

**SUBJECT:** THE SALE OF REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAX YEAR 2017 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.

**AGENDA OF:** August 15, 2023

**ASSEMBLY ACTION:** Adopted without objection 09/05/23 - BJH

**AGENDA ACTION REQUESTED:** Introduce and set for public hearing.

Route To	Signatures
Originator	8 / 1 / 2 0 2 3 X <u>Jill Irsik</u> Signed by: Jill Irsik
Department Director	8 / 1 / 2 0 2 3 X <u>Eric Phillips</u> Signed by: Eric Phillips
Finance Director	8 / 2 / 2 0 2 3 X <u>Cheyenne Heindel</u> Signed by: Cheyenne Heindel
Borough Attorney	8 / 3 / 2 0 2 3 X <u>Nicholas Spiropoulos</u> Signed by: Nicholas Spiropoulos
Borough Manager	8 / 3 / 2 0 2 3 X <u>Michael Brown</u> Signed by: Michael Brown
Borough Clerk	8 / 3 / 2 0 2 3 X <u>Lonnice McKechnie</u> Signed by: Lonnice McKechnie

**ATTACHMENT (S) :** Fiscal Note: YES X NO \_\_\_\_\_  
 Exhibit "A" (1 pp)  
 Ordinance Serial No. 23-043 (6 pp)  
 Ordinance Serial No. 23-082 (2 pp)

**SUMMARY STATEMENT:**

On June 20, 2023, the Borough Assembly approved Ordinance Serial No. 23-043 (attached) which approved the list of properties to be included in the 2023 Annual Tax and LID Foreclosure Sale, Tax Sale 44 (TS44), which is scheduled to be held October 28, 2023. The Land and Resource Management Division proposes adding a parcel that the Borough owns through Clerk's Deed to TS44.

The property described as Township 17N Range 2W Section 14 Lot B8 (tax account 217N02W14B008) located at 5591 W Shady Grove Ln, has been foreclosed upon for non-payment of taxes. Title to this

parcel was transferred by the Superior Court to the Borough by Clerk's Deed, which was recorded on March 24, 2022.

This property was tentatively scheduled to be offered at the fall 2024 tax & LID foreclosure sale. Land Management is proposing to offer this property for sale earlier because of public health and safety issues. Code Compliance has received several complaints, spanning a few years, against the property for junk and trash. The structure burned down several years ago, and there are multiple people staying on the property, living in the vehicles and tents.

The cost to the Borough to clean up this property is expected to greatly exceed the amount owed in delinquent taxes, plus interest owed through the date of the sale, penalties, costs of maintaining and managing the property, and costs of foreclosure and sale, which make up the minimum bid for selling a tax foreclosed property per Alaska Statute 29.45.470.

The tax assessed value of the property is \$78,000.00. Offering the property for sale prior to the fall of 2024 will return the property to the private sector for the health and safety issues to be addressed by the private sector.

Tax and LID Foreclosure Sale TS44 is scheduled to be held on October 28, 2023, in the Dorothy Swanda Jones Building. The sale will be conducted according to Alaska State Statutes (AS 29.45.460-480) and Matanuska-Susitna Borough Code (23.10.220). The property will first be offered by sealed bid, followed by an outcry auction if the parcel does not receive a sealed bid, as approved by the Assembly in Ordinance Serial No. 2023-043.

If this property is offered and does not sell in Tax and LID Foreclosure Sale TS44, it may be offered in subsequent over-the-counter tax and LID foreclosure sales on a first-come, first-served basis until sold, or until the 10-year repurchase rights expire. At such time as the 10-year repurchase rights expire and the former record owner loses all right to the property, the properties may be sold at fair market value.

**RECOMMENDATION OF ADMINISTRATION:** Adoption of Ordinance 23-082 authorizing the inclusions of Township 17N Range 2W Section 14 Lot B8 (tax account 217N02W14B008 / 5591 W Shady Grove Ln) in the upcoming 2023 Tax and LID Foreclosure Sale (TS44).

**MATANUSKA-SUSITNA BOROUGH**

**FISCAL NOTE**

Agenda Date: 8/15/2023

SUBJECT: THE SALE OF REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAX YEAR 2017 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <b>YES</b> NO
AMOUNT REQUESTED *	FUNDING SOURCE Land Sale Revenue
FROM ACCOUNT #	PROJECT
TO ACCOUNT : 203.000.000 3XX.XXX	PROJECT #
VERIFIED BY:  X <u>Liesel Weiland</u> <small>Signed by: Liesel Weiland</small>	CERTIFIED BY:
DATE:8/1/2023	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		*				
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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) \*Amount depends on sale price of property

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

DEPARTMENT: \_\_\_\_\_ DATE: \_\_\_\_\_

8 / 2 / 2 0 2 3

APPROVED BY:

X

C h e y e n n e H e i n d e l

DATE:

S i g n e d b y : C h e y e n n e H e i n d e l

**Tax Sale 44**  
**Exhibit A**  
**Sale Parcel Listing - Additional parcel added**  
**IM 23-178 OR 23-082**

Tax ID No.	Former Owner	Legal Description	Address	Parcel Size	Improvement	2023 Assessed Value	Repurchase Amount as of 8-1-2023	Occupant / Notes
217N02W14B008	Rollins Kelly M Est	THE EAST ONE-HALF OF THE WEST ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (E1/2 W1/2 SE1/4 NW1/4) OF SECTION 14, TOWNSHIP 17 NORTH, RANGE 2 WEST, SEWARD MERIDIAN, PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA, LYING NORTHERLY OF A PUBLIC USE EASEMENT RECORDED SEPTEMBER 16, 1982, IN BOOK 275, AT PAGE 73.	5591 W Shady Grove Ln	5.72	Burned down structure	\$ 78,000.00	\$ 11,970.58	squatters on property

NONCODE ORDINANCE

Sponsored By: Borough Manager  
Introduced:06/06/23  
Public Hearing:06/20/23  
Amended:06/20/23  
Adopted:06/20/23

**MATANUSKA-SUSITNA BOROUGH  
ORDINANCE SERIAL NO. 23-043**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE SALE OF CERTAIN BOROUGH-OWNED REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAX YEARS 2017, 2016, AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.

