

All About Acquiring Heritage Land Bank properties...

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Heritage Land Bank Property Sale, Lease, Exchange or Easement Information

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The purpose of this guide is to help you through the process of how to successfully obtain property from the Heritage Land Bank, a department of the Municipality of Anchorage.

This process begins with an understanding of some very important terms such as 'disposal' and 'fair market value.' An explanation of limitations and liabilities follows, and then an overview of the process itself completes this document.

Please read everything carefully! People have been known to get very frustrated with the restrictions placed on the Heritage Land Bank in how it disposes of its land. We want you to know the process ahead of time, in detail, and why those restrictions are in place.

The Mission of the Heritage Land Bank

“It is the mission of the Heritage Land Bank 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.” – Anchorage Municipal Code 25.40.010

The Heritage Land Bank is an agency of the Municipality of Anchorage (MOA), operating as a division under the MOA’s Real Estate Department. It is a self-funded agency designed to manage land in its inventory. Anchorage Municipal Code (AMC) 25.40 explains the purpose of the Heritage Land Bank (HLB), and how it is to manage and dispose of its inventory and fund.

TERMS AND DEFINITIONS YOU SHOULD KNOW

Inventory

The HLB has about 10,000 acres of property in its inventory. This is primarily vacant land within the Municipality of Anchorage, but includes one or two parcels with structures, so in fact not all of HLB’s inventory is fully “uncommitted.” Furthermore, most of HLB’s land is **not** in the Anchorage Bowl; most actually lies in the Girdwood Valley.

Also, few people know that HLB’s property constitutes only about a **quarter** of all municipally-owned land. The greatest percent of municipal land is actually under the management authority of the Parks and Recreation Department. Just think of all the parks, ball fields, recreation centers and greenbelts that exist throughout the municipality between Eagle River and Girdwood!

Disposal

The municipal code currently defines the word ‘disposal’ of HLB inventory as “land sales, land exchanges, leases and easements.” (AMC 25.40.025.A) There is a process as outlined in AMC 25.40 that HLB must follow in order to affect any of these disposals, and will be covered in this document.

Appraised Fair Market Value

This is covered in AMC 25.40.025.G, regarding land sales or exchanges (but not leases), and means the “most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, at which the appraised property would sell for in a competitive [real estate] market.” HLB land must be appraised by a licensed and certified appraiser before it can be sold or exchanged.

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Heritage Land Bank Advisory Commission

A seven-member panel of knowledgeable professionals living in the Municipality of Anchorage acts as an advisory body for HLB. Review and approval of any changes to the inventory or significant uses of the HLB inventory or the HLB Fund must first be made by this group (with the exception of the Mayor or Assembly).

The advisory commission conducts regularly scheduled monthly meetings on the second Thursday of each month whenever there are action items for its consideration. For more information on the HLBAC, check out our website at: <http://www.muni.org/Departments/hlb> and clicking on the “Advisory Commission” button in the left margin.

Sealed Bid Sale

Like most government entities, the Heritage Land Bank sells or leases land by an open competitive bid process. For more information on the lease procedure options, please read AMC 25.40.025.F in Appendix A. Property must sell for at least fair market value (FMV) as determined by a certified appraiser, so the minimum allowable bid would be FMV. The sale is conducted as an advertised sealed bid sale. Notice of the Sealed Bid Sale is published in the local newspaper and online following the Anchorage Assembly’s approval for the sale.

Work Plan

The municipal code also requires that HLB have a work plan or program that outlines current and future activities, including disposals of any of its properties. Those properties under consideration for disposal are listed in a section of the work plan, which is available either from the HLB office or online in PDF form at: www.muni.org/departments/hlb

HLB Land Sales and Exchanges – The Process

Perhaps you would like to purchase a parcel that you’ve learned is in HLB’s inventory. How do you go about doing this, and what do you need to know? First of all, the HLB inventory is considered ‘banked’ for possible future municipal use. It’s stated in the code under which the Heritage Land Bank operates. Land retained in the HLB inventory “...shall be managed in a manner which will protect and enhance its economic and other municipal values...” and it is the HLB’s –and municipality’s- responsibility “... to ensure that the economic and other public values of this land are not diminished as a result of ongoing land management activities. **It shall be the responsibility of the Heritage Land Bank to work with the school district, public works department, community planning and development department, department of cultural and recreational services [now Parks and Recreation] and other municipal agencies to contribute to the long range analysis of the need of the municipality to retain various properties in the Heritage Land Bank for future municipal needs.**”(AMC 25.40.010C) In short, this means that land in HLB’s inventory is in a ‘bank’

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for future municipal needs, and parcels may only be sold **if no other municipal department or agency states that it has a potential use for the land.**

However, this does not mean that the HLB cannot sell, lease or trade out any of its land from its inventory. As a matter of fact, it's an essential part of the HLB's self-supporting structure. The Heritage Land Bank is a self-funded agency (not supported by taxes), and depends to a large extent on being able to sell or lease land in its inventory as a means of supporting its operations and the HLB Fund.

That's where the HLB Work Plan comes in. The administration and HLB staff look over property in the inventory and makes general selections of properties to be considered for sale or lease in upcoming years. Such properties on face value may be too small, remote or superfluous to most municipal agencies' uses. These properties are then added to the work plan as parcels deserving greater examination by HLB staff for possible disposal. If a property you are interested in buying or leasing is in the work plan, it eliminates a step in the disposal process.

If a property that you are interested in is **not** in the work plan, then an application must be made to the HLB to begin the disposal process. To help you with this, attached to this document are Appendix B: Heritage Land Bank Policies, and Appendix C: Application to Lease or Purchase. These are what you will need to make written application to HLB for disposing of property that is not listed in the most recent work plan. DO NOTE: there is a non-refundable fee. *ALSO NOTE:* because of the way HLB must dispose of most of its properties (public sealed bid sale), this application process provides no bidding advantage to the applicant!

Once someone requests HLB staff to begin the disposal process, it may be initiated at the discretion of the administration. No one, including the Heritage Land Bank, can (or should) be coerced into buying, selling or otherwise disposing of land in its inventory, but HLB tries to accommodate such requests whenever reasonable and feasible. So here are the steps that HLB takes once the administration approves undertaking a disposal of property:

1. Agency Review

To determine if a property in HLB's inventory meets that criteria, its first step is to determine if another agency (or agencies) has a current or anticipatory use of a parcel. This is done by conducting an agency review. A description and map of the parcel under consideration for disposal is sent to all applicable municipal departments (those departments that use land or need satellite offices) and the school district. HLB requests department heads to review the information and to advise us if they wish to have the parcel in question retained or reserved for their use. If a department sees a need for the parcel(s) in question, it requests HLB to not dispose of the property, and the HLB will withdraw the parcel(s) from consideration for disposal. If no department objects to the disposal of subject property, HLB can go to Step Two.

2. Appraisal

A fair market value (FMV) appraisal must be conducted to determine the current market value of the property (or leasehold value in the event of a lease disposal). The Heritage Land Bank currently has three local appraisal companies on contract to provide FMV, and are used depending upon availability. The requestor can ask for a specific appraiser among them, or choose his/her own at their own expense, provided HLB and the requestor can agree on the choice. Of all the steps, this generally takes the longest to complete, particularly if an appraisal is requested during the busy summer season.

