel (17.2 ± acres) would not be taxed for up to five years.

PRIVATE SECTOR ECONOMIC EFFECTS:

No anticipated major economic impact.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 799 -2006

Meeting Date: October 24, 2006

From: MAYOR

Subject: AO No. 2006-149(S): AN ORDINANCE APPROVING THE ACQUISITION OF REAL PROPERTY DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000.00).

AO 2006-149(S) seeks approval for the Municipality to purchase real property, legally described as Tract B, Muldoon Estates, Subdivision, consisting of approximately 29.20 acres, including 12 acres (AO 2006-84) for a future park site, land for extension of DeBarr Road, and control of up to 8 acres in the front of the tract to move and restore the creek. Tract B is currently zoned R-2M and B3.

The Assembly approved Anchorage Ordinance (AO) No. 2006-84 authorizing the purchase and acquisition of 12 acres of Tract B, Muldoon Estates Subdivision and appropriated an amount NTE \$1,308,000.00 to fund the purchase on June 6, 2006. AO 2006-84 assumed the preliminary plat creating proposed Lot 3 would be recorded prior title transfer. However, the transaction was not completed because the sellers did not meet the stipulated conditions, the tract was not re-platted and the preliminary plat was not recorded. In addition, the outstanding property taxes were not paid. As a result, Tract B remains whole as one parcel containing 29.20 acres, and negotiations were reopened for purchase and acquisition of all of Tract B.

Simultaneously, the Federal government is proceeding on the court action for forfeiture.¹ The holder of the first Deed of Trust on the property, Alaska Greenhouses, Inc. (AGI), scheduled a foreclosure sale for October 26, 2006.² A foreclosure sale eliminates interests in the property, except property taxes, and the Municipality could lose the contract to purchase the 12 acres, intended for use as a future park, as well as control and over the site as a whole.

Additionally, gaining site control of the entire parcel allows the front seven (7) acres to accommodate the moving and restoration of the creek to the south boundary of the property. Municipal site control also provides for the

¹ The United States of America commenced an action in the United States District Court for the District of Alaska on May 19, 2006, case no. 3:06-CV-118 RRB, seeking forfeiture of the entire 29.20 acre parcel (Tract B) pursuant to 21 USC 881, 18 USC 981, and other federal laws.

² A Notice of Default and Sale of Deed of Trust Foreclosure was filed on July 28, 2006 for the benefit of Alaska Greenhouses, Inc.; the foreclosure sale is scheduled for October 26, 2006.

extension of DeBarr Road, from Muldoon Road to Boston Street, without ROW purchase from a private owner, reducing the project cost. Any surplus property, after creek relocation and right-of-way extension, will be platted out and recommended for disposal. Funds received from sale of surplus property will be dedicated to repayment of the inter-fund loan, proposed as the funding source for this acquisition.

Based upon appraisal (summary attached), the Municipality proposes to purchase price all of Tract B, including the 12-acre parcel approved by AO 2006-84, for an amount not to exceed \$5,308,000.00, including closing costs. Due to the pending foreclosure sale, funding for the purchase of Tract B is proposed in through 2 combined Assembly actions:

1. The appropriation approved by AO 2006-84 of an amount not to exceed \$1,308,000.00, from general obligation bond funds in the Anchorage Parks & Recreation Service Area Capital Improvement Program (CIP) Fund (461); and
2. The appropriation requested by AO 2006-149(S) of an amount not to exceed \$4,000,000.00, from an inter-fund loan from ML&P Net Assets Fund (530) to Heritage Land Bank, Real Estate Services Fund (401).

The general terms of the inter-fund loan include:

Term: Not To Exceed Five (5) years; and
Annual Interest: Based upon the Cash Pool Earnings Rate plus 50 basis points.

THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000.00) FROM AN INTER-FUND LOAN FROM ML&P TO HERITAGE LAND BANK, REAL ESTATE SERVICES DIVISION.

Prepared by: Heritage Land Bank, Real Estate Services Division
Approved by: Robin E. Ward, Executive Director
Concur: Mary Jane Michael, Executive Director
Economic & Community Development
Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
401-1253-5101-125301-BY 2006 \$4,000,000.00
Concur: James Reeves, Municipal Attorney
Concur: Denis LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

**MUNICIPAL LIGHT & POWER
LOAN TO REAL ESTATE SERVICES
INTERFUND LOAN FROM 530 ML&P TO 401 REAL ESTATE SERVICES
FOR THE ACQUISITION OF REAL PROPERTY DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION**
Per AO 2006-84, approved 6/06/06 and AO 2006-149(S), approved 10/24/06
5-year loan - interest charge at monthly GCP rate plus 50 basis points.

G:\Hlb\Assembly\Appendices\2010\MLP Loan 2010.xls

Content ID: 009471**Type:** AR_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING AN AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-SIX THOUSAND THREE HUNDRED TWENTY-SIX DOLLARS (\$126,326) FROM THE 2010 OPERATING

Title: BUDGET, REAL ESTATE DEPARTMENT, REAL ESTATE SERVICES DIVISION, TO THE AREAWIDE GENERAL CIP FUND (401) FOR PAYMENT OF INTEREST ON AN INTER-FUND LOAN FROM MUNICIPAL LIGHT AND POWER FUND (530)**Author:** vanhornlr**Initiating Dept:** Real_Estate**Description:** Annual interest payment on Inter-fund loan with ML&P for 2006 land purchase**Keywords:** Interest payment Inter-fund loan ML&P**Date Prepared:** 10/7/10 4:27 PM**Director Name:** Tammy R. Oswald (Acting)**Assembly Meeting Date:** 12/14/10**Public Hearing Date:** 1/11/11

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	12/6/10 8:30 AM	Exit	Joy Maglaqui	Public	009471
MuniManager_SubWorkflow	12/6/10 8:30 AM	Approve	Joy Maglaqui	Public	009471
Finance_SubWorkflow	12/3/10 4:49 PM	Approve	Lucinda Mahoney	Public	009471
OMB_SubWorkflow	12/3/10 1:41 PM	Approve	Cheryl Frasca	Public	009471
Real_Estate_SubWorkflow	12/3/10 1:17 PM	Approve	Tammy Oswald	Public	009471
FundsAppropWorkflow	12/3/10 1:06 PM	Checkin	Lynn Roderick Van Horn	Public	009471
Finance_SubWorkflow	12/2/10 2:20 PM	Reject	Nina Pruitt	Public	009471
OMB_SubWorkflow	12/1/10 4:15 PM	Approve	Cheryl Frasca	Public	009471
Real_Estate_SubWorkflow	11/29/10 2:21 PM	Approve	Tammy Oswald	Public	009471
FundsAppropWorkflow	11/29/10 2:18 PM	Checkin	Lynn Roderick Van Horn	Public	009471
Finance_SubWorkflow	11/24/10 4:35 PM	Reject	Nina Pruitt	Public	009471
OMB_SubWorkflow	11/24/10 8:56 AM	Approve	Cheryl Frasca	Public	009471
Real_Estate_SubWorkflow	11/23/10 8:44 AM	Approve	Tammy Oswald	Public	009471
FundsAppropWorkflow	11/23/10 8:08 AM	Checkin	Lynn Roderick Van Horn	Public	009471
OMB_SubWorkflow	10/20/10 10:04 AM	Reject	Cheryl Frasca	Public	009471
HLB_SubWorkflow	10/7/10 4:37 PM	Approve	Tammy Oswald	Public	009471
FundsAppropWorkflow	10/7/10 4:32 PM	Checkin	Lynn Roderick Van Horn	Public	009471

CONSENT AGENDA - INTRODUCTION