MUNICIPALITY OF SKAGWAY, ALASKA
ORDINANCE NO. 15-15

AN ORDINANCE OF THE MUNICIPALITY OF SKAGWAY, ALASKA AUTHORIZING THE DISPOSAL OF CERTAIN MUNICIPAL LANDS.

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance becomes effective upon adoption by the Skagway Borough Assembly.

Section 4. Purpose. This ordinance is enacted in order to authorize the disposal of certain municipal lands by lottery.

NOW THEREFORE BE IT ENACTED BY THE BOROUGH ASSEMBLY OF SKAGWAY that pursuant to Chapter 16 of the Municipal Code, the Municipality of Skagway shall dispose of certain municipally owned lands under the terms and condition set forth in this ordinance.

A. Statement of Ownership: The Municipality of Skagway is the owner of the following described real property:

Lots 5 and 7 – ASLS 79-183 (Plat 80-1)
Lots 28 and 31, Block B, Taiya Inlet Subdivision (Plat 2007-6)
Lot 1, Block 2, Hillside Subdivision (Plat 2003-3)
Lot 26A1, Block B, Taiya Inlet Subdivision (Plat 2007-6)

B. Statement of Finding of Public Interest: The Skagway Borough Assembly finds that there is a shortage of residential building lots in the Municipality of Skagway. The Borough Assembly further finds that the lands to be disposed of are not needed for any other public purpose.

C. Determination of Price: They shall be sold for no less than their fair market value as determined by a 2015 appraisal done by the Municipality of Skagway.

D. Qualifications of Applicants: All applicants must be residents of the State of Alaska, be 18 years of age or older, and must be current on all payments or debts owed the Municipality, including but not limited to, property tax and public utility bills.

E. Restrictions on Successful Participants: Successful participants are subject to the following restrictions and covenants:

1. A permanent no-subdivision covenant will be applied to each parcel sold – this supersedes SMC 19.06.020(C);

    19.06.020C.   Minimum Lot Requirements.
    1.   Lot Area.
    a.   Forty thousand (40,000) square feet.
    b.   Except that all lots within the Hillside Subdivision, Blocks 1 and 2 created March 13, 2003 shall not be reduced in size.

2. The successful participant shall follow current zoning requirements as outlined in SMC 19.06.025 Residential Low Density; and

3. The successful participant shall not sell his or her lot until the participant has paid the Municipality the full purchase price.

F. Type of Deed: Title shall be conveyed by quitclaim deed.

G. Method of Disposal: Disposal of shall be by lottery. The lottery shall be conducted as follows:

1. Each qualified person shall purchase a non-refundable ticket in the amount of One-Hundred Dollars ($100.00);
2. Each person is limited to one ticket;
3. The Mayor shall put all purchased tickets into a drum and will select tickets. The participant selected first shall have the option to choose a lot of preference. Subsequently selected participants shall choose from the remaining lots. Should any participant reject all of the remaining lots, the lottery will continue to the next participant.
4. Successful participants must be present at the lottery in order to select their lot of choice. A representative of the participant may be present in place of the participant, if prior arrangements are made in writing with the Borough Clerk and signed by the participant.
5. Lots not bid on can be purchased over the counter for up to 5 years at the appraised value at the time of the application to purchase the lot.

H. Date, Time and Place of Disposal: The lottery shall be held on Monday, July 13, 2015, in the borough assembly chambers, McCabe Building, at 1:00 PM.

I. Notice of Disposal. Notice of this land sale shall be done in accordance with Skagway Municipal Code 16.04 et seq.

J. Terms of the Sale.

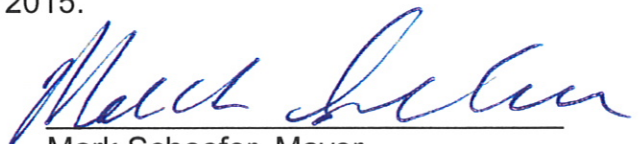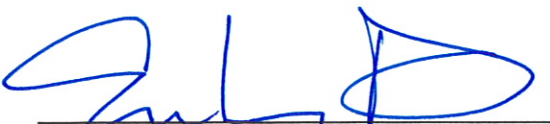1. The following three methods can be used to purchase the property:

a) The successful participant may enter a land sale contract with the Municipality. The terms of this contract shall be that the purchase price is 100% of the fair market value as determined by the appraisal. The successful participant will be allowed to purchase the property from the Municipality of Skagway under the terms and conditions of a land sale contract the terms being 7% down with a 12-year note at one-percent (1%) over prime per annum. The contract shall include a Deed of Trust as security and a Promissory Note. Any failure to meet the terms of this contract will result in the Municipality instituting statutory foreclosure proceedings against the successful participant;

b) The successful participant may obtain outside financing from another source such as a financial or mortgage institution. If this option is used, 7% down and the entire purchase price shall be due within 30 days of the date of the lottery. Failure to pay within the 30 days constitutes default and the property will remain the property of the Municipality and may be subject to sale pursuant to Section G5 of this ordinance.

c) The successful participant may purchase the property with a wire transfer, certified bank check or cash at a 10% discount.

2. The successful participant, regardless of the method of payment used, shall pay all closing costs, fees for preparation of deeds or other transfer documents, escrow fees, if any, and all recording fees.

Section 5. Effective Date. This ordinance shall become effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Borough Assembly of the Municipality of Skagway this 4th day of June, 2015.

Mark Schaefer, Mayor

ATTEST:

Emily A. Deach, CMC
Municipal Clerk

(SEAL)