

Introduced by: Land Disposal
Committee
Date: March 3, 1981 Withdrawn
Hearing:
Vote:
Action:

KENAI PENINSULA BOROUGH

ORDINANCE 81-24

PROVIDING FOR THE DISPOSITION BY LOTTERY OF CERTAIN BOROUGH
SELECTED LANDS TO THE GENERAL PUBLIC.

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

WHEREAS, the Assembly and Administration, in conjunction
with the Borough Planning Commission, has identified approxi-
mately 275 acres of land already patented to the Borough,
together with necessary rights of way and desirable terms
and condition of sale; AND

WHEREAS, the Assembly desires to expedite the disposal
of this land to the general public;

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

Section 1. That the lands listed in Attachment A of
this resolution are classified as "Sale Lands". The land so
classified shall be disposed of to members of the general
public at a lottery sale conducted on the _____ day of _____
_____, 1981. The terms and conditions of sale, together
with reservations of access, as recommended by the Borough
Planning Commission on February 16, 1981, are incorporated
into this resolution by reference and shall be incorporated
into the appropriate sale documents.

Section 2. That the sale lands identified in Attachment
A to this ordinance shall be sold by lottery upon the follow-
ing general terms and conditions of sale:

A. Any person 19 years of age or older may file an
application of participation in the lottery or sealed
bid or other method of disposal. A person may file
an application for purchase on his or her behalf,
or on behalf of any other member of their immediate
family. All applications must be made upon the form
provided by the Borough Finance Director, and shall
be filed in person at locations designated by the
Finance Director, as approved by the Assembly. A
person may file only one application for 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 by lottery or sealed bid or other method of disposal.

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

C. All sales will be made by immediate cash payment in full or by real estate contract to those persons selected by lottery at the fair market value of the parcel as determined by the Borough Assessor and published prior to the time when applications may be made. The Borough shall make no representations as to actual market value of the parcel at the time of sale and all parcels shall be valued on the basis of the estimated acreage of the parcel as shown by the Borough Assessor's records.

D. 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.

E. The selected purchaser of any parcel must deposit with the Borough Finance Director a down payment equal to at least 10% of the total purchase price of the parcel. The principal balance shall be paid in 10 equal annual installments on all balances up to \$25,000 to \$40,000 inclusive, and in 20 equal annual installments on balances of \$40,001 or more. Simple interest at the annual rate of 9% will accrue on the unpaid balance and shall be paid annually with the principal payment.

F. 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.

G. In the event that the successful applicant in the lottery is a resident of the Kenai Peninsula Borough who has resided in the Borough for at least 12 months prior to the lottery or sealed bid or other method of disposal, then he or she shall

be allowed a credit against the purchase price of 5% for each full year or continuous residency, to a maximum credit of 10 years or 50% of the fair market value of the land.

H. Upon final payment of all sums due under the purchase, a warranty deed shall 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.

I. All parcels are sold "as is" and the purchaser shall be responsible for visiting the parcel and for ascertaining the condition of the site and the extent of any easements, encroachments, alterations, or infringements upon the parcel by other persons. The Borough shall have the right to preserve monuments, historical sites, graveyards, cemeteries and other public interest memorabilia and to adjust the sale parcel at any time before sale.

J. 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.

K. The Planning Commission shall not permit the subdivision of any sale land upon which there exists an unpaid principal balance until suitable arrangements have been made to assure payment in full of the balance due to the Borough, provided however, that a suitable release clause shall be inserted in each real estate contract entitling the purchaser to the release of portions of the land in proportion to a percentage of total payment made by the purchaser.

Section 3. The lottery for the disposal and sale of the ~~lands shall~~ be conducted in the manner set forth below:

A. Participants in the lottery must file their applications with the Borough Finance Director not less than 10 days prior to the date of the lottery.

A \$10.00 non-refundable deposit shall accompany each application.

B. The Finance Director shall publish 2 weekly notices in a newspaper of general circulation of the date of the lottery and of registration requirements. The second notice to be published not less than 2 weeks prior to the closing date for lottery registration.

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

D. Every application for purchase of a parcel shall be assigned a number and a separate drawing for each parcel shall be made from those numbers. The Borough Finance Director shall conduct the sale and shall draw the number of the eligible purchaser and two alternates. In the event that the first eligible purchaser does not, or cannot, proceed with the sale, then the alternate purchasers shall be afforded the opportunity to purchase the property in the order that their applications are drawn.

E. The first eligible purchaser 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 5 business days of selection, or his or her rights shall be forfeited. The alternate purchasers in turn shall be afforded a similar period to complete the transaction if the prior eligible applicants forfeit rights. 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 _____ DAY OF _____, 1981.

Paul Fischer, Assembly President

ATTEST:

Borough Clerk

Kenai Peninsula Borough
Ordinance 81-24
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