

TITLE V

ACQUISITION AND DISPOSAL OF CITY PROPERTY

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CHAPTER 5.05

ACQUISITION

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5.05.010	Real Property Defined
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5.05.010 Real Property Defined: As used in this chapter REAL PROPERTY includes any estate in land, easement, right-of-way, lease, permit, license, franchise, future interest, building, fixture or any other right, title or interest in land or a building.

5.05.020 Acquisition - Form:

(a) The City may require, own and hold real property by warranty or quit claim deed, easement, grant, permit, license, deed of trust, mortgage, contract of sales of real property, plat dedication, lease, tax deed, will or any other lawful method or mode of conveyance or grant. Real property shall be held in the name of the "City of Delta Junction". Any instrument requiring execution by the city shall be signed by the Mayor (city manager) and attested by the City Clerk. The form of any conveyance shall be approved by the City Attorney.

(b) Only on specific resolution of the council, the Mayor (City Manager) may act on its behalf in the acquisition of real property or interest in real property when

that property to be acquired is for a valuable consideration or as part of a program of grants under which the city may receive only a limited amount of acreage. The resolution shall set forth the terms, conditions and manner of acquisition.

(c) No Council approval is necessary to acquire an easement, right-of-way, permit, license or other interest in real property if necessary for a utility or public improvement where the utility or public improvement has been authorized and approved by the council.

(d) Prior to approval, the Mayor (City Manager) is to furnish the Council with an abstract of title, the value assessed by the borough tax assessor or other appraisal of the real property, and a review of any problems in acquisition, but the failure to furnish the Council any such material shall not affect the validity of any acquisition or purchase of real property of the City.

(e) Unless otherwise provided by the council, the City shall purchase marketable title in the real property. Unless otherwise provided by ordinance or resolution, or upon Council approval of a purchase, the Mayor (City Manager) is still authorized to obtain title to insurance, to execute any instrument and to take all steps necessary to complete and close the purchase and acquisition of real property.

5.05.030 Ownership - Forms:

(a) The City may acquire and hold real property as sole owner or as tenant in common or other lawful tenancy, with any other person or governmental body for any public purpose. The City may hold real property in trust for any public purpose.

(b) The Council may approve and authorize the purchase of real property by contract sale, deed of trust or mortgage.

5.05.040 Acquisition and Ownership - Rights and Powers: The City shall have and may exercise all rights and powers in the acquisition, ownership and holding of real property as if the city were a private person.

5.05 050 Acquisition - Dedication by Plat: The City may not acquire any real property by means of a dedication by plat unless the dedication of the real property is accepted and signed by the Mayor (city manager).

5.05.060 Federal and State Aid: The City may apply for, contract and do all things necessary to cooperate with the United States Government and the State of Alaska for the acquisition, holding, improvement or development of real property with and outside the city boundaries.

5.05.070 Real Property as Security: The City Council may pledge, mortgage or otherwise secure city real property for the payment of City bonded or other indebtedness when required, as authorized by law.

5.05.080 Eminent Domain: The City shall have all powers of eminent domain permitted under Alaska law and the common law.

CHAPTER 5.10

LAND DISPOSAL

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- 5.10.010 Sales or Disposal - Form
- 5.10.020 Sales or Disposal - Rights and Powers
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- 5.10.100 Minimum Acceptable Offers
- 5.10.110 Exceptions to Minimum Acceptable Offer
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- 5.10.130 Sale or Disposal - Council Action
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- 5.10.150 Sale - Employment of Broker
- 5.10.160 Reservation of Easements and Right-of-Way
- 5.10.170 Mayor (City Manager) Regulations
- 5.10.180 Tax Foreclosure Land
- 5.10.190 Tax Foreclosure Land - Public Use
- 5.10.200 Tax Foreclosure Land - Termination of Repurchase Right
- 5.10.210 Tax Foreclosure Land - Repurchase by Former Record Owner
- 5.10.220 Foreclosed and “No Bid” From Public Auction Real Property

5.10.010 Sale or Disposal - Form: The City may sell or dispose of real property by warranty or quit claim deed, easement, grant, permit, license, deed of trust, mortgage, contract of sale of real property, plat dedication, lease, tax deed, will or any other lawful method or mode of conveyance or grant. Any instrument requiring execution by the city shall be signed by the Mayor (City Manager) and attested by the City Clerk. The form of any instrument shall be approved by the City Attorney and/or legal counsel.

5.10.020 Sale or Disposal - Rights and Powers: The City shall have and may exercise all rights and powers in the sale and disposal of real property as if the City were a private person. The City may sell or dispose of any real property, including property acquired or held for or devoted to public use when, in the judgment of the City Council, it is no longer required for City purpose.

5.10.030 Property Exchange: The Council may approve, after public notice, the conveyances and exchange of a parcel of the city property for an equivalent parcel of property owned by another person subject to such conditions as Council may impose on the exchange whenever, in the judgment of the City Council, it is advantageous to the city to make the property exchange.

5.10.040 Grants for Federal and State Programs: The Council may grant or devote real property no longer held for public purpose to the United States, the State of Alaska, a local subdivision, or an agency of any of these governments, for a consideration agreed upon between the city and the grantee without a public sale if the grant or devotion is advantageous to the city.

5.10.050 Change of Use: Real property acquired or purchased for one city purpose may be appropriated, transferred, assigned or directed without public sale for another city purpose whenever the city Council determines that the purpose for which the property was acquired or purchased no longer exists or the property is no longer used or useful for the purpose. No formal conveyance is necessary to dispose of the real property for another city purpose, and the disposition may be made to another purpose with or without legal consideration for the disposition.

5.10.060 Utilities: The City may sell, convey or otherwise dispose of real property no longer used or useful in the operation of a city-owned utility. Real property no longer needed for the purpose for which the real property was acquired or purchased, or utility property no longer used or useful in the operation of city-owned utility, is no longer property owned, held for or devoted to a public use and may be sold or disposed of as provided for in this title if the City Council determines the real property is not useful to the city for any other purpose.

5.10.070 Release of Easement: The Mayor (City Manager) may at any time, subject to the provisions of 5.10.090, convey, quit claim, release, cancel or otherwise relinquish any real property, easement, right-of-way, permit or license the City may have or hold for the purpose of installing, constructing or maintaining a public improvement, whenever the interest is no longer used or useful for that purpose.

5.10.080 Public Sale - Required When: Unless otherwise provided in this chapter, real property no longer used or useful for a public use or purpose shall be sold to the highest responsible bidder at a public sale. Public sale shall not be required where the real property of the city is subject to any term or condition restricting or limiting the ability of the City to obtain the fair market value of the property.

5.10.090 Public Sale Procedures: Real property of the City, except as provided otherwise in this chapter and except land acquired by tax foreclosure, shall be sold or otherwise permanently disposed of as follows:

(a) Appraisal: An estimated value of the property by a qualified appraiser or the assessor shall be made.

(b) Land Value at under One Hundred Thousand Dollars. Land valued at Two Hundred Thousand dollars (\$200,000.00) shall be disposed of as follows, except that review and recommendation by the Planning Commission is not required if special circumstances, as determined by the council, warrant or if such a Planning Commission review and recommendation has been made within six (6) months prior to submission to the Council:

1. The parcels of land to be sold shall be reviewed by the Planning Commission, which shall make recommendations to the Mayor (City Manager) concerning desirable use of the property, including projected need, if any, of the land for present or future recreational or other public use;
2. After review of the Planning Commission's recommendations, the Mayor (City Manager) may, if in his opinion it is in the best interest of the City to do so, recommend the Council that such a parcel of land be sold. Such recommendation shall set out the development of the property -- if the Mayor (City Manager) determines such a plan to be necessary, the estimated value of the property as made by the assessor or a qualified appraiser and the recommended terms and condition of sale.
3. After the receipt of the recommendations the Council may, by resolution, direct the sale or lease of such lands under such terms and conditions, as it requires.
4. Notice of disposition and the manner in which the land is to be disposed of shall be published in a newspaper of general circulation within the city once each week for two (2) successive weeks not less than thirty (30) days prior to the date of disposal.
5. Notice shall be posted in at least three (3) public places within the city and borough for at least thirty (30) days prior to the date of disposal.
6. Notice may also be given by other means considered reasonable by the Mayor (City Manager) or council.
7. The notice must contain a brief description of the land, its area and general location, proposed use, term, computed annual minimum rental or minimum offer, limitations, if any, and time and place set for the auction or bid opening if applicable.
8. The procedure for disposal shall be in a manner provided by

resolution of the council.

(c) Land valued at Two Hundred Thousand Dollars or more. Sale or other permanent disposition of land valued at Two Hundred Thousand dollars (\$200,000.00) or more shall be in the manner prescribed in subsection (b) of this section, except that

1. Council action under subsection (b) (8) shall be by ordinance instead of by resolution; and

2. No disposition of land valued at Two Hundred Thousand dollars (\$200,000.00) and over shall be valid unless ratified by a majority of the qualified voters voting at a regular or special election at which the question of ratification of the ordinance is submitted. Thirty (30) days notice shall be given of the election and during that period the Council shall have published at least once a week in a newspaper of general circulation distributed within the city a notice stating the time of the election and the place of voting, describing the property to be sold, leased or disposed of, giving a brief statement of the terms and conditions of the sale and the considerations, if any, and stating the title and date of passage of the ordinance. Notice shall also be given by posting a copy of it in at least (3) public areas in the city at least thirty (30) days before the election. If no newspaper or general circulation is distributed within the City, the notice given by posting is sufficient for the purpose of this section.

5.10.100 Minimum Acceptable Offers: The minimum acceptable offer for any land sold or leased under provisions of 5.10.090(b) or (c) shall be the appraised value determined under 5.10.090(a). If there are no acceptable offers, the Mayor (City Manager) may negotiate for the sale or lease of the land, but the Council must, by resolution, approve the terms and price of any such negotiated sale or lease before such sale or lease shall be binding upon the City.

5.10.110 Exceptions to Minimum Acceptable Offer: Exceptions to the requirements for a minimum acceptable offer of market value may be made where:

(a) The Council finds that particular disposition will be in the public interest; or

(b) The real property was acquired under a tax foreclosure, in which case the council, by resolution, may reduce the minimum acceptable offer to an amount not less than the sum of all back taxes, penalties and interest due or which would have been due if the property had remained in private ownership up to the date of sale, plus all costs of foreclosure, sale, and development incurred by the City.

Public interest for the purpose of subsection (a) of this section shall include a public or quasi-public purpose and use and shall also include exchanges of property to

facilitate the solution of problems involving the boundary lines and public property. Public interest shall not include a purpose to return property to a private ownership, or to return property to the tax rolls, or to make property available for a desirable private enterprise or development, or similar purpose. Upon a Council determination of a public interest, a negotiating bid may be accepted by the Council by resolution in lieu of public bidding.

5.10.120 Conditions of Sale: The Council in the resolution or ordinance authorizing the sale of real property shall set forth the terms and conditions of the public sale. The Council may reserve the right to reject any or all bids received at the public sale if the highest bid is below the fair market value and costs of sale or is not made by a responsible bidder. The resolution or ordinance shall provide if the sale is for cash, or cash deposit and a purchase agreement. If the sale is for a cash deposit and a purchase agreement, the Mayor (City Manager) shall prescribe the form of the purchase agreement. The City Council shall approve all public sales of real property, and shall approve any purchase agreement prior to the execution by the City. The approval of any public sale by the Council authorizes the Mayor (City Manager) or his designee, shall conduct the sale and shall give to the buyer a receipt for all monies received by the City. A purchaser at a public sale who fails to make such other cash payment within the times required by the resolution or ordinance shall forfeit any cash deposit paid to the City.

5.10.130 Sale or Disposal - Council Action: No action of the Council to dispose of any city interest in real property dedicated to public use shall be final until the resolution or ordinance to do so has been on file in the office of the City Clerk for thirty (30) days. Prior to any Council action on the sale of real property, the Mayor (City Manager) shall make his recommendations to the City Council as to any change of use or merits of the sale or disposition of the real property.

5.10.140 Purchase Agreement: A purchaser of real property from the City may purchase the real property by purchase agreement if provided in the resolution or ordinance of the sale. Unless otherwise provided in the resolution or ordinance of the sale, a purchase agreement shall be in the form of deed of trust. The purchase agreement shall be executed by the Mayor (City Manager), attested by the City Clerk and approved as to form by the City Attorney and/or legal counsel.

5.10.150 Sale - Employment of Broker: The City may employ a broker for the sale of real property and may pay the broker a commission for the sale. The employment shall be in the resolution for the sale of the real property and any contract of employment shall first be approved by the City Council unless the city Council authorizes the Mayor (City Manager) to execute the contract without their approval.

5.10.160 Reservation of Easements and Right-of-Way: The city may reserve the easement and right-of-way to be used for public improvements and purposes before selling or disposing of city-owned real property. The City Council may make such

restrictions, limitations, reservations, reversions or other covenants the Council may find advantageous to the city even if the fair market value of the property is affected. The effect of these reservations may be considered in determining the fair market value of the property.

5.10.170 Mayor (City Manager) Regulations: The Mayor (City Manager) may provide, by regulation, for the procedures and forms as to applications, surveys, appraisals, auction, bidding, form of substance of purchase agreement, or any other matter involving the sale or disposition of City property not inconsistent with and to implement the intent and purpose of this title. The absence of a regulation or an inconsistent resolution shall not invalidate any public sale procedure, or conveyance executed or to be executed by the City, where the requirements of this title have been otherwise satisfied.

5.10.180 Tax Foreclosure Land: Real property acquired by tax foreclosure may be disposed of in the same manner as other real property of the City and borough except as provided in Section 5.10.180 through 5.10.210.

5.10.190 Tax Foreclosure Land - Public Use: Any real property acquired by tax foreclosure may be devoted to public use by the city after review and recommendation by the planning commission and approval of the Council by a resolution declaring such real property devoted to public use or declaring that such real property is reserved for a projected city requirement, and stating such use or requirement.

5.10.200 Tax Foreclosure Land - Termination of Repurchase Right: Where the property was acquired by tax foreclosure, the right of repurchase of the record owner at the time of foreclosure shall be terminated upon passage of a resolution in accordance with Section 5.10.190 except that such termination shall not be effective until after notice and passage of the time specified herein have occurred. Sale, lease, or any other alienation of tax title property shall terminate the right of repurchase, provided that the requirements hereof have been met.

5.10.210 Tax Foreclosure Land - Repurchase by Former Record Owner: The former record owner shall have such rights of repurchase as are provided by statute. Notice of intent (1) sale, (2) devotion to public use, (3) reservation for a future city requirement, (4) other permanent disposition or (5) lease, shall be given to those who were record owners at the time of tax foreclosure by registered or certified mail directed to the address of the record owner as such address appears on the tax roll at the time of foreclosure. Such notice shall be given not less than twenty (20) days before the intended sale, devotion or reservation for public use, other disposition or lease is made and shall advise the record owner of his right to repurchase authorized by statute.

5.10.220 Foreclosed and "No Bid" From Public Auction Real Property: Where the City has re-acquired foreclosure real property previously sold by the City, or has retained City-owned property that was not bid on during a scheduled public auction,

the City Council, in its sole discretion, may dispose of that property without complying with the requirements of SS5.10.010 - 5.10.210, and instead dispose of the property under this section.

(a) To be eligible for disposal under this section, the real property must have been previously offered for sale by either public auction or over-the-counter sales to the general public by the City. Real property re-acquired by deed in lieu of foreclosure sale, judicial or non-judicial deed of trust foreclosure sale, or property not bid on during a public auction, shall be eligible for sale under this section.

(b) The City Council shall provide for the sale of the real property by ordinance, adopted in conformity with this code of ordinances and Alaska law, describing the real property, the price and the terms of sale. Any sale on terms shall require a down payment of net less than twenty-five percent (25.00%) of the purchase price. Title to the real property shall be conveyed by quitclaim deed only.

(c) The real property may be sold, at the City Council's sole discretion, at or below its current (dated within 24 months of the sale date) appraised value or broker's price opinion of value, said value or opinion having been provided in writing to the City.

(d) The City may not dispose of real property under this section by emergency ordinance.

(e) At its sole discretion, the City Council may pay a real estate commission to a state of Alaska licensed real estate broker for any property where a written (open or exclusive) listing agreement between the City and broker was in existence.

(f) The City Council may offer a discount from the agreed upon sales price as an incentive where the buyer is offering to pay "cash" for the purchase of the real property under the provision of this Section.

(g) City Council may determine the method(s) of marketing property to be sold under this provision of this section.

CHAPTER 5.15

LEASE OF CITY LANDS

Sections:

5.15.010	Property
5.15.020	Terms of Lease
5.15.030	Appraisals
5.15.040	Lease Auction
5.15.050	Negotiated Leases
5.15.060	Lease Procedures
5.15.070	Fair Rental Value
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5.15.100	Renewal of Lease
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5.15.150	Lease Rental Credit
5.15.160	Conditional Lease
5.15.170	Mayor (City Manager) Regulations

5.15.010 Property: All real property, including river frontage, which the City owns or in which the city has right, title and interest, or to which the City may become entitled, may be leased as provided in this chapter. The term "property" as used in this chapter includes any and all interests in real property.

5.15.020 Terms of Lease: No lease shall be for a term of more than twenty-one (21) years unless the Council shall determine from the purpose, use of the premises, and nature of improvements which may be placed thereon that a longer term would benefit the city and would be consistent with city planning. A lease having a term of greater than five (5) years shall first be approved by the City Council. Any renewal period or option to renew the lease period shall be included in the term of the lease in computing such five (5) year period of time.

5.15.030 Appraisals: No property shall be leased or a renewal lease issued unless the property to be leased has been appraised by the city within five (5) years prior to the date contemplated for the commencement of lease. No appraisal is required if the fair rental value of the property does not exceed Twenty Four Thousand dollars (\$24,000.00) per year and the term of the lease is five (5) years or less, or if the property has been assessed by the city tax assessor during the year in which the property is to be

leased. An independent appraisal shall not be required unless directed by the council, or otherwise required by this section.

5.15.040 Lease Auction: Unless otherwise provided in this chapter, property shall be leased to the highest responsible bidder at a lease auction.

5.15.050 Negotiated Leases: If the fair rental value does not exceed Twenty Four Thousand dollars (\$24,000.00) per year and the lease is for five (5) years or less, such lease may be negotiated between lessee and council.

5.15.060 Lease Procedures: The provisions of Section 5.10.090 on the method of disposition of City-owned property, shall apply to all lease of City land authorized by this chapter.

5.15.070 Fair Rental Value: Property shall be leased for a fair rental value. Fair rental value is the rental computed from the appraisal fair rental value of the property and means the highest price described in terms of money for which the property would rent, if exposed for rent for a reasonable time on the open market, for the use permitted by the city. With approval by the City Council, the lease of property may be made for a rental less than a fair rental value to a State or Federal agency, State political subdivision or non-profit organization as may be determined by the Mayor (City Manager) to be fair and proper, considering the public interest and the nature of the public use or function of the leased premises. Fair rental value shall not be required where the property interest of the city is subject to any term or condition restricting or limiting the ability of the City to obtain the fair rental value of the property.

5.15.080 Adjustment of Rental: A lease having a term of more than two (2) years shall provide for adjustment of rentals at specified intervals during the term of lease, and the intervals shall be every two (2) years unless the lease provides for a longer interval, not to exceed six (6) years. This section shall be incorporated in each by reference and enforceable as if fully set forth therein.

5.15.090 Transfer of Lessee's Interest: A lessee may sublease or assign the lease only upon approval of the transfer by the city in writing.

5.15.100 Renewal of Lease: The renewal or extension of the lease shall be considered as a new lease unless renewal or extension is provided in the lease. Upon showing of hardship, or for good cause, the Mayor (City Manager) may, at his option, renew or extend the lease for a period not to exceed one (1) year without notice or Council approval.

5.15.110 Improvements and Chattels: The lease shall provide the terms, conditions and limitations of the removal or reversion of improvements or chattels upon the lease premises after termination of the lease. The retiring lessee may, with the

consent of the Mayor (City Manager), sell the improvements to the succeeding lessee. If the improvements or chattels are not removed within the time set forth in the lease, the improvements and chattels may, upon reasonable notice to the lessee, be sold at public sale. Proceeds of the sale shall be first applied to the City's cost and expense of maintaining, removing and selling the improvements and chattels and to rentals for the period of nonremoval. The City may bid at the sale and be credited with the value of the City's cost, expenses and rentals due resulting from the nonremoval of the improvements or chattels. The City shall have all other rights, both legal and equitable, any other purchaser would have or acquired by reason of the sale.

5.15.120 Inspection of Leased Premises: The lessee shall allow an authorized representative of the city to enter the leased premises for inspection at any reasonable time.

5.15.130 Easements and Right-of-Way: The City expressly reserves the right, without compensation or adjustment in rentals to the lessee, to grant surface, underground or overhead utility easements or right-of-way in or upon the leased property if the exercise of the right will not unreasonably interfere with lessee's improvements placed upon the property and with the lessee's use of the property.

5.15.140 Condemnation of Premises - Lease Termination: Upon condemnation of the premises or any part thereof by the state, borough or federal government or agency thereof, including inverse condemnation, the lease shall be terminated without liability to the city, the City shall not be liable in damage or pay any compensation to the lessee as a result of the condemnation terminating the lease.

5.15.150 Lease Rental Credit: When authorized in writing by the Mayor (City Manager) prior to the commencement of any work of the lessee may be granted credit against current or future work, provided the work, accomplished on or off the leased premises, results in increased valuation of the leased premises or of other City-owned property. The authorization may stipulate the type of work, standards of construction and maximum allowable credit for the specific project.

5.15.160 Conditional Lease: The City may issue a conditional lease on property it reasonably expects it will own or will acquire title to, prior to the actual receipt of title. Leases issued on this conditional basis may be terminated in whole or in part in the event that the City is denied title to the property under the lease. Prepaid lease rentals on property to which title is denied the City shall be refunded. The City shall not be liable for any claim or damages that may be done to the property by the lessee, or for any claims of any third party or the lessee, or for any claims that may arise from ownership. In the event the City does not receive title to the property under lease, the conditional lease shall then have the same standing, force and effect as a nonconditional lease issued under this chapter.

5.15.170 Mayor (City Manager) Regulations: The Mayor (City Manager) may provide, by regulations, for the procedures and form as to applications surveys, appraisals, auction, bidding, form and substance of lease, termination, forfeiture or any other matter involving the leasing of City property to implement the intent and purpose of this chapter. The absence of a regulation shall not invalidate any auction procedure or lease executed or to be executed by the City, where the requirements of the chapter have been otherwise satisfied.

CHAPTER 5.20

DISPOSAL OF REAL PROPERTY ACQUIRED FROM THE STATE OF ALASKA

Sections:

5.20.010	Purpose
5.20.020	Lands to be Disposed
5.20.030	Public Sale Procedures
5.20.032	Public Auction Procedures
5.20.033	Over-the-Counter Sales
5.20.040	Public Notice Requirements
5.20.050	Terms of Sale
5.20.060	Exceptions to the Minimum Acceptable Offer
5.20.070	Covenants & Restrictions
5.20.075	Airport Service Zone
5.20.080	Penalties

5.20.010 Purpose: Establish the procedures to make available for private use municipal lands conveyed to the City of Delta Junction by the State of Alaska.

5.20.020 Lands to be Disposed: The real properties to be publicly sold are the municipal lands selected by the City of Delta Junction and conveyed by the State of Alaska under ADL numbers 400734, 400735, 400736, 400737, 400738, 400741, 400742, 400743, 400744, 400747, and 400966. Lands contained in these decisions were considered to be primarily of local concern and conveyed to the City of Delta Junction for municipal ownership. State and municipal interest have been identified. Public easements are reserved to satisfy public access needs.

5.20.030 Public Sale Procedures: The above said lands in 5.20.020 must be initially introduced as available for sale through a public auction. Land not sold by public auction may be sold over-the-counter to any eligible buyer willing to pay not less than the appraised value of the land. Land available for sale shall be sold to the highest responsive bidder subject to the terms and conditions herein set forth. The City reserves the right to reject any or all bids or offers if the highest bid or offer is below the appraised value of the land.

