






**SUBJECT:** NOTIFICATION TO THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY THAT THE CITY OF PALMER IS EXERCISING THEIR OPTION TO PURCHASE FIRE STATION 3-1 PROPERTY IDENTIFIED AS LOTS 10, 11, AND 12, BLOCK 12, ARRC #1 SUBDIVISION, AND ALL IMPROVEMENTS THEREON IN ACCORDANCE WITH TERMS OF THE LEASE AGREEMENT BY AND BETWEEN THE MATANUSKA-SUSITNA BOROUGH AND THE CITY OF PALMER. (MSB007352).

**AGENDA OF: DECEMBER 19, 2017**

**ASSEMBLY ACTION:**

**MANAGER RECOMMENDATION:** For information only.

**APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:** 

Route To:	Department/Individual	Initials	Remarks
	Originator	MSC	
	Community Development Director		
	Finance Director		
	Borough Attorney		
	Borough Clerk		12/11/17 

**ATTACHMENT (S):** Fiscal Note  Yes  No  
 Vicinity Map (1 pp)  
 MSB Resolution Serial No. 78-34 (1 pp)  
 Lease Agreement With Option To Purchase (3 pp)  
 City of Palmer Letter of Request (1 pp)  
 City of Palmer Resolution No. 17-024 (1 pp)

**SUMMARY STATEMENT:** The Matanuska-Susitna Borough and the City of Palmer executed a lease for purpose of occupying and using the property where Fire Station 3-1 (Daniel Contini Fire Station) is located in downtown Palmer at 717 S Cobb Street. The lease term was for a period of 40 years, commencing on March 1, 1978, and expiring March 1, 2018. Rent was one dollar (\$1.00) per year, totaling forty dollars (\$40.00) payable upon execution of the lease.

Seeing a great need for fire and emergency services in downtown Palmer, the borough applied for federal grant funding to build a new station, but did not own any land; therefore, the city quit claimed Lots 10, 11, and 12, Block 12, ARRC #1 Subdivision to the borough for said purpose. The federal Economic Development Association, under Project #07-51-27000-Palmer Fire Station, provided funding for construction of the building with a stipulation the property be used and maintained for fire hall and emergency services. Exact funding amount is unknown and borough files are incomplete or have been destroyed under MSB retention schedules. Since execution of the lease, the city has fulfilled its responsibility to use and maintain the facility as required.

Matanuska-Susitna Borough Resolution Serial No. 78-34 was approved March 21, 1978, authorizing borough acceptance of the property from the city, in order for the borough to build a facility for cooperative use, and also authorized execution of a lease with option for the city to purchase the property at the end of the lease term.

In accordance with Section 9 of the Lease Agreement With Option For Purchase, the city's option to repurchase the leased premise shall be exercised by the payment of \$1.00 and written notice between August 1, 2017, and March 1, 2018, to the borough, and the borough shall convey by quit claim deed to the city all its right, title and interest to the above leased premise.

The city has paid the lease in full, including the \$1.00 payment as noted above and has provided written notice to purchase the property. The borough shall record a quit claim in early January 2018 to convey any and all interest, rights and title in the property to the City of Palmer, including the land and all improvements thereon.

**MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE**

Agenda Date: December 19, 2017

SUBJECT: Notification to the Matanuska-Susitna Borough Assembly that the City of Palmer is exercising their option to purchase Fire Station 3-1 property identified as Lots 10, 11, and 12, Block 12, ARRC #1 Subdivision, and all improvements thereon in accordance with terms of the lease agreement by and between the Matanuska-Susitna Borough and the City of Palmer. (MSB007352).

**ORIGINATOR:**

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED *	FUNDING SOURCE <i>Sale proceeds</i>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <i>203.000.000.3XX.XXX</i>	PROJECT #
VERIFIED BY: <i>Barbara Baumgardner</i>	CERTIFIED BY:
DATE: <i>11/29/17</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	*					
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	*					
TOTAL	*					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \* Transfer of property via quit claim, to City of Palmer below FMV. Property was originally city, but deeded over to Do. Spradley, Council member.

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_  
 DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_  
 APPROVED BY: *Chesnee Heston* DATE: *11/29/17*



# Matanuska-Susitna Borough



- Legend**
- + Alaska Railroad
  - Streets
  - Highway
  - Major Street
  - Medium Street
  - Minor Street
  - - Primitive Road
  - - Private Road
  - ▭ Mat-Su Borough Boundary
  - ▭ Incorporated Cities
  - ▭ Parcels
  - ▭ Lakes and Rivers
  - ▭ Flood Zone

1: 3,023



### Notes

This map was automatically generated using Geocortex Essentials.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

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 or use. For information regarding the full disclaimer and policies related to those originally intended by the Borough, please contact the Matanuska-Susitna Borough GIS Division at 907-861-7858.

