

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE LESS THAN FAIR MARKET VALUE SALE OF BOROUGH-OWNED REAL PROPERTY IDENTIFIED AS THE LITTLE SU CAMP GROUND AND DAY USE AREA TO THE CITY OF HOUSTON (MSB007293).

AGENDA OF: November 21, 2017

ASSEMBLY ACTION:
 amended + adopted w/
 Assembly member Mayfield
 opposed 12 J-17

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator	NSC	
	Community Development Director	Q	
	Finance Director	S	
	Borough Attorney	NS	
	Borough Clerk	JMM	10/9/17

ATTACHMENT (S) : Fiscal Note: YES X NO _____
 Vicinity Map (1 pp)
 Site Plan (1 pp)
 Exhibit A: Best Interest Finding (2 pp)
 Exhibit B: MSB Development Services Memo (2 pp)
 City of Houston Letter of Request (1 pp)
 City Of Houston Resolution 17-06 (2 pp)
 Ordinance Serial No. 17-147 (6 pp)

SUMMARY STATEMENT:

The City of Houston has submitted a request to the borough manager asking the borough to convey the Little Su Campground and Day Use Area to the city, and terminate the current management agreement between the borough and the city. The parcels would be conveyed at less than fair market value and a deed restriction will be imposed that the parcels be used for public purpose or they shall revert back to the borough.

There is a total of seven borough parcels to be conveyed. The 2017 total assessed value is \$538,900. Notwithstanding MSB 23.10.060, all of the parcels will be conveyed at less than fair market value for zero dollars. MSB 23.10.60(C)(1) stipulates that the minimum fee to be paid to the borough for a sale at less than fair market value shall be the greater of \$500 or a range between 50-90% of the market value to be determined by the assembly.

Two of the parcels (C014 and D002) contain the infrastructure for the Little Su Campground and day use facilities, which were in part, constructed with monies from the Land & Water Conservation Fund (aka "LAWCON" or "LWCF") authorized by the National Park Service (NPS). The NPS grant stipulates that these specific parcels must be used for public park purposes in perpetuity and any assignment or transfer of ownership requires National Park Service approval in addition to assembly approval. The NPS approval can take up to three years.

Due to the additional requirements and time to convey these specifically encumbered parcels, it is the borough's intent to split the conveyance process into two phases. Parcels C012, D005, B002, B004 and Tract C will be conveyed to the city under the first phase. The remaining two parcels (C014 and D002) will be conveyed in the second phase once NPS approval is obtained.

The borough and City of Houston have an active management agreement which has been in place for approximately 21 years allowing the city to manage the borough-owned properties known as the Little Su Campground and Day Use Area. The borough currently provides a \$10,000 annual payment to the city from MSB Parks & Recreation Areawide Operating Budget to assist in day-to-day operations of the campground and park areas. This payment is in accordance with the management agreement, Section 25 Management Fee, which upon adoption of MSB Ordinance 17-147 will be amended to terminate any and all future management fees paid by either the city or the borough.

An inter-department review was conducted and MSB Planning Department, Development Services Division, revealed parcels B002, B004 and Tract C are within designated Regulatory Floodways on FEMA's official Flood Insurance Rate Maps (FIRM). All development within the Designated Regulatory Floodway area is subject to permit in accordance with MSB 17.29. Recommendation is made that development within these particular parcels be limited to water-dependent facilities such as docks or fish hatcheries. Public notice was initiated pursuant to MSB 23.05.025 with no public comments received from the noticing.

RECOMMENDATION OF ADMINISTRATION:

Assembly approval for the less than fair market value sale of borough-owned real-property identified as the Little Su Campground and Day Use Area to the City of Houston, with a reversionary clause pursuant to MSB 23.10.060 to be imposed through the deed stating the property shall be used for public purpose in perpetuity, or title shall revert back to the borough.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: November 21, 2017

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE LESS THAN FAIR MARKET VALUE SALE OF BOROUGH-OWNED REAL PROPERTY IDENTIFIED AS THE LITTLE SU CAMP GROUND AND DAY USE AREA TO THE CITY OF HOUSTON (MSB007293).

ORIGINATOR:

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED *	FUNDING SOURCE <i>Land Management</i>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <i>Barbara Bauer</i>	CERTIFIED BY:
DATE: <i>11/3/17</i>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	*					
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other						
TOTAL						

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) * *No revenue generated from sale to City of Houston. No future expenses.*

PREPARED BY: _____ PHONE: _____

DEPARTMENT: _____ DATE: _____

APPROVED BY: *Chris M. Kunkel* DATE: *11/3/17*

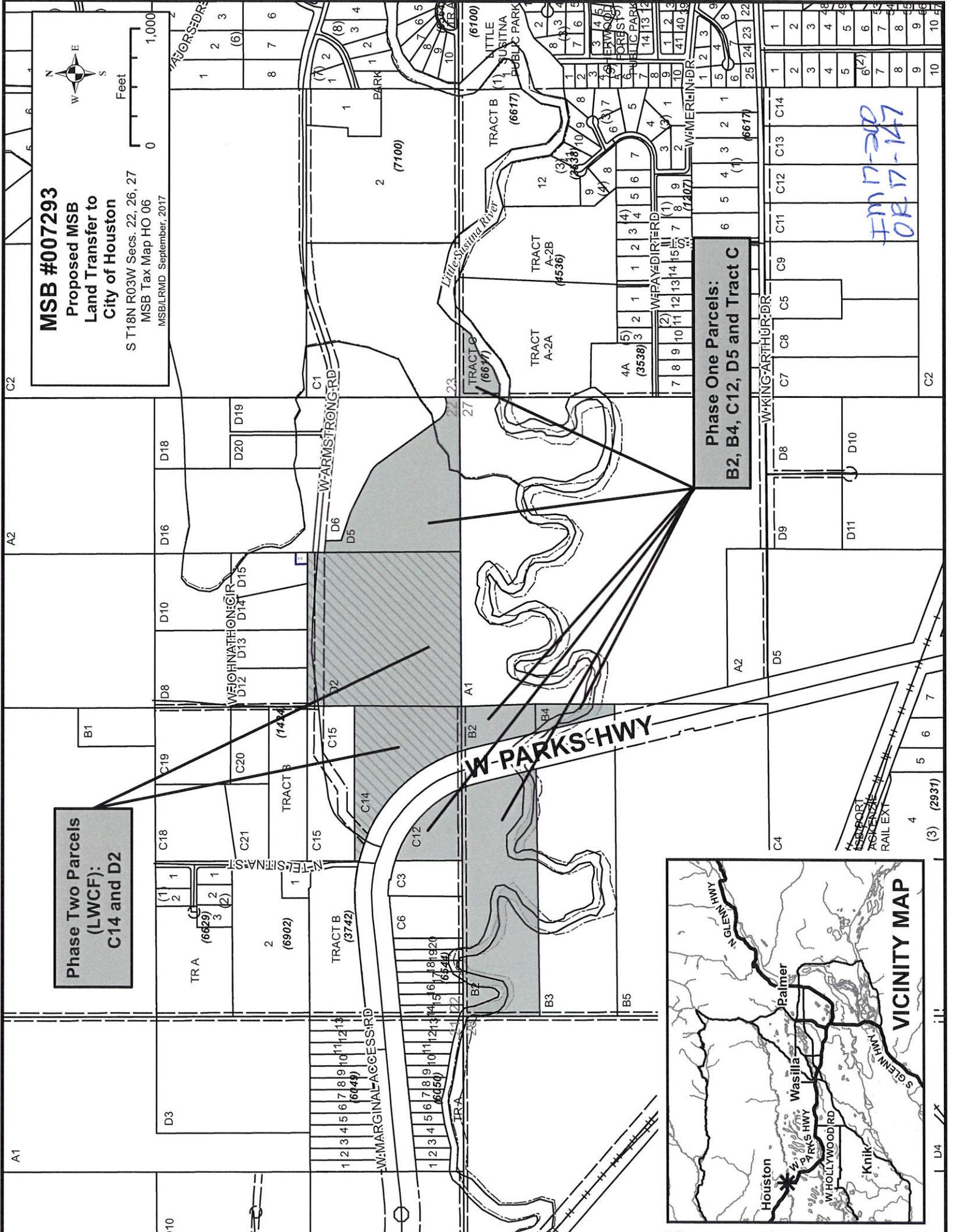
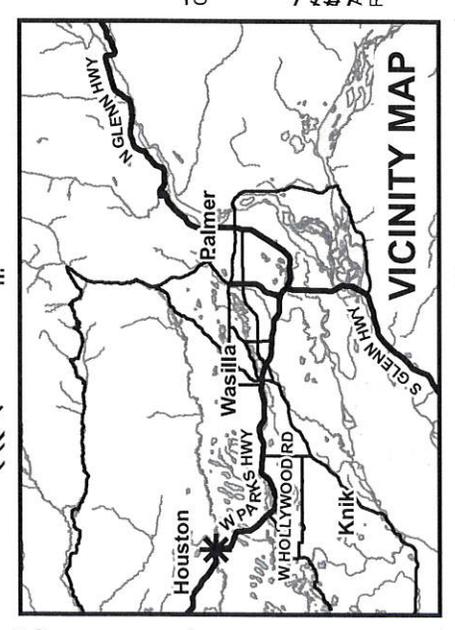
MSB #007293
Proposed MSB
Land Transfer to
City of Houston

