

SUBJECT: INFORMING THE ASSEMBLY OF THE BOROUGH MANAGER EXTENDING FOUR ALASKA DIVISION OF LANDS LEASE AGREEMENTS FOR A 5-YEAR PERIOD TO ALLOW EACH LESSEE THE OPTION TO PURCHASE THE LAND IN ACCORDANCE WITH THE LEASE AND WITH POLICY AND PROCEDURES ADOPTED FOR "ALASKA DIVISION OF LANDS LESSEE PURCHASE OF THE FEE SIMPLE ESTATE FOR LANDS 10 ACRES IN SIZE OR SMALLER" (MSB001533, MSB999364, MSB001778 & MSB999358).

AGENDA OF: March 20, 2018

ASSEMBLY ACTION:

*Im 18-033 - Presented w/o objection
@ 3/20/18 RM*

MANAGER RECOMMENDATION: For information only.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER:

Route To:	Department/Individual	Initials	Remarks
	Originator	HLU	
	Community Development Director	EP	
	Finance Director	CG	
	Borough Attorney	NS	
	Borough Clerk	JRM	3/12/18

ATTACHMENT (S): ~~None~~ Fiscal Note - Y (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.

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."

There are a total of 14 ADL leases which the borough received from the state, four of which are due to terminate in April of 2018. Providing a 5-year extension for the lessees to purchase the fee simple title of the land will allow the time necessary to verify location of improvements through an as-built survey, obtain appraisals, and satisfy any set-back issues and platting requirements required by code. The fair market value for purchase will be determined by third-party appraisal.

Below are the four immediate leases included for a five-year extension:

1. Barbara Anderson-Holbrook, Lessee
ADL 19373 / MSB001625 / Tax ID: 6285000T00D
Location: Davis Island on Big Lake, no site address.
Annual Lease Amount: \$2,591.19
2. Clifton Tweedy, Lessee
ADL 63858 / MSB999364 / Tax ID: 3390B00L006B
Location: South Big Lake Alaska Resub Block 1, Lot 6, Block 1. Address, 9230 S. Big Lake Road. Big Lake frontage.
Annual Lease Amount: \$1,048.41
3. Jay John Marquardt, Lessee
ADL 20929 / MSB001778 / Tax ID: 6285B02L001
Location: South Big Lake Alaska, Block 2, Lot 1, no site address. Big Lake frontage.
Annual Lease Amount: \$1,145.79
4. Lisa Pfeifer, Lessee
ADL 20931 / MSB999358 / Tax ID: 4360B04L004A
Location: South Big Lake Alaska Resub Block 4, Lot 3 & 4, Block 4, Lot 4A, no site address. Big Lake frontage.
Annual Lease Amount: \$1,927.13

ADL leases produce minimal revenue to the borough. They are not cost effective to retain or manage and can present the borough with unexpected liabilities such as paying for LIDs and special assessments. Therefore, it is in the best interest of the borough to convey its interest in the land which in turn will generate tax revenue and reduce the borough's costs and liability.

Authority: MSB 23.10.030(B) & 23.10.180(B)

MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: March 20, 2018

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ORIGINATOR:

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED *	FUNDING SOURCE <u>Tax Revenue</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>100.000.000.3xx.xx1</u>	PROJECT #
VERIFIED BY: <u>Barbara Barenghut</u>	CERTIFIED BY:
DATE: <u>3/6/18</u>	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) * Tax revenue generated is dependant on the assessed values at the time of the sales

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

APPROVED BY:

DATE: