

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 PEGGY LAKE RESIDENTIAL CAMP TO THE ANCHORAGE COMMUNITY Y.M.C.A. (MSB002015).

AGENDA OF: April 5, 2022

ASSEMBLY ACTION:

4-19-22: adopted without objection
4-20-22: Reconsideration filed
5-3-22: Reconsideration passed
10-18-22: Adopted without objection

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY MICHAEL BROWN, BOROUGH MANAGER: MB

Route To:	Department/Individual	Initials	Remarks
	Originator	HLM	
	Community Development Director	CP	
	Finance Director	FX	
	Borough Attorney	RS	
	Borough Clerk	JAM 3/28/22	

ATTACHMENT (S): Fiscal Note: YES X NO _____
Vicinity Map (1 pp)
Ordinance Serial No. 22-036 (4 pp)

SUMMARY STATEMENT: The Anchorage Community Y.M.C.A., a non-profit organization, requests to purchase at less than fair market value the fee simple title of its leasehold interest on Borough-owned land for the property known as the Peggy Lake Residential Camp. In accordance with MSB 23.10.060(C), to make a less than fair market value determination a best interest finding must be completed and is provided herein for the Assembly's consideration.

BEST INTEREST FINDING
For the
Sale of Borough-Owned Land

I. Summary of Proposed Action. The Anchorage Community Y.M.C.A. submitted an application to request the borough manager convey the fee simple title of its leasehold interest in the Peggy Lake Residential Camp lease site. The property would be conveyed at less than fair market value and a deed restriction would be imposed that the property be used for public purpose or the title would revert back to the borough in accordance with adopted Land and Resource Policy and Procedures, Part 60-20, Section 7.1.

II. Property Site Factors.

A. Location: The subject property is located west of Mile 99, S. Parks Highway and S. Talkeetna Spur Road.

B. Tax ID/Acreage: 24N04W31A001/131.15 acres

C. Land Status:

Patent No. 1005, issued by the State of Alaska to the Matanuska-Susitna Borough on February 2, 1970 in Book 40 at Page 337, located within the Talkeetna Recording District.

Lease Agreement between State of Alaska, as assigned by Patent No. 1005 to the Matanuska-Susitna Borough and Anchorage Y.M.C.A. as lessee for a term of 55-years commencing on October 24, 1963 and expiring on October 23, 2018. Lease Extension No. 1, between the Borough and the Anchorage Community Y.M.C.A. for a five-year period commencing on October 24, 2018 and expiring on October 23, 2023.

D. Restrictions:

1. Land Use Plans - Susitna (formerly "Y") Community Comprehensive Plan.
2. Title Restrictions - None, leasehold interest only.
3. Covenants - None.
4. Zoning - None.

E. Current Land Use: Private Recreation lands pursuant to Chapter 169, SLA 1959, as amended, and leased under the conditions and requirement of AS 38.05.810 (formerly AS 38.05.315) as Public and Charitable Use.

F. Surrounding Land Use: Residential, recreation, and commercial along S. Parks Highway and S. Talkeetna Spur Road.

G. Existing Infrastructure: Camp related structures without

utilities.

III. Review and Public Notice. Borough inter-department review was conducted with no objections or concerns received. Public notice was initiated pursuant to MSB 23.05.025 notifying property owners within ¼ mile of the parcel, Susitna Community Council, Upper Susitna Soil & Water Conservation District, Road Service Area #029, MSB Fire Chief, assembly members and mayor. Notice was posted on the borough website, in the Frontiersman newspaper, and at the local post office. No objections were received to the public noticing with one public comment in support of the sale.

IV. Analysis & Discussion.

Certain Borough selected lands received patent from the state of Alaska through the Municipal Entitlement Land program which are subject to pre-existing 55-year Alaska Division of Lands (ADL) leases. Pursuant to MSB 23.10.180 Leases (B), "All provisions, stipulations, and conditions contained in any pre-existing lease of borough-owned real property, entered into by the Alaska State Division of Lands acting as agent for the borough prior to July 1, 1974, shall be binding in all respects on all parties." The 55-year lease with Anchorage Community Y.M.C.A., as assigned by the state to the Borough, was extended for a five-year period (IM Serial No. 18-137) and expires on October 23, 2023. In order for the non-profit corporation to purchase the fee simple estate as allowed under Borough code, an application was submitted.

