

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water and
Wastewater Utility
For reading: November 17, 2009

CLERK'S OFFICE
APPROVED

Date:

12-1-09

**ANCHORAGE, ALASKA
AO No. 2009-132**

1 **AN ORDINANCE AUTHORIZING A DISPOSAL BY SALE OF**
2 **APPROXIMATELY NINE (9) ACRES OF MUNICIPALITY OF ANCHORAGE /**
3 **ANCHORAGE WATER AND WASTEWATER UTILITY PROPERTY, TRACT 4,**
4 **INTERNATIONAL EAST SUBDIVISION, AT FAIR MARKET VALUE TO**
5 **CHUGACH ELECTRIC ASSOCIATION FOR A UTILITY USE.**
6

7 **WHEREAS**, Municipality of Anchorage/Anchorage Water and Wastewater Utility
8 owns property described as Tract 4, International East; and
9

10 **WHEREAS**, AMC section 25.30.020 states that disposal of Municipal land or
11 interest therein shall be by ordinance only; and
12

13 **WHEREAS**, AMC section 25.30.040 states that, notwithstanding exceptions, all
14 disposals of municipal land shall be for fair market value of the interest disposed
15 of, and the municipality may accept in exchange for municipal land any
16 consideration of sufficient value not prohibited by law; and
17

18 **WHEREAS**, at its October 7, 2009 meeting, the AWWU Authority Board supported
19 Chugach Electric Association's request for purchase of this parcel; now therefore,
20
21

22 **THE ANCHORAGE ASSEMBLY ORDAINS:**
23

24 **Section 1.** AWWU is authorized to negotiate disposal by sale of approximate
25 nine (9) acres, Tract 4, International East Subdivision, to Chugach Electric
26 Association.
27

28 **Section 2.** The disposal by sale of an approximate nine (9) acre parcel, Tract 4,
29 International East Subdivision, to Chugach Electric Association, at fair market
30 value is authorized by the Anchorage Municipal Code and hereby approved.
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32 **Section 3.** This ordinance shall be effective immediately upon passage and
33 approval by the Assembly.
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PASSED and APPROVED by the Anchorage Assembly this 1st day of
December, 2009.

Dilbir Osseander
Chair of the Assembly

ATTEST:

Barbara S. Joner
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 662-2009

Meeting Date: November 17, 2009

1 **From: MAYOR**

2
3 **Subject: An Ordinance Authorizing a Disposal by sale of approximately nine**
4 **(9) acres of Municipality of Anchorage/Anchorage Water and**
5 **Wastewater Utility property, Tract 4, International East Subdivision, at**
6 **fair market value to Chugach Electric Association for a utility use.**
7

8 In June of 1984, the Municipality of Anchorage incurred a debt to the Anchorage Water and
9 Wastewater Utility (AWWU) under a memorandum of agreement for the transfer of real properties.
10

11 In December of 1986, the Management Authority for Heritage Land Bank Parcel Number 26 was
12 transferred to the AWWU and the existing debt owed to AWWU by the Municipality of Anchorage
13 was decreased by \$1,698,000.00, the 1986 tax assessed value of HLB Parcel Number 26.
14

15 In 1987 organic material needed for the new Anchorage Regional Landfill was excavated from this
16 site, and in return gravel fill excavated from the Anchorage Regional Landfill was deposited on this
17 site and its grade raised to improve drainage of the site at cost of over one (1) million dollars to
18 AWWU.
19

20 HLB Parcel Number 26 is legally described as Tract 4, International East Subdivision and has been
21 used for short-term, revocable use permits for various uses over the years, including a recreational
22 use for Alaska Motor Musers Fur Rondy event and a construction staging area for Wilder
23 Construction during the extension of Minnesota Drive.
24

25 In May of 2008, the Municipality of Anchorage, Maintenance and Operations Department delivered
26 a Letter of Intent to Purchase Tract 4, International East Subdivision. The Maintenance and
27 Operations Department was unable to acquire the necessary funds to follow through with the
28 purchase of this parcel.
29

30 In June of 2009, Chugach Electric Association (CEA) delivered a Letter of Interest to Purchase Tract
31 4, International East Subdivision. CEA has a need for this property as a construction staging and
32 storage area for electrical inventory being displaced by construction of CEA's and Municipal Light
33 & Power's Southcentral Power Project (SPP).
34

35 AWWU initiated an agency review to solicit comments on disposal of this parcel: no objections to
36 the proposed disposal were received.
37

38 The disposal of this property to Chugach Electric Association will be for fair market value.
39

1 Chugach Electric Association shall be responsible for any and all utilities, taxes, assessments, license
2 and other charges.