5.20.032 Public Auction Procedures: The procedures for establishing the public auction shall be as follows:

(a) The City Council must obtain the estimated value of the properties from a qualified appraiser. The appraisal of City properties shall be made available for public inspection.

(b) The City Council shall by resolution establish the date, time and location of the public auction.

(c) Auctions will dispose of no more than 100 acres of available land at any single auction.

(d) The subject public auction may occur after forty-five (45) days from the date of the above resolution is passed by the City Council.

(e) The auctioneer shall be a disinterested representative of the City as appointed by the City Council. City officials and city employees shall not be precluded from purchasing land subject to the terms and conditions herein set forth.

5.20.033 Over-the-Counter Sales: The procedures for over-the-counter sales shall be as follows:

(a) Land not sold by public auction may be sold to an eligible buyer after the auction subject to the terms and conditions herein set forth.

(b) Only the above said land in 5.20.020, which was not sold by public auction, shall be available for over-the-counter sales under the terms of this ordinance.

(c) Land sold over-the-counter shall be subject to the same terms of sale as land sold by public auction.

5.20.040 Public Notice Requirements:

(a) The City Clerk shall prepare and distribute a public notice which contains the time, date and location of the public auction; a brief description of the lands for sale; the terms and conditions of the sale; and the locations where the land sale ordinance have been posted.

(b) Notice shall be posted in at least five (5) public places within the City for at least thirty days prior to the public auction.

(c) The above said public notice shall be published in a newspaper of general circulation within the City once per week for two consecutive weeks prior to the date of the public auction.

5.20.050 Terms of Sale:

(a) The minimum acceptable bid of each parcel or lot shall be its appraised value. Successful bidders must pay closing cost. Closing cost shall include all escrow fees and the fees for a title report, if necessary, and all recording costs. The purchaser

must pay five (5) percent of the bid price and closing cost as a nonrefundable deposit at the auction and the remaining amount of the bid or down payment within thirty days from the date of the auction.

The instrument to transfer ownership of the property shall be a warranty deed. The terms of sale shall be cash payment for the full amount of the bid price, within 30 days, unless the resolution authorizing the sale specifically authorizes a promissory note for the remaining balance of the bid price. Eligibility for the promissory note requires a minimum down payment of five (5) percent of the bid price. [The purchaser must pay five (5) percent of the bid price as a nonrefundable deposit at the auction and the remaining amount of the bid or down payment within thirty days from the date of the auction.]

(b) (Reserved)

(c) The remaining balance of the bid shall be amortized over a period as set in the authorizing resolution and not to exceed twenty years. The rate of interest shall be 10% per annum. The remaining balance of the bid price shall be evidenced by a promissory note secured by a deed of trust in the property purchased. The promissory note shall be attested by the City Clerk, and approved as to form by the City's attorney.

5.20.060 Exceptions to the Minimum Acceptable Offer:

(a) Exceptions to the requirement for a minimum acceptable offer of the appraised value of the property will be made when the Council finds that a particular disposition will be in the public interest.

Public interest for the purposes of this section shall include a public or quasi-public purpose and use and shall also include exchanges of property to facilitate the solution of problems involving the boundary lines of public property. Public interest shall not include a purpose to return property to private ownership, or to make property available for a desirable private enterprise or development, or other similar purposes. Upon a Council determination of a public interest, a negotiated bid may be accepted by the Council by resolution in lieu of public bidding.

5.20.070 Covenants & Restrictions: The City will regulate the use of disposed property by covenants and restrictions which will be incorporated into the deed and shall remain in effect for a period not less than 25 years. The covenants and restrictions of the above-mentioned properties in 5.20.020 shall be as follows:

(a) Industrial properties:

1. Industrial land use shall be defined as the use of any building or

structure, or use of any lot, parcel or tract, for manufacturing, processing, warehousing, storage, distribution, shipping and any other related uses.

2. Industrial land uses shall be permitted in lots 1 through 10 of block 4, lots 1 through 10 of block 5, all of block 10, all of block 11, all of block 12, and all of block 13 of the west addition of the northwest addition to the Delta Junction Townsite.

3. Industrial land use must comply with the following restriction.

a. Any need for parking shall be provided entirely on the lots, parcel or tract on which the industry is conducted.

b. No equipment or process shall be used which creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the lot. In the case of electrical interference, no equipment or process shall be used which creates visual or audible interference in any radio or television receivers off the premises, or causes fluctuation in line voltage off the premises.

(b) Commercial, multi-family and residential uses shall be permitted on the above-mentioned lots with industrial land use permitted.

1. Commercial Properties:

a. Commercial land use shall be defined as any use of any building or structure, or use of any lot, parcel or tract of land, involving wholesale or retail sales or the rental of any article, substance or commodity; also any activity involving the provision of financial, legal, professional, personal or technical services for a fee. Any non-industrial activity that requires a State of Alaska Business license is defined as a commercial activity.

2. Commercial land use shall be permitted on lots 1 through 4 of Block 32, lots 12 and 13 of block 31, lot 15 of block 26, all of block 22 and all of block 23 of the North Addition of the Delta Junction Town site. Lots 58 through 64 of tract D, lots 86 through 96 of tract G, lots 97 through 100 of tract H, lots 101 through 105 of tract I, and lots 101 through 111 of tract J of U.S. survey 3292.

3. Commercial land use must comply with the following restrictions.

a. Any need for parking shall be provided entirely on the lot, parcel or tract on which the industry is conducted.

b. Equipment or process shall be used which creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the lot. In the case of electrical interference, no equipment or process shall be used which creates visual or audible interference in any radio or television receivers off the premises, or causes fluctuations in line voltage off the premises.

(c) Multi-family and residential uses shall be permitted on the above-mentioned lots with commercial land use permitted.

(d) Neighborhood Business Properties:

1. Neighborhood business land use shall be defined as any use of any building or structure, or use of any lot, parcel or tract of land, involving the provision of financial, legal, professional, personal or technical services for a fee.

2. Neighborhood business land use shall be permitted on lots 17 through 26 of block 26 of the North Addition of the Delta Junction Townsite.

3. Neighborhood business land use must comply with the following restrictions:

a. Any need for parking shall be provided entirely on the lot, parcel or tract on which the industry is conducted.

b. No equipment or process shall be used which creates noise, vibration, glare, fumes, odors or electrical interference detectable to the normal senses off the lot. In the case of electrical interference, no equipment or process shall be used which creates visual or audible interference in any radio or television receivers off the premises, or causes fluctuation in line voltage off the premises.

(e) Business activity involving the wholesale, retail sales or the rental of any article, substance or commodity shall be prohibited.

(f) Multi-family and residential uses shall be permitted on the above lots with neighborhood land use permitted.

(g) High Density, Residential Properties:

1. High density, residential land use shall be defined as any structure or building involving the occupation of that building or structure by one or more tenants for living, cooking, sleeping or recreation either on a temporary or a permanent basis. High density, residential land use does not restrict the number of dwellings permitted on a parcel.

2. High density, residential land use shall be permitted on lots 3 through 21 of block 31 of the North Addition of the Delta Junction Townsite.

3. High density, residential land use must comply with the following restrictions:

a. Any need for parking shall be provided entirely on the lot, parcel or tract on which the industry is conducted.

b. Any activity involving wholesale or retail sales or the rental of any article, substance or commodity; also any activity involving the provision of financial, legal, professional, personal or technical services for a fee shall be prohibited on these aforementioned high-density residential land use sites.

c. Any industrial activity involving for manufacturing, processing, warehousing, storage, distribution, shipping and any other related uses shall be prohibited on these aforementioned high density, residential land use sites.

(h) Medium Density, Residential Properties:

1. Medium density, residential land use shall be defined as any structure or building involving the occupation of that building or structure by one tenant and no more than four tenants for living, cooking, sleeping or recreation either on temporary or a permanent basis.

2. Medium density, residential land use shall be permitted on lots 1 through 14 of block 26 and lots 1 through 19 of block 27 of the North Addition of the Delta Junction Townsite.

3. Medium density, residential land use must comply with the following restrictions:

a. Any need for parking shall be provided entirely on the lot, parcel or tract on which the industry is conducted.

b. Any activity involving wholesale or retail sales or the rental of any article, substance or commodity; also any activity involving the provision of financial, legal, professional, personal or technical services for a fee, shall be prohibited on these aforementioned high-density residential land use sites.

c. Any industrial activity involving for manufacturing, processing, warehousing, storage, distribution, shipping and any other related uses shall be prohibited on these aforementioned residential land use sites.

(i) Residential Properties:

1. Residential land use shall be defined as any structure or building involving the occupation of that building or structure by one tenant, and no more than two tenants for living, cooking, sleeping or recreation either on a temporary or a permanent basis.

2. Residential land use shall be permitted on lots 1 through 23 of block 28 of the North Addition of the Delta Junction Townsite.

3. Residential land use must comply with the following restrictions:

a. Any need for parking shall be provided entirely on the lot, parcel or tract on which the industry is conducted.

b. Any activity involving wholesale or retail sales or the rental of any article, substance or commodity; also any activity involving the provision of financial, legal, professional, personal or technical services for a fee, shall be prohibited on these aforementioned residential land use sites.

c. Any industrial activity involving for manufacturing, processing, warehousing, storage, distribution, shipping and any other related uses shall be prohibited on these aforementioned residential land use sites.

5.20.075 Airport Service Zone:

(a) A portion of ADL400966 contains lands that are legally described as

follows: Tract B of Alaska State Land Survey 89-16, containing 82.664 acres, more or less, according to the survey plat recorded in the Fairbanks Recording District on February 22, 1991 as Plat 91-14.

(b) Lands within said “Tract B”, may be from time to time subdivided and sold by the City pursuant to this Chapter 5.20 with the following amendments:

The City Council may, in its discretion, by Resolution:

1. Choose to restrict the sale of Lots to cash only;
2. Choose to sell and develop Lots pursuant to a development plan, which development plan may be changed from time to time by subsequent Resolution
3. Choose to set a minimum price higher than appraised value to cover the cost of subdivision, and improvements serving the Lot under any development plan (such as taxiway access, electricity, survey, plat, legal, etc.), whether such improvements are on the Lot or offsite.
4. Prior to sale, choose to require development progress, such as a minimum value of work to be done on the Lot by the purchaser within a stated period in order to demonstrate actual progress toward an aviation related use of the property, and to discourage speculative purchasing.
5. Choose to sell Lots in a particular order, pursuant to a development plan. Any Lots not sold at auction due to their sale being “out of order” with a development plan may be sold over-the-counter at a later date (without further action by the City Council) when their sale comes within the development plan.
6. Choose to set a minimum sale price no lower than that set by an appraisal that is no more than 5 years old as of the date of sale.

(c) Covenants and Restrictions: The City will regulate the use of such “Tract B” property by covenants and restrictions which will be incorporated in the Deed and shall remain in effect for not less than a period of 25 years. For “Tract B” the covenants and restrictions shall include a restriction to aviation or airport related uses, such as aircraft hangars, aircraft tied owns, commercial operations such as aircraft maintenance, air taxi, aircraft construction and conversion, flight training, commercial air cargo operations with necessary warehouse facilities to contain items actually arriving or departing from the City Airport.

(d) In the event the airport is closed, or its use becomes substantially restricted, property owners may petition the City Council for removal or modification of the covenants set out in the deed. The City Council shall have unfettered discretion as to whether to remove or modify the covenants.

5.20.080 Penalties: Development activities that occur in violation of the terms and conditions of this ordinance may result in an injunction and damages. Upon the petition of at least two thirds of the property owners within 500 linear feet from the boundaries of the property where the violation is occurring, the City Council may enjoin the development activity and may recover damages by appropriate legal action.

CHAPTER 5.21

DISPOSAL OF PERSONAL PROPERTY

Sections:

- 5.21.010 Disposal of Personal Property Valued at Under \$500.00
- 5.21.020 Surplus Property
- 5.21.030 Declaration of Obsolescence
- 5.21.040 Disposal of Personal Property Valued at Under \$1,000.00
- 5.21.050 Disposal of Personal Property Valued at or Above \$1,000.00
- 5.21.060 Disposal of Personal Property Valued at or Above \$25,000.00
- 5.21.070 Revenues

5.21.010 Disposal of Personal Property Valued at Under \$500.00:

(a) Personal property, other than surplus stock, that is valued at less than One Thousand dollars (\$1,000.00) may be disposed of upon such notice and terms considered reasonable by purchasing agent, taking into consideration the value of an article, the reason for disposal and the general preference of disposal by competitive bid. The purchasing agent shall report disposals to the Council if so requested.

(b) Personal property valued at more than One Thousand (\$1,000.00) dollars shall be disposed of in a manner provided under Section 5.20.050

(c) Personal property valued at more than Twenty-Five Thousand (\$25,000.00) dollars shall be disposed of in the manner provided under Section 5.20.060

(d) The power of disposition of personal property is assigned to the purchasing agent, who shall be appointed by the council. However the Council may substitute another official, such as the Mayor or City Manager, in place of the purchasing agent.

5.21.020 Surplus Property:

(a) All departments of the city shall submit as needed but at least annually, to the City Clerk a list of recommended supplies, materials and equipment which are no longer used, have become obsolete, worn out or have been scrapped. The City Clerk may also make such recommendations.

(b) Supplies, materials and equipment which have been surplus by one department of the city may be reassigned to another department by the City Clerk.

5.21.030 Declaration of Obsolescence: No surplus property may be sold until the city Council has declared such property to be obsolete and approved for sale.

5.21.040 Disposal of Personal Property Valued at Under \$1,000.00:

(a) All personal property that has been recommended as surplus and estimated by the City Clerk in concurrence with the department heads as being valued under One Thousand (\$1,000.00) dollars shall be publicly advertised following its declaration of obsolescence by the city council.

(b) All such obsolete property shall be sold by competitive bid to the highest responsible bidder.

(c) Obsolete personal property shall be sold at least one a year in a fair and equitable manner.

(d) Obsolete property may be sold in lots or individually to the benefit of the municipality.

5.21.050 Disposal of Personal Property Valued at or Above \$1,000.00:

Personal property estimated by the City Clerk in concurrence with department heads to be valued at or above One Thousand (\$1,000.00) dollars shall be disposed of in the manner provided for land valued under Twenty-Five Thousand (\$25,000.00) dollars.

5.21.060 Disposal of Personal Property Valued at or Above \$25,000.00:

Personal property estimated by the City Clerk in concurrence with department heads to be valued at or above Twenty-Five Thousand (\$25,000.00) dollars shall be disposed of in the manner provided for land value over Twenty-Five Thousand (\$25,000.00) dollars.

5.21.070 Revenues: Revenues generated by the sale of any City personal property shall revert to the general fund of the City.