The Anchorage Community Y.M.C.A. serves the Anchorage community for people of all ages, races, incomes, faiths and ethnic backgrounds. The property is called the Peggy Lake Residential Camp, and is used as a seasonal youth resident camp.

The Anchorage Community Y.M.C.A. provided the Borough with an appraisal report (11/18/2021 date of inspection), for vacant land only, giving an opinion of value of \$130,000 for the 131 acres. Approximately half of the property (65 acres) is developable with the other half of the property containing wetlands and lower lying areas. Currently, the annual lease payments are \$1,300 and calculated at less than the fair market value for the land only, which is one percent (1%) of the market value of the land (memo dated 6/26/2018).

Pursuant to adopted Land and Resource Management Policy and Procedures, Part 60-20, Section 8.1.A, the property will be conveyed at less than fair market value for the minimum fee of \$500. The Anchorage Community Y.M.C.A. is a non-profit corporation that qualifies for the application fee of \$500 to be waived. Therefore, the fee paid will be applied to the purchase price. The Anchorage Community Y.M.C.A. will pay for any other costs

associated with the purchase.

V. Authorization.

MSB 23.05.030(G)

A best interest finding, approved by the assembly, shall be completed when disposing of, exchanging, or otherwise conveying an interest in real property at less than fair market value or waiving of permit fees unless the waiving of permit fees is permitted by this title.

- (1) Applications for use of borough-owned property that will not generate a profit, and are in the public's interest, may qualify for the land and resources management application fee to be waived. The borough manager may delegate authority to waive the application fees required under this title to the community development director.

MSB 23.10.060(C)

Pursuant to a best interest finding, the minimum fee to be paid to the borough for a sale or lease at less than fair market value shall be as follows:

- (1) A sale at less than fair market value shall be the greater of \$500 or a range between 50 percent and 90 percent of the market value which shall be determined by the assembly.

VI. RECOMMENDATION OF ADMINISTRATION. Assembly approval for the manager to convey the fee simple estate of the Borough-owned property identified as the Peggy Lake Residential Camp to the Anchorage Community Y.M.C.A. for less than fair market value in the amount of \$500 with a reversionary clause that the property shall be used for public purpose or title shall revert back to the Borough.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: April 5, 2022

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ORIGINATOR: Tracy K. McDaniel, Asset Manager

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED <u>\$500</u>	FUNDING SOURCE <u>Sale of Land</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>203.000.000 3XX.XXX</u>	PROJECT #
VERIFIED BY: <u>M. McDaniel</u>	CERTIFIED BY:
DATE: <u>3/8/22</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE		<u>.500</u>				
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		<u>.500</u>				
TOTAL		<u>.500</u>				

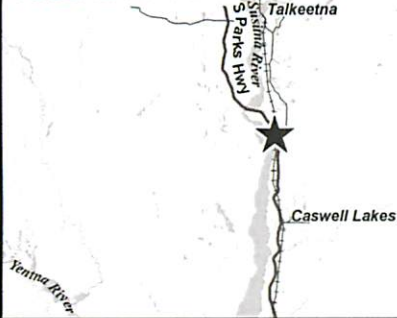
POSITIONS:

Full-Time						
Part-Time						
Temporary						

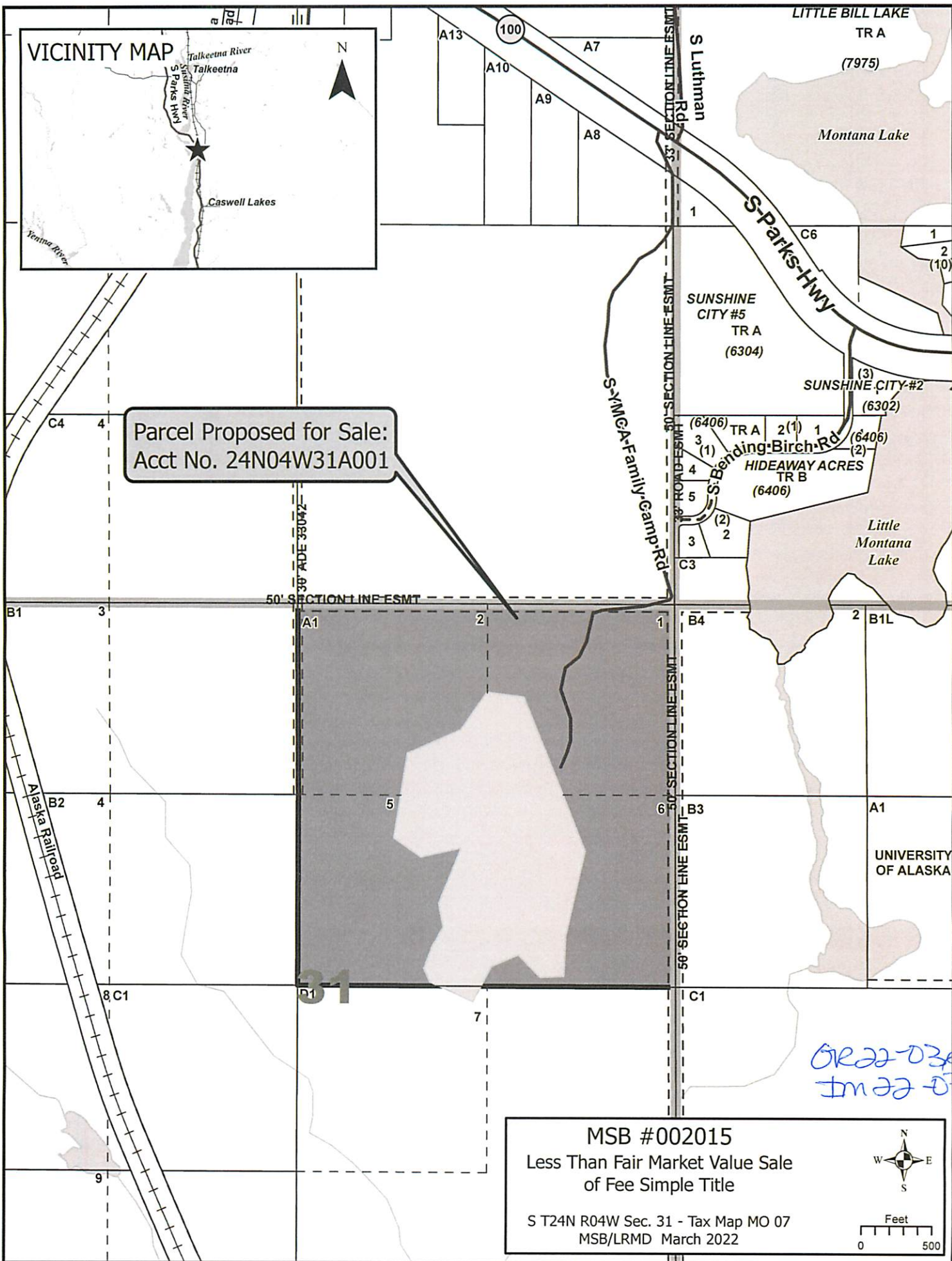
ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: Chieftain's Office DATE: 3/8/2022
 APPROVED BY: _____ DATE: _____

VICINITY MAP



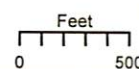
Parcel Proposed for Sale:
Acct No. 24N04W31A001



MSB #002015

Less Than Fair Market Value Sale
of Fee Simple Title

S T24N R04W Sec. 31 - Tax Map MO 07
MSB/LRMD March 2022



0622-036
1m22-074

Lonnie McKechnie

From: DEE MCKEE <Dee.Mckee@matsuk12.us>
Sent: Wednesday, April 20, 2022 3:29 PM
To: Lonnie McKechnie
Subject: Reconsideration

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

I am would like to reconsider my vote for ordnance 22-036 because I am concerned about the amount of land that is being sold for such a low price.

OR 22-036
DM 22-074