3
4 At its regular meeting of October 7, 2009, the AWWU Board of Directors endorsed this disposal.

5
6 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
7 **AUTHORIZING A DISPOSAL BY SALE OF APPROXIMATELY NINE (9) ACRES OF**
8 **MUNICIPALITY OF ANCHORAGE/ANCHORAGE WATER AND WASTEWATER**
9 **UTILITY PROPERTY, TRACT 4, INTERNATIONAL EAST SUBDIVISION, AT FAIR**
10 **MARKET VALUE TO CHUGACH ELECTRIC ASSOCIATION FOR A UTILITY USE.**

11
12 Prepared by: Anchorage Water and Wastewater Utility
13 Approved by: Mark Premo, P.E., General Manager, AWWU
14 Recommended by: William M. Mehner, Director, Heritage Land Bank
15 Concur: Greg Jones, Executive Director,
16 Office of Community Planning & Development
17 Concur: Dennis A. Wheeler, Municipal Attorney
18 Concur: George J. Vakalis, Municipal Manager
19 Respectfully submitted: Daniel A. Sullivan, Mayor
20

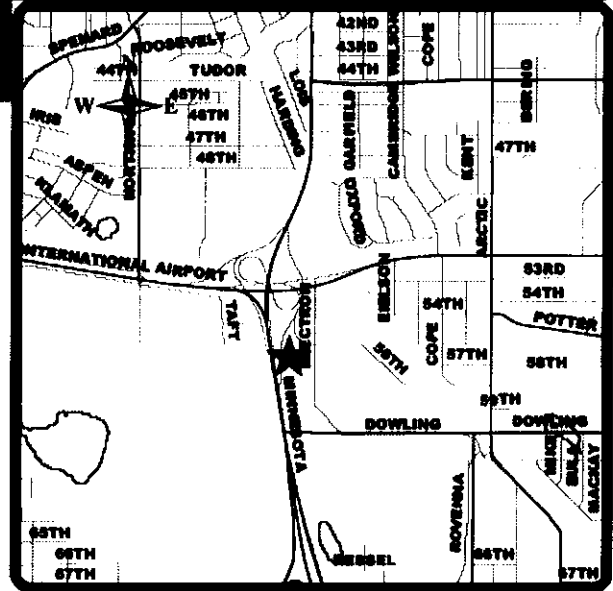
Exhibit A

Depicting Tract 4, International East to Chugach Electric Association an attachment to the Ordinance Authorizing Disposal of the parcel.



Parcel ID 010-531-02
International East, Tract 4

**International East,
Tract 4**
Grid SW1928



VICINITY MAP

Municipality of Anchorage
ANCHORAGE WATER & WASTEWATER UTILITY
M E M O R A N D U M

DATE: October 6, 2009
TO: Mark Premo, P.E. AWWU General Manager
THRU: Kurt Vause, P.E., AWWU Engineering Division Director
THRU: Brian Baus, AWWU Planning Services and Development Manager
FROM: Paul Hatcher, Real Estate Coordinator/Eng. Tech III
SUBJECT: International East Tract 4

The purpose of this memo is to clarify Fair Market Value for the proposed disposal of International East Tract 4 to Chugach Electric Association.

In June of 1984 The Municipality of Anchorage incurred a debt in the amount of \$3,041,000.00 to the Anchorage Water and Wastewater Utility under a memorandum of agreement for the transfer of real properties.

In December of 1986 Management Authority for Heritage Land Bank Parcel Number 26 was transferred to the Anchorage Water and Wastewater Utility and the existing debt owed to the Anchorage Water and Wastewater Utility by the Municipality of Anchorage was decreased by \$1,698,000.00 (the 1986 tax assessed value of HLB Parcel Number 26).

In October of 1998 an appraisal was performed by Black-Smith and Richards Inc. for the purpose of determining Market Value of the Fee Simple Interest of International East Tract 4. The value associated with this appraisal was (1,931,000.00) one million nine hundred thirty one thousand dollars.

In June of 1999 the Anchorage Assembly approved the disposal of International East Tract 4 to Discovery Homes Inc. for Fair Market Value of (1,931,000.00) one million nine hundred thirty one thousand dollars, (AO #99-79 included with memo). Discovery Homes defaulted on their contract and the sale never went through.

In November of 2000 an appraisal was performed by MacSwain Associates for the purpose of determining Market Value of International East Tract 4. The value

associated with this appraisal was (1,600,000.00) one million six hundred thousand dollars.

In May of 2007 an appraisal was performed by MacSwain Associates for the purpose of determining Market Value of the Fee Simple Estate of International East Tract 4. The value associated with this appraisal was (2,400,000.00) two million four hundred thousand dollars.

In May of 2008 The Municipality of Anchorage, Maintenance and Operations Department delivered a Letter of Intent to Purchase Tract 4, International East Subdivision. The Maintenance and Operations Department was unable to acquire the necessary funds to follow through with the purchase of this parcel.

In June of 2008 an update for the appraisal performed by MacSwain Associates in May of 2007 was acquired for the purpose of determining if Market Value of the Fee Simple Estate of International East Tract 4 had changed in one year. The value associated with this update was (2,400,000.00) two million four hundred thousand dollars. This update was performed so that utility had an accurate Market Value for Maintenance and Operations Department Letter of Intent to Purchase.

In June of 2009 Chugach Electric Association delivered a Letter of Interest to Purchase Tract 4, International East Subdivision. Chugach Electric Association has a need for this property as a construction staging and storage area for electrical inventory being displaced by construction of Chugach and Municipal Light & Powers Southcentral Power Project (SPP).

The need for a new appraisal or update to the existing appraisal since last June is not needed due to the current economic climate. Industrial Real Estate in the Anchorage area has maintained its current value. I recommend using the latest appraisal to set current Market Value of the Fee Simple Estate of International East Tract 4.

If you have need of any more information please let me know.

Paul Hatcher
Real Estate Coordinator/Eng. Tech III

Attachments: AO # 99-79

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2 CLERK'S OFFICE
3 **AMENDED AND APPROVED**
4 Date: 6-8-99

Submitted by: Chair of the Assembly
At the Request of the Mayor
Prepared by: AWWU-HLB
For Reading: May 11, 1999

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7 **ANCHORAGE, ALASKA**
8 **AO NO. 99-79**
9

10 AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE AUTHORIZING A SALE BY
11 ANCHORAGE WATER AND WASTWATER UTILITY (AWWU) OF TRACT 4,
12 INTERNATIONAL EAST SUBDIVISION, PLAT NO. 87-28, GENERALLY LOCATED EAST OF
13 MINNESOTA BOULEVARD AND SOUTH OF 56TH AVENUE IN THE ANCHORAGE
14 RECORDING DISTRICT AND THE ACQUISITION OF 2.04 +/- ACRES OF LAND
15 GENERALLY LOCATED ON THE WEST SIDE OF ARCTIC BOULEVARD AT WEST 32ND
16 AVENUE IN THE ANCHORAGE RECORDING DISTRICT, OWNED BY THE HORRELL
17 FAMILY ~~TRUST~~ PARTNERSHIP.

18
19
20 **WHEREAS**, In the mid 1980's AWWU purchased the nine acre Tract 4 for purposes of consolidating
21 the Operations Division, and

22
23 **WHEREAS**, in August of 1987, AWWU acquired an existing industrial building and adjoining land
24 on 94th and King Street that currently serves as the Operations Center, and

25
26 **WHEREAS**, Tract 4 generally located at International Airport Road and Minnesota Boulevard has
27 become surplus to AWWU, and

28 **Partnership**

29 **WHEREAS**, the Horrell Family ~~Trust~~ ^{owns} approximately 2 acres of land immediately adjacent the
30 southern lot line of the AWWU Headquarters, located at 3000 Arctic Boulevard, and

31 **Partnership**

32 **WHEREAS**, the Horrell Family ~~Trust~~ property is of the highest value to AWWU because it is the only
33 land available to facilitate future site expansion.

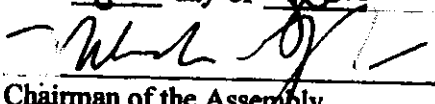
34
35 **NOW THEREFORE, THE ANCHORAGE ASSEMBLY ORDAINS:**

36
37 **Section 1.** AWWU shall sell Tract 4, International East Subdivision according to Plat No. 87-28 for
38 the market value sum of \$1,931,000.00 to Discovery Construction, Inc.

