Summary

Proposal Summary: Staff proposes disposal of HLB Parcel 3-073 to an eligible non-profit organization or public agency at less than fair market value by non-competitive means. Previously recommended for disposal in HLBAC Resolution 2019-08 (Appendix B).

Applicable Regulations & Standards: AMC § 25.40.010E provides authority for disposal.

Work Plan Amendment Required: Yes; action was discussed in 2021 Potential Disposals, Exchanges and Transfers and was previously approved for disposal by non-competitive means, but an intent to dispose of in 2021 to a non-municipal agency or organization was not explicitly stated.

Summary Recommendation: Staff recommends approval of this resolution (Appendix E).

Background Information

Parcel ID: 004-053-08-000

Parcel Location: HLB Parcel 3-073, located on at 3001 Porcupine Drive near Rampart Drive, legally described as Lot 32A, Block 10, 1st Addition to The Alaska Industrial Subdivision, according to Plat 64-141(Exhibit D) thereof recorded in the Anchorage Recording District (ARD).


Parcel/Building Size: 0.96-acres with an approximately 12,162 square foot building built in 1968.

Existing Conditions: Building is 99% vacant, with only current permit holder Alaska Native Tribal Health Consortium occupying one room for storage of hazardous material spill kits.

Property requires considerable investment to ameliorate deferred maintenance issues if retained, including full roof replacement (approximately $500,000). A recent building condition survey placed cost to bring building up to condition comparable to new construction at nearly $3 million.

Current Land Use: Zoning is I-1 (Light Industrial District).

Surrounding Land Use: All adjacent properties are I-1 (Light Industrial District) and are utilized accordingly.

Public Utilities and Services: Property is served by all utilities. Public transportation is within walking distance; however, much of the route lacks paved shoulders, sidewalks, curbs, and gutters.

Public Notice

Notices were posted on the property and mailed to 53 neighboring parcels on Friday, June 4, 2021. HLB’s regular email list received notice on May 27, 2021.

Previous Approval

HLBAC Resolution 2019-08 contained a “WHEREAS” statement that could result in an interpretation that the disposal was only recommended to the Alaska Mental Health Trust Authority (AMHTA). This resolution proposes a more flexible approval, which allows staff to market the property to other potential buyers in the event a transaction is not completed, as was the case with AMHTA.

Project Description

There is currently a request to purchase the property at less than fair market value (FMV) from a non-profit specializing in coworking and business development opportunities. They would utilize a portion of the building and lease or permit use in other areas by additional non-profits organizations. The State of Alaska has advised that non-profits are allowed under state statute as satisfying the public purpose clause on which ownership is conditioned. Should this transaction not reach a conclusion resulting in transfer of the property, staff would like to have the more general authority to negotiate a sale at less than FMV to another non-profit or public agency than was afforded by the previous approval.

Analysis and Conclusion

Given the extent of repairs and updates required and the public purpose restriction, staff concludes that a sale at less than FMV is the best course of action. Not only does it provide the public benefit that is required for a transaction at less than FMV, but it eliminates HLB’s exposure to increasing costs to hold, maintain, and improve the facility.

Agency Review

Alaska Department of Transportation & Public Facilities: No comments from DOT. (Shawn Gardner, Anchorage Area Planner)

Anchorage Police Department: No interest or objection. (Stephen Miko, Resource Manager)

Anchorage School District: The parcel sits between Tyson Elementary School and Clark Middle School. Realizing that Light Industrial Zoning permits numerous types of allowable uses, ASD requests that the location of the 2 schools mentioned above be considered in determining the disposition of the site and its future use. (Tom Roth, Chief Operating Officer)

Anchorage School District (Continued): ASD has no need/interest/or comments concerning this property. (Tom Fenoseff, PMP, Senior Director of Capital Planning and Construction)

Anchorage Water & Wastewater Utility: Water and sewer are available to this parcel. No assessments are due with additional development of the parcel. AWWU has no comments on the proposed transaction. (Alex Prosak, P.E.)
MOA Planning Department (Long-Range Planning): We have no comments on this disposal. (Kristine Bunnell, Senior Planner)

MOA Port of Alaska: No interest from us. (Steve Ribuffo, Port Director)

**Recommendation**

Staff recommends approval of this resolution. A disposal to a non-profit or public agency is appropriate given the holding costs and the public purpose restriction. As evidenced by agency review responses, there is no current or future municipal use identified.

