


**SUBJECT:** AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE LESS THAN FAIR MARKET VALUE SALE OF THE OLD IDITAROD ELEMENTARY SCHOOL PARCEL IN THE AMOUNT OF \$1,500,000 TO THE CITY OF WASILLA, SAID PARCEL IDENTIFIED AS TRACT B, IDITAROD-WASILLA SCHOOLS 2016, PLAT NO. 2016-112, AND ACCEPTING AND APPROPRIATING THE SALE PROCEEDS (MSB007256).


**AGENDA OF:** APRIL 4, 2017

**ASSEMBLY ACTION:**

4/18/17 - OR # 17-031 Adopted w/o objection at the regular mtg. PH held 

**MANAGER RECOMMENDATION:** Introduce and set for public hearing.

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

Route To:	Department/Individual	Initials	Remarks
	Originator	NSE	
	Community Development Director	CP	
	Finance Director	CF	
	Borough Attorney	NS	
	Borough Clerk	JNM	3/24/17 

**ATTACHMENT(S):** Fiscal Note: YES ☒ NO ☐

Vicinity Map (1 pp)

City of Wasilla Letter of Offer (1 pp)

Ordinance Serial No. 17-031 (3 pp)

EXHIBT A, Best Interest Finding (2 pp)

**SUMMARY STATEMENT:**

The City of Wasilla has presented a cash offer in the amount of \$1,500,000 to purchase the old Iditarod Elementary School parcel containing 11.66 acres more or less. Demolition of the building and clearing of associated structures from the property was completed December 27, 2016.

The offer is approximately 80% of the appraised value of \$1,905,000 for the vacant land. Pursuant to MSB 23.10.060 "Considerations" borough-owned real property may be sold at less than fair market value but there is deed requirement the

property be used for public purpose or title shall revert back to the borough. Pursuant to MSB 23.05.030, the manager may with the consent of the assembly, convey real property to an entity where it is found to be in the best interest of the borough by making borough property available for a purpose of specific benefit to the public.

Discussion and analysis of the parcel, the proposed sale and appropriation of sale proceeds is contained in the Best Interest Finding attached herein to Ordinance No. 17-031 as Exhibit A.

**RECOMMENDATION OF ADMINISTRATION:**

Assembly approval for the less than fair market value sale of the old Iditarod Elementary School parcel in the amount of \$1,500,000 to the City of Wasilla, said parcel identified as Tract B, Iditarod-Wasilla Schools 2016, Plat No. 2016-112 and accept and appropriate the sale proceeds.

# MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: April 4, 2017

SUBJECT: An ordinance of the Matanuska-Susitna Borough Assembly approving the less than fair market value sale of the old Iditarod Elementary school parcel in the amount of \$1,500,000 to the City of Wasilla, said parcel identified as Tract B, Iditarod-Wasilla Schools 2016, Plat No. 2016-112 and appropriation of the sale proceeds (MSB007256).

ORIGINATOR:

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>1,500,000</u>	FUNDING SOURCE <u>City of Wasilla</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT <u>203,262,400 203,170,141.788</u> <u>X 203,000,000 3XX 100,202,960</u>	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>3-20-17</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous	<u>29.7</u>					
TOTAL OPERATING	<u>29.7</u>					

CAPITAL <u>Reserves</u>	<u>1470.3</u>					
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REVENUE	<u>1500</u>					
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	<u>1500</u>					
TOTAL	<u>1500</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

\$818,798 and market value proceeds appropriated to school site development  
PREPARED BY: Operating Budget (\$29,749) for total PHONE: at \$1,500,000

DEPARTMENT:

DATE:

APPROVED BY:

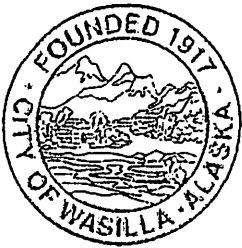
DATE:

[Signature]

3/21/17







# CITY OF WASILLA

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MAYOR BERT L. COTTLE

290 E. Herning Avenue

Wasilla, AK 99654-7091

Phone: (907) 373-9055

Fax: (907) 373-9096

March 2, 2017

Matanuska-Susitna Borough Assembly Members and  
John Moosey, Matanuska-Susitna Borough Manager  
350 E. Dahlia Avenue  
Palmer, AK 99645

RE: Proposed former Iditarod Elementary School land purchase

Dear Assembly Members and Mr. Moosey,

On behalf of the City of Wasilla (City), I am at this time making an offer of \$1.5 million for the land where the old Iditarod Elementary School was located, described as IDITAROD-WASILLA SCHOOLS SUBDIVISION 2016 TRACT B, per Matanuska-Susitna Borough (Borough) records.

