

## Chapter 4.04 SALE OF CITY PROPERTY

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**4.04.010 Definitions.**

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

“Appraised value” means the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels. For the purposes of the Valdez Municipal Code, appraised value and fair market value are considered the same.

“Assessed value” means the value that a taxing authority gives to property and to which the tax rate is applied. For the purposes of the Valdez Municipal Code, assessed value is not used in consideration of determining the appraised or fair market value of property.

“City lands” means all those lands, improved or unimproved, to which the city holds title, or to which the city may become entitled, including buildings or land on which buildings are located.

“Development requirements” means conditions, requirements or regulations, determined by the city council, that must be completed prior to the city conveying clear title to property sold by public auction, sealed bid, or negotiation.

“Fair market value” means the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

“Lot” means a parcel of land shown as an individual unit on the most recent plat of record and intended to be used for one principal building or use. (Ord. 06-02 § 1 (part))

**4.04.020 Applicability.**

Pursuant to Section 12.3(b) of Chapter 12 of the Charter of the city, the procedure set out in this chapter shall govern the sale or other disposition, other than lease pursuant to Chapter 4.08 of this code, of real property including, insofar as not inconsistent therewith, the real property subject to sale under Ordinance Nos. 6514, 6515, and 6518 providing for the sale of real property in the Mineral Creek Townsite. (Ord. 06-02 § 1 (part))

**4.04.030 Appraised value of property.**

- A. No real property or interest therein shall be disposed of until there has been an appraisal to determine the fair market value of the property.
- B. Appraisals are considered valid if completed within one year of the time of sale for property with a value below one hundred thousand dollars, and within six months for property with a value of one hundred thousand dollars or greater.
- C. If the sale is for a portion of an entire parcel, a survey and appraisal will be required within six months of the date of the sale.
- 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))

**4.04.040 Sale by public auction or by sealed bids—Authorized.**

- A. Real property, not dedicated to any public use, may, at the option of the council, be initially offered for public sale and sold by auction or by sealed bid to the highest responsible bidder or by the sealed bid procedures set forth in Section 4.04.050.
- B. When deemed prudent and necessary, the council may establish development requirements of real property sold at public auction or by sealed bids. Bidders must be prequalified to participate in said public auction or sealed bid through submission of a development plan. The development plan shall include requirements recommended by the planning and zoning commission, and other commissions as deemed necessary, and determined by the city council in the resolution authorizing the sale of such property. The development plan shall be submitted by the applicant to the city manager or designee as outlined in the resolution authorizing the sale of such property. Development requirements shall be considered complete and no longer binding upon purchaser's receipt and recording of a certificate of completion of the development requirements. (Ord. 06-02 § 1 (part))

**4.04.050 Procedures for sale by public auction or by sealed bids.**

- A. Before any real property or any city interest therein is disposed of by auction or sealed bid, a resolution shall be adopted by the city council which sets forth the type, time, place and terms of such sale, declare that the property to be sold is not dedicated to any public use, provide for the publication of the notice of sale for not less than thirty days prior to the date of such sale, specify how payment shall be made, and outline any requirements for a development plan that is required for submission prior to an auction or along with a bid.
- B. All real property or interest therein offered for public sale by sealed bid may be sold to any person submitting an offer in writing to the city council. Such offer shall be submitted in a sealed opaque envelope

marked "Real Property Bid" and must be accompanied by a certified check or money order made payable to the city in an amount equal to at least twenty percent of the amount bid for residential lots and ten percent of the amount bid for any other parcels. Bids below the appraised value shall not be considered a responsive bid, unless the city council has previously established by resolution minimum bids beginning at less than the appraised value. Sealed bids shall be submitted to the office of the city clerk and publicly opened and read aloud on the day and time set forth in the resolution authorizing the sale. Results of the bids shall be submitted to the city council for acceptance or rejection. If there is more than one sealed bid for a particular lot or group of lots, the successful bidder shall be the one whose bid represents the highest price per square foot. In the event that two or more parties submit high but identical bids, the city council may reject all bids, or accept one of the identical bids having an accompanying development plan that represents the most long-term return to the community. The city council may waive any irregularity in the bids. (Ord. 06-02 § 1 (part))

**4.04.060 Disposition of real property not sold at public auction or by sealed bid.**

When a public auction or sealed bid has been held as above provided, but no buyer was found for the property or interest therein offered or any part thereof, the resolution providing for such public sale shall be sufficient authority to sell the unsold property or interest therein to any person tendering the appraised value as set forth in Section 4.04.030, provided the appraisal is still valid as provided for in Section 4.04.030(B). The city council may, by motion duly made and passed, direct the city manager to so offer for sale and sell such property, and such motion shall provide that the city manager post a list of such property showing the appraised value thereof, at least three days prior to making any sale. Any development requirements assigned to the land prior to public sale shall remain in effect for the sale of such real property as outlined in Section 4.04.040. (Ord. 06-02 § 1 (part))

**4.04.070 Sale by negotiation.**

A. Should the city council decide that the disposal of real property or any interest therein at public sale is not in the public interest, the city council may authorize the city manager to negotiate a sale of such real property or interest therein and shall prescribe the terms therefor. Such authority shall be provided by resolution, passed by not less than six affirmative votes of the city council. The resolution shall be filed and published in the same manner as a resolution providing for public sale and no such negotiated sale shall be final until such resolution has been on file in the office of the city clerk for thirty days.

B. When deemed prudent and necessary, the city council may establish development requirements for real property disposed of through negotiated sale.

C. When land is sold by negotiation, the purchaser shall be responsible for all costs associated with making the land ready for sale. This includes, but is not limited to, a survey, appraisal and Phase 1 environmental survey. A survey is required if the sale is for a portion of an entire parcel. An appraisal is required if the sale is for a portion of an entire parcel, or if an existing appraisal is not valid in accordance with Section 4.04.030(B). A Phase 1 environmental survey is required if the sale is for property located within any industrial zoning district. If one or more of the above is required, the purchaser must submit a deposit to the city in the amount established by resolution. Said deposits are due within fifteen business days of the date the resolution approving the sale is passed.

D. Earnest money equal to twenty percent for residentially zoned lots, and ten percent for all other zoned lots, shall be submitted to the city of Valdez within fifteen business days of written notification of

completion of the appraisal establishing the fair market value of the property. The remaining balance shall be due to the city of Valdez within one hundred twenty days for residentially zoned lots and ninety days for all other zoned lots.

E. The city council retains the discretion to authorize the sale of land by negotiation at less than fair market value. Such authorization shall be given by the council through resolution authorizing the negotiated sale as provided for in subsection A of this section.

F. When in conformance with the comprehensive plan, an area master plan, or a decision by the city council, it is determined to be in the public interest for city-owned land to be developed for a specific use, the city council may, by resolution passed by not less than six affirmative votes, direct the city manager or his designee to prepare a request for proposals for said specific development of city-owned land. Details of the request for proposals shall be outlined in the resolution which shall be posted for not less than thirty days prior to the date of submitting the requests for proposals. Upon acceptance of a proposal the city council may direct the city manager or his designee to negotiate a sale price for the land. Such terms and agreement shall require subsequent approval by the city council by resolution passed by not less than six affirmative votes. (Ord. 06-02 § 1 (part))

#### **4.04.080 Expiration of sale authorization.**

Resolutions authorizing the negotiated sale of city- owned land shall expire if the transaction is not fully effectuated within one year of the date of passage and approval. (Ord. 06-02 § 1 (part))

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