Photo credit: ECI Alaska, 3001 Porcupine Drive

Conditions Report (Draft, 2019)
HLB Parcel 3-073

HLB Advisory Commission
Proposed Resolution 2021-03
Lot 32A Block 10
1st Addn Alaska Industrial Subd
Plat 64-141
PID 004-053-08
HERITAGE LAND BANK ADVISORY COMMISSION
HLBAC Resolution 2019-08

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDING ASSEMBLY APPROVE THE DISPOSAL BY NON-COMPETITIVE SALE OF HLB PARCEL 3-073, LEGALLY DESCRIBED AS LOT 32A BLOCK 10 1ST ADDITION TO THE ALASKA INDUSTRIAL SUBDIVISION (PLAT 64-141) AND AMENDMENT OF THE 2019 HERITAGE LAND BANK ANNUAL WORK PROGRAM AND 2020-2024 FIVE-YEAR MANAGEMENT PLAN.

WHEREAS, pursuant to AMC § 25.40.010, the Heritage Land Bank (HLB) was established to manage uncommitted municipal 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; and

WHEREAS, pursuant to AMC § 25.40.025A, 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 disposals under this chapter include land sales, land exchanges, leases and easements; and

WHEREAS, HLB Parcel 3-073, located on at 3001 Porcupine Drive, near Rampart Drive, legally described as Lot 32A Block 10 1st Addition Alaska Industrial Subdivision (Plat 64-141) (PID 004-053-08) is an I-1 (Light Industrial District) zoned 0.96-acre parcel with a 12,162 square foot building that has no current or future planned municipal uses; and

WHEREAS, the Mountain View Targeted Neighborhood Plan (2016) Land Use Plan Map identifies Lot 32B’s future land use as Light Industrial; and

WHEREAS, the disposal has been requested to potentially provide a hub for Alaska Mental Health Trust Authority clients and the non-profit entities serving them; and

WHEREAS, the property contains a reversionary clause limiting property to use for public purpose; and

WHEREAS, the proposed use is projected to have little impact on nearby public facilities; and

WHEREAS, the Heritage Land Bank 2019 Annual Work Program & 2020 – 2024 Five-Year Management Plan did not anticipate this disposal, and pursuant to AMC 25.40.020B, this action requires an amendment; and

WHEREAS, HLB posted the property, conducted public notice and an agency review by all potentially interested municipal agencies, the Assembly, the Federation of Community Councils
and the Mountain View Community Council to establish no objections to the disposal by competitive bid; and

WHEREAS, the HLBAC finds the disposal is in the best interest of the Municipality and consistent with the HLB purpose and mission; now therefore,

BE IT RESOLVED, THAT THE HLBAC RECOMMENDS ASSEMBLY APPROVAL APPROVE THE DISPOSAL BY NON-COMPETITIVE SALE OF HLB PARCEL 3-073, LEGALLY DESIGNED AS LOT 32A BLOCK 10 1ST ADDITION TO THE ALASKA INDUSTRIAL SUBDIVISION (PLAT 64-141) AND AMENDMENT OF THE 2019 HERITAGE LAND BANK ANNUAL WORK PROGRAM AND 2020-2024 FIVE-YEAR MANAGEMENT PLAN.

PASSED and APPROVED on this, the 10th day of October, 2019.

Approved:  

Wende Wilber, Chair  
Heritage Land Bank Advisory Commission

Attest:  

Robin E. Ward, Executive Director  
Real Estate Department /HLB
APPENDIX C

State of Alaska

Patent
No. 23349

Know Ye By These Presents that the Grantor, the STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, 550 West 7th Avenue, Suite 1050A, Anchorage, Alaska 99501-3579, pursuant to AS 38.05.810(a), and the regulations promulgated thereunder, in consideration of the sum of TEN DOLLARS and other good and valuable consideration, the receipt whereof is hereby acknowledged, grants and conveys to the Grantee, MUNICIPALITY OF ANCHORAGE, a Municipal Corporation, whose mailing address of record is P O Box 196650, Anchorage, Alaska 99519, Grantee's heirs and assigns, all that real property described as follows:

LOT 32A IN BLOCK 10 OF ENGINEERING PLAT FILE NO. 10-38, 1ST ADDITION TO THE ALASKA INDUSTRIAL SUBDIVISION, CONTAINING 42,115 SQUARE FEET, FILED IN THEANCHORAGE RECORDING DISTRICT ON DECEMBER 29, 1964, AS PLAT 64-141.