S T18N R03W Secs. 22, 26, 27
 MSB Tax Map HO 06
 MSB/LRMD September, 2017

Phase Two Parcels
 (LWCF):
C14 and D2

Phase One Parcels:
B2, B4, C12, D5 and Tract C

FM 17-200
 OR 17-147



BEST INTEREST FINDING
For the
Sale of Borough-Owned Land

I. Summary of Proposed Action. The City of Houston has submitted a request to the borough manager asking the borough to convey the Little Su Campground and Day Use Area to the city, and terminate the current management agreement between the borough and the city. The parcels would be conveyed at less than fair market value and a deed restriction would be imposed that the properties be used for public purpose or the title would revert back to the borough.

II. Property Site Factors

- A. Location: The subject parcel is located within Houston city limits adjacent to city hall.
- B. Tax IDs: 18N03W22C012, C014, D002 and D005; 18N03W27B002 and B004; and 6617000T00C.
- C. Land Status: Acquired by state Patent No. 1605 (as to C012 and C014); Statutory Warranty Deed at BK 477, PG 117 (as to D005); Warranty Deed at BK 390 PG 969 (as to B002); Warranty Deed at BK 390 PG 964 (as to B004); Statutory Warranty Deed at BK373 PG 844 (as to Tract C); and Quitclaim Deed at BK 294 PG 73 (as to C015), all located within the Palmer Recording District. Legal descriptions contained fully in MSB ORD 17-147.
- D. Restrictions:
 - 1. Land Use Plans – The properties lie within Houston city limits.
 - 2. Title Restrictions – None, excepting Parcels C014 and D002 which were developed with Land & Water Conservation Funds (LWCF) requiring use for public park purpose in perpetuity. .
 - 3. Covenants – None.
 - 4. Zoning – None.
- E. Current Land Use: Public camp grounds and day use park.
- F. Surrounding Land Use: Governmental, commercial, residential.
- G. Existing Infrastructure: Electric, telecommunications, water and sewer.

III. Review and Public Notice. Borough inter-department review was conducted. Planning revealed that parcels B002, B004 and Tract C are designated as Regulatory Floodways on FEMA's official Flood Insurance Rate Maps (FIRM). Regulatory Floodways are areas of extreme hazard due to the velocity of flood waters which carry debris, potential projectiles, and erosion potential. The Development Services Division recommends the borough retain development rights on these parcels within the Floodway, excluding docks, fish hatcheries or other water-dependent facilities. All development within the mapped floodway area is subject to permit in accordance with MSB 17.29. The Development Services comments and reference map is attached as **Exhibit B**. No objections were received from any borough departments.

Public notice was initiated pursuant to MSB 23.05.025 notifying property owners within ¼ mile of the parcel, City of Houston, Parks, Recreation, Trails Advisory Board, ADF&G, and MSB

administration, law, and assembly members. Notice was posted on the borough website, in the Frontiersman newspaper, and at the local post office. No public comments were received.

IV. Analysis & Discussion. The borough and City of Houston have an active management agreement which has been in place for approximately 21 years. The agreement allows the city to manage the borough-owned property known as the Little Su Campground and Day Use Area. The borough currently provides a \$10,000 annual payment to the city from MSB Parks & Recreation Areawide Operating Budget to assist in day-to-day operations of the campground and park area. The management agreement would be amended to eliminate further payments between the borough and city for operations, but would otherwise remain in full effect until the parcels are conveyed.

Two of the parcels (C014 and D002) contain infrastructure for the Little Su Campground and day use facilities which were in part, constructed with a Land & Water Conservation Funds (LWCF, or LAWCON) grant authorized by the National Park Service (NPS). The grant stipulates that those parcels must be used for public park purposes in perpetuity and any assignment or transfer of ownership requires national Park Service approval in addition to assembly approval. The NPS approval can take up to three years so the borough proposes to convey the borough-owned land, C012, D005, B002, B004 and Tract C, to the city under separate deed. The remaining parcels are to be conveyed upon NPS approval.

All parcels will be conveyed at less than fair market value for zero dollars, notwithstanding MSB 23.10.060 wherein the minimal fee is \$500 per parcel or 50-90% of market value as determined by the assembly. The total 2017 assessed value is \$538,900.

The city approved Resolution 17-06 in support of the conveyance.

V. Authorization

MSB 23.05.030. The manager may with assembly approval convey borough-owned real property to a government entity when making borough property available for specific benefit to the public.

MSB 23.10.230. The manager may with assembly approval sell borough-owned real property to a public agency for facilities serving the general public.

VI. Recommendation. Assembly approval for the less than fair market value conveyance of borough-owned real-property identified as the Little Su Campground and Day Use Area to the City of Houston with a reversionary clause that the property shall be used for public purpose, or title shall revert back to the borough.



MATANUSKA-SUSITNA BOROUGH

Planning and Land Use Department

Development Services Division

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-7822 • Fax (907) 861-8158

Email: PermitCenter@matsugov.us

MEMORANDUM

DATE: October 10, 2017

TO: Nancy Cameron, LMD Agent

FROM: Alex Strawn, Development Services Manager 

THRU: Eileen Probasco, Director of Planning & Land Use 

SUBJECT: Conveyance of Little Su Campground to City of Houston

Portions of parcels 18N03W27B002, B004, and 6617000T00C are designated as Regulatory Floodways on FEMA's official Flood Insurance Rate Maps (FIRM). Regulatory Floodways are areas of extreme hazard due to the velocity of flood waters which carry debris, potential projectiles and erosion potential.

The Development Services Division recommends the Borough retain development rights on the portions of lands that are within the Regulatory Floodway excluding water-dependent facilities such as docks or fish hatcheries.

