

Introduced by: Mayor
Date: Oct. 13, 1981
Hearing: Nov. 17, 1981
Vote: 15 Yes, 1 No
Action: Enacted

KENAI PENINSULA BOROUGH

ORDINANCE 81-102

AUTHORIZING THE SALE OF CERTAIN BOROUGH SELECTED LANDS TO THE GENERAL PUBLIC BY SEALED BID AUCTION.

WHEREAS, the Borough has obtained patent to certain lands pursuant to the municipal selection process and has adopted a comprehensive land disposal ordinance; and

WHEREAS, the Assembly and the Administration, in conjunction with the Borough Planning Commission, have identified lands patented to the Borough which are suitable for disposal to the general public by sealed bid auction, together with necessary rights of way and desirable terms and conditions of sale; and

WHEREAS, the Assembly desires to expedite the disposal of these lands through a sealed bid auction;

NOW THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1.

A. That the parcels of real property described in Attachment A to this ordinance, which is incorporated here by reference, are hereby classified as "Sale Lands". These sale lands shall be disposed of to members of the general public at a sealed bid auction to be held on the 16th day of January, 1982. The reservations of access, and the proposed terms and conditions of sale, recommended by the Planning Commission at its August 31, 1981, meeting, are incorporated by reference into this ordinance and shall govern the disposal of each parcel of land.

B. The sale brochures and bid forms will be available at the Borough Administration Building in Soldotna, and at the Seward, Homer, Seldovia, Kenai and Soldotna City Halls. No brochures or bid forms will be mailed.

Section 2. The sealed bid auction for the disposal of each of these parcels shall be conducted in substantially this manner:

A. Any person 18 years of age or older may bid on any number of parcels. A person may submit a bid on his or her behalf, or on behalf of any other member of their immediate family. All bids must be made upon the form provided by the Borough Finance Director, and shall be filed at locations designated by the Finance Director. A person may file only one bid on each parcel. There shall be no limitation upon the number of different parcels for which a person may file applications, however, a person shall be entitled to purchase only one parcel of Borough-selected land at this sale.

B. A separate bid form shall be used for each parcel. Each bid must be received by the Director of Finance or his designee no later than 4:30 p.m., January 6, 1982. Every bid shall be enclosed in a separate sealed envelope marked with the parcel for which the bid is submitted. No bid shall be accepted after the time for the close of bids.

C. At approximately 10:00 a.m., on January 16, 1982, the Finance Director will collect all of the sealed bids which shall be opened to determine the successful bidder for each of the parcels. In case of a tie bid, the tie will be broken by drawing the name of one of the tie bidders out of a hat. The bidder whose name is drawn as the tie breaker will be deemed to have bid an additional one dollar (\$1) in breaking the tie.

D. The Borough will not be liable for the surveying and platting of any properties disposed of to the general public or for the provision of access to the parcels.

E. All sales will be made by immediate cash payment in full or by real estate contract to the highest bidder. The minimum bid shall be \$300 per acre.

F. Prior to conveyance of the parcel, the Borough will reserve rights and easements necessary to provide for desirable public rights-of-way and access to adjacent and interior parcels of land.

G. The selected purchaser of any parcel must deposit with the Borough Finance Director a down payment equal to at least 15% of the total purchase price of the parcel. The principal balance shall be

paid in 10 equal annual installments on all balances up to \$30,000, and in 20 equal annual installments on balances of \$30,000 or more. Simple interest at the annual rate of 10% will accrue on the unpaid balance and shall be paid annually with the principal payment.

H. Payment of principal and accrued interest shall become due and payable on September 1 of each year and shall become delinquent after October 1 of each year. In the event that the successful bidder is a resident of the Kenai Peninsula Borough who has resided in the Borough for at least 12 months prior to the auction, then he or she shall be allowed a credit against the purchase price of 5% for each full year of continuous residency, to a maximum credit of 10 years or 50% of the bid value of the land.

I. Upon final payment of all sums due under the purchase, a warranty deed shall within 30 working days be conveyed by the Borough to the purchaser. No rights shall vest in the purchaser until satisfactory completion of any contract for purchase. In the event of a default for nonpayment or other reason, the interest of the purchaser shall be forfeited.

J. All parcels are sold "as is" and the purchaser shall be responsible for visiting the parcel and for ascertaining the conditions at the site and the extent of any easements, encroachments, alterations, or infringements upon the parcel by other persons. The Borough reserves the right to preserve monuments, historical sites, graveyards, cemeteries and other public interest memorabilia and to adjust the sale parcel at any time before the day of sale. The purchaser is responsible for obtaining any land use permits or other permissions required by any State or Federal agency. The Borough does not warrant that the land is suitable for the purchaser's intended purposes or any other uses.

K. In the event that certain other rights to the parcel have been previously granted by the Borough or the State of Alaska, or any previous owner, then the sale of the parcel shall be made subject to them. Where the possibility of such pre-existing rights would be reasonably apparent from a visit to the site, then the purchaser shall be charged with putting himself on notice of the possibility that

pre-existing rights may exist and that further inquiry is required.

L. The Kenai Peninsula Borough shall not permit the subdivision of any sale land upon which there exists an unpaid principal balance.

The harvesting of timber, or the extraction of sand or gravel for commercial purposes, will not be permitted until the Borough transfers title to the purchaser upon payment in full for the parcel.

M. The purchaser may elect to submit a plat of the parcel meeting Kenai Peninsula Borough platting standards. The direct costs:

- A. Survey Costs
- B. Platting Fees
- C. Plat Drafting Fees
- D. Recording Fees

would be deducted from the purchase price. This offer would expire three years after the date of purchase.

Section 3. The sealed bid auction shall be conducted substantially as follows:

A. Participants in the sealed bid auction must file their applications with the Borough Finance Director not less than 10 days prior to the date of the sealed bid opening. A \$10.00 non-refundable deposit shall accompany each bid form.

B. The Finance Director shall publish two weekly notices in a newspaper of general circulation noting the date of the auction and of registration requirements. The second notice shall be published not less than two weeks prior to the closing date for the submission of bids.

C. The Finance Director shall provide for an independent audit of all applications and of the actual conduct of the auction.

D. The Finance Director shall open all bids submitted for each parcel and shall list every bid

and the amount of the bid on January 16, 1982, at the Borough Administration Building at 10:00 a.m.

E. The person submitting the highest bid shall be required to deposit with the Finance Director the necessary down payment and to sign the appropriate real estate contract and promissory note within 30 business days of notification of selection, or his or her rights shall be forfeited. The next highest bidder in turn shall be afforded a similar period to complete the transaction if the prior eligible applicant forfeits the right to purchase. The down payment to the Borough Finance Director must be in cash or by certified or cashier's check.

Section 4. That the Mayor is authorized to effectuate this ordinance, which takes effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 17th DAY OF November, 1981.

Paul A. Fischer
Paul Fischer, Assembly President

ATTEST:

Frances Guymer
Borough Clerk

SCHEDULE OF LAND UNITS FOR SALE

NOTE: Minimum Bid is \$300 per acre

<u>Land Unit No.</u>	<u>Legal Description</u>	<u>Acres (±)</u>
1	T1S, R14W, S.M., Sec. 26 Lot 1	26.87
2	T1S, R14W, S.M., Sec. 26 NE¼ SE¼	40.00
4	T2S, R14W, S.M., Sec. 9 Lot 2 lying west of the Sterling Highway right-of- way	21.00
5	T2S, R14W, S.M., Sec. 9 Lot 2 lying east of the Sterling Highway right-of- way	10.50
6	T2S, R14W, S.M., Sec. 17 Lot 1 lying east of the Sterling Highway right-of- way	9.50
7	T2S, R14W, S.M., Sec. 20 Lot 5	5.24
8	T2S, R14W, S.M., Sec. 20 Lot 19	5.00
9	T2S, R14W, S.M., Sec. 20 Lot 22	5.00
10	T2S, R14W, S.M., Sec. 20 Lot 23 and portion of Lot 24 lying east of the Sterling Highway right-of-way	6.00
11	T2S, R14W, S.M., Sec. 20 Lot 24 lying west of the Sterling Highway right-of- way	4.00

12	T2S, R14W, S.M., Sec. 20 Lot 25 lying west of the Sterling Highway right-of- way	4.00
13	T2S, R14W, S.M., Sec. 20 Lot 26 and portion of Lot 25 lying east of the Sterling Highway right-of-way	7.00
14	T2S, R14W, S.M., Sec. 29 Lot 6	3.20
15	T2S, R14W, S.M., Sec. 29 Lot 10	4.69
17	T2S, R14W, S.M., Sec. 29 Lot 12	5.00
18	T2S, R14W, S.M., Sec. 29 Lot 13	5.00
19	T2S, R14W, S.M., Sec. 29 Lot 14	5.00