

Chapter 16.04

SALE OF LANDS

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16.04.010 Applicability.

The provisions of this chapter shall constitute the formal procedures for the sale or permanent disposal of real property or interest in real property owned by the municipality of Skagway.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.020 Commencement.

The disposal process will commence upon, and be further governed and controlled by, a non-code ordinance consistent with the procedures set forth herein, and such other terms or conditions as the borough assembly may determine, identifying the particular land to be disposed of and the particular disposal method to be used. Lands may not be sold or otherwise disposed of until the land has been zoned or classified. Tidelands shall not be sold.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.030 Disposal methods.

- A. Land may be disposed of by sealed competitive bid, auction, over-the-counter offerings of unsold remnants of any of the foregoing processes, equal value exchange, negotiated sale, or such other lawful methods as the borough assembly may approve by ordinance for a specific disposal.
- B. Negotiated Sales and Exchanges. Upon authorization by the borough assembly by ordinance, the borough manager may commence negotiations for the sale or exchange or other disposal of municipal land. The final terms of a negotiated disposal are subject to approval by the borough assembly unless the minimum essential terms and the authority of the borough manager to execute the disposal are set forth in the ordinance authorizing negotiations. The negotiated disposal may not be executed until the effective date of the ordinance.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.040 Minimum acceptable offer.

For all sales or disposals of municipal property, the minimum acceptable offer shall be market value as determined by appraisal not more than six (6) months prior to the date of sale or other disposal.

"Date of sale or other disposal," for this purpose, shall be the date of bid opening, date of auction, or date of buyer's signing of a purchase contract for negotiated sales, exchanges or over-the-counter sales.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.050 Restrictions.

The borough manager may, with borough assembly confirmation, place restrictive covenants in the deeds as deemed reasonably necessary to protect the public health and welfare or to uphold the municipality's ordinances, coastal management plan or other officially adopted land use plans.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.060 J.M. Frey land fund reserve revenues.

- A. The revenue from all disposals of land, interests in land, or resources under this chapter shall be credited to the account of the J.M. Frey land fund reserve; except:
 - 1. Revenues from the lease, sale or other disposal of land, interests in land, or resources which are accounted for as an asset held for an enterprise operation such as water and solid waste utilities or port, may be credited to the account of the enterprise or to the general fund;
 - 2. Proceeds from the sale of tax foreclosed land shall be distributed in accordance with applicable state law with any remainder being deposited in the J.M. Frey land fund reserve;
 - 3. Proceeds from the sale of land not acquired under the municipal entitlement program may be deposited, as directed by the borough assembly action approving such disposal, to the account of the J.M. Frey land fund reserve or the general fund.
- B. Unless specifically appropriated from a different source or account, all expenses for or associated with the acquisition, subdivision, development or disposal of municipal lands, interests in lands or resources shall be expenses of the J.M. Frey land fund reserve; except that such expenses which are primarily for the benefit of the enterprise operation shall be expenses of that enterprise.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 05-16, Amended, 06/16/2005; Ord. 92-05, Amended, 03/19/1992; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.070 Disposals for public use.

- A. Disposal to Governmental Agency. The sale or disposal of land or resources may be made to a state or federal agency for less than the appraised value, provided the borough assembly approves the terms and conditions of such disposal by ordinance.
- B. Disposal to Nongovernmental Agency. The sale, lease or other disposal of municipal land may be made to a private, nonprofit corporation at less than market value, provided the disposal is approved by the borough assembly by ordinance adopted after fourteen (14) days' public notice and the land or interest in land is to be used solely for the purpose of providing a service to the public which is supplemental to a governmental service or is in lieu of a service which could or should reasonably be provided by the state or the city.

(Ord. 20-13, Amended, 05/21/2020; Ord. 12-03, Amended, 03/01/2012; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)

16.04.080 Disposal procedures.

- A. Conduct of Sale. The borough manager or his designee shall conduct sales in accordance with the ordinance approved by the assembly for a specific sale. The borough manager or his designee shall prescribe the conditions for the conduct of the sale to the extent not provided by this chapter or otherwise prescribed by the assembly for a specific sale.
- B. Advertisement. When required by the ordinance authorizing a sale, the municipality shall place a display advertisement in a newspaper of general circulation and post the advertisement in at least three (3) public places within the municipality at least thirty (30) days prior to the sale date. The advertisement shall contain a general description of the types and locations of the parcels available, the terms and conditions of purchase, the last day upon which a person may register for the sale, the date, time and place of any sale activities, and the name, address and telephone number of the person or office to contact for sale or registration forms and further information.
- C. Qualifications. To qualify to purchase municipal lands, an individual must be eighteen (18) years of age or older; a corporation must be registered to do business in the state. No person, corporation or other association may register or bid if they have defaulted on a prior sale or lease of municipal real property, or if they have failed to pay in full any judgment for money damages obtained against them by the municipality from a court of law. In order to qualify to purchase municipal lands, the person, corporation or other association must be current on all payments or debts owed the municipality; including, but not limited to, property tax and public utility bills.
- D. Minimum Offer. Except as described in Section 16.04.070, no municipal land or interest in land shall be sold or otherwise disposed of for less than market value, as determined by an appraisal not more than six (6) months prior to the sale date. The municipality reserves the right to refuse any or all bids or offers for purchase of lands.
- E. Conditions of Sale. The buyer shall pay all closing costs, including fees for preparation of documents, escrow fees and recording fees. The municipality reserves the right to require, in the event the buyer desires to remove or cause to be removed, merchantable timber, sand or gravel, or other materials, that prior to commencement of such activity, the entire remaining principal and accumulated interest, or any unpaid portion of the purchase price, be paid in full to the municipality. Any subsequent transfer or sale of the property by the buyer prior to full payment shall require the written approval of the municipality.

(Ord. 20-13, Amended, 05/21/2020; Ord. 08-10, Amended, 04/03/2008; Ord. 90-17, Repealed & Replaced, 08/02/1990; Ord. 84-12, Repealed & Replaced, 09/13/1984)