


**SUBJECT:** AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE SALE OF BOROUGH-OWNED LAND IDENTIFIED AS LOT 107, RUSTIC WILDERNESS DIVISION 2, TO ADJACENT PROPERTY OWNERS MICHAEL AND MARLA MURPHY, PURSUANT TO MSB 23.10.230 AGREEMENTS BY APPLICATION (MSB007681).

**AGENDA OF:** December 15, 2020

**ASSEMBLY ACTION:**

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

**APPROVED BY GEORGE HAYS, ACTING BOROUGH MANAGER:** 

Route To:	Department/Individual	Initials	Remarks
	Originator	NSC	
	Community Development Director	EP	
	Finance Director	OK	
	Borough Attorney	NS	
	Borough Clerk	JMM 12/1/20	KB

**ATTACHMENT (S):** Fiscal Note: YES ☒ NO ☐  
Vicinity Map (1 pp)  
Best Interest Finding (2 pp)  
Ordinance Serial No. 20-113 (3 pp)

**SUMMARY STATEMENT:**

MSB Land & Resource Management received a request from Michael and Marla Murphy to purchase adjacent Borough-owned land by application, pursuant to MSB 23.10.230 Agreements by Application. The code provides under subsection (A)(1)(d) that the Manager may, with Assembly approval by ordinance, approve a sale of Borough-owned real property by application if the purchase is for an adjacent property owner to address a substandard or unusable lot condition.

The subject parcel is in the Rustic Wilderness Division 2 subdivision, which is located between the Susitna River and the

west side of the Parks Highway at MP 80. The Borough received the property through tax foreclosure for non-payment of taxes for the year 1984 and earlier, Clerks Deed dated June 2, 1987, recorded at Book 515 Page 675 on June 5, 1987, Palmer Recording District (Case No. 3PA-85-2015 CIV.). All re-purchase rights of the former record owner have been extinguished and there is no public purpose for retention of Lot 107.

The subject parcel, Lot 107, is considered "sub-standard" for individual development of building/septic area due to it being only .55 acre (23,958 s/f) in size. The Borough recognizes a standard lot as being at least 40,000 s/f under MSB 43.20.280 Area. The adjacent property owners, Michael and Marla Murphy own Lots 106 and 108 on either side of Lot 107. Under MSB 23.10.230, Agreements by Application, subsection (A)(1)(d) allows the sale of Borough property to an adjacent property owner to address a substandard or unusable lot condition. The Murphy's lots are also substandard in size (.62 and .60 acres respectively), thereby making the Murphy's eligible to purchase Lot 107 as adjacent property owners in order to provide greater potential to develop the lots without encroachment or overlap of septic area/well radius affecting other nearby lots.

In accordance with MSB 23.10.060, fair market value of Lot 107 is determined by the 2020 certified tax assessment roll. The tax assessed value of Lot 107 is \$4,000. The Borough parcel will be sold for cash and conveyed by quitclaim in "as-is, where-is" condition, without warranty expressed or implied. The Murphy's will pay for all associated costs, to include public notice and advertising, and document recording. Through conveyance, Lot 107 will be placed on the tax rolls after 33 years of Borough-ownership.

Inter-department review was initiated and received no objection or concern from Borough departments. Public notice was provided in accordance with MSB 23.05.25 with no objections received from the noticing.

**RECOMMENDATION OF ADMINISTRATION:**

Matanuska-Susitna Borough Assembly approval under Ordinance Serial No. 20-113 of the cash sale of Borough-owned land identified as Lot 107, Rustic Wilderness Division 2, to adjacent property owners, Michael and Marla Murphy, pursuant to MSB 23.10.230 Agreements by Application and Assembly adopted Land and Resource Management Policies and Procedures.



# MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: December 15, 2020

SUBJECT: An ordinance of the Matanuska-Susitna Borough Assembly approving the sale of Borough-owned land identified as Lot 107, Rustic Wilderness Division 2, to adjacent property owners Michael and Marla Murphy, pursuant to MSB 23.10.230 Agreements by Application (MSB007681).

