

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Real Estate Services
For Reading: OCTOBER 24, 2006



CLERK'S OFFICE

APPROVED

Date: 10-24-06
IMMEDIATE RECONSIDERATION
FAILED 10-24-06

ANCHORAGE, ALASKA

AO NO. 2006 – 149(S)

1 AN ORDINANCE APPROVING THE ACQUISITION OF REAL PROPERTY
2 DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE
3 APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION
4 DOLLARS (\$4,000,000.00).
5
6 WHEREAS, Tract B, Muldoon Estates Subdivision, also known as the former Alaska
7 Greenhouse property, consists of approximately 29.20 acres; and
8
9 WHEREAS, Joe Bryant and the Estate of Thomas Michael Cody IV submitted a
10 preliminary plat application, dividing Tract B into three smaller parcels, including
11 proposed Lot 3 consisting of 12 acres on the backside of Tract B; and
12
13 WHEREAS, on June 6, 2006, the Assembly approved Anchorage Ordinance (AO) No.
14 2006-84, attached hereto, authorizing the purchase and acquisition of proposed Lot 3,
15 and appropriating an amount not to exceed \$1,308,000.00 to fund the 12-acre purchase;
16 and
17
18 WHEREAS, prior to completing the acquisition of proposed Lot 3, and prior to the
19 recording of the final plat for Tract B, the United State of America commenced an
20 action in the United States District Court for the District of Alaska on May 19, 2006,
21 case no. 3:06-CV-118 RRB, seeking forfeiture of all of Tract B, pursuant to 21 USC
22 §881, 18 USC §981, and other federal laws; and
23
24 WHEREAS, thereafter the holder of the first Deed of Trust filed a Notice of Default and
25 Sale of Deed of Trust Foreclosure on July 28, 2006, for the benefit of Alaska
26 Greenhouses, Inc., and a foreclosure sale is scheduled for October 26, 2006; and
27
28 WHEREAS, at this time, there are outstanding delinquent taxes, penalties and interest
29 due to the Municipality exceeding \$78,900.00; and
30
31 WHEREAS, in order to protect the Municipality's contract rights to the 12 acres
32 described in AO 2006-84, the Municipality's tax lien position, and other municipal and
33 public benefits described in the accompanying Assembly Memorandum, the
34 Municipality offered to purchase all of Tract B for the sum of FIVE MILLION
35 DOLLARS (\$5,000,000.00), plus closing costs, based upon an appraisal, after deducting
36 unpaid taxes, of \$5,040,000.00; and
37
38 WHEREAS, the Municipality received verbal approval of its offer to purchase all of
39 Tract B, Muldoon Estates Subdivision, from all interested parties; and

1
2 WHEREAS, the Municipality must complete its purchase by recording and transferring
3 fee title to the property not later than close of business on October 25, 2006 in order to
4 avoid a sale at foreclosure or, in the alternative, the Municipality must be prepared to
5 bid and pay for the Property at the foreclosure sale; and
6

7 WHEREAS, when combined with AO 2006-84, the authorization and appropriation of
8 general obligation bond funds from the Anchorage Parks and Recreation Service Area
9 Capital Improvement Program (CIP) Fund (461) for purchase of 12 acres (proposed
10 Lot 3), the total purchase price including closing costs for all of Tract B, Muldoon
11 Estates Subdivision, does not to exceed \$5,308,000.00; now, therefore,
12

13 **THE ANCHORAGE ASSEMBLY ORDAINS:**

14
15 **Section 1.** The purchase of 29.20 acres, known as Tract B, Muldoon Estates
16 Subdivision (including the 12 acres approved by AO 2006-84), by purchase or
17 foreclosure bid, is hereby approved.
18


19 **Section 2.** The appropriation of an amount not to exceed FOUR MILLION
20 DOLLARS (\$4,000,000.00) is approved.
21

22 **Section 3.** The Municipality is authorized to purchase Tract B, Muldoon Estates
23 Subdivision, for an amount not to exceed \$5,308,000.00 (including closing costs), by
24 combining the NTE \$1,308,000.00 appropriated under AO 2006-84 and the NTE
25 \$4,000,000.00 appropriated in Section 2 above.
26

27 **Section 4.** The Municipality is authorized to appropriate the funds in Section 2
28 above by inter-fund loan from ML&P net assets (Fund 530) to Heritage Land Bank,
29 Real Estate Services, capital purchase account (Fund 401), pursuant to the terms and
30 conditions set out in the accompanying AM.
31

32 **Section 5.** This ordinance shall take effect immediately upon passage and approval.
33

34
35 PASSED AND APPROVED by the Anchorage Assembly this 24th day of
36 October, 2006.
37

38
39 
40 Chair of the Assembly

41 ATTEST:

42
43 
44
45 Municipal Clerk
46

47 Attachment: AO 2006-84

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2006-149(S)

Title: AN ORDINANCE APPROVING THE ACQUISITION OF REAL PROPERTY DESCRIBED AS TRACT B, MULDOON ESTATES SUBDIVISION, AND THE APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION DOLLARS (\$4,000,000.00).

Sponsor: MAYOR
 Preparing Agency: Heritage Land Bank, Real Estate Services Division
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES:	(In Thousands of Dollars)				
	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Operating Expenditures					
1000 Personal Services					
2000 Non-Labor					
3900 Contributions					
4000 Debt Service					
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -
Add: 6000 Charges from Others					
Less: 7000 Charges to Others					
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES:		\$ (48)	\$ (48)	\$ (48)	\$ (48)
CAPITAL:	\$ 4,000				
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

Use of previously appropriated Park bond fund (461) monies of \$1.308 million, with an inter-fund loan of \$4 million contained in this AO request. Result of purchases will add land to Municipal inventory for public park use and site control for creek relocation and restoration. At a minimum, 12 acres of privately held land will no longer be taxed and the remainder of the parcel (17.2 ± acres) would not be taxed for up to five years.

PRIVATE SECTOR ECONOMIC EFFECTS:

No anticipated major economic impact.



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 799-2006

Meeting Date: October 24, 2006

1 **From: MAYOR**

2
3 **Subject: AO No. 2006-149(S): AN ORDINANCE APPROVING THE**
4 **ACQUISITION OF REAL PROPERTY DESCRIBED AS**
5 **TRACT B, MULDOON ESTATES SUBDIVISION, AND THE**
6 **APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR**
7 **MILLION DOLLARS (\$4,000,000.00).**
8

9 AO 2006-149(S) seeks approval for the Municipality to purchase real property,
10 legally described as Tract B, Muldoon Estates, Subdivision, consisting of
11 approximately 29.20 acres, including 12 acres (AO 2006-84) for a future park
12 site, land for extension of DeBarr Road, and control of up to 8 acres in the
13 front of the tract to move and restore the creek. Tract B is currently zoned R-
14 2M and B3.
15

16 The Assembly approved Anchorage Ordinance (AO) No. 2006-84 authorizing
17 the purchase and acquisition of 12 acres of Tract B, Muldoon Estates
18 Subdivision and appropriated an amount NTE \$1,308,000.00 to fund the
19 purchase on June 6, 2006. AO 2006-84 assumed the preliminary plat creating
20 proposed Lot 3 would be recorded prior title transfer. However, the
21 transaction was not completed because the sellers did not meet the stipulated
22 conditions, the tract was not re-platted and the preliminary plat was not
23 recorded. In addition, the outstanding property taxes were not paid. As a
24 result, Tract B remains whole as one parcel containing 29.20 acres, and
25 negotiations were reopened for purchase and acquisition of all of Tract B.
26

27 Simultaneously, the Federal government is proceeding on the court action for
28 forfeiture.¹ The holder of the first Deed of Trust on the property, Alaska
29 Greenhouses, Inc. (AGI), scheduled a foreclosure sale for October 26, 2006.²
30 A foreclosure sale eliminates interests in the property, except property taxes,
31 and the Municipality could lose the contract to purchase the 12 acres,
32 intended for use as a future park, as well as control and over the site as a
33 whole.
34