Subject to valid existing rights, including reservations, easements, and exceptions in the U.S. Patent, or other state or federal conveyance, and in acts authorizing the issue thereof; easements, rights-of-way, covenants, conditions, reservations, notes on the plat, and restrictions of record, if any.

Further subject to the condition that pursuant to AS 38.05.810, the Grantee and its heirs and assigns may use the above described parcel for public purposes only. If the Director of the Division of Mining, Land and Water of the Department of Natural Resources determines that the Grantee or Grantee's successors in interest have failed to observe this condition, the Director may declare a forfeiture of this conveyance and title hereby conveyed shall there up on revert to the State of Alaska.

The Grantor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal,
ores, minerals, fissionable materials, geothermal resources, and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times for the purpose of opening, developing, drilling, and working mines or wells on these or other lands and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials, geothermal resources, and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally all rights and power in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved.

To Have And To Hold the said land, together with the tenements, hereditaments, and appurtenances thereunto appertaining, unto the said Grantee and Grantee’s heirs and assigns forever.

In Testimony Whereof the State of Alaska has caused these presents to be executed by the Chief of the Realty Services Section, Division of Mining, Land and Water, Department of Natural Resources, State of Alaska, pursuant to delegated authority, this 1st day of May, 2014.

By:

[Signature]

[Name]
Chief, Realty Services Section
Division of Mining, Land and Water
Department of Natural Resources

State of Alaska

Third Judicial District

This is to certify that on the 1st day of May, 2014, personally appeared before me JERRI E. SANSONE, who is known to me to be the person who has been lawfully delegated the authority of the Director of the Division of Mining, Land & Water, Department of Natural Resources, State of Alaska, to execute the foregoing document under such legal authority and with knowledge of its contents, and who acknowledged said document before me on behalf of Grantor.

Witness my hand and official seal the day and year in this certificate first above written.

[Signature]

[Name]
Notary Public in and for the State of Alaska
My commission expires with office

Return to:
Municipality of Anchorage
P O Box 196650
Anchorage, Alaska 99519-6650

Patent No. 23349
ADL No. 229087
Location Index:
T. 13 N., R. 3 W., S.M.
Section 16
APPENDIX D

OWNERSHIP CERTIFICATE

I hereby certify that I am the Director of the Alaska Division of Lands and that the State of Alaska is the owner of Lots 32 and 33, Block 10, First Addition, Anchorage Industrial Subdivision, which is by this plat to hereby designated as Lot 32A of said Block 10. I hereby request approval of this plat showing such amendments for public facilities and roadways dedicated by the State of Alaska for public use.

9/16/64
1964

Director of Lands

SURVEYORS CERTIFICATE

I, the undersigned surveyor, hereby certify that a survey has been completed and that the monuments have been located and established on survey lines and that all obstructions and other details are correct.

11 September 1964

Survey Officer

 Plat approved by the City of Anchorage Planning Commission on 12/15/64.

NOTARY'S ACKNOWLEDGMENT (FOR OWNERSHIP CERTIFICATE)

Subscribed and sworn to before me this 12th day of September, 1964,

Notary for Alaska

LEGEND:
- ALO Monument existing
- ALO 32.5', South Point
- ALO 50', North Point
- 0.5' E of S.W.

NOTE:
No buildings exist on lot 32-A.

The acreage of 0.0274 acres is the first measured distance and the original plan thereof has been recorded by the office.