ORIGINATOR: Nancy Cameron, Land Management

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED <u>\$4,000</u>	FUNDING SOURCE <u>Land Sales</u>
FROM ACCOUNT #	PROJECT
TO ACCOUNT: <u>203.00.000 388.XXX</u>	PROJECT #
VERIFIED BY: <u>Kim Wiland</u>	CERTIFIED BY:
DATE: <u>11/30/2020</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE		<u>4.0</u>				
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other		<u>4.0</u>				
TOTAL		<u>4.0</u>				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY:

PHONE:

DEPARTMENT:

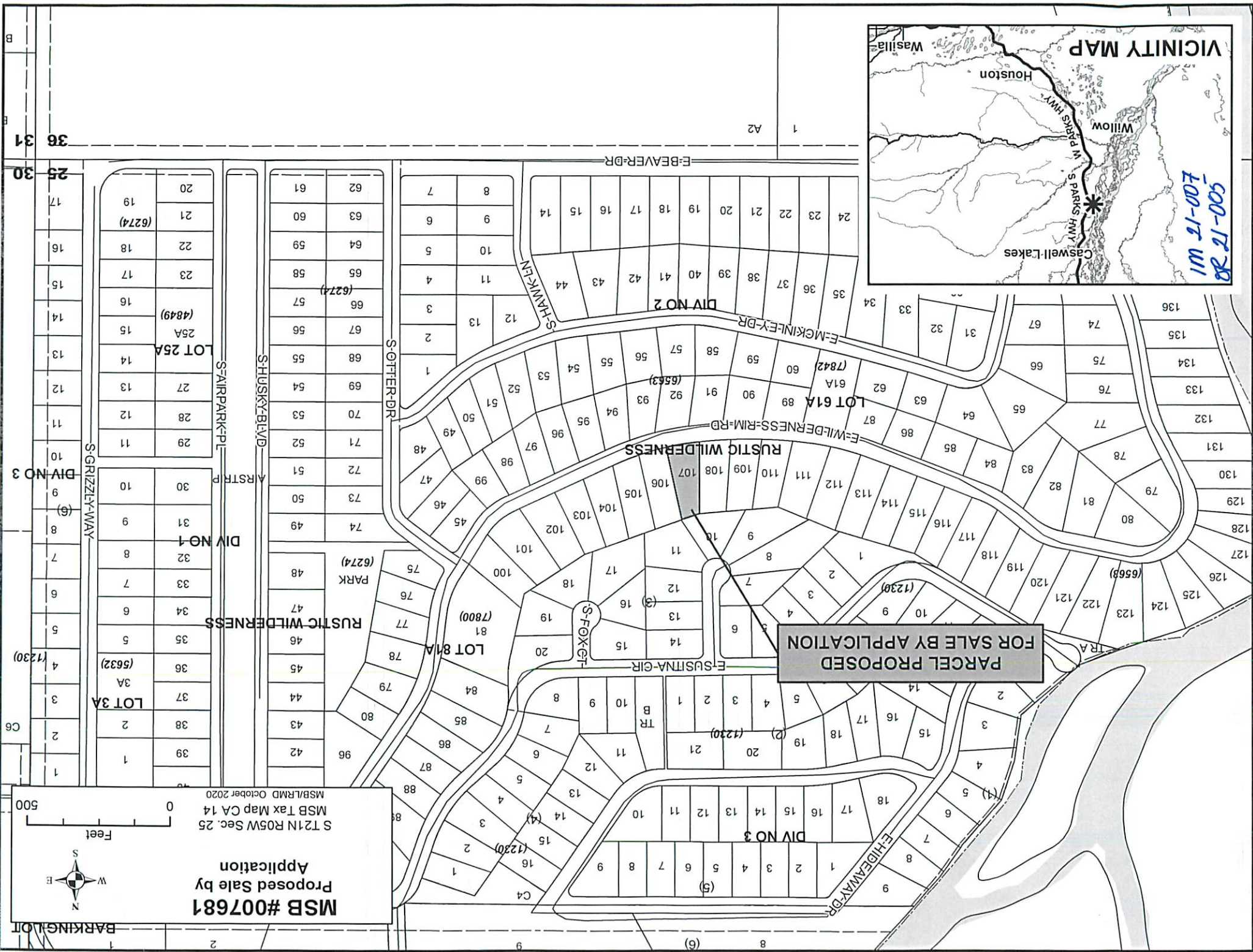
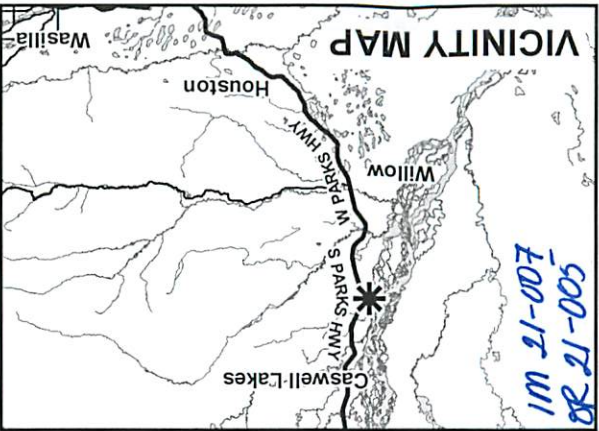
DATE:

APPROVED BY:

DATE:

Chapenne Handel

12/1/2020





BEST INTEREST FINDING  
For the  
Disposition of Borough-owned Land

I. Summary of Proposed Action

MSB Land & Resource Management received a request from Michael and Marla Murphy to purchase adjacent borough land by application, pursuant to MSB 23.10.230 Agreements By Application. The code provides under subsection (A)(1)(d) that the manager may, with assembly approval by ordinance, approve a sale of borough-owned real property by application if the purchase is for an adjacent property owner to address a substandard or unusable lot condition.

II. Property Site Factors

A. Location: The subject parcel is in the Rustic Wilderness Division 2 subdivision, which is located between the Susitna River and the west side of the Parks Highway at MP 80. According to a long-time subdivision resident hired to promote Rustic Wilderness after Borough platting authority approval in 1975, the subdivision was created in anticipation of a potential move of the state capital from Juneau to Willow.

B. Legal Description: Lot 107, Rustic Wilderness Division 2, according to Plat 75-28, Palmer Recording District, Third Judicial District, State of Alaska. (Tax ID# 6563000L107)

C. Land Status: The borough received the property through tax foreclosure for non-payment of taxes for the year 1984 and earlier, Clerks Deed dated June 2, 1987, recorded at Book 515 Page 675 on June 5, 1987, Palmer Recording District (Case No. 3PA-85-2015 CIV.). All re-purchase rights of the former record owner have been extinguished with no public purpose for retention of Lot 107.

D. Restrictions: None.

E. Current Land Use: None. Property is vacant.

F. Surrounding Land Use: Residential.

G. Resources: The property has no compensable resources.

H. Value: \$4,000.00 based on the 2020 certified tax assessment roll.

III. Public Comments

In accordance with Title 23 and the Land & Resource Management Policy and Procedures Manual, 30-day public notice was sent to landowners within 600 feet of the subject property, to include all land owners within Rustic Wilderness subdivision, Willow Area Community Council, Upper Susitna Soil & Water Conservation District, MSB Assembly members, Caswell Lakes RSA 015, Willow FSA 035, MSB Department of Emergency Services, and Willow Area Seniors. Notice was published in the Frontiersman, posted at the Post Office, and provided on the Borough website. No objections or concerns were received from the public noticing.

#### IV. MSB Department Review

Borough inter-departmental review was initiated October 20, 2020 with one comment from the Land Management Division stating that selling this property to the adjacent owner will benefit the Borough by reducing the impact of sub-standard lots, return the property back to the tax roll, and eliminate the Borough's responsibility for clean-up of junk/trash. There were no objections received from the inter-department review.

#### V. Analysis & Discussion

The subject parcel, Lot 107, is considered "sub-standard" for individual development of building/septic area due to it being only .55 acre (23,958 s/f) in size. The Borough recognizes a standard lot as being at least 40,000 s/f under MSB 43.20.280 *Area*.

The adjacent property owners, Michael and Marla Murphy own Lots 106 and 108 on either side of Lot 107, and have submitted an application to Land & Resource Management to purchase Lot 107 under MSB 23.10.230, Agreements By Application, subsection (A)(1)(d). As stated above in Section I, Summary of Proposed Action, the manager may through assembly approval by ordinance, sell borough property to an adjacent property owner to address a substandard or unusable lot condition. The Murphy's lots are also substandard in size (.62 and .60 acres respectively), thereby making them eligible to purchase Lot 107 as adjacent property owners. Lot 107 has not been offered as a stand-alone parcel in previous land sales due to its substandard size and significant challenges of development by someone other than an adjacent owner due to high potential of encroachment or overlap of septic area/well radius with other privately owned lots.

In accordance with MSB 23.10.060, fair market value of Lot 107 is determined by the 2020 certified tax assessment roll. The tax assessed value of Lot 107 is \$4,000. The borough parcel will be sold for cash and conveyed by quitclaim in "as-is, where-is" condition and without warranty, expressed or implied. The Murphy's will pay for all associated costs, to include public notice and advertising, and document recording. Through conveyance, Lot 107 will be placed on the tax rolls after 33 years of Borough-ownership.

Of note: Land Management has been working diligently over the past several years to review properties received by the Borough through tax foreclosure which it has been retained for many, many years. The goal is to convey these long-retained parcels into private hands whenever possible to allow private development of the land. When there is no public purpose to retain such parcels, it is in the public's best interest to get them back on the tax roll.

#### VI. Authority

MSB 23.10.230

#### VII. Preliminary Recommendation

The Community Development Department recommends the Matanuska-Susitna Borough Assembly approve conveyance of Lot 107, Rustic Wilderness Division 2, to the adjacent landowners, Michael and Marla Murphy, for the current assessed value of \$4,000.00 as determined by the certified tax roll.