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WHEREAS, the Matanuska-Susitna Borough proposes a sale of properties acquired through foreclosure for taxes and special assessments for which the Borough has Clerk's Deed and which are not needed for a public purpose; and

WHEREAS, those properties listed in the attached Exhibit A have been transferred by court order to the Matanuska-Susitna Borough due to delinquent real property taxes for the years 2017, 2016, and prior, and special assessments for 2017 and prior; and

WHEREAS, those properties listed in Exhibit A have not been repurchased by the former record owner or any party allowed by law to acquire their interest.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a noncode ordinance.

Section 2. Properties for sale. The foreclosed properties authorized for sale by this Ordinance are described in Exhibit A.

Section 3. Procedures. The following procedures are established for the sale of certain real property acquired through tax and special assessment foreclosure.

(A) Approval of sale. The Matanuska-Susitna Borough Assembly approves the sale of real properties described in attached Exhibit A, by sealed bid submitted to the Borough Manager, by outcry auction if the properties do not receive a responsive sealed bid, or by subsequent over-the-counter sales on a first-come, first-served basis until sold or the 10-year repurchase rights expire. Sealed bids shall be opened on Tuesday, October 24, 2023. Successful bidders will be announced on Saturday, October 28, 2023, at the Dorothy Swanda Jones Building, 350 East Dahlia Avenue, Palmer, Alaska, followed immediately by the outcry auction at the same location.

(B) Minimum sale price. The Borough Manager shall publish a list of properties for sale to include the minimum bid price for each property, in accordance with AS 29.45.470(a) (1-4). The minimum bid price shall not be less than the sum of:

(1) the full amount applicable under the judgement and decree plus interest as specified therein from the date of entry of the judgement of foreclosure to the date of repurchase; and

(2) delinquent taxes and special assessments assessed and levied against the property as though it had continued in private ownership; and

(3) penalties and interest associated with such delinquent taxes and special assessments; and

(4) costs of foreclosure, management, maintenance, and sale incurred by the Borough applicable to the property. The costs of sale may include:

(a) title reports, review, and due diligence; and

(b) notice letters and schedule of fees; and

(c) newspaper display advertisements; and

(d) property inspections, photographs, and posting notices; and

(e) personnel costs associated with the sale including custodial, security, and facility costs; and

(f) deed preparation and recording fee.

(C) Conditions of sale. Property profiles and packets containing bid information will be available for review at the Dorothy Swanda Jones Building during regular borough business hours beginning September 25, 2023, and ending October 27, 2023, at 12 noon. Sealed bids will be accepted during regular borough business hours beginning September 25, 2023, and ending October 23, 2023, at 2 p.m. Outcry bid cards may be purchased during regular borough business hours beginning September 25, 2023, and ending October 27, 2023, at 12 noon.

(D) Properties that do not sell may be offered in subsequent over-the-counter tax and special assessment foreclosure sales on a first-come, first-served basis until sold or the 10 year repurchase rights expire.

(E) Terms of sale. All sales shall be on the following terms:

(1) A bid deposit in the form of a certified check, cashier's check, or money order in an amount based on the bid price as stated in the brochure.

(2) The successful bidder shall sign a promissory note for the balance due, to be paid by certified check, cashier's check, or money order not later than three borough business days after the date of the tax and LID foreclosure sale. After the payment in full has been received, the Borough Manager shall execute a Tax and LID Foreclosure Sale Deed in favor of the purchaser.

(3) A bidder shall forfeit the bid deposit to the Borough if a property is offered to the bidder and the bidder fails to fully comply with the terms and conditions of the sale. In the event of forfeiture, the property will be offered to the next highest bidder.

(4) All successful bidders or their agents are required to be present on Saturday, October 28, 2023, before 9 a.m., to accept the property and sign the promissory note. Low or non-responsive bids will be returned to the unsuccessful bidders on the day of the sale or may be picked up at the

Borough offices during borough business hours after the sale date.

(5) The date and time each bid is received shall be date & time stamped. In the event of a tie bid, the bid received first will be the successful bid.

(F) Outcry auction. Those properties not receiving a sealed bid will be offered at an outcry auction immediately following the signing of the promissory notes for the sealed bids.

(1) All outcry bidders must purchase a bid card.

(2) Bid cards may be purchased for \$350.

(G) Qualification of bidders. A bidder shall meet the qualifications of MSB 23.10.090.

(H) Authority of the Manager. The Assembly directs the Borough Manager to publish such sale procedures, as he shall deem advisable. All bidders must comply with said procedures to be considered responsive bidders. The Borough Manager shall have the sole discretion to determine if a bidder has complied with bid and sale procedures. The Borough Manager is hereby authorized to sell the properties described in Exhibit A, to disburse the funds received as required by AS 29.45.480, and if in the best interest of the Borough, reserve the right to withdraw any property from the sale.

Section 4. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this 20 day  
of June, 2023.

  
EDNA DeVRIES, Borough Mayor

ATTEST:

  
LONNIE B. McKECHNIE, CMC, Borough Clerk

(SEAL)



PASSED UNANIMOUSLY: Hale, Nowers, McKee, Yundt, Tew, Fonov, and  
Bernier