

CITY OF VALDEZ, ALASKA

CITY COUNCIL AGENDA STATEMENT

MEETING DATE: 11/3/2015

ITEM TITLE:

Resolution #15-48

SUBMITTED BY: AnnMarie Lain
Planning \ GIS

Technician

CITY MANAGER: 

**FISCAL
NOTES:**

**Expenditure
Required:**
\$0

**Unencumbered
Balance:**
\$0

Funding Source:
N/A

EXHIBITS ATTACHED:

Resolution ☒ **Ordinance** ☐ **Other:** Supporting documentation includes:

- Summary Appraisal Report
- Purchase Request MAP 1
- Purchase Request Application
- Resolution #15-26

RECOMMENDATION:

Approve Resolution #15-48 rescinding Resolution 15-26 and authorizing the negotiated land sale of a 5,368 ft² portion of Tract D, Block 3 of Block 20, Addition #2, Mineral Creek Subdivision to Edward (Mike) & Aurora Meller for less than fair market value at \$4,000.

SUMMARY STATEMENT:

On April 22nd, 2015 the Planning and Zoning Commission motioned by majority vote to approve the Recommendation to Council to Sell by Negotiation a Subdivided Portion of Tract D, Block 3 of Block 20 ADD # 2 Mineral Creek Subdivision to Edward (Mike) and Aurora Meller.

On June 15, 2015 the City Council approved Resolution 15-26 authorizing the negotiated sale of this land to Mike and Aurora Meller. The resolution authorized the sale for the appraised fair market value.

As a requirement of Section 4.04.070 (C) of Valdez Municipal Code, *Sale by negotiation*, Mr. Meller submitted a deposit of \$3,000.00 which was, in part, used to pay for an appraisal to determine the fair market value of the property as required by Section 4.04.030 (A) of Valdez Municipal Code, *Appraised value of property*.

On July 15th, 2015 staff received the appraisal that set the valuation for 5,368 ft² of the North portion of Tract D, Block 3 of Block, 20 Addition #2, Mineral Creek Subdivision at \$12,300. Upon reviewing the summary appraisal report, staff, in concurrence with Mike Meller felt that several important factors had been overlooked during the property evaluation.

On August 21st, 2015 staff contacted William A. Larick of Appraisal Associates of Alaska outlining the following: The appraisal is for exactly ½ of Tract D, Block 2 of 20. The total square feet for the property is 10,735. Although the parcel is located in a prime residential zoning district, the entire parcel is undevelopable for several reasons. First, there is a 20 foot utility easement on the east side of Tract D that limits the development of a permanent structure because the property itself is only 46 feet wide. The appraisal states that there are no adverse easements. Secondly, the appraisal of this lot was “considered to be similar/compatible with other vacant properties that are suitable and ready for development.” This lot for reasons of odd configuration and location along a 20 foot easement with restrictions of development by Municipal Code due to lot size and setback requirements is not suitable for development.

On September 28th, 2015 staff received an updated appraisal that took into consideration the above oversights, setting the valuation at \$7,300 (see attached summary appraisal report).

Mr. Meller still feels the appraised value of the property is too low. Mr. Meller, citing Section 4.04.030 (D) of Valdez Municipal Code, *Appraised value of property*, has approached staff requesting Council consider selling the property for less than appraised value at a price of \$4,000 stating that the public interest will not be served by selling the property at the appraised fair market value.

4.04.030 Appraised value of property.

D. No real property or interest therein shall be sold for less than the appraised value thereof; provided, however, that the council may, by motion passed by not less than six council members, find that the public interest will not be served by an appraisal of the property, or by selling the property at the appraised fair market value. (Ord. 06-02 § 1 (part))

In preparation for submitting a purchase request to the City, the Mellers have stated that the reason they believe it would be in the best interest of the City to approve their \$4,000 purchase proposal is that the additional land sale will increase the City's tax base and that the parcel is 0.246464 acres and therefore not large enough to accommodate independent development.

The Mellers understand that should the Council approve the purchase, they will have to pay for the survey costs associated with subdividing the parcel. When the Planning & Zoning Commission took action on a recommendation of the sale it was contingent upon the following conditions of survey and re-plat that the Mellers:

- Subdivide TR D into two parcels
- Remove the lot-line between TR B and the newly subdivided TR D, combining the two Meller property's into one
- Rezone the combined lot as Single-Family Residential
- Delineate the 20' easement running North to South through TR D and
- Continue the 10' utility easement along the back property line of TR B through TR D to meet the easement on the East side of TR D.

Administration is not uncomfortable with the Meller's request for a lower purchase price as the property is virtually unusable as it is and must be combined with another adjacent parcel.

However, the Council is the only body with the authority to authorize a land sale at less than fair market appraised value. **An affirmative vote of not less than 6 members of the Council is required for this to pass.**

The attached resolution rescinds the original authorizing resolution #15-26 which provided for the sale at fair market appraised value, and authorizes the sale at \$4,000 (less than fair market value). If the new land sale should be approved by the Council, the resolution authorizing the sale of city land is posted for 30 days, after which the land sale becomes final.

Supporting documentation includes:

- Summary Appraisal Report
- Purchase Request MAP 1
- Purchase Request Application
- Resolution #15-26

CITY OF VALDEZ, ALASKA

RESOLUTION #15-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, RESCINDING RESOLUTION #15-26 AND AUTHORIZING THE NEGOTIATED LAND SALE OF A 5,368 FT² PORTION OF TRACT D, BLOCK 3 OF BLOCK 20, ADDITION # 2, MINERAL CREEK SUBDIVISION TO EDWARD (MIKE) AND AURORA MELLER AT LESS THAN FAIR MARKET VALUE IN THE AMOUNT OF \$4,000.

WHEREAS, The City of Valdez is the owner of the following described real property:

Tract D, Block 3 of Block 20 Addition # 2, Mineral Creek Subdivision; and

WHEREAS, Edward and Aurora Meller are the owners of the adjacent real property:

Tract B, Addition #1, Woodside Subdivision; and

WHEREAS, Edward Meller has requested to purchase a 5,368 ft² portion of Tract D, Mineral Creek Subdivision for the purpose of combining it with Tract B, Woodside Subdivision into a combined Single-Family Residential lot; and

WHEREAS, The property that Edward Meller is requesting is not large enough to accommodate independent development or use by the public, and the only other property owners that could make use of it are the opposite adjacent owners, Sheila and Bill Reiswig, who have consented to this land sale; and

WHEREAS, Edward Mellers' request for land and proposed use is in conformance with the zoning for the area and the objectives of the Comprehensive Plan; and

WHEREAS, on April 22nd, 2015 the Planning & Zoning Commission approved a recommendation to sell this property to Mike Meller for his proposed purpose; and

WHEREAS, Chapter 4.04 of the Valdez Municipal Code provides for the sale of real property owned by the City, which is not dedicated to any public use; and

WHEREAS, this land sale, at fair market appraised value was previously authorized by Council on June 15, 2015 with the approval of Resolution #15-26; and

WHEREAS, Mr. Meller believes the appraised value to be excessive and has requested the Council consider selling the property at less than fair market appraised value in the amount of \$4,000; and

WHEREAS, Chapter 4.04 of the Valdez Municipal Code provides for the Council to sell property for less than the appraised value if the Council by motion passed by not less than six council members finds that the public interest will not be served by selling the property at the appraised fair market value.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1: The City Council has found that it is not in the public interest to offer the property at a public sale as it is unusable to anyone other than the adjacent property owner, Mike Meller.

Section 2: The property will be sold for \$4,000 and the purchaser will be responsible for all costs associated with the sale.

Section 3: The City Manager, or his designee, is hereby authorized to negotiate with sale of said property.

Section 4: The purchaser is required to have the property surveyed to subdivide Tract D, Block 3 of Block 20, Addition #2 into two parcels that continues to delineate the 20' easement running North to South through Tract D and delineates a 10' easement along the Southern back property line of the purchased portion of Tract D to meet the 10' utility easements along the South property lines of the adjacent parcels.

Section 5: The purchaser is required to have the property surveyed to combine the newly acquired land with Tract B, Addition #1, Woodside Subdivision and to re-zone the combined parcel as Single-Family Residential and bear associated costs.

Section 6: The sale shall become effective thirty days from the approval and posting of this resolution.

Section 7: If the sale of said property is not effectuated within one year of the date of approval the authorization to sell granted by this resolution expires.

Section 8: Resolution #15-26 previously authorizing the sale of this land at the fair market appraised value is hereby rescinded.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 3rd day of November, 2015.

CITY OF VALDEZ, ALASKA

Larry Weaver, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk