

Introduced by: Mayor
Date: March 18, 1986
Hearing: May 20, 1986
Vote: 14 Yes, 1 No
Action: Enacted

KENAI PENINSULA BOROUGH
ORDINANCE 86-19 (Substitute)

CLASSIFICATION OF CERTAIN BOROUGH PATENTED LANDS UNDER LONG TERM
LEASES FOR SALE AND ESTABLISHING PROVISIONS THEREFORE.

WHEREAS, the Borough has selected certain lands from the State of Alaska pursuant to the Municipal Entitlement Act; and

WHEREAS, a portion of the lands are subject to long term leases which were issued by the State of Alaska; and

WHEREAS, the Borough has received patent to lands which are subject to State issued long term leases; and

WHEREAS, interest has been expressed by leaseholders of their desire to purchase the lease land; and

WHEREAS, the Planning Commission held a public hearing on this ordinance at its February 10, 1986 meeting; and

WHEREAS, the assembly finds that it is in the best interest of the Borough to allow such lease holders to purchase the lease lands;

NOW THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

Section 1. That the Mayor is authorized to negotiate the sale of Borough patented lands to holders of State issued long term leases other than mining leases, timber leases, agricultural leases and/or grazing leases. A "long term lease" is defined as a lease which when originally entered into was for the length of 55 years or longer.

Section 2. That those lands eligible for disposal as defined by this ordinance, listed on Attachment A and for which application is made are hereby classified as sale lands.

Section 3. That notwithstanding the provisions of any other KPB ordinance, theretofore or now in effect, all sales under this ordinance shall be made in compliance with the following terms and conditions:

A. All Borough lands sold under this ordinance are sold "as is" and the purchaser shall be responsible for ascertaining the condition of the parcel and the extent of any easements, encroachments, alterations, or infringements upon the parcel by other persons. The Borough will make a reasonable effort to

disclose all types of information in its possession to assist in determining soil conditions, wetlands, flood plains, easements and other encroachments. In the event that certain other rights to the parcel have been previously granted by the Borough or the State of Alaska, or any previous owner, then the sale of the parcel shall be made subject to them.

B. All conveyances of land shall be by quitclaim deed, and balances due shall be secured by promissory note and deed of trust including additional provisions prohibiting the resubdivision of any parcel or the utilization or removal of any timber or gravel resources for any commercial purpose until the balance due is paid in full, and providing for trustee's sale upon default of payment or upon condition broken. The quitclaim deed shall be made out in the name of the current leaseholder of record at the time of application.

C. Purchase may be made by payment in full or by down payment of not less than ten percent (10%) of the purchase price for each parcel. The purchase price shall be the value as determined by the Borough Assessor for the year in which all documents necessary to complete the transaction are executed. The Borough will cause the proper documents to be recorded in the appropriate recording district. The purchaser will pay the cost of recording and any applicable collection and escrow fees.

D. Promissory notes for balances remaining unpaid for any borough lands sold pursuant to this ordinance shall provide for equal monthly installment payments of principal together with the interest at the rate of ten percent (10%) per annum. The scheduled installment payments will be based upon the initial amount financed according to the following schedule:

1. Less than \$30,000; up to 120 equal monthly installments.
2. \$30,000 or more but less than \$50,000; up to 180 equal monthly installments.
3. \$50,000 or more; up to 240 equal monthly installments.
4. Nothing contained herein shall prevent the prepayment of principal amounts with interest to date of payment; however, no prepayment shall extend or suspend the due date of any future installments until the entire balance of principal together with interest is paid in full.
5. If there is a partial prepayment of principal, this shall not diminish the monthly payment amount initially established.
6. The purchaser shall be charged a late penalty of any amount equal to ten percent (10%) of his monthly

payment for any payment which is made fifteen (15) calendar days or more past the established due date.

Section 4. That application for purchase of such lands shall be made on a form as provided by the Borough.

A. Application for the purchase of the lands must be made by the leaseholder of record at the time of application.

B. Proof shall be submitted by the applicant that all rentals due are current, and that any and all of applicant's sales taxes and real and personal property taxes are current.

C. The burden of proof is on the applicant to establish that he/she has met all requirements of this ordinance.

Section 5. That within thirty (30) calendar days of the date of receipt of a completed application, the Mayor shall provide for publication of a notice of proposed sale including the name and address of the applicant, a description of the land applied for and a description of the lease interest which applicant claims in the property. If no protest is filed with the Borough Planning Department within thirty (30) calendar days of initial publication and the applicant has established compliance with the requirements of this ordinance, then the Mayor shall enter into a conveyance of the land according to the terms and conditions of this ordinance. Where a protest is filed within the time allowed or where the administration determines that the applicant has not met the requirements of the ordinance and the applicant wishes further review, then the Planning Commission shall conduct a hearing and rule on the application. Any determination of the Planning Commission shall be susceptible to appeal to the Borough assembly.

Section 6. That this ordinance shall take effect immediately upon its enactment and expire two (2) years from the date of such enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 20th DAY OF May, 1986.

ATTEST:

Joanne Brindley
Borough Clerk

Betty J. Glick
Betty J. Glick, Assembly President

Ray (Vol. 1986) DeLace
Dep. Clerk

ATTACHMENT A

<u>Legal Description</u>	<u>Acreage</u>	<u>State ADL #</u>
Lot 2, Bernice Lake Alaska Industrial Subdivison, Plat #K-1560, Excluding Parcel No. 58-N, Alaska Project No. S-0490(2) (North Kenai Road)	.76	17207
Lot 3, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-M, Alaska Project No. S-0490(2) (North Kenai Road)	.99	17219
Lot 4, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-L, Alaska Project No. S-0490(2) (North Kenai Road)	.90	17220
Lot 5, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-K, Alaska Project No. S-0490(2) (North Kenai Road)	1.03	17221
Lot 6, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-J, Alaska Project No. S-0490(2) (North Kenai Road)	1.35	17210
Lot 7, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-I, Alaska Project No. S-0490(2) (North Kenai Road)	1.46	17211
Lot 8, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-H, Alaska Project No. S-0490(2) (North Kenai Road)	1.58	17212
<u>Legal Description</u>	<u>Acreage</u>	<u>State ADL #</u>
Lot 9, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-G, Alaska Project No. S-0490(2) (North Kenai Road)	1.69	17213
Lot 10, Bernice Lake Alaska		

Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-F, Alaska Project No. S-0490(2) (North Kenai Road)	1.80	17214
Lot 11, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-E, Alaska Project No. S-0490(2) (North Kenai Road)	1.94	17215
Lot 12, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-D, Alaska Project No. S-4090(2) (North Kenai Road)	2.05	17216
Lot 13, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-C, Alaska Project No. S-0490(2) (North Kenai Road)	2.16	25068
Lot 14, Bernice Lake Alaska Industrial Subdivision, Plat #K-1560, Excluding Parcel No. 58-B, Alaska Project No. S-0490(2) (North Kenai Road)	2.89	17218
Sec. 36, T8N, R12W, S.M., Portion of Lot 1	.73	36812
Sec. 36, T8N, R12W, S.M. W $\frac{1}{2}$ of Lot 1 Except a 0.73 acre parcel	4.70	02844
<u>Legal Description</u>	<u>Acreage</u>	<u>State ADL #</u>
Sec. 36, T8N, R12W, S.M., NW $\frac{1}{2}$ NW $\frac{1}{2}$ SE $\frac{1}{2}$	10.00	21879
Sec. 36, T8N, R12W, S.M., N $\frac{1}{2}$ of Lot 3	21.26	01391