3. Public Noticing and HLB Advisory Commission Recommendation

AMC 25.40.030 outlines the public notice procedures for proposed disposal actions by the advisory commission:

- a) publication in one or more newspapers of general circulation;
- b) posting a notice on the property/properties;
- c) mailing notices to everyone listed in the municipal assessor records as owners of land abutting the parcel(s) and to all owners within 500 feet of the outer boundary of the parcel or to 50 parcels nearest the outer boundary of the parcel(s), whichever is greater; and
- d) noticing either by e-mail or regular mail to people requesting general notice of proposed HLB land disposals.

Property posting, mail-outs and newspaper publication for the disposal of HLB land must be done at least fourteen days prior to the HLBAC public hearing.

4. Heritage Land Bank Advisory Commission Public Hearing

A land management officer does research and writes a report to the commission regarding the requested disposal, providing the commission with necessary background information, results of the agency review, the department's recommendation and a draft resolution. These reports are sent to the commissioners for review prior to a public hearing, and are provided at the public hearing for attendees. A public hearing is required, and approval of a commission resolution recommending Assembly approval for the disposal must be passed.

5. Assembly Approval

If the HLBAC approves its resolution to dispose of the property, staff then writes an Assembly Ordinance (AO) and Assembly Memorandum (AM). The AM provides all the background information on the request and the department recommendation, the type and terms of the disposal, and includes the commission's resolution as endorsement of the disposal. The AO and AM are "introduced" on the Assembly agenda, and then require a public hearing before the Assembly, usually two weeks after the documents' introduction. The introduction phase provides a 'heads-up' to the public in case anyone wishes to testify on this disposal at the public hearing.

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6. The Bid Process

Once the ordinance is passed by the Assembly, HLB can now create bid packets for the sale and advertise the land disposal. The ad will include minimum bid and deadline. Bids are prepared by filling out forms that come in bid packets that will be available online and from the Heritage Land Bank Office on the 2nd floor of the Permit and Development Center, 4700 Elmore Road, for a specified period of time as noted in the advertisement, usually starting a few weeks before the actual sale. Detailed instructions are included in each bid packet on how to fill them out. Completed bid packets must be submitted to HLB by a posted date and time and include a cashier's check or Money Order constituting a pre-set percentage (usually 10 or 25%) of the bidder's total bid amount, made out to the Municipality of Anchorage.

When the bids are opened, they are examined to determine that they meet all qualifications, and the highest qualifying bid is declared the winning bid. Bidders will be notified by telephone, and the successful bidder must be available to sign an agreement to purchase within 24 hours of notification, unless otherwise stipulated in the bid instructions. There will be a deadline noted in the bid instructions for the HLB to receive the balance due. Your 25% bid deposit will be credited toward the purchase price. If the balance is not received by the deadline, the deposit shall be forfeited and the opportunity to purchase will go to the next highest bidder.

Some Disclaimers

1. Unless otherwise stated, the Municipality has **not** done any site assessments to determine the presence of any hazardous material, hazardous waste or above-ground or underground tanks or containers on HLB properties. Some of the properties may have varying degrees of contamination or other undesirable conditions. It is the bidder's responsibility to thoroughly inspect and research any property and to understand that the bidder is relying solely on his/her own inspection and research to determine the condition of property.
2. **No** cash, personal or company checks or any types of payment other than cashier's check or Money Order can be accepted.
3. Bids will be accepted at the date, time and place as noted in the Bid packets. Mail-in bids are not accepted. Bidders may submit only one bid per parcel. If a bidder wishes to change his/her bid, the first bid must be withdrawn and the new bid received prior to the bid deadline. Bids are date- and time-stamped at the office upon hand-delivery to the office in order to qualify. Be sure to come with time to spare on the day they're due!
4. All property is offered for sale "as-is" and "where is" and without recourse against the Municipality of Anchorage. No representation or warranty, expressed or implied, is made as to the validity of the title, size, dimension, or condition of any property, or its suitability for any use or purpose whatsoever.

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If you are not a successful bidder. Following verification of the winning bidder and completion of the sale, deposits are returned to low bidders or their representatives (who must have power of attorney) upon presenting picture identification. They may be picked up at the HLB office in the Permit and Development Center between 8 a.m. and 5 p.m., Monday through Friday.

Guarantees

There aren't any. We must inform you that successful bidders have NO guarantees of any kind concerning the sale or lease of municipal properties.

In Conclusion...

Bidding on municipal properties is not an entirely risky venture. However, if you're inexperienced in real estate dealings and/or have minimal financial resources, we don't recommend that you bid. Those who take the time to research the process and the property have significantly more chance of success than those who don't.

... and Once Again

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Appendices:

- A – Anchorage Municipal Code 25.40
- B - Heritage Land Bank Policies
- C – Application for Lease or Purchase

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Chapter 25.40 HERITAGE LAND BANK

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25.40.010 Heritage Land Bank established—Purpose and mission.

There is established a Heritage Land Bank. It is the mission of the Heritage Land Bank 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. The Heritage Land Bank shall acquire, inventory, manage, withdraw, transfer and dispose of municipal land which has not been dedicated or transferred to a specific municipal agency for one or more municipal uses. Acquisition, inventory, management, retention, withdrawal, transfer and disposal of Heritage Land Bank land shall be governed solely by this chapter and the regulations and policies adopted pursuant thereto.

- A. The acquisition responsibility of the Heritage Land Bank is to apply for and acquire, in the name of the municipality, all lands to be transferred to the municipality from the state as part of the municipality's land entitlement under the Municipal Entitlement Act, AS 29.65.010—29.65.130, as well as other land acquired by the municipality by purchase, donation, exchange or other means which is to be managed by the Land Bank on behalf of the municipality pursuant to section 25.40.015.A. Land acquired under this section shall be added to the Heritage Land Bank inventory.
- B. The inventory responsibility of the Heritage Land Bank is to identify all land and interests in land to be managed and/or retained by the Heritage Land Bank for future municipal use or disposal. The inventory shall identify each parcel of Land Bank land, including all related information which may be useful for proper land management. The Heritage Land Bank will perfect the municipality's title to all land in the Heritage Land Bank inventory and maintain complete and accurate public records regarding the location, size and classification of all such parcels of land, including their planning and zoning status and the identification of valid existing rights. The inventory shall be updated by the Heritage Land Bank at least once every three years.
- C. Where land is retained, it shall be managed in a manner which will protect and enhance its economic and other municipal values, consistent with section 21.05.020. The Heritage Land Bank shall seek to ensure that the economic and other public values of this land are not diminished as a result of ongoing land management activities. It shall be the responsibility of the Heritage Land Bank to work with the school district, public works department, community planning and development department, department of cultural and recreational services, and other municipal agencies to contribute to the long range analysis of the need of the municipality to retain various properties in the Heritage Land Bank for future municipal needs. The Heritage Land Bank may enter into cooperative land management agreements with other public agencies to achieve municipal purposes and to enhance the management

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of Heritage Land Bank land. Such agreements shall be consistent with section 25.40.020. The decision to enter into such an agreement shall be made after public notice and hearing as specified in this chapter. The recommendations of the Heritage Land Bank advisory commission shall be supported by the record that it is in the municipality's best interests.

