

**SUBJECT:** INFORMING THE ASSEMBLY OF THE MANAGER ENTERING INTO A LAND LEASE AGREEMENT FOR A 5-YEAR TERM AND ALLOW LESSEE THE OPTION TO PURCHASE THE FEE SIMPLE ESTATE OF THE LAND FOR TAX ID NO. 4360B04L004A (ADL20931/MSB999358).

**AGENDA OF: August 1, 2023**

**ASSEMBLY ACTION:** Presented to the Assembly 8/1/23 S.P.

**AGENDA ACTION REQUESTED:** For information only.

Route To	Signatures
Originator	<div>7 / 1 9 / 2 0 2 3</div> <div>X      J o e   M e t z g e r</div> <div>Signed by: Joseph Metzger</div>
Department Director	<div>7 / 1 9 / 2 0 2 3</div> <div>X      E r i c   P h i l l i p s</div> <div>Signed by: Eric Phillips</div>
Finance Director	<div>Recoverable Signature</div> <div>X      C h e y e n n e   H e i n d e l</div> <div>Signed by: Cheyenne Heindel</div>
Borough Attorney	<div>7 / 2 0 / 2 0 2 3</div> <div>X      N i c h o l a s   S p i r o p o u l o s</div> <div>Signed by: Nicholas Spiropoulos</div>
Borough Manager	<div>Recoverable Signature</div> <div>X      M i c h a e l   B r o w n</div> <div>Signed by: Michael Brown</div>
Borough Clerk	<div>7 / 2 0 / 2 0 2 3</div> <div>X      S o n y a   P e v a n   f o r</div> <div>Signed by: Sonya Pevan</div>

**ATTACHMENT (S) :** Fiscal Note (2 pp)  
Vicinity Map (1 pp)

**SUMMARY STATEMENT:**

Certain Borough selected lands received patent from the State of Alaska through the Municipal Entitlement Land program that are subject to pre-existing 55-year Alaska Division of Lands (ADL) leases. Adopted policy and procedures for the ADL leases allows the lessee to purchase the fee simple estate.

This particular ADL expired on April 23, 2023. The applicant, Lisa Pfeifer, as the former Lessee of ADL 20931 since October 10, 2017, desires to enter into a new lease with the Borough to exercise her rights to purchase the fee simple estate pursuant to Land and Resource Management's Policy and Procedures, Part 60-10. The leasehold estate has been in the Pfeifer family since 1965.

Since the former ADL lease has expired, a new lease agreement is required that adheres to current lease code and lease practices.

Public notice was conducted in accordance with Title 23 procedures, including advertising in the Frontiersman, on the Borough's website, mailing to private property owners, Big Lake Community Council, and Assembly members. The Big Lake Community Council had no objection, and no comments were received from the public.

The lease estate is for Lot 4A, Block 4, South Big Lake Alaska, Resubdivision of Lots 3 & 4, Block 4 (Tax ID No. 4360B04L004A). The property is .62 acres in size and has Big Lake frontage. The previous annual lease rate was \$1927.13. The new lease rate will be set at \$7770.30 per year or \$647.53 per month. The new lease rate was determined by using the land assessed value of eight surrounding lakefront properties to determine an average per acre value. Applying the average land assessed value of the surrounding lakefront properties to Lot 4A, combined with the lease rate of 10% for Borough-owned lands, the lease rate is determined to be \$7770.30 annually.

The terms of the lease are for a five-year term with an additional two-year renewal option. The Lessee may terminate the lease and purchase the fee simple estate at fair market value pursuant to the Policy and Procedure Manual, Part 60-10. The applicant has indicated they intend to secure the necessary funds during the new lease term to purchase the fee simple estate of the land.

# MATANUSKA-SUSITNA BOROUGH

## FISCAL NOTE

Agenda Date: August 1, 2023

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FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <span style="background-color: yellow;">YES</span> NO
AMOUNT REQUESTED \$38,851.50	FUNDING SOURCE Lease Agreement
FROM ACCOUNT #	PROJECT
TO ACCOUNT : 203.000.000 366.500	PROJECT #
VERIFIED BY: <span style="float: right;">7 / 2 0 / 2 0 2 3</span> <div style="border-bottom: 1px solid black; display: flex; justify-content: space-between; align-items: center;"> <span>X</span> <span>M e r i s s a C a r r e l l</span> </div> <div style="font-size: small; margin-top: 2px;">Signed by: M e r i s s a C a r r e l l</div>	CERTIFIED BY:
DATE:	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE	1.3	7.8	7.8	7.8	7.8	6.5
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	1.3	7.8	7.8	7.8	7.8	6.5
TOTAL	1.3	7.8	7.8	7.8	7.8	6.5

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: \_\_\_\_\_ PHONE: \_\_\_\_\_

DEPARTMENT:

\_\_\_\_\_

DATE:

\_\_\_\_\_  
\_\_\_\_\_

7 / 2 0 / 2 0 2 3

APPROVED BY:

X

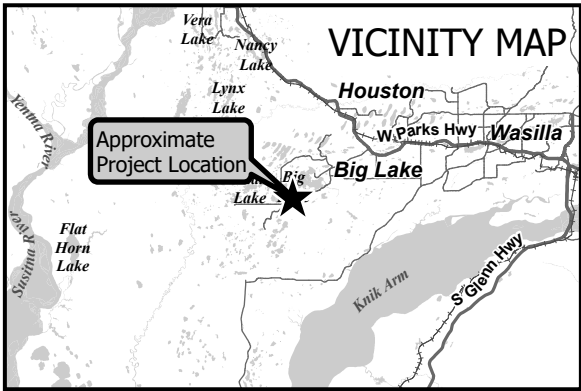
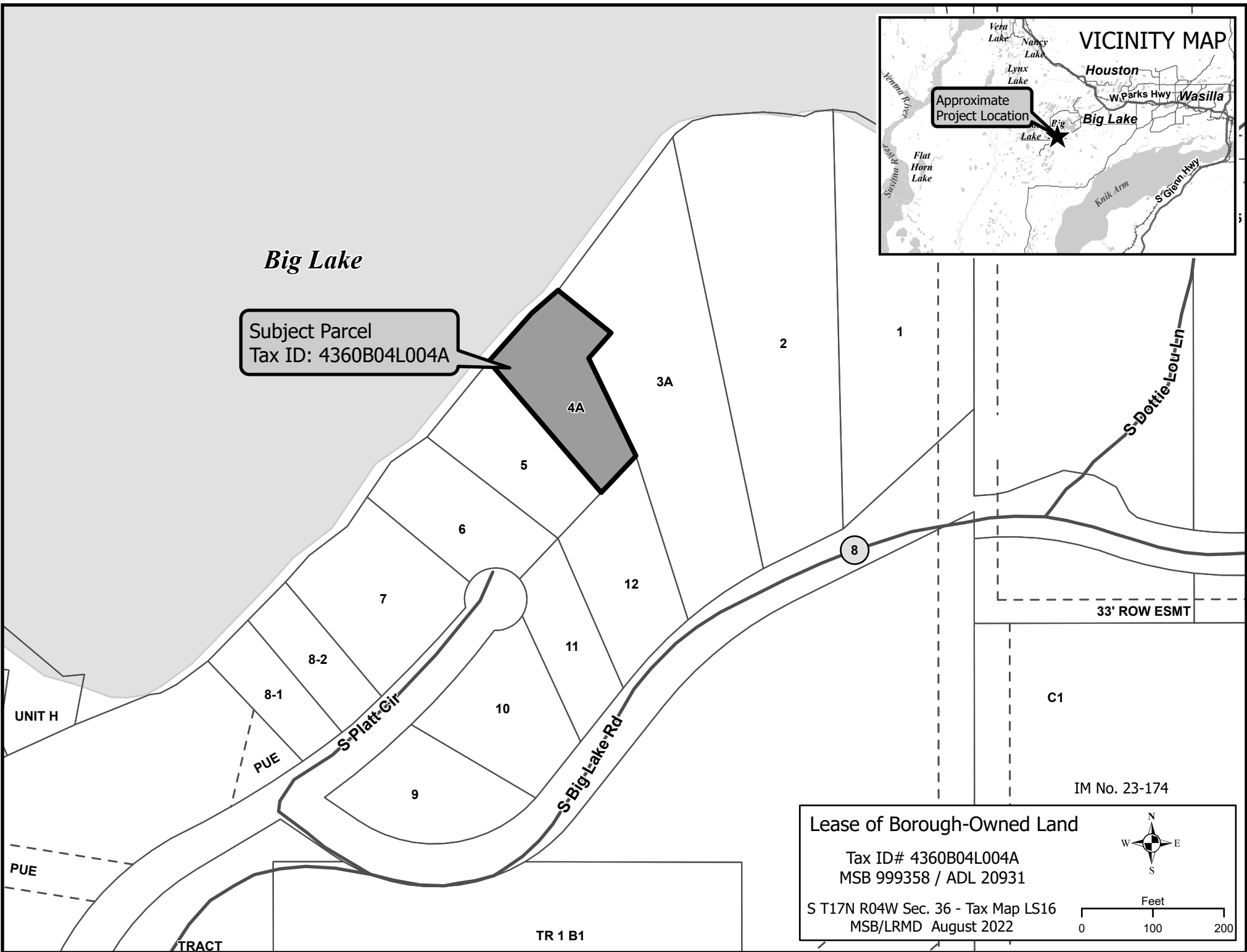
L i e s e l W e i l a n d

\_\_\_\_\_

DATE:

\_\_\_\_\_

S i g n e d   b y : L i e s e l W e i l a n d



**Lease of Borough-Owned Land**

Tax ID# 4360B04L004A  
MSB 999358 / ADL 20931

S T17N R04W Sec. 36 - Tax Map LS16  
MSB/LRMD August 2022

