

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

Prepared by: Real Estate Department

For Reading: November 22, 2011

CLERK'S OFFICE

**APPROVED**

Date: 12-6-11 **ANCHORAGE, ALASKA**  
**AO No. 2011-118**

1  
2 **AN ORDINANCE AUTHORIZING THE NONCOMPETITIVE SALE OF LOT 5,**  
3 **BLOCK 2, INDIAN VALLEY ALASKA SUBDIVISION, A 2.36 ACRE HERITAGE**  
4 **LAND BANK PARCEL IN THE TURNAGAIN ARM COMMUNITY OF INDIAN,**  
5 **TO VALLEY BIBLE CHALET, INC.**

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6  
7 **WHEREAS**, the Municipality of Anchorage (MOA) owns Lot 5, Block 2, Indian Valley  
8 Alaska Subdivision; and

9  
10 **WHEREAS**, both the subject parcel identified as Heritage Land Bank (HLB) Parcel #6-  
11 003A in the HLB inventory and the adjacent HLB property (Lot 6, Block 2, Indian Valley  
12 Alaska Subdivision), identified as HLB Parcel #6-003B, are currently under lease until  
13 2023 for below market rent to Chapel by the Sea, Inc. with pending assignment to Valley  
14 Bible Chalet, Inc.; and

15  
16 **WHEREAS**, the subject parcel, HLB Parcel #6-003A, contains a church building and  
17 other improvements which would be costly to remove upon expiration of the lease and  
18 otherwise render the property expensive or inefficient to prepare for sale, while HLB  
19 Parcel #6-003B is undeveloped and ready for market; and

20  
21 **WHEREAS**, the current owner of the improvements, the Valley Bible Chalet, Inc. desires  
22 to purchase the land underlying its building, but not the adjacent parcel currently under  
23 lease together; and

24  
25 **WHEREAS**, HLB desires to make the best use of HLB Parcel #6-003B which, upon  
26 relinquishment of the leasehold, would become available for land sale and disposal to the  
27 private sector; and

28  
29 **WHEREAS**, an agency review conducted by HLB to determine any municipal need for  
30 the subject parcel resulted in no requests to retain said property for any foreseeable  
31 municipal purpose; and

32  
33 **WHEREAS**, a public hearing was conducted by the HLB Advisory Commission resulting  
34 in no comments regarding the sale and approval of the resolution; and

35  
36 **WHEREAS**, Valley Bible Chalet, Inc., has agreed to purchase HLB Parcel #6-003A at a  
37 price of \$130,000 plus appraisal cost, and Chapel by the Sea has agreed to relinquish its  
38 lease on HLB Parcel #6-003B as part of the deal package; now therefore,

39  
40 **THE ANCHORAGE ASSEMBLY ORDAINS:**

41  
42 **Section 1.** Sale of HLB Parcel #6-003A concomitant with relinquishment of the  
43 leasehold on HLB Parcel #6-003B is found to be in the best interest of the Municipality,

1 and the provisions of Anchorage Municipal Code chapter 25.40, including competitive  
2 bidding and appraisal requirements, are hereby waived.

3  
4 **Section 2.** Noncompetitive sale of HLB Parcel #6-003A to Valley Bible Chalet Inc., at  
5 a price of \$130,000 plus appraisal cost and relinquishment of the leasehold on HLB Parcel  
6 #6-003B, is hereby approved.

7  
8 **Section 3.** This ordinance shall be effective immediately upon passage and approval  
9 by the Assembly.

10  
11 PASSED AND APPROVED by the Anchorage Assembly this 6<sup>th</sup> day of  
12 December, 2011.

13  
14 Debbie Ossander  
15 Chair of the Assembly

16 ATTEST:

17 Paula Stone  
18  
19 Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

AO Number: 2011-118

Title: **AN ORDINANCE AUTHORIZING THE NONCOMPETITIVE SALE OF LOT 5, BLOCK 2, INDIAN VALLEY ALASKA SUBDIVISION, A 2.36 ACRE HERITAGE LAND BANK PARCEL IN THE TURNAGAIN ARM COMMUNITY OF INDIAN, TO VALLEY BIBLE CHALET, INC.**

Sponsor: MAYOR  
 Preparing Agency: Real Estate Department/Heritage Land Bank  
 Others Impacted:

**CHANGES IN EXPENDITURES AND REVENUES:** (Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
<b>TOTAL DIRECT COST</b>	0	0	0	0	0
6000 IGCs	0	0	0	0	0
<b>FUNCTION COST:</b>	0	0	0	0	0
<b>REVENUES:</b>	0	130	0	0	0
<b>CAPITAL:</b>	0	0	0	0	0
<b>POSITIONS: FT/PT and Temp.</b>	0	0	0	0	0

**PUBLIC SECTOR ECONOMIC EFFECTS:** Sale of this lot will add revenue to the HLB Fund (221) balance, and free up adjacent lot HLB Parcel #6-003B for later disposal.

**PRIVATE SECTOR ECONOMIC EFFECTS:** Sale of property will grant title and ownership from MOA to the private sector.

Prepared by: **Tammy R Oswald**  
 Real Estate Department, Executive Director

Telephone: **343-7986**

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 686-2011

Meeting Date: November 22, 2011

1 **From:** MAYOR

2  
3 **Subject:** AN ORDINANCE AUTHORIZING THE NONCOMPETITIVE SALE  
4 OF LOT 5, BLOCK 2, INDIAN VALLEY ALASKA SUBDIVISION, A  
5 2.36 ACRE HERITAGE LAND BANK PARCEL IN THE TURNAGAIN  
6 ARM COMMUNITY OF INDIAN, TO VALLEY BIBLE CHALET,  
7 INC.  
8

9 The Municipality of Anchorage (MOA) owns and Heritage Land Bank (HLB) manages HLB  
10 Parcel #6-003A, located in the Indian Valley Alaska Subdivision of the Turnagain Arm  
11 community of Indian (See map, Appendix A). The HLB also manages the adjacent HLB  
12 parcel #6-003B to the east, which is undeveloped.  
13

14 HLB Parcel 6-003A contains the facilities of the Valley Bible Chalet, Inc., and is legally  
15 described as Lot 5, Block 2, Indian Valley Subdivision, Section 5, T10N, R1W, Seward  
16 Meridian, Tax ID 090-031-43. The parcel is encumbered by an old State of Alaska,  
17 Department of Natural Resources lease that the MOA was assigned as lessor when it  
18 acquired land ownership. The lessee, Chapel by the Sea, Inc., has agreed to relinquish the  
19 lease on Lot 6 as part of the consideration for purchase of Lot 5 by Valley Bible Chalet, Inc.  
20

21 The proposed sale proceeds create revenue for the Heritage Land Bank Fund. The sale  
22 reduces lease administrative costs to HLB. Relinquishment of the leasehold frees up both  
23 Lots 5 and 6, making them both available for sale or other use. Due to the extensive  
24 improvements to Lot 5—including the Valley Bible Chalet building—it is unlikely any other  
25 use could be made of the property at least until the end of the lease term in 2023. A sale to  
26 the current owner of the improvements is therefore appropriate and, together with  
27 cancellation of the lease for Lot 6, is in the best interest of the Municipality.  
28

29 A municipal agency review was conducted by the HLB in April 2011 to determine if there  
30 was a pre-existing need or potential public use for the subject parcel; HLB received no  
31 requests to retain this property for any municipal purpose.  
32

33 An appraisal was completed on July 18, 2011 for both properties and a price of \$150,000 was  
34 set for Lot 5, the subject of the sale. Representatives of Valley Bible Chalet, Inc. initially  
35 objected to the appraised value stating that they had created value in the property by making  
36 permanent land improvements which contribute to the appraised land value. These  
37 improvements include a well and septic field, driveway access from Seward Highway and  
38 drainage control totaling more than \$20,000. Given their contributions to land value and the  
39 opportunity to offer Lot 6 to the competitive market once released from the lease, HLB  
40 negotiated a sale price of \$130,000.  
41

1 The Heritage Land Bank Advisory Commission held a hearing on October 13, 2011 and  
2 received no comments. HLBAC recommends noncompetitive sale for \$130,000 plus  
3 appraisal cost (See HLBAC Resolution No. 2011-04(S), Appendix B) to Valley Bible Chalet.

4 **THE ADMINISTRATION RECOMMENDS ASSEMBLY APPROVAL OF AN**  
5 **ORDINANCE AUTHORIZING THE NONCOMPETITIVE SALE OF LOT 5,**  
6 **BLOCK 2, INDIAN VALLEY ALASKA SUBDIVISION, A 2.36 ACRE HERITAGE**  
7 **LAND BANK PARCEL IN THE TURNAGAIN ARM COMMUNITY OF INDIAN,**  
8 **TO VALLEY BIBLE CHALET, INC.**

9  
10  
11 Prepared by: Alison L. Smith, Heritage Land Bank Land Manager  
12 Approved by: Tammy R. Oswald, Real Estate Dept. Executive Director  
13 Concur: Dennis A. Wheeler, Municipal Attorney  
14 Concur: George J. Vakalis, Municipal Manager  
15 Respectfully submitted: Daniel A. Sullivan, Mayor

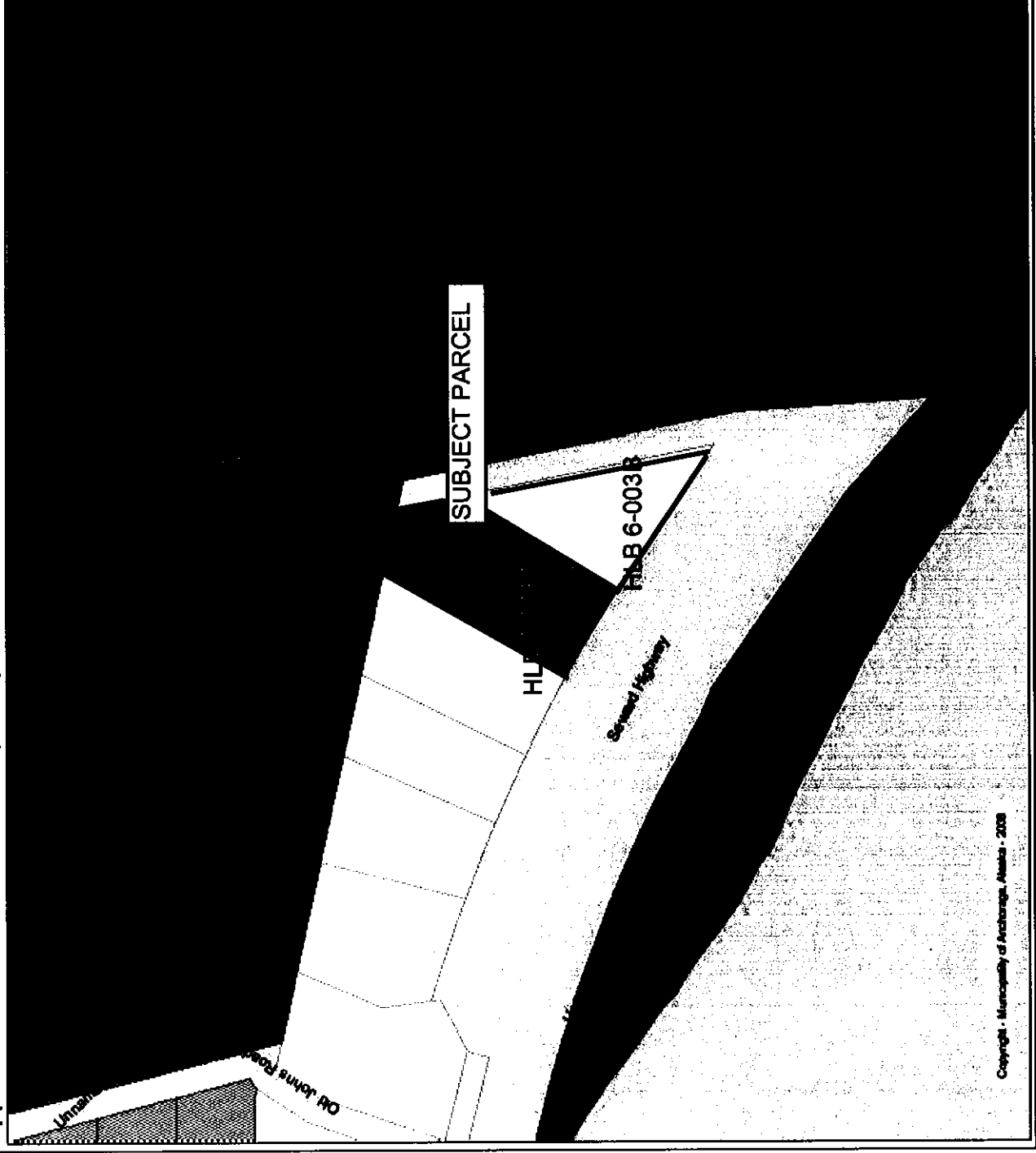
16  
17 Appendices:

18 Appendix A—Location Map

19 Appendix B—Heritage Land Bank Advisory Commission Resolution #2011-04 (S)

APPENDIX A

Appendix A: HLB Parcel #6-003A (in red)



APPENDIX B

MUNICIPALITY OF ANCHORAGE  
HERITAGE LAND BANK ADVISORY COMMISSION

**RESOLUTION NO. 2011-04 (S)**

**A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION (HLBAC) RECOMMENDING ASSEMBLY APPROVAL FOR SOLE SOURCE SALE OF HLB PARCEL 6-003A LOCATED IN THE TURNAGAIN ARM COMMUNITY OF INDIAN, LOT 5, BLK 2, INDIAN VALLEY SUBDIVISION, TID 090-031-43, AT A NEGOTIATED PRICE PLUS THE APPRAISAL COST.**

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**WHEREAS**, the Heritage Land Bank (HLB) was established 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” (AMC 25.40.010); and

**WHEREAS**, AMC 25.40.025.A states, “The Heritage Land Bank Advisory Commission shall 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.”; and

**WHEREAS**, the subject parcel is encumbered with the Valley Bible Chalet and is legally described as Lot 5, Block 2, Indian Valley Subdivision, Section 5, T10N., R1W., TID 090-031-43 (2.36 acres); and

**WHEREAS**, the buyer, Valley Bible Chalet’s congregation, is currently leasing both Lot 5 and Lot 6 under an old State of Alaska, Department of Natural Resources capped rent lease; and

**WHEREAS**, the buyer has agreed to relinquish Lot 6, Block 2, Indian Valley Subdivision in consideration for purchase of Lot 5; and

**WHEREAS**, the proposed sale to the private sector will create revenue for the Heritage Land Bank Fund; and

**WHEREAS**, a July 18, 2011 appraisal valued Lot 5 at \$150,000; and

**WHEREAS**, the buyer countered the appraisal with information that they had invested at least \$20,000 in improvements to the land, providing a basis for a purchase price of \$130,000; and


**WHEREAS**, HLB posted the property and conducted public notice and an agency review by all potentially interested Municipal agencies to establish that the subject property is surplus to municipal needs and is therefore eligible for inclusion in this proposed sale,

APPENDIX B

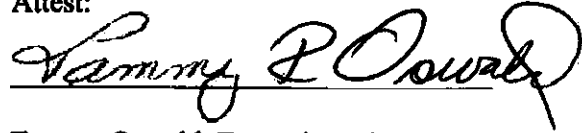
**NOW, THEREFORE, THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDS ASSEMBLY APPROVAL OF A SOLE SOURCE SALE OF HLB PARCEL 6-003A AT THE NEGOTIATED VALUE OF \$130,000 CONDITIONED UPON RELINQUISHMENT OF PARCEL 6-003B PLUS THE APPRAISAL COST.**

**PASSED AND APPROVED the 13<sup>th</sup> day of October, 2011.**

Approved:

  
\_\_\_\_\_  
TERRY BRYAN, Chair  
Heritage Land Bank Advisory Commission

Attest:

  
\_\_\_\_\_  
Tammy Oswald, Executive Director  
Heritage Land Bank