D. Consistent with section 25.40.015.B., the Heritage Land Bank may, at the direction of the mayor and assembly, withdraw and transfer to municipal agencies or to the school district, land from the Heritage Land Bank inventory needed for the location of public facilities or purposes, including schools and designated or dedicated parks or open space lands. The Heritage Land Bank shall condition such withdrawals and transfers upon a reverter clause which specifies that the land will be returned to the Heritage Land Bank inventory if it is not managed by the affected municipal agency for its intended purpose.

E. The disposal responsibility of the Heritage Land Bank is, at the direction of the mayor and assembly, to convey from municipal ownership Heritage Land Bank land or interests in land which is not needed for specific public facilities or purposes. Each disposal shall be in the municipal interest, and based at or above appraised fair market value or for other equivalent municipal values or objectives, under the procedures specified in section 25.40.025.

F. The Heritage Land Bank is the municipal agency designated the exclusive grantee of conservation easements and recipient of funds generated by compensatory mitigation agreements with the U.S. Army Corps of Engineers.

(AO No. 95-198(S-3), § 2, 12-5-95; AO No. 2009-68, § 1, 6-16-09)

25.40.015 Heritage Lands—Designation for and withdrawal from, the Heritage Land Bank for public purposes.

A. In addition to the municipal land which is by this chapter designated for the Heritage Land Bank, the mayor, with assembly approval, may designate additional municipal land or interest in land for placement in the Heritage Land Bank. Such land or interests in land designated for the Heritage Land Bank shall be consistent with the Heritage Land Bank's purpose and mission specified in section 25.40.010, and will generally be:

1. Land to be reserved for a specific future municipal use, or needed for future municipal uses.
2. Land determined to be excess to specific municipal needs but which is unsuitable for municipal development or for disposal, including wetlands and lands subject to geophysical and terrain limitations, such as seismic or avalanche hazards or other severe development constraints. Such land shall be retained by the Heritage Land Bank pending its future designation as parks, open space, or other appropriate classification.
3. Land determined to be excess to those present or future municipal needs and which may have present or future market value for industrial, commercial, residential, recreational, institutional, park, open space, or other municipal use.

B. The mayor, with assembly approval, may withdraw land from the Heritage Land Bank inventory for any lawful municipal purpose, consistent with the comprehensive plan and implementing measures or applicable site specific land use studies. Such a withdrawal shall become effective only after at least 30 days' prior written notice to the Heritage Land Bank advisory commission, to the affected community council and to the public as specified in section 25.40.030, and after at least one public hearing regarding the proposed withdrawal. If land is withdrawn from the Heritage Land Bank inventory for use and management by a public agency which is not supported by municipal taxes, compensation shall be paid to the Heritage Land Bank for at least the current appraised fair market value of the land, unless otherwise provided in this chapter.

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C. The mayor shall periodically review the current land holdings of all municipal agencies, including the school district, to determine whether any land is excess to present or future needs and uses. After completion of such review, the mayor, upon written findings and with assembly approval, shall transfer qualifying land to the Heritage Land Bank inventory.

D. School lands.

1. Acquisition. Until formally designated as school land, and compensation is paid according to this section, all land acquired by the municipality for a potential school site shall be held in inventory and managed by the Heritage Land Bank.
2. Lands held for potential school sites may be managed and used by the Heritage Land Bank for any purpose not inconsistent with their ultimate use as a school site.
3. Land identification.
 - a. Following a determination of need by the Anchorage school district, and approval by the Anchorage School Board, the school district shall make a request in writing to the Heritage Land Bank to identify municipal lands available for use as potential school sites.
 - b. If no land available in inventory meets the need of the school district, the municipality may utilize any method set out in [Chapter 25.20](#) to identify and acquire property for potential school sites.
 - c. Such acquisitions shall be available for consideration as potential school sites, subject to Section 21.15.015.
 - d. Upon assembly designation of a school site, and compensation as described in this section, management authority shall be delegated to the school district.
4. Compensation. At the time of delegation of management authority, Heritage Land Bank shall provide the mayor and school district an accounting showing all costs and fees associated with the land acquisition, including whether the costs were paid by the school district or by the municipality.
 - a. Notwithstanding the disposal provisions in Section 25.40.025, the school district shall pay the Heritage Land Bank for all land acquisition costs incurred by the municipality, except the assembly may, in its discretion, waive some or all of the acquisition costs.
 - b. Compensation may occur by cash payment, exchange, credit, or any combination thereof, as mutually agreed between Heritage Land Bank and the school district, and approved by the assembly.
5. Lands determined by the school district and approved by the school board to be excess to school needs shall be returned to the Heritage Land Bank inventory, upon assembly approval and compensation to the school district pursuant to this section.

(AO No. 95-198(S-3), § 2, 12-5-95; AO No. 2007-124(S), § 3, 9-25-07)

25.40.020 Management of Heritage Land Bank lands.

The Heritage Land Bank advisory commission shall recommend, and submit for assembly action, a comprehensive land and fund management program, including written policies and procedures, to accomplish the purpose and mission of the Heritage Land Bank specified in section 25.40.010. Such a program shall contain, at a minimum, the following elements:

- A. *Five-year management plan.* The advisory commission, following public notice and hearing as specified in this chapter, shall recommend, and submit for assembly approval, a five-year Heritage Land Bank management plan. The plan shall identify those land acquisition, inventory, management, transfer, and disposal objectives anticipated during this time frame. The plan shall also contain the five-year revenue and expenditure projections of the Heritage Land Bank Fund. The plan shall be maintained and updated when necessary, but at least once every five years.

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B. *Annual work program.* The advisory commission, following public notice and hearing as specified in this chapter, shall recommend, and submit annually for assembly approval, a work program which conforms to the current or proposed five-year management plan and which includes detailed descriptions of the proposed land acquisition, inventory, management, transfer and disposal activities of the Heritage Land Bank for the coming year, including revenue and expenditure projections of the Heritage Land Bank Fund, and proposed budget for the Heritage Land Bank. A public notice, as set forth in this chapter, of not less than 45 days, is required prior to a hearing by the Heritage Land Bank advisory commission on the annual work program. All new proposed land sale activities not currently in the program will require an assembly approved amendment. The annual work program shall include a review of Heritage Land Bank activities during the prior year, including but not limited to:

1. A financial audit, if available, of all Heritage Land Bank accounts, including income, expenditures and investments;
2. A summary of each transaction involving Heritage Land Bank land or the Heritage Land Bank fund; and
3. An inventory of all Heritage Land Bank fund expenditures.

C. *Policies and procedures.* The Heritage Land Bank advisory commission shall develop, adopt and maintain comprehensive policies and procedures to govern the management of Heritage Land Bank land and fund. These policies and procedures shall be submitted for assembly action, following public notice and hearing as specified in this chapter.

(AO No. 95-198(S-3), § 2, 12-5-95)

25.40.025 Heritage Land Bank disposals.

A. 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. Land disposals under this chapter include land sales, land exchanges, leases, and easements.

B. After the public hearing, the advisory commission shall submit a written finding and recommendation to the mayor and assembly, stating whether or not a proposed land disposal is in the best interest of the municipality, and consistent with the Heritage Land Bank's purpose and mission. The written finding shall identify the proposed land disposal, including details regarding its method, timing, and terms, its projected effects on the neighborhood and on public facilities, and other relevant information. All proposed land disposals shall also specify those terms and conditions necessary to ensure that the Heritage Land Bank receives the maximum overall benefit for the disposal of its land, including equivalent non-monetary public benefits, consistent with the municipality's best interests.

C. The Heritage Land Bank shall determine which land or interests in land should be disposed of; consistent with section 25.40.020 and the comprehensive plan and implementing measures. If the information in the comprehensive plan and implementing measures is insufficient to determine whether the disposal of a parcel or parcels is consistent with the plan or measures, the Heritage Land Bank shall complete a site specific land use study for the use of the land which has been adopted through the public process specified in this chapter. Each site specific land use study shall address; a) the need for community facilities such as roads, parks, trails, schools, satellite municipal offices, etc; b) identify historical and natural landmarks, natural hazards, and environmentally sensitive lands; c) public utility needs; d) potential residential, commercial and industrial uses; e) land use compatibility with adjacent areas; and f) consistency with land uses identified in the Comprehensive Plan and zoning for the area.

D. Except as otherwise provided in this section, all proposed Heritage Land Bank land sales shall occur by an open competitive bid process for at least the appraised fair market value of the land, as determined by a certified real estate appraiser designated by, and given appropriate written instructions from, the Heritage Land Bank. An application to purchase Heritage Land Bank land shall grant the applicant no right of preference or priority.

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E. The Heritage Land Bank may exchange Heritage Land Bank land for other land on at least an equal value basis, as determined by a fair market value appraisal.

F. The Heritage Land Bank may lease Heritage Land Bank land.

1. The leases shall be awarded by open competitive bid process in one of the following ways:
 - a. for at least appraised fair market rental rates, as determined by a certified real estate appraiser designated by, and given appropriate written instructions from, the Heritage Land Bank;
 - b. percentage of receipts; or
 - c. user fee equivalent.
2. Where leases are based on appraised fair market rental rates under subsection F.1.a above, the lease rates shall be adjusted at intervals of no more than five years to reflect current market conditions. An application to lease shall grant the applicant no right of preference or priority. Heritage Land Bank land may be leased non-competitively to a non-profit agency for less than its appraised fair market value if the municipal benefits which are projected to accrue are found by the mayor and the assembly to be in the best interest of the municipality.

G. "Appraised fair market value," for purposes of this chapter with respect to land sales or exchanges but not leases, means the most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. If the appraised fair market value would be increased by a rezoning of a parcel of land prior to its disposal, the Heritage Land Bank may seek a rezoning under applicable municipal procedures, taking into account the compatibility with the surrounding neighborhood.

H. In order to assist development that will provide public benefits and notwithstanding any other provision of this section, Heritage Land Bank land may be disposed of by lease, sale or other disposition, for the purpose of facilitating a specific project. The project shall provide public benefits. In addition to and consistent with the applicable requirements of titles 21, 23 and 24 of this Code, the disposition shall include additional requirements and conditions to insure the proper development and completion of the project in the public interest. Disposals pursuant to this subsection shall be through requests for proposals or through invitations to bid. The disposition of property pursuant to this subsection may be for less than fair market value or less than fair market rental rate. However, the Heritage Land Bank shall, for informational purposes only:

1. provide a descriptive summary of the public benefits expected from the project; and
2. obtain an appraisal of the value of the property, determined by a certified real estate appraiser, if it were disposed of without the development requirements imposed pursuant to this subsection. Assembly approval of a disposition under this subsection shall include a finding that the disposition provides public benefits.
3. A summary listing and description of estimated economic and non-economic benefits and costs associated with the project. This summary should be succinct, concise, and quantified where appropriate, and should not exceed two pages in length.

(AO No. 95-198(S-3), § 2, 12-5-95; AO No. 2002-135(S), § 1, 10-29-02)

25.40.030 Public notice procedures.

A. All public notices required by this chapter for actions proposed to be taken regarding Heritage Land Bank land or fund shall be given in substantial compliance with this section.

B. All Heritage Land Bank activities requiring notice to the public shall be preceded by notice by publication calculated to achieve the greatest reasonable notice.

C. A proposed action shall be noticed by a sign conspicuously placed upon the land proposed for action. The sign shall generally identify the proposed action and include the information specified in section 25.40.030(F), the sign shall be easily

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visible to the public and be placed upon the land no less than 14 days prior to a public hearing by the Heritage Land Bank Advisory Commission on the proposed action.

D. In addition to notice by publication and signage, notice by mail shall be given to:

1. The community council for the area where the land is located, including the Girdwood Board of Supervisors, as well as any other community council which requests notice of Heritage Land Bank activities; these community councils shall be given an opportunity to provide public input prior to the Heritage Land Bank advisory commission taking action.
2. All persons listed in the records of the municipal assessor as owners of land abutting the parcel proposed for Heritage Land Bank action and all owners of:
 - a. The parcels of property within 500 feet of the outer boundary of the parcel proposed for action; or
 - b. The 50 parcels nearest the outer boundary of the parcel proposed for action;whichever is the greater number of parcels, at the addresses of record according to the municipal assessor's files; and
3. All persons requesting general notice of proposed Heritage Land Bank actions, from a standing list of names and addresses which the Heritage Land Bank shall maintain.

E. All public notices of proposed Heritage Land Bank Advisory Commission actions, including public hearings regarding proposed actions, shall precede a hearing before the advisory commission on the proposed action by at least 14 days.

F. All required public notices concerning proposed Heritage Land Bank advisory commission public hearings and actions shall describe the proposed action, and shall give the location of the land proposed for action, including the legal description and reference to nearby streets or other landmarks, a map of the area, and a statement of the date, time, and location for any public hearing or other public response to the proposal.

(AO No. 95-198(S-3), § 2, 12-15-95; AO No. 2002-136, § 1, 10-15-02; AO No. 2009-134, § 1, 1-12-10)

25.40.035 Heritage Land Bank fund.

A. There is hereby established a Heritage Land Bank operating fund and a Heritage Land Bank capital fund. All income obtained by activities of the Heritage Land Bank, including but not limited to revenue received by the municipality from the disposal of Heritage Land Bank land, or for the use of that land, and all interest earned on funds in Heritage Land Bank accounts, shall be deposited in the Heritage Land Bank operating fund, to be applied solely to the Heritage Land Bank purposes stated in this chapter. Funds from other sources may also be deposited in the Heritage Land Bank operating fund, but shall be separately accounted for. All monies held by the municipality in connection with any activity of the Heritage Land Bank shall be held in its capacity as a public fiduciary, and shall be accounted for in accordance with subsection B.

B. All funds held by the municipality in connection with all activities of the Heritage Land Bank, including but not limited to revenue received by the municipality through the sale, lease, other disposal or use of land or interest in land that has been placed in the Heritage Land bank, the value of any receivables, and all interest earned on funds in the account shall be accounted for separate of all other municipal funds. The accounting for land bank funds shall be sufficiently detailed to provide an annual financial audit to the assembly, pursuant to the annual reporting requirements of this chapter.

C. A portion of the Heritage Land Bank operating fund accounts may be appropriated annually for management of the Heritage Land Bank and the land in the Heritage Land Bank inventory, to fulfill the purpose and mission of the Heritage Land Bank as stated in this chapter.

D. In addition to the use of the fund for the Heritage Land Bank operating budget as provided in section 25.40.035.C., revenue in the Heritage Land Bank operating fund may be appropriated by the mayor and assembly to the Heritage Land Bank capital fund only for the acquisition of land for municipal use, and for improvements to Heritage Land Bank land. The Heritage

Appendix A

Land Bank Advisory Commission shall receive at least 30 days prior notice of any proposed assembly action regarding any proposed appropriations from the fund.

E. Heritage Land Bank fund revenue not appropriated pursuant to subsections C. and D., above, shall be prudently invested, consistent with the municipal interest and the fiduciary nature of the fund. Interest earned from such investments shall be reinvested in the fund or appropriated pursuant to this chapter.

F. "Improvements to Heritage Land Bank land," for purposes of this chapter, means a valuable addition to Land Bank property or an amelioration in its condition, intended to enhance its value or utility or adapt it for new or further purposes, including expenditures to extend the useful life of the property asset, to improve its performance, or for off-site mitigation necessary to improve Land Bank land.

(AO No. 95-198(S-3), § 2, 12-5-95)

Editor's note—

As stated in § 3 of AO No. 96-198(S-3), subsection 25.40.035.C. is effective on January 1, 1996.

25.40.040 Heritage Land Bank executive director.

An executive director of the Heritage Land Bank shall be appointed by the mayor and confirmed by the assembly, acting upon the recommendation of suitable candidates made by the Heritage Land Bank advisory commission. The executive director shall have professional experience in land and resource management, and shall be responsible for the day-to-day management of the Heritage Land Bank, the Heritage Land Bank fund, and any staff assigned to those duties. The executive director is authorized to hire and retain necessary staff; subject to approval of the mayor, and shall serve as the executive secretary and technical advisor to the Heritage Land Bank advisory commission.

(AO No. 95-198(S-3), § 2, 12-5-95)

25.40.045 Transition provisions.

A. The provisions of this chapter shall, upon adoption, apply to all future actions of the Heritage Land Bank and the advisory commission, except in any instance in which, in the written opinion of the municipal attorney, private contract or property rights have already vested as the intended result of a decision or action taken prior to the effective date of this chapter with regard to a particular parcel of land in the Heritage Land Bank inventory.

B. Notwithstanding any other provision of this chapter to the contrary:

1. The supplemental appropriation of 50 percent of the 1995 net revenues of the Heritage Land Bank made to the Areawide Capital Projects Fund in 1996 after the close of the 1995 fiscal year, accounted for as a 1995 appropriation, shall continue to be effective for the fiscal year 1996 as approved and shall not be otherwise affected contrary to its purpose by this chapter; and
2. The 1996 municipal budgets approved and adopted prior to the end of 1995, their implementation and appropriations made in furtherance thereof shall not be modified, amended or prohibited by this chapter.

(AO No. 95-198(S-3), § 2, 12-5-95)



Heritage Land Bank Policies

I. Overview

The Municipality of Anchorage Heritage Land Bank (HLB) is responsible for managing the majority of the municipality's uncommitted land base, currently consisting of over 10,000 acres. This acreage is distributed from Chugiak to Girdwood and classified as residential, commercial, industrial, open space, and recreational areas. The HLB manages this land 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).

All land and resources subject to HLB management should be included in the HLB Inventory. Land transferred to the Municipality from the State of Alaska under separate agreement or as part of the Municipal Entitlement Act is added to the inventory. Land may be withdrawn from the inventory and management transferred to other municipal agencies if such land is needed for the location of public facilities or purposes, including schools and dedicated or designated parks and open space. In addition, if HLB land is determined excess to municipal need, such land may be disposed of through land sales, exchanges, or leases. HLB staff also issues land use permits for a variety of temporary uses on HLB land.

The HLB Fund exists to receive income generated by the HLB land. The HLB Fund is used for HLB operating expenses, to acquire new land needed for municipal use, and for improvements to HLB land. All monies held in the HLB Fund are managed in a public fiduciary capacity in an account separate from other municipal funds. HLB is not tax supported and therefore has no impact on property tax revenues.

The HLB Policies and the Anchorage Municipal Charter and Code provide the general principles and guidelines necessary to govern the HLB functions related to the management of HLB land and the HLB Fund.

Any issues not explicitly covered by these policies shall be reviewed and decisions made on a case-by-case basis by the HLB Executive Director after consultation with the Municipal Attorney and a determination of conformance with AMC § 25.40.

II. Heritage Land Bank Advisory Commission

A seven member HLB Advisory Commission (HLBAC) from a diversity of geographic residence, occupations, and civic involvement is appointed by the Mayor and confirmed by the Assembly. The HLBAC generally makes advisory recommendations on proposed HLB actions to the Mayor and Assembly.

HLBAC members serve a maximum of two consecutive three year terms. The commission holds regular monthly meetings to consider proposed actions, except when there is no action pending.

III. Public Notice and Hearing Procedures

HLB staff provides public notice and holds a public hearing prior to making a recommendation to the Mayor and Assembly regarding actions affecting HLB land or the HLB Fund. Public notice must be postmarked 14 days prior to the public hearing. Public noticing is accomplished by:

- (a) posting a sign on the land proposed for the action; and
- (b) providing individual notice to all property owners within 500 feet of the outer boundary of the affected HLB parcel (or the 50 parcels nearest the outer boundary of the HLB parcel, whichever is greater); and
- (c) email notification to the Community Council where the affected HLB land is located, per AMC § 25.40.030D.1, as well as posts the agendas on the HLBAC Information web page at <http://www.muni.org/hlb/advise.cfm>.

IV. HLB Land Disposals

The HLB periodically makes determinations regarding disposal of land or interests in land, consistent with the Municipal Charter, Municipal Code, the HLB Annual Work Program and Five-Year Management Plan, and HLB Policies. All land disposals must also be consistent with the Comprehensive Plan and implementing measures as well as long-term municipal and community development needs. After a public hearing on a proposal, the HLBAC submits a written finding and recommendation to the Mayor and Assembly, stating whether or not a proposed land disposal is in the best interest of the Municipality and consistent with the HLB mission and purpose. Any disposal utilizing AMC § 25.40.025H shall include additional requirements and conditions to insure the proper development and completion of the project in the public interest, these types of disposals shall be solicited through requests for proposals or through invitations to bid.

A. Land Sales

All proposed HLB land sales occur by a competitive bid process as described in AMC § 25.40.025D for at least the appraised fair market value of the land. An application to purchase HLB land grants the applicant no right of preference or other priority.

B. Land Exchanges

The HLB may exchange HLB land for other land on at least an equal value basis, as determined by a fair market value appraisal by a certified real estate appraiser.

C. Leases

Per AMC § 25.40.025F, leases are awarded by open competitive bid process based upon one of three forms of compensation: (a) for at least appraised fair market rental rates as determined by a certified real estate appraiser; or (b) a percentage of gross receipts; or (c) a user fee. Lease rates are adjusted at intervals of not more than every five years, except as otherwise approved by the Mayor and Assembly, to reflect current market conditions. HLB land may also be leased non-competitively to a non-profit agency for less than the appraised fair market value if the municipal benefits projected to accrue are found by the Mayor and Assembly to be in the best interest of the Municipality. An application to lease HLB land grants the applicant no right of preference or other priority.

D. Easements

Easements are a disposal of an interest in land, granted non-competitively for a one-time fee based upon appraised fair market or use value, with approval of the Mayor and Assembly.

E. Rights-of-Way

Rights-of-Way (ROW) are another form of land disposal where an area may be awarded non-competitively to a specific utility or government body requesting the ROW. As with easements, the HLB allows the disposal for a one-time fee or payment based on fair market or use value of the area to be disposed of as ROW.

F. Anchorage School District

AO 2007-124(S), passed 9/25/07, covers specific procedures for site selection and acquisition of properties for school lands, amending AMC § 25.40 to include a new section (AMC § 25.40.015D), detailing selection, acquisition and compensation to HLB for land selected as a school site.

V. Permits

HLB staff administratively issues a variety of land use permits for HLB land and resources. These permits are not a disposal of HLB land; rather a permit is a temporary grant to an individual, corporation or agency of the right to use HLB land for a particular purpose for one year or less in duration. These authorizations include Land Use and Special Event Permits. The HLB Fee Schedule specifies the fees appropriate to various permits and use authorizations (see Section X).

VI. Intra-Governmental Authorizations and Intra-Governmental Permits

Generally Intra-Governmental Authorizations and Intra-Governmental Permits are granted to another municipal department or agency for the duration of a construction/utility project; where necessary to complete a specific project, the timeframe may exceed one year. Intra-Governmental Permits may be public use easements that are recorded and convert to full easements if the property is ever conveyed.

VII. Withdrawals from the HLB Inventory

Some HLB lands are needed by other municipal agencies for specific municipal purposes. If the need is permanent or long-term in duration, the Mayor and Assembly may withdraw the land from the HLB Inventory and transfer it to Real Estate Services. Withdrawals requested by the Mayor with Assembly approval become effective only after at least 30 days prior written notice to the HLB Advisory Commission and at least one HLBAC public hearing, per AMC § 25.40.015B. If land is withdrawn from the HLB Inventory for the use and management of a public agency not supported by municipal taxes, compensation must be paid to the HLB for at least the fair market value of the land as well as administrative and associated costs. Withdrawals of HLB land for other municipal agencies may include a date certain reversionary clause, as determined by the HLB Executive Director. If the agency does not use the parcel for the requested municipal purpose by the date certain, the Mayor may designate the land for return to the HLB inventory. The requesting agency may resubmit a second request for withdrawal at a later date, if necessary.

VIII. HLB Land Management

HLB land management practices are governed by AMC § 25.40. The code requires the HLBAC to submit for Assembly approval an Annual HLB Work Program that conforms to the Five-Year Management Plan, Policies covering the management of the HLB land, and the HLB Fund. The Five-Year HLB Management Plan is often included with the annual work program, but is required by code to be updated at least once every five years. The Five-Year Management Plan generally identifies the land acquisition, inventory, management, transfer, and disposal objectives anticipated during this timeframe. The Annual HLB Work Program includes more detailed descriptions of the proposed activities for the coming calendar year and related revenue and expenditure projections.

IX. HLB Policies

A. Land Management Policies

1. HLB staff shall manage land in the HLB inventory with the objective of maximizing municipal purposes and benefits. Its present responsibility is to provide sites for public facilities and uses for the present and future citizens of the Municipality of Anchorage. HLB staff shall consult regularly with other municipal agencies and the Assembly to determine whether HLB land is needed to fulfill various municipal purposes. If an agency has identified a municipal need for HLB land (present or future), and provides sufficient justification in support of the need, HLB staff may either (a) initiate a process to remove the land from the HLB inventory and transfer to Real Estate Services for transfer of management authority to the requesting municipal agency, or (b) create an Intra-governmental Authorization, and retain the land in the HLB Inventory.

2. All HLB land management decisions shall be based upon a finding of compatibility with municipal interests and the overall mission of the HLB. It is anticipated the majority of the land in the HLB inventory shall continue to be held for future municipal use. Where retained, HLB land shall be managed in a manner to protect and enhance its present and future economic and other

municipal values. The HLB shall ensure all HLB lands are reasonably protected from adverse impacts, including fire, insect damage, plant disease, illegal dumping, Off-Road Vehicle damage, hazardous or contaminated materials, trespass, vandalism, theft, etc.

3. HLB staff may allow temporary use permits on HLB land, provided such permits do not exceed one year (12 months), any contract longer than one year requires Assembly approval. Such temporary use includes Special Land Use Permits (SLUP), Temporary Construction Permits (TCP), and such other specific use authorizations as approved in advance by HLB staff.

4. All land use permits shall be based upon prevailing market rates, unless otherwise provided by AMC § 25.40 or the HLB Fee Schedule. All payments due to the HLB and all terms of the permit shall remain current, or the HLB shall take appropriate action to ensure payment or terminate the permit.

5. HLB staff shall regularly update and maintain complete and accurate land records in the HLB Inventory. HLB staff shall continue integrating its land records with the municipal Geographic Information System (GIS) to enhance the ability of the HLB to make land use decisions based upon the best available information, including geospatial data.

6. The use of HLB land for wetlands mitigation approved by the U.S. Army Corps of Engineers (USACE) is allowed, provided the mitigation is consistent with the mission of the HLB and is approved by the HLBAC and Assembly.

- a. HLB staff may execute an In-Lieu Fee Agreement with the USACE allowing the sale of credits to public or private developers. The funds received pursuant to an In-Lieu Fee Agreement shall be used for subsequent wetland and/or riparian acquisition, restoration, creation, enhancement, and preservation in accordance with plans authorized by the USACE.
- b. HLB may create a mitigation bank by placing conservation easements on lands owned by the MOA. HLB staff may then sell the mitigation credits to developers needing credits to satisfy USACE permit requirements.
- c. HLB staff may enter into permit-specific agreements with developers to provide mitigation credits on an ad hoc basis, when approved by the USACE.
- d. When HLB land has a recorded Conservation Easement, that property would be withdrawn from the HLB inventory into RES for land management. HLB staff would be responsible for the management of the Conservation Easement.

B. Land Use Planning Policies

1. HLB staff shall manage land and resources consistent with approved Comprehensive Plans and implementing measures. If it cannot be determined whether a proposed land management or disposal action is consistent with the appropriate comprehensive plan or implementing measures, HLB staff shall complete a site-specific land use study prior to taking action on the proposal; the land use study and process may be coordinated with the Planning Department. A site-specific land use study shall address, at a minimum, the following information:

- a. The need for community facilities such as roads, parks, trails, schools, satellite municipal offices, etc.
- b. Identify historical and natural landmarks, natural hazards, and environmentally sensitive areas.
- c. Public utility needs.
- d. Potential residential, commercial and industrial uses.
- e. Land use compatibility with adjacent areas.
- f. Consistency with land uses identified in the Comprehensive Plan, adopted area plans, and with zoning in the area.
- g. Potential municipal, public and community development needs.

Site specific land use studies shall be adopted through a public process, including public notice, opportunity for public comment, public hearing, and review by appropriate community council(s), HLBAC, Planning and Zoning Commission, and Assembly adoption.

2. The HLB shall initiate prudent predevelopment activities as appropriate in order to increase the value of an HLB parcel including, but not limited to, rezoning, re-platting, master planning, environmental assessment and/or remediation, and geotechnical investigations.

3. To the extent possible, the HLB shall strive to acquire and assemble additional HLB land to achieve more efficient and cost effective land management. The HLB shall explore land exchange opportunities with other landowners where doing so benefits municipal interests.

C. Land Disposal Policies

1. HLB staff regularly reviews land in the HLB Inventory to identify parcels that are potentially excess to municipal needs as part of drafting the annual HLB Work Program and Five-year Management Plan. If market conditions warrant, the HLB may take advantage of unforeseen opportunities not identified in the work program or five-year management plan. If a proposed disposal is included, HLB staff may initiate the disposal process.