DATE OF SURVEY
Surveyed: 12/15/64
Recording: 11/5/64

NAME OF SURVEYOR
C.M. Hoffman

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS

PLAT OF LOT 32A, BLOCK 10, 1ST ADDITION TO THE ANCHORAGE INDUSTRIAL SUBDIVISION, LOCATED IN THE N1/2 SEC. 18, T35N, R5W, S.M., ALASKA

DEEDS, NO.:
APPROVED: 11/5/64
DATE APPROVED: 2/25/64
CHECKED: 2/25/64
FILE NO.: 10-38
SCALE: 1" = 100'

137-48
APPENDIX E

HERITAGE LAND BANK ADVISORY COMMISSION
HLBAC Resolution 2021-03

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDING ASSEMBLY APPROVE THE DISPOSAL BY NON-COMPETITIVE SALE OF HLB PARCEL 3-073, LEGALLY DESCRIBED LOT 32A, BLOCK 10, 1ST ADDITION TO THE ALASKA INDUSTRIAL SUBDIVISION, ACCORDING TO PLAT 64-141 THEREOF RECORDED IN THE ANCHORAGE RECORDING DISTRICT, AT LESS THAN FAIR MARKET VALUE TO A PUBLIC AGENCY OR NON-PROFIT ORGANIZATION, AND AMENDMENT OF THE 2021 HERITAGE LAND BANK ANNUAL WORK PROGRAM AND 2022-2026 FIVE-YEAR MANAGEMENT PLAN.

WHEREAS, pursuant to AMC § 25.40.010, the Heritage Land Bank (HLB) was established to manage uncommitted municipal 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; and

WHEREAS, pursuant to AMC § 25.40.025A, 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 disposals under this chapter include land sales, land exchanges, leases and easements; and

WHEREAS, HLB Parcel 3-073, located on at 3001 Porcupine Drive, near Rampart Drive, legally described as Lot 32A, Block 10, 1st Addition To The Alaska Industrial Subdivision, according to Plat 64-141 thereof recorded in the Anchorage Recording District (PID 004-053-08), is an I-1 (Light Industrial District) zoned 0.96-acre parcel with a 12,162 square foot building that has no current or future planned municipal uses; and

WHEREAS, the Mountain View Targeted Neighborhood Plan (2016) Land Use Plan Map identifies Lot 32A’s future land use as Light Industrial; and

WHEREAS, the disposal has been requested by a non-profit agency; and

WHEREAS, the property contains a reversionary clause limiting property to use for public purpose and use by non-profit agencies are permitted in the definition of permitted public purposes in state statute; and

WHEREAS, the proposed use is projected to have little impact on nearby public facilities; and

WHEREAS, the Heritage Land Bank 2021 Annual Work Program & 2022 – 2026 Five-Year Management Plan did not anticipate this disposal, and pursuant to AMC 25.40.020B, sale activities require an amendment; and
WHEREAS, HLB posted the property, conducted public notice and an agency review by all potentially interested municipal agencies, the Assembly, the Federation of Community Councils and the Mountain View Community Council to establish no objections to the disposal by competitive bid; and

WHEREAS, the HLBAC finds the disposal is in the best interest of the Municipality and consistent with the HLB purpose and mission; now therefore,

BE IT RESOLVED, THAT THE HLBAC RECOMMENDS ASSEMBLY APPROVAL APPROVE THE DISPOSAL BY NON-COMPETITIVE SALE OF HLB PARCEL 3-073, LEGALLY DESCRIBED AS LOT 32A, BLOCK 10, 1ST ADDITION TO THE ALASKA INDUSTRIAL SUBDIVISION, ACCORDING TO PLAT 64-141 THEREOF RECORDED IN THE ANCHORAGE RECORDING DISTRICT, AT LESS THAN FAIR MARKET VALUE TO A PUBLIC AGENCY OR NON-PROFIT ORGANIZATION, AND AMENDMENT OF THE 2021 HERITAGE LAND BANK ANNUAL WORK PROGRAM AND 2022-2026 FIVE-YEAR MANAGEMENT PLAN.

PASSED and APPROVED on this, the 22nd day of July, 2021.

Approved: Attest:

_______________________________ ______________________________
Jim Fredrick, Acting Chair Christina C. Hendrickson, Director
Heritage Land Bank Advisory Commission Real Estate Department /HLB