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Reported on 11/20/2017 02:24 PM

Introduced by: Borough Manager

MATANUSKA-SUSITNA BOROUGH

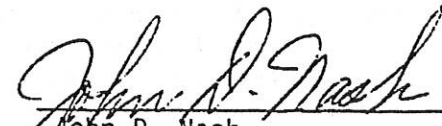
RESOLUTION SERIAL NO.78-34

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH ACCEPTING A QUIT-CLAIM DEED AND AUTHORIZING THE MANAGER TO EXECUTE A LEASE AGREEMENT WITH OPTION TO PURCHASE WITH THE CITY OF PALMER.

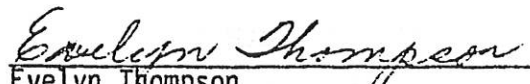
WHEREAS, the Borough and the City of Palmer have arrived at a co-operative arrangement whereby the City will deed to the Borough certain property and the Borough will construct a public safety facility on said property for the joint use of City and Borough during the life of the building;

NOW THEREFORE, the Matanuska-Susitna Borough resolves that the Borough shall accept the attached Quitclaim Deed relative to said property and the Manager is hereby authorized to execute the attached Lease Agreement with Option to Purchase by the City relative to said property.

PASSED AND APPROVED by the Borough Assembly of the Matanuska-Susitna Borough this 21 day of March, 1978.

  
\_\_\_\_\_  
John D. Nash  
Mayor Pro-Tem

ATTEST:

  
\_\_\_\_\_  
Evelyn Thompson  
Borough Clerk

(SEAL)

1m 17-210

LEASE AGREEMENT WITH OPTION FOR PURCHASE

THIS AGREEMENT made and entered into this 28 day of February, 1978, by and between the CITY OF PALMER, a home rule municipality of the first class, organized under the laws of the State of Alaska, hereinafter referred to as City; and the MATANUSKA-SUSITNA BOROUGH, a municipality of the second class, organized under the laws of the State of Alaska, hereinafter referred to as Borough.

W I T N E S S E T H:

That Borough, for and in consideration of the installments of rent hereinafter provided for, to be paid by the City and the performance of other obligations by the City, has leased and by these presents does let upon the City the following described real property:

Lots 10, 11, and 12, Block 12, of the ARRC SUBDIVISION, according to the official plat thereof, in the Palmer Recording District, Third Judicial District, State of Alaska.



TO HAVE AND TO HOLD for the term of FORTY (40) YEARS, commencing on the 1st day of March, 1978, and ending on the 1st day of March, 2018, for the rental sum of ONE DOLLAR (\$1.00) per year, totalling FORTY DOLLARS (\$40.00), payable upon execution of this lease.

PROVIDED ALWAYS, that this lease is made and entered into upon the following terms and conditions, all of which the parties hereto covenant and agree to keep and perform:

1. Use. City will occupy and use said property for construction and maintenance of a fire hall and medical emergency services structure and City shall not cease to use said structure for such purposes during the entire leasehold period. City further agrees not to utilize the structure for any unlawful purposes or for purposes in violation of the conditions of the Federal Economic Development Administration Grant received by Borough for constructing the fire hall or medical emergency services structure.

2. Maintenance and repairs. City shall, upon occupancy, be responsible for all interior and exterior, minor and major, structural and nonstructural maintenance of the buildings, plumbing, heating, and other equipment and fixtures used in connection with the leased premises and City shall pay for and make such repairs as necessary. Alterations, additions, or improvements to said leased premises may be made freely by City without the written consent of Borough so long as the provisions regarding use of said premises in paragraph one above shall be adhered to. All costs of alterations, additions or improvements shall be the responsibility of the City.

3. Utilities. Borough shall not be required to furnish to City any utilities or services of any nature, including but not limited to steam, heat, gas, water, sewer, electricity, lights, or power. The furnishing of all utilities shall be the responsibility of the City and utilities shall be furnished at the expense of City.

4. Casualty. In case of destruction or damage to any portion of the leased premises by fire, wind storm, or any other casualty, the City shall have the responsibility of repairing or reconstructing the premises to a condition equal to or better than the condition of the premises prior to such casualty.

5. Assigning or subletting. City shall not assign, mortgage or encumber this lease nor sublet or permit the leased property or any part thereof to be used by others, except for the purposes and uses as provided for in paragraph one above, and in the instance of such assignment or subletting for the purposes of paragraph one above, the same may be accomplished without consent of Borough. City may specifically sublet back to the Borough, for the purpose of running an ambulance service or to house ambulances, under such terms as the parties may subsequently agree.