2. The HLB may dispose of land when it is determined there is no current or considered municipal use for the land and market conditions are determined to be favorable. A decision to dispose of HLB land shall be based upon written findings addressing how the disposal is in the best interest of the Municipality and consistent with the purpose and mission of the HLB. The written finding shall also identify the details associated with the disposal, including method, timing, terms, projected effects on the neighborhood and public facilities, and other relevant information.

3. All land sales shall occur by a competitive bid process for at least the appraised fair market value of the land. HLB staff shall provide at least a 14-day period for accepting qualified bids to purchase land. The successful bidder shall be the applicant submitting the highest qualified bid. Unless otherwise authorized, sealed bid offerings shall be the preferred method of disposal. An application to purchase HLB land shall grant the applicant no right of preference or priority.

4. HLB land may also be leased non-competitively to a non-profit agency for less than the appraised fair market value, if the municipal benefits projected to accrue are found by the Mayor and Assembly to be in the best interest of the Municipality. **HLB land may be leased to other than non-profit agencies only through an open competitive bid process.** The method of compensation to the HLB shall be one of the following:

- a. At least appraised fair market value;
- b. A percentage of the annual gross receipts as determined by the HLB;
- c. A user fee as determined by the HLB; or
- d. Any combination of the above.

Lease rates shall be adjusted at intervals of no more than five years, except as otherwise authorized by the Assembly, to reflect current market conditions. An application to lease HLB land grants the applicant no right of preference or priority. Lease terms shall generally be commensurate with the length of the proposed uses, although no lease shall be longer than 55 years.

5. Lessees shall be consulted on proposed activities affecting their authorized uses or any proposed changes in lease terms and conditions. HLB staff shall encourage lessees to make improvements to HLB land consistent with lease purposes. However, any lessee proposing such improvements must obtain HLB staff authorization, or as instructed in lease agreement, prior to making the improvement, and must agree in writing to maintain the improvement in good working order over the term of the lease.

6. If there is reason to believe HLB land proposed for disposal may contain hazardous or contaminated waste or other materials, HLB staff shall complete an environmental assessment of the property prior to offering the land for disposal. If the assessment reveals the potential presence of hazardous or contaminated waste or materials, HLB staff may exclude the land from the proposed disposal and remediate the site in accordance with applicable law. Contamination and indemnity clauses on all contracts shall be reviewed during annual contract summaries and upon amendments or renewals.

7. HLB land may be exchanged for other land of equal or greater fair market appraised value with greater potential value or attributes for municipal use. HLB staff may accept or pay cash to another party in order to equalize land values.

8. The HLB shall authorize easements at the current fair market rate, although another public agency may obtain an easement at less than fair market value if determined to be in the best interest of the municipality, including Intra-Governmental Permits.

9. Any entity acquiring HLB property shall indemnify or hold the HLB/MOA harmless from any third-party liability, damages, or claims arising from the disposal.

D. Land Acquisition Policies

1. HLB staff shall seek to obtain the highest quality land available when acquiring new land by exchange or by selection from the state under the Municipal Entitlement Act. Particular priority and emphasis shall be placed upon obtaining lands to satisfy present or future municipal needs and purposes.
2. HLB staff shall ensure all prior land agreements, court settlements, and legislative acts are fulfilled as intended to result in the conveyance of land to the Municipality.
3. The HLB may accept donations of land, consistent with the mission of the HLB.
4. If there is reason to believe land proposed for acquisition by the HLB may contain hazardous or contaminated waste or other materials, HLB staff shall ensure an environmental assessment of the property is conducted prior to making a recommendation to acquire the land.

E. HLB Fund Management

1. The HLB Fund shall be used only for HLB operating expenses, acquisition of land for municipal purposes, and for maintenance and improvements to HLB land.
2. HLB staff shall manage the HLB Fund in a fiduciary manner seeking to increase the value of the Fund corpus over the long-term.
3. The HLB Fund may be used to acquire land for municipal purposes if alternative means of acquisition have been explored and determined to be untimely, impractical, or infeasible.
4. HLB staff may invest HLB capital in land improvements on HLB land, or other lands with community benefit consistent with the Comprehensive Plan, Assembly approval, in such direct capital investments and value enhancement activities including but not limited to site planning, rezoning, platting, access and utility acquisition, pursuant to AMC § 25.40.035F.

X. HLB Fee Schedule

The HLB shall establish administrative and other fees associated with processing land disposals and permits. Please refer to Section IV for an overview of the types of land disposals and general procedures. **All fees may be modified at the discretion of the HLB Executive Director.**

A. Application Review Fee.

Applicants seeking to acquire HLB land are required to pay the HLB a non-refundable \$500 fee to initiate the application review process. The application fee must be submitted with the application. An additional \$500 fee may be charged by HLB for acquisitions or disposals where an expedited review, to be completed within ten business days, is requested. NOTE: An application

to purchase HLB land grants the applicant no right of preference or other priority (AMC § 25.40.025A).

B. Disposal Fees.

1. Land Sales - All HLB land sales shall be awarded competitively for no less than the fair market appraised value of the land plus costs and a \$500 administration fee. Land sales shall be awarded to the highest qualified bidder through a procedure determined by HLB to be the most appropriate for a given sale. Details for this process shall be provided in advance in the bidding instructions. In the case of identical highest qualified bids, the HLB shall obtain a best and final offer from among the highest identical qualified bids (AMC § 25.40.025D).

2. Leases – Leases shall be awarded by an open competitive bid process, unless issued under Section IX.C.4., and HLB shall determine the most appropriate compensation method for the particular property, with details described in the bidding instructions, and may include one or more of the following:

- a. At least the fair market appraised value of the land; or
- b. A percentage of the gross receipts anticipated to be received by the bidder and attributed to the leasehold; or
- c. A user fee attributed to the leasehold; or
- d. Any combination of the above.

An administrative fee of \$500 shall also be paid by the successful bidder upon completion of the lease award. The successful bidder shall be the applicant proposing the method of compensation providing both the greatest monetary return to the HLB and the most consistent with the HLB mission and the best interests of the municipality.

Lease rates shall be adjusted by the HLB at intervals of not less than every five years to reflect current market conditions, except as otherwise specifically authorized by the Assembly.

C. Disposals to Non-Profit Agencies.

The HLB may lease or sell HLB land non-competitively, where the lessee or purchaser is a non-profit or governmental agency, for less than its appraised fair market value, if the projected municipal benefits are found by the Mayor and the Assembly to be in the best interest of the Municipality.

A \$500 administrative fee shall apply for processing non-competitive or less than fair market value disposals to non-profit agencies or groups.

Other non-competitive disposals include:

1. Exchanges – HLB may conduct an equal value land exchange for other land on at least an equal value basis plus \$500 administrative fee (AMC § 25.40.025E).

2. Easements – Easements are awarded non-competitively for a one-time fee equal to the fair market value of the easement interest to be conveyed; a \$500 administrative fee shall be paid by the requestor.

D. Permit Fees.

1. Permits may generally be issued for terms of up to one year. A non-refundable application fee is applied as the initial use fee, with fees for each authorization necessarily reflective of the nature and limited duration of the use. An additional administration fee of \$250 may be charged by HLB for issuance of permits on an expedited basis, i.e., within 10 working days.