The City was incorporated in 1974, which was after the time period in which the City could select land from the State of Alaska or the federal government. All City land, to date, has been purchased or donated to the City for city government use as recreational areas/buildings.

One area of expansion in the building department is a new police department. If a new police department is built, there is an option for the Borough to utilize freed-up space in the current police department building, as it would be made available.

Thank you for your consideration into this matter. I will be at your Assembly meeting on March 7 to answer questions, as needed.

Sincerely,

Bert L. Cottle  
Mayor

Im17-048  
PR17-031

**BEST INTEREST FINDING**  
**For the**  
**Less Than Fair Market Sale of Borough-Owned Land**

**I.     Summary of Proposed Action**

The City of Wasilla has presented a cash offer to purchase the old Iditarod School parcel for \$1,500,000 which constitutes 80% of the fair market value. The parcel was appraised at \$1,905,000 by third party appraisal and if sold at less than fair market value, a deed restriction shall be enacted that the property be used for public purpose and in the event it is not used for such purpose, the property title would revert back to the borough.

**II.    Property Site Factors**

- A.    Location:** The subject parcel is located at 801 N. Wasilla-Fishhook Road, Wasilla, Alaska.
- B.    Legal Descriptions:** Tract B, Iditarod-Wasilla Schools 2016, Plat No. 2016-112, Palmer Recording District, Third Judicial District, State of Alaska, containing 11.66 acres more or less.
- C.    Land Status:** Acquired by Warranty Deed, Book 75, Page 318, August 27, 1973, Palmer Recording District.
- D.    Restrictions:**
  - 1.     Land Use Plans – The property lies within Wasilla city limits.
  - 2.     Title Restrictions – None.
  - 3.     Covenants – None.
  - 4.     Zoning – Commercial (public facility).
- E.    Current Land Use:** Vacant.
- F.    Surrounding Land Use:** School, commercial, residential.
- G.    Existing Infrastructure:** Electric, gas, telecommunications, city water/sewer.

**III.   Review and Public Notice**

Inter-department review was conducted throughout the borough with no objections received. Public notice was initiated pursuant to MSB 23.05.025 notifying property owners within ¼ mile of the parcel, Wasilla and Palmer Chambers of Commerce, Parks, Recreation, Trails Advisory Board, MSB Department of Emergency Services and the area fire chief, MSB school district administration, cities of Wasilla and Palmer, and MSB assembly members. Two comments were received from the public noticing: one in support and one non-objection.

**IV.    Analysis & Discussion**

The property was subdivided in early spring 2016 to legally place the existing Fritzler-Ressler baseball fields within the Wasilla High School property to ensure public use and access to the complex. Prior to assembly approval of building demolition, the city expressed interest in the property and building for purpose of a public safety complex for the city's police department and

Alaska State Troopers. The estimated cost to retro-fit the building and bring it up to current code was determined too costly and unrealistic given the age and condition of the building.

Borough officials also had serious concerns over vandalism and maintenance of the building and property based on previous vacant borough-owned buildings. Between July and November 2016 when the borough took back management of the property from the school district and clearing of the property was completed, Land Management paid \$29,749 from its operating budget to cover utility, security, vandalism, survey and appraisal costs.

The borough assembly approved Ordinance No. 16-114 allowing demolition of the building and associated structures on the property. The property was completely cleared by December 27, 2016. The ordinance also enacted that cost for demolition appropriated from the Land Management Permanent Fund (Fund 203) would go back into the permanent fund, and remaining proceeds were to be placed in the Areawide School Site Acquisition Reserve Fund 100. The other costs directly associated with the property as noted above were not addressed in Ordinance 16-114; therefore, the additional and unbudgeted costs totaling \$29,749 paid from the Land Management FY17 operating budget are included within Ordinance 17-048 for appropriation from sale proceeds.

Appropriation of the \$1,500,000 is recommended as follows:

\$ 651,453	to Land Management Permanent Fund, Fund 203
\$ 29,749	to Land & Resource Management Fiscal Year 2017 Operating Budget
\$ 818,798	to Areawide School Site Acquisition Reserve Fund, Fund 100

Of note, the MSB School Board recently approved a resolution in support of school site land acquisition priorities wherein their desire to retain the property for a future charter school was included. There is currently no funding source identified to construct a new school.

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 23.10.060. Borough property may be disposed of for less than fair market value for no less than \$500 or a range between 50%-90% of market value as determined by the assembly.

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 sale of the old Iditarod Elementary School parcel, legally described as Tract B, Iditarod-Wasilla Schools 2016, in the amount of \$1,500,000 to the City of Wasilla and appropriation of the sale proceeds.