Proposed by: Finance Committee

Attorney Review: 03/13/2015
Finance Committee Review: 04/16/2015
First Reading: 04/02/2015
Second Reading: 04/16/2015

Vote: 6 Aye 0 Nay 0 Absent

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 15-11

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

WHEREAS, the Municipality of Skagway acquired certain property by conveyance from the Rasmuson Foundation in 2008, commonly referred to as the Rapuzzi House Property; and

WHEREAS, Gregg C. Kollasch and Mari K. Kollasch are the owners of property located adjacent to the Rapuzzi House Property; and

WHEREAS, the Kollasches have requested that the Municipality sell and convey to them a portion of the Rapuzzi House Property, as described in this ordinance and shown on the attached Exhibit A, to assist in standardizing at 50-feet by 100-feet the lot size of their adjacent property; and

WHEREAS, in addition, there is a 5-foot strip of property located along the south end of the north ½ of Lot 12, Block 32, as shown on the attached Exhibit A, that was conveyed to the Kollasches in 2005 and was, separately and by a different party, conveyed to the Municipality in 2008, resulting in some uncertainty as to the current ownership of this strip of property; and

WHEREAS, based on review of the property records, it appears likely that the Kollasches own the entire north $\frac{1}{2}$ of Lot 12, Block 32, including the south 5-foot strip of the north $\frac{1}{2}$ of Lot 12; and

WHEREAS, conveyance by the Municipality of its interest, if any, in the 5-foot strip of property to the Kollasches will resolve any question regarding ownership of this parcel by the Municipality and will assist in standardizing the lot size of the Kollasch property; and

WHEREAS, given the uncertainty of the Municipality's ownership interest in the 5-foot strip, it is appropriate for the Municipality to convey this parcel at no cost.

NOW THEREFORE BE IT ORDAINED AND ENACTED BY THE BOROUGH ASSEMBLY OF SKAGWAY AS FOLLOWS:

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

Section 2. Purpose. This ordinance is enacted in order to authorize the disposal of certain municipal lands to Gregg C. Kollasch and Mari K. Kollasch (hereafter "the

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 15-11 Page 2

Purchaser"), pursuant to Chapter 16.04, Sale of Lands, of the Skagway Municipal Code, under certain terms and conditions as set forth in this ordinance.

Section 3. <u>Authorization for Sale of Property.</u>

- A. The Borough Manager is authorized to negotiate and execute the sale of municipal property, shown on the attached Exhibit A, to the Purchaser as follows:
 - 1. Statement of Ownership: The Municipality of Skagway is the owner of the following described real property:
 - The West One-Half of the North One-Half (W ½ of N ½) of Lot 11, Block 32, Townsite of Skagway, Skagway Recording District, First Judicial District, State of Alaska.
 - 2. Statement of Finding of Public Interest: The Skagway Borough Assembly finds that the conveyance of the above-described 1,250 square foot parcel of municipal property will assist to standardize at 50-feet by 100-feet the lot size of the adjacent property owned by the Purchaser. The Borough Assembly further finds that the land to be disposed of is not needed for any other public purpose.
 - Determination of Price: The parcel shall be sold for no less than its fair market value of \$12.65 per square foot, or \$15,812.50, as determined by a March 5, 2015, appraisal estimate by the municipal assessor Horan and Company.
 - 4. Type of Deed: Title shall be conveyed by guitclaim deed.
 - 5. Method of Disposal: This disposal shall be by negotiated sale.
 - 6. Terms of Sale. The following methods can be used to purchase the property:
 - a) The Purchaser 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 estimate. The Purchaser will be allowed to purchase the property from the Municipality under the terms and conditions of a land sale contract, the terms being 7% down with a 12-year note at 4% interest per annum. The land sale 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 Purchaser;

- b) The Purchaser may obtain outside financing from another source such as a financial or mortgage institution. If this option is used, the entire purchase price shall be due and paid to the Municipality within 30 days of the date of closing on the financing by the institution. Failure of the Purchaser to pay the entire purchase price to the Municipality within the 30 days constitutes default and the property will remain the property of the Municipality.
- c) The Purchaser shall pay all closing costs, fees for preparation of the deeds or other transfer documents, escrow fees, if any, and all recording fees, regardless of method of financing and payment used.

Section 4. Authorization for Conveyance of Property at No Cost.

- A. The Borough Manager is authorized to convey to the Purchaser, at no cost, certain property, shown on the attached Exhibit A, as follows:
 - 1. Description of Property:
 - South 5 feet of the North One-Half of Lot 12, Block 32, Townsite of Skagway, Skagway Recording District, First Judicial District, State of Alaska.
 - 2. Statement of Ownership: The Municipality of Skagway was conveyed ownership of this property by Quitclaim Deed / Limited Warranty Deed from the Rasmuson Foundation dated December 17, 2008. The Purchaser was conveyed ownership of this property by Statutory Warranty Deed from David and Jean Vogel dated 2005. As a result, the current ownership status of this property is uncertain.
 - 3. Statement of Finding of Public Interest: The Skagway Borough Assembly finds that conveyance its ownership interest, if any, in the above-described property to the Purchaser will resolve any question regarding the ownership of this parcel by the Municipality and will assist to standardize at 50-feet by 100-feet the lot size of the adjacent property owned by the Purchaser. The Borough Assembly further finds that the land to be disposed of is not needed for any other public purpose.
 - 4. No Cost for Conveyance: The parcel shall be conveyed by the Municipality to the Purchaser at no cost. The Municipality will pay the recording costs for the quitclaim deed.
 - 5. Type of Deed: Title shall be conveyed by quitclaim deed to be prepared by the Municipality.

MUNICIPALITY OF SKAGWAY, ALASKA ORDINANCE NO. 15-11 Page 4

Section 5. <u>Severability.</u> 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 6. <u>Effective Date.</u> 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 16th day of April, 2015.

Mark Schaefer, Mayor

ATTEST:

Emily A. Deach, CMC Municipal Clerk

(SEAL)