Intra-governmental Authorizations requested by non-tax based municipal agencies, including but not limited to AWWU, ML&P, Port of Anchorage and ACDA, shall pay a minimum \$500 administration fee or 10% of the property’s assessed value, whichever is greater.

<u>Type of Permit</u>	<u>Use Fee</u>
a. Special Event Permit (race, tournament, etc.)	\$500/day
b. Short-term Land Use Permit	10% of Appraised Value per year, or minimum of \$750/week for up to four weeks; \$250/week for remaining 48 weeks.
c. Intra-Governmental Authorization/ Permit	Fair Market Value

Renewals, amendments, subleases, assignments or extensions of existing HLB leases and permits may require a minimum administrative fee of \$250 for each action (includes subleases and assignments).

2. A security deposit may be required, at the discretion of the HLB Executive Director, based on the property to be permitted and the use proposed.

XI. Definitions

Appraised Fair Market Value. The most probable price in cash, terms equivalent to cash, or in other precisely defined terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming neither is under duress. Professional services may be obtained to coordinate an agreed upon purchase price and/or terms.

Disposals. Per AMC § 25.40.025A, HLB land disposals include land sales, land exchanges, leases and easements.

Fair Market Lease/Rental Value. The rental income a property most probably commands in the open market, indicated by the current rents paid for comparable area or space as of the effective date of agreement.

Gross Receipts. All money, income, revenue and any and all other things of value received by, paid to or transferred for the benefit of a lessee on HLB land, without offsets or deductions of any sort whatsoever, where such receipts or payment(s) are made as a result of or in connection with the lessee's interest in the leasehold.

Improvements. A valuable addition to HLB property or an amelioration in its condition, intended to enhance its value or utility or adapt it for new or further purposes, including expenditures to extend the useful life of the property asset, to improve its performance, or for off-site mitigation necessary to improve HLB land.



Municipality of Anchorage
 REAL ESTATE DEPARTMENT
 Heritage Land Bank Division
 P.O. Box 196650
 Anchorage, Alaska 99519-6650

Office use Rec'd. by: _____ Fee: \$ _____ Tentative HLBAC Meeting date: _____
--

Land Disposal Application

HLB Application #: _____

This is a request for land disposal via (circle one):

Purchase **Lease** **Trade** **Easement** **Other (specify):** _____

HLB Parcel(s): _____ PID(s): _____

Legal Description (please print): _____

Section: _____ Township: _____ Range: _____

Zoning classification: _____

Location (circle one): **Eagle River** **Anchorage** **Girdwood** **Other** _____

Applicant Information:

Contact name: _____

Name of company or organization (if applicable): _____

Address: _____

Phone and fax numbers: (Ph) _____ (Alt) _____ (F) _____

E-mail address: _____

Applicant is a (check one):

Proprietorship _____ Partnership _____ Private Individual _____

Government agency _____ Corporation _____ Non-profit organization _____

Other _____ (explain/describe): _____

Lease-Term requested: From _____ To _____

(Term cannot begin prior to HLB Advisory Commission and Assembly approval.)

Application Questionnaire:

1. Size of area requested (identify minimum area necessary in number of acres or square footage, include site plan):

2. Intended and permitted uses of land. Give narrative explanation, noting date(s) of proposed use, construction schedule (if applicable), proposed improvements, etc.:

Note: Proposed use(s) must be consistent with municipal zoning and code restrictions.

3. Explain why Heritage Land Bank Advisory Commission should recommend Assembly approval of this request:

4. How is this request consistent with the current HLB Work Plan? _____

5. How is this request consistent with the affected region's comprehensive plan, district, or neighborhood plan and with any other adopted plans or policies? _____

Please read the following HLB Mission Statement and Anchorage Municipal Code and initial below.

Heritage Land Bank Mission Statement

It is the mission of the Heritage Land Bank (HLB) to manage uncommitted land and the HLB 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. In accordance with this mission, the HLB manages over 10,000 acres of municipal land located throughout the Municipality, from Girdwood to Eklutna, which is classified as residential, commercial, industrial, open space and recreational areas. All revenue produced from the management or sale of HLB land is placed in the HLB Fund, a fiduciary trust fund managed on behalf of the citizens of Anchorage. The HLB Fund can be used only for HLB operating expenses, to acquire land needed for municipal use, and to improve existing HLB land.

Anchorage Municipal Code

Pursuant to AMC 25.40.025.A-G, the HLB Advisory Commission (HLBAC) 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 HLB land or an interest in land. Land disposal under this chapter include land sales, land exchanges, leases, and easements.

After the public hearing, the HLBAC shall submit a written finding and recommendation to the Mayor and Assembly, stating whether or not a proposed land disposal is in the best interest of the Municipality and consistent with the HLB purpose and mission. The written finding shall identify the proposed land disposal, including details regarding its method, timing, terms, projected effects on the neighborhood and on public facilities, and other relevant information. All proposed land disposals shall also specify those terms and conditions necessary to ensure that the HLB receives the maximum overall benefit for the disposal of its land, including equivalent non-monetary public benefits, consistent with the Municipality's best interests.

The HLB shall determine which land or interests in land should be disposed of; consistent with AMC 25.40.020 and the comprehensive plan and implementing measures. If the information in the comprehensive plan and implementing measures is insufficient to determine whether the disposal of a parcel or parcels is consistent with the plan or measures, the HLB shall complete a site-specific land use study for the use of the land which has been adopted through the public process specified in this chapter. Each site specific land use study shall address: a) the need for community facilities such as roads, parks, trails, schools, satellite municipal officers, etc.; b) identify historical and natural landmarks, natural hazards, and environmentally sensitive lands; c) public utility needs; d) potential residential, commercial and industrial uses; e) land use compatibility with adjacent areas; and f) consistency with land uses identified in the comprehensive plan and zoning for the area.

All proposed HLB land sales shall occur by an open competitive bid process for at least the appraised fair market value of the land. **An application to purchase HLB land shall grant the applicant no right of preference or priority.**

The HLB, with Assembly approval, may exchange HLB land for other land on at least an equal value basis, as determined by a fair market value appraisal.

The HLB, with Assembly approval, may lease land in the HLB inventory. Any lease shall be awarded by an open competitive bid process for at least appraised fair market rates, or a percentage of gross receipts, or user fee equivalent, pursuant to AMC 25.40.025. The lease rates shall be adjusted at intervals of no more than five years to reflect current market conditions. An application to lease shall grant the applicant no right of preference or priority. HLB land may be leased non-competitively to a non-profit agency for less than its appraised fair market value if the municipal benefits which are projected to accrue are found by the Mayor and the Assembly to be in the best interest of the Municipality.

I, the undersigned, have read and understand the above referenced section of the Anchorage Municipal Code regarding Heritage Land Bank Disposal procedures (AMC 25.40.025).

Initial here: _____

Application received by:

Authorized representative:

Robin E. Ward, Director
Real Estate Department
Heritage Land Bank Division

(signature)

(Print name)

(Title)

Pursuant to Section X.A of the HLB Policies, applicants seeking to acquire HLB land are required to pay the HLB a non-refundable \$500 fee to initiate the application review process. An additional \$500 fee may be charged by HLB for acquisitions or disposals where an expedited review to be completed within ten (10) business days is requested.

NOTE: An application to purchase HLB land grants the applicant no right of preference or other priority (AMC §25.40.025A).