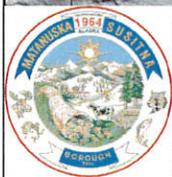
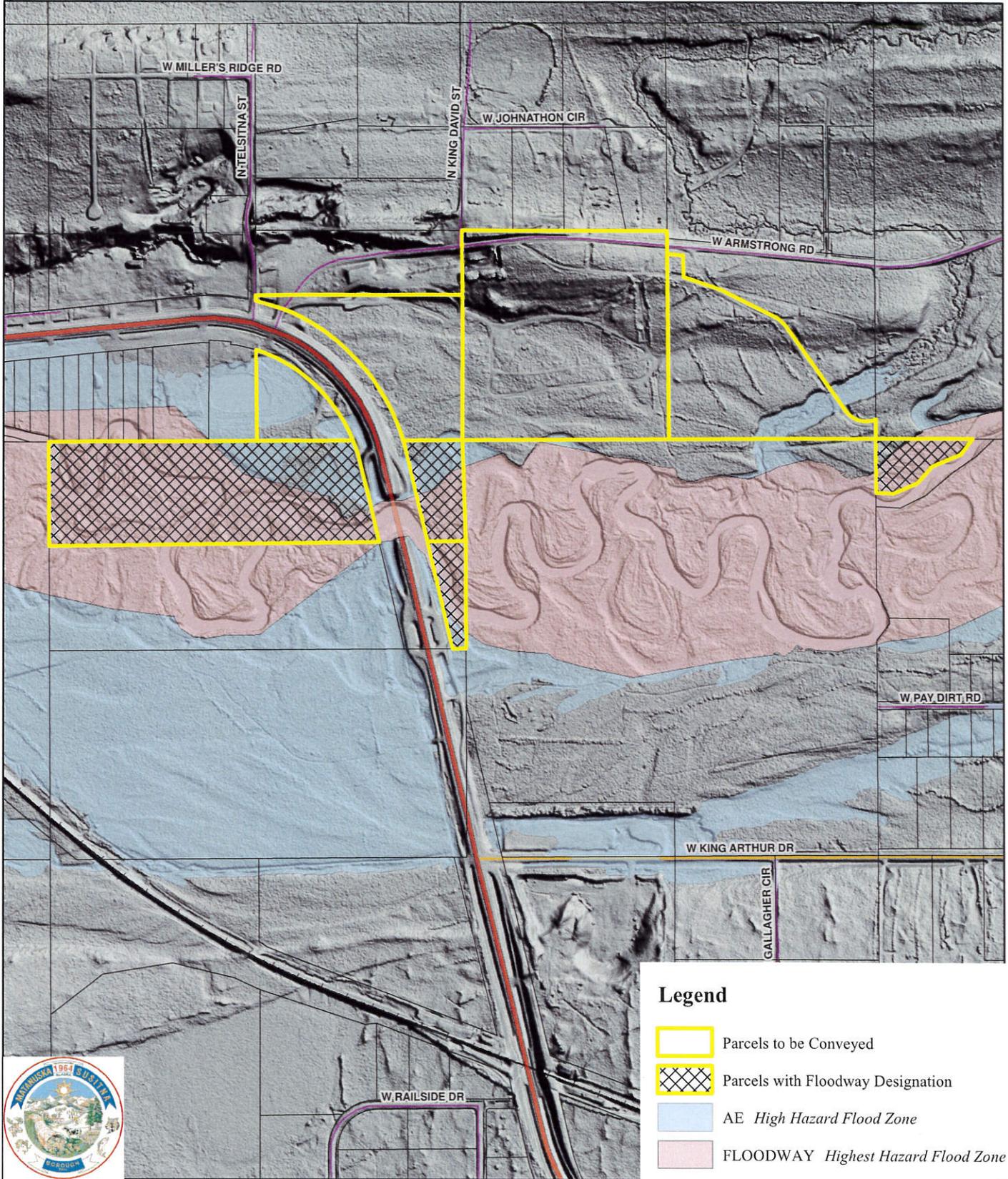
All development, including water-dependent facilities, within the mapped special flood hazard areas are subject to permitting in accordance with MSB 17.29.

A map is attached depicting the preliminary special flood hazard area and regulatory floodway. The preliminary data is considered our best available data and is anticipated to be adopted as part of the flood insurance rate maps in early 2019.

Providing Outstanding Borough Services to the Matanuska-Susitna Community.

JM 17-200
OR 17-147

Flood Map for Little Su Campground Conveyance Houston, AK



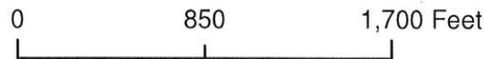
Legend

-  Parcels to be Conveyed
-  Parcels with Floodway Designation
-  AE High Hazard Flood Zone
-  FLOODWAY Highest Hazard Flood Zone

IM 17-200
OR 17-147

**Matanuska Susitna Borough
Permit Center**

Date: 10/6/2017



This map is solely for informational purposes only. The Borough makes no express or implied warranties with respect to the character, function, or capabilities of the map or the suitability of the map for any particular purpose beyond those originally intended by the Borough. For information regarding the full disclaimer and policies related to acceptable uses of this map, please contact the Matanuska-Susitna Borough GIS Division at 907-745-4801.

EXHIBIT B Page 2 of 2



March 14, 2017

Matanuska Susitna Borough

John Moosey, Mat-Su Borough Manager

Re: Little Susitna River Campground and Day Use Area Management Agreement

Dear Mr. Moosey,

The City of Houston and the Borough have a memorandum of agreement for the management of Borough owned property known as Little Susitna River Campground and Day Use Area.

The agreement has been active for approximately 21 years and is amended by the Borough and City's fiscal year budgets. Over the life of the agreement the annual cost to the Borough has been \$8,000 - \$10,000.

As we begin working our FY18 budgets, I am requesting that the Little Susitna River Campground and Day Use Area be turned over to the City and terminating the management agreement.

Respectfully,

Mayor Virgie Thompson

A handwritten signature in blue ink that reads "Virgie Thompson". The signature is written in a cursive, flowing style.

Cc:

Tom Copelin, Public Works Director

Jess Adams, City Treasurer

Sonya Dukes, City Clerk

Introduced by: Mayor Thompson
Date: September 14, 2017
Action: Approved
Vote: Brunswick, Johnson, Jorgensen, Stout, Wilson and Thompson In favor
Barney, absent

**CITY OF HOUSTON, ALASKA
RESOLUTION 17-06**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL AUTHORIZING THE MAYOR
TO SIGN THE MATANUSKA SUSITNA BOROUGH APPLICATION FOR
CONVEYANCE OF THE LITTLE SUSITNA RIVER CAMPGROUND**

WHEREAS, the City manages the Little Susitna River Campground in accordance with the terms and conditions of a Memorandum of Agreement between the Matanuska-Susitna Borough "Borough" and the City of Houston "City"; and

WHEREAS, on May 14, 2017 Mayor Thompson sent a letter to Borough Manager John Moosey, requesting the conveyance of the Little Susitna River Campground; and

WHEREAS, the City Clerk received a letter of proposal from the Borough to convey the parcels including an application and site plan; and

WHEREAS, the properties are identified as MSB tax parcels: 18N03W22C012, C014, D002, D005; 18N03W27B002 and B004; and 6617000T00C; and

WHEREAS, the conveyance would be contingent upon Borough Assembly approval by ordinance; and

WHEREAS, the proposal is to convey all parcels at less than fair market value with no money exchanged; and

WHEREAS, the city would be responsible for any costs associated with the conveyance; and

WHEREAS, two of the parcels (18N03W22C014 and D002) contain the Little Su Campground facilities which were in part, constructed with funds from a Land and Water Conservation (LAWCON) grant through the National Park Service (NPS). The grant stipulates that assignment/conveyance requires NPS approval and must be used as a public park in perpetuity. The NPS approval is in addition to Borough Assembly approval; and

WHEREAS, The NPS approval process can take up to three years; therefore, the borough proposes to convey the totality of parcels in two phases. Phase One will include all the parcels listed, excluding C014 and D002, which will be included in Phase Two to be conveyed under separate deed once approval from NPS is received; and

WHEREAS, the conveyance will include a covenant that all parcels shall be used for a public purpose or they shall revert back to the Borough.

IM 17-200
OR 17-147

NOW, THEREFORE, BE IT RESOLVED, the Houston City Council hereby authorizes Mayor Thompson to sign the application for the conveyance of the Little Susitna River Campground Parcels.

PASSED AND APPROVED by the Houston City Council on September 14, 2017.

THE CITY OF HOUSTON, ALASKA

Virgie Thompson
Virgie Thompson, Mayor

ATTEST:

Sonya Dukes
Sonya Dukes, CMC, City Clerk



IM17-200
OR 17-147