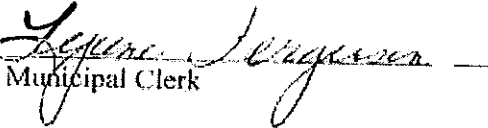
39
40 **Section 2.** As payment for Tract 4 , International East Subdivision AWWU shall receive a parcel of
41 land described as that portion of the East one-half (E ½) of the Northeast one-quarter (NE ¼) of
42 Section 25, Township 13 North, Range 4 West, Seward Meridian, in the Anchorage Recording District,
43 Third Judicial District, Alaska with a value of \$690,000.00 and cash for \$1,241,000.00 the sum of
44 which will equal \$1,931,000.
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2 Section 2. This ordinance shall take effect immediately upon passage and approval.
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4 PASSED AND APPROVED by the Anchorage Assembly this 8th day of June
5 1999.

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7
8 *Via* 
9 Chairman of the Assembly

10 ATTEST:

11 
12 Municipal Clerk

Content ID: 008263**Type:** Ordinance - AO

AN ORDINANCE AUTHORIZING A DISPOSAL BY SALE OF APPROXIMATELY NINE (9) ACRES OF MUNICIPALITY OF ANCHORAGE / ANCHORAGE WATER AND WASTEWATER UTILITY PROPERTY, TRACT 4, INTERNATIONAL EAST SUBDIVISION, AT FAIR MARKET VALUE TO CHUGACH ELECTRIC ASSOCIATION FOR A UTILITY USE.

Author: gibsonam**Initiating Dept:** AWWU**Select Routing:** Standard**Review Depts:** HLB, OCPD**Date Prepared:** 10/13/09 2:30 PM**Director Name:** Mark Premo**Assembly Meeting Date:** 11/17/09**Public Hearing Date:** 12/1/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	11/6/09 12:14 PM	Exit	Joy Maglaqui	Public	008263
MuniManager_SubWorkflow	11/6/09 12:14 PM	Approve	Joy Maglaqui	Public	008263
Legal_SubWorkflow	11/6/09 12:01 PM	Approve	Rhonda Westover	Public	008263
Finance_SubWorkflow	11/5/09 11:56 AM	Approve	Lucinda Mahoney	Public	008263
OMB_SubWorkflow	11/4/09 1:51 PM	Approve	Cheryl Frasca	Public	008263
OCPD_SubWorkflow	11/4/09 11:55 AM	Approve	Tawny Klebesadel	Public	008263
HLB_SubWorkflow	11/3/09 3:58 PM	Approve	Tammy Oswald	Public	008263
AWWU_SubWorkflow	11/3/09 3:09 PM	Approve	Mark Premo	Public	008263
AllOrdinanceWorkflow	11/3/09 3:05 PM	Checkin	Alyssa Gibson	Public	008263
OCPD_SubWorkflow	11/3/09 11:19 AM	Reject	Tawny Klebesadel	Public	008263
HLB_SubWorkflow	11/2/09 11:33 AM	Approve	Tammy Oswald	Public	008263
AWWU_SubWorkflow	11/2/09 11:10 AM	Approve	Mark Premo	Public	008263
AllOrdinanceWorkflow	11/2/09 11:06 AM	Checkin	Alyssa Gibson	Public	008263
Legal_SubWorkflow	10/22/09 11:19 AM	Reject	Dean Gates	Public	008263
Finance_SubWorkflow	10/21/09 1:20 PM	Approve	Lucinda Mahoney	Public	008263
OMB_SubWorkflow	10/16/09 4:09 PM	Approve	Cheryl Frasca	Public	008263
OCPD_SubWorkflow	10/16/09 9:38 AM	Approve	Tawny Klebesadel	Public	008263
HLB_SubWorkflow	10/13/09 3:49 PM	Approve	Tammy Oswald	Public	008263
AWWU_SubWorkflow	10/13/09 3:09 PM	Approve	Mark Premo	Public	008263
AllOrdinanceWorkflow	10/13/09 3:06 PM	Checkin	Alyssa Gibson	Public	008263

CONSENT AGENDA - INTRODUCTION