35 Additionally, gaining site control of the entire parcel allows the front seven (7)
36 acres to accommodate the moving and restoration of the creek to the south
37 boundary of the property. Municipal site control also provides for the

¹ The United States of America commenced an action in the United States District Court for the District of Alaska on May 19, 2006, case no. 3:06-CV-118 RRB, seeking forfeiture of the entire 29.20 acre parcel (Tract B) pursuant to 21 USC 881, 18 USC 981, and other federal laws.

² A Notice of Default and Sale of Deed of Trust Foreclosure was filed on July 28, 2006 for the benefit of Alaska Greenhouses, Inc.; the foreclosure sale is scheduled for October 26, 2006.

1 extension of DeBarr Road, from Muldoon Road to Boston Street, without
2 ROW purchase from a private owner, reducing the project cost. Any surplus
3 property, after creek relocation and right-of-way extension, will be platted out
4 and recommended for disposal. Funds received from sale of surplus property
5 will be dedicated to repayment of the inter-fund loan, proposed as the funding
6 source for this acquisition.

7
8 Based upon appraisal (summary attached), the Municipality proposes to
9 purchase price all of Tract B, including the 12-acre parcel approved by
10 AO 2006-84, for an amount not to exceed \$5,308,000.00, including closing
11 costs. Due to the pending foreclosure sale, funding for the purchase of
12 Tract B is proposed in through 2 combined Assembly actions:

- 13
14 1. The appropriation approved by AO 2006-84 of an amount not to exceed
15 \$1,308,000.00, from general obligation bond funds in the Anchorage
16 Parks & Recreation Service Area Capital Improvement Program (CIP)
17 Fund (461); and
18
19 2. The appropriation requested by AO 2006-149(S) of an amount not to
20 exceed \$4,000,000.00, from an inter-fund loan from ML&P Net Assets
21 Fund (530) to Heritage Land Bank, Real Estate Services Fund (401).

22
23 The general terms of the inter-fund loan include:

24
25 Term: Not To Exceed Five (5) years; and
26 Annual Interest: Based upon the Cash Pool Earnings Rate plus 50 basis
27 points.

28
29 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
30 **AUTHORIZING THE ACQUISITION OF REAL PROPERTY DESCRIBED AS**
31 **TRACT B, MULDOON ESTATES SUBDIVISION, AND THE**
32 **APPROPRIATION OF AN AMOUNT NOT TO EXCEED FOUR MILLION**
33 **DOLLARS (\$4,000,000.00) FROM AN INTER-FUND LOAN FROM ML&P TO**
34 **HERITAGE LAND BANK, REAL ESTATE SERVICES DIVISION.**

35
36 Prepared by: Heritage Land Bank, Real Estate Services Division
37 Approved by: Robin E. Ward, Executive Director
38 Concur: Mary Jane Michael, Executive Director
39 Economic & Community Development
40 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
41 401-1253-5101-125301-BY 2006 \$4,000,000.00
42 Concur: James Reeves, Municipal Attorney
43 Concur: Denis LeBlanc, Municipal Manager
44 Respectfully submitted: Mark Begich, Mayor

OUTLOOK VALUATION SERVICES

An Independent State Certified Real Estate Appraiser & Real Estate Consultant

3825 Lynn Drive
Anchorage, Alaska 99503

Telephone: (907) 441-2162 Facsimile: (907) 337-5494 E-mail: resco@gci.net

October 23, 2006

Ms. Robin E. Ward
Executive Director
Heritage Land Bank and Real Estate Services
Anchorage Community Development Authority
P.O. Box 196650
Anchorage, Alaska 99519-6650

Re: Restricted Use Appraisal of Tract B, Muldoon Subdivision, Anchorage, Alaska — OUR FILE #06-50

Dear Ms. Ward:

Per our telephone conversation on October 9th, 2006, I have performed a Restricted Use Appraisal of the above referenced property for the purpose of estimating the "as is" market value of its **fee simple estate**. The following report is a brief recapitulation of my investigations, the appraisal techniques applied, and the analyses of data leading to the following value conclusions.