6. Indemnification. City shall indemnify and hold Borough harmless from any and all personal injuries or property damages that might be incurred as a result of the use or occupancy of City of said leased premises or of any alterations, additions, or reconstructions thereto. Such indemnification shall include liabilities where they are caused by contract or tort and shall include indemnification for all costs and attorney's fees for legal defense of such claims whether real or imagined.

7. Insurance. City shall provide, at its own cost, and shall keep the premises insured for such reasonable amount of policy limit as Borough and City agree will protect Borough from liability.

8. Termination and default. Upon default in performance or noncompliance with terms and conditions herein, this lease may be terminated at the option of Borough by giving to City 60 days written notice; however, if said breach is remedied within said 60-day period, tenancy shall not terminate.

9. City's option to purchase. For and in consideration of the terms and conditions of this agreement and other good and valuable consideration, City shall be granted an option to repurchase the above-leased premises for the sum of ONE DOLLAR (\$1.00) commencing August 1st, 2017. Said option shall be exercised by the payment of \$1.00 and notice in writing from City to Borough at any time between said August 1st, 2017 and the following March 1st, 2018. Upon exercise of option, Borough shall convey, by valid quitclaim deed, to City all its right, title and interest to the above-leased premises.

10. Interpretation. The covenants and conditions contained herein shall be the whole and complete agreement between the parties and shall apply to and bind the parties, their heirs, and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed this 28 day of February, 1978.

MATANUSKA-SUSITNA BOROUGH

by Wesley M. Howe  
WESLEY M. HOWE, Manager





Nathan E. Wallace  
City Manager

City of Palmer  
231 W. Evergreen Avenue  
Palmer, Alaska 99645-6952  
Phone (907) 761-1317  
nwallace@palmerak.org  
www.cityofpalmer.org

November 17, 2017

TO: Matanuska Susitna Borough  
Borough Manager

**RE: Request for Purchase of Fire Station No. 3-1 on Lots 10,11,and 12 of the ARRC Subdivision per Lease Agreement dated February 28, 1978**

I respectfully request that the Borough and the City of Palmer execute the City's option to purchase Fire Station No. 3-1 per paragraph 9 of the Lease Agreement dated February 28, 1978.

The city requests the Borough shall convey, by valid quitclaim deed, to the City all its right, title and interest to the lease premises for the consideration of payment of one (1) dollar.

The City of Palmer Council has approved this action by resolution authorizing the City Manager and Mayor to execute any documents on behalf of the city to complete this transaction.

Respectfully,

Nathan Wallace  
City Manager

Enclosures:  
Lease Agreement dated February 28, 1978  
City Council Resolution 17-024

1m 17-210

Introduced by: City Manager Wallace  
Date: June 11, 2017  
Action: Approved  
Vote: Unanimous

Yes:	No:
Best	
Carrington	
Combs	
DeVries	
Fuller	
Hanson	
LaFrance	

CITY OF PALMER, ALASKA

**Resolution No. 17-024**

**A Resolution of the Palmer City Council Authorizing the City Manager and the Mayor to Execute the Necessary Documents to Purchase Fire Station No. 3-1 on Lots 10, 11, and 12, Block 12, of the ARRC Subdivision from the Matanuska-Susitna Borough In the Amount of One Dollar (\$1.00) per Lease Agreement Dated February 28, 1978**

WHEREAS, the City of Palmer Fire & Rescue provides emergency response to structure fires, wildland fires, motor vehicle accidents and search and rescue calls in the City of Palmer; and

WHEREAS, the City of Palmer on February 28, 1978, through Quitclaim Deed, transferred Lots 10, 11, 12 of Block 12 of the ARRC Subdivision to the Matanuska Susitna Borough for construction of a fire station in the city limits of Palmer; and

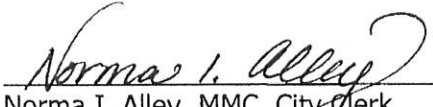
WHEREAS, the City of Palmer has an agreement with the Matanuska Susitna Borough, Lease Agreement with Option for Purchase; and


WHEREAS, Section 9 of said lease gives the City an option to purchase the property for one dollar (\$1.00) between the period of August 1, 2017, through March 1, 2018; and

WHEREAS, the City of Palmer Fire & Rescue requires the use of the fire station to house fire and emergency response vehicles for emergencies inside the City of Palmer for the health and safety of the Palmer community.

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council hereby authorizes the City Manager and the Mayor to execute the necessary documents to purchase Fire Station No. 3-1 on Lots 10, 11, 12, Block 12, of the ARRC Subdivision from the Matanuska Susitna Borough in the amount of one dollar.

**Approved** by the City Council of the City of Palmer, Alaska, this 11<sup>th</sup> day of July, 2017.

  
Norma I. Alley, MMC, City Clerk

  
Edna B. DeVries, Mayor