

DENALI BOROUGH, ALASKA
ORDINANCE 08-08

INTRODUCED BY: Mayor David Talerico

AN ORDINANCE AMENDING THE DENALI BOROUGH CODE OF ORDINANCES; CHAPTER 4.15
TITLED, DISPOSAL OF BOROUGH REAL PROPERTY.

BE IT ENACTED by the Assembly of the Denali Borough, Alaska.

Section 1. Classification. This ordinance is of a permanent and general nature.

Section 2. Purpose. The purpose of this ordinance is to amend DBC Chapter 4.150.030 (C) (E) 4.150.060, 4.150.070 (C) (D) and 4.15.080 (A) (C) (D) as follows:

**Chapter 4.15
DISPOSAL OF BOROUGH REAL PROPERTY**

Sections:

- 4.15.010 Policy.
- 4.15.020 Administrator authorized to sell borough real property.
- 4.15.030 Terms of the land sale.
- 4.15.040 Notice of the land sale.
- 4.15.050 Auction sale.
- 4.15.055 Sealed Bid Sale.
- 4.15.060 Lottery sale.
- 4.15.070 Over-the-counter sale.
- 4.15.080 Direct sale.
- 4.15.090 Exchange sale.
- 4.15.100 Land conveyance.
- 4.15.110 Statement of expenses and revenues.

4.15.010 Policy.

It is the intent and goal of the borough to offer for sale certain selected Borough owned lands to the general public for fair market value, except as provided by DBC 4.05.030.

4.15.020 Administrator authorized to sell borough real property.

The administrator may sell un-appropriated borough land according to the terms fixed by the assembly by ordinance.

4.15.030 Terms of the land sale.

A. The assembly shall by ordinance fix the terms of all sales of borough land. The ordinance shall contain the date of the sale, the method or methods of sale, the manner in which payment is to be made, the interest to be conveyed, the instrument of conveyance to be used, and any other terms the assembly deems appropriate.

B. The assembly may authorize payment to be made over time only based upon the following:

1. The down payment, payment schedule and rates of interest are reasonable; and
2. The period for total payment does not exceed 10 years, or 20 years if the land is sold for agricultural use.

C. The assembly may authorize the administrator to sell land for less than fair market value [only if the land is to be offered for sale at auction, or] if the ordinance authorizing the sale contains:

1. A finding that the sale for less than fair market value is in the best interests of the borough;
2. A statement of the facts on which the finding is based; and
3. The period of time during which the offer may be accepted.

D. If the assembly requires a prospective buyer to pay the borough a down payment, bond or other deposit, and if the prospective buyer breaches a term of the sale, damages will be addressed. The borough shall retain as liquidated damages the prospective buyer's down payment, bond or other deposit.

E. The assembly may by ordinance impose additional limits on the number of parcels a person may buy at any sale.

4.15.040 Notice of the land sale.

The administrator shall cause notice of a land sale to be published four times in the 30-day period immediately preceding the date of the sale. The notice shall contain a brief description of the land, the general location of the land and the terms of the sale as fixed by the assembly by ordinance.

4.15.050 Auction public outcry sale.

The assembly may by ordinance authorize the administrator to sell borough land by public outcry auction. The administrator shall sell the land to the highest bidder who performs all the terms of the sale. The administrator will promulgate rules and regulations for conducting this type of auction sale, these rules must be approved by the assembly. This type of sale shall be the preference for sales in existing rural residential areas.

4.15.055 Sealed bid public auction sale.

The Assembly may by ordinance authorize the administrator to sell borough land by sealed bid public auction. The administrator shall sell the land to the highest bidder who performs all the terms of the sale. The administrator will promulgate rules and regulations for conducting this type of auction sale, these rules must be approved by the assembly. This type of sale should be the preference for sales of rural residential lands that are not in prior established rural residential disposal areas, light commercial, commercial, light industrial, industrial, agriculture and forestry classified areas.

4.15.060 Lottery sale.

The assembly may by ordinance authorize the administrator to sell borough land by the use of a lottery. Only natural persons may participate in a lottery sale. A natural person may purchase by lottery only one parcel of borough land every three years. In order to ensure the fair and equitable disposal of borough land to the public, the assembly may by ordinance impose additional limits on the number of parcels a person may buy from lottery sales. The administrator may promulgate rules and regulations for conducting a lottery. These rules must be approved by the assembly. This type of sale should be used primarily to open up new areas for settlement.

4.15.070 Over-the-counter sale.

A. The assembly may by ordinance authorize the administrator to sell borough land by the use of over-the-counter sales if the land was offered for sale at an auction or lottery and the land did not sell

at the auction or lottery. Land offered over the counter for sale may be purchased on a first-come, first-served basis at the borough office. The administrator may promulgate rules and regulations for conducting an over-the-counter sale. These rules must be approved by the assembly.

B. The administrator shall periodically review the terms of sale of all land offered for sale over the counter and shall:

1. Adjust rates on interest to reflect the prevailing market conditions; provided, the rate of interest shall be not more than six percentage points above the prevailing Federal Reserve discount rate to member banks.

2. Adjustments in the price of any lot offered in the over-the-counter sale shall be made by the assembly. Price adjustments may be made under the guidance of an independent fee appraiser.

C. Lots unsold at a sale may also be offered for sale at future land sales.

D. Defaulted parcels may be offered for resale over the counter and/or at future land sales.

4.15.080 Direct sale.

The assembly may by ordinance authorize the administrator to sell borough land directly to the land owner adjoining the borough land if there is no public use for the land and if:

A. The land has no legal or physical access and the cost of developing access would be greater than the resulting value of the parcel with access; or

B. The cost of surveying, platting, or taking other action necessary to establish an acceptable legal description would exceed the value of the property; or

C. The land is of such a size or shape as to be illegal or unfeasible to develop as an independent parcel under the applicable land use ordinance; or

D. The land is found not suitable for development and is placed in permanent conservation status.

4.15.090 Exchange sale.

The assembly may by ordinance authorize the administrator to exchange borough land but only if the ordinance authorizing the exchange sale contains a finding that the exchange sale is in the best interests of the borough and a statement of the facts on which the finding is based.

4.15.100 Land conveyance.

A. After the buyer has paid to the borough the payments required by ordinance, the administrator shall execute the instrument of conveyance authorized by ordinance that transfers the land or the interest in land to the buyer.

B. An instrument conveying land may contain conditions, covenants and restrictions imposed by the assembly that:

1. Restrict the use [to agricultural use]; and
2. Prohibit subdivision.

4.15.110 Statement of expenses and revenues.

At the conclusion of each fiscal year, the administrator shall deliver to the assembly a written statement that sets forth the expenses of conducting the sale and the revenues derived from those sales.

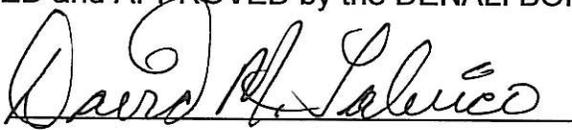
Section 3. Effective Date. This ordinance becomes effective upon adoption by the Denali Borough Assembly and signature of the Mayor.

DATE INTRODUCED: FEBRUARY 13, 2008

FIRST READING: MARCH 12, 2008

PUBLIC HEARING: MARCH 12, 2008

PASSED and APPROVED by the DENALI BOROUGH ASSEMBLY this 9TH day of APRIL, 2008.



Mayor David M. Talerico

ATTEST:



Gail Pieknik, Borough Clerk



Ayes: PASSED UNANIMOUSLY

Absent: HOCKIN