Based upon the physical inspection of the property, the analyses undertaken, and subject to the **special and general assumptions and limiting conditions** set forth in the report, the "as is" market value of the *fee simple estate* in the Subject property, as of October 10, 2006, was estimated to have been:

FIVE MILLION AND FORTY THOUSAND DOLLARS

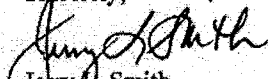
*****\$5,040,000**

According to the Municipal Treasure, \$78,971 in delinquent taxes, penalties and interest are outstanding. These charges have been deducted to arrive at the "as is" market value estimate.

The attached report is a "Restricted Appraisal" report prepared to comply with the requirements of USPAP applicable to such reports. **Per your request, I have reviewed the two appraisal reports that you have provided. I reserve the right to amend my value conclusion, if information extracted from those reports and used in my analysis is found to be incorrect.**

It is an express assumption of this report that the Subject is environmentally "clean" and no problems exit. Thank you for the opportunity to be of service and if you have any questions, please call.

Sincerely,



Jerry D. Smith

State Certified General Appraiser AA48

Submitted by: Chair of the Assembly At
the Request of the Mayor
Prepared by: Real Estate Services on behalf
of the Parks Department
For Reading: May 23, 2006

CLERK'S OFFICE

ANCHORAGE, ALASKA

APPROVED

AO NO. 2006- 84

Date: 6-6-06

1
2 AN ORDINANCE APPROVING THE PURCHASE AND ACQUISITION OF REAL PROPERTY
3 LEGALLY DESCRIBED AS LOT 3, MULDOON ESTATES SUBDIVISION, FOR FAIR
4 MARKET VALUE NOT TO EXCEED ONE MILLION THREE HUNDRED EIGHT THOUSAND
5 DOLLARS (\$1,308,000.00).

6
7
8 WHEREAS, the administration desires to acquire property in East Anchorage on behalf of the
9 Municipality for use as a municipal park; and

10
11 WHEREAS, Anchorage Municipal Code sections 25.20.010 and .020 authorize the Municipality to
12 acquire land for any public purpose, upon approval by the Assembly; and

13
14 WHEREAS, Joe Bryant and the Estate of Thomas Michael Cody IV are owners of a large parcel
15 that was the former Alaska Greenhouse site, legally described as Tract B, Muldoon Estates
16 Subdivision, and;

17
18 WHEREAS, Joe Bryant and the Estate of Thomas Michael Cody IV have submitted a preliminary
19 plat application creating a new tract of land encompassing the eastern twelve acres of the subject
20 site with a proposed new legal description of Lot 3, Muldoon Estates Subdivision, and;

21
22 WHEREAS, the location of this twelve-acre parcel proposed as Lot 3 corresponds with the
23 recommended acquisition of a new park in the draft Anchorage Bowl Parks, Natural Resource and
24 Recreation Facilities Plan; and

25
26 WHEREAS, on September 8, 2005, the Parks and Recreation Advisory Commission unanimously
27 approved PRC Resolution 2005-08, recommending purchase of the subject parcel; and

28
29 WHEREAS, the Municipality seeks authorization to purchase proposed Lot 3, Muldoon Estates
30 Subdivision for the amount \$ 1,307,000.00 plus closing costs, with previously appropriated general
31 obligation bond funds in the Anchorage Parks and Recreation Service Area Capital Improvement
32 Program (CIP) Fund (461); Now therefore,
33

1
2 **THE ANCHORAGE ASSEMBLY ORDAINS:**

3
4 **Section 1.** The purchase of Lot 3, Muldoon Estates Subdivision, zoned R3 and containing 12
5 acres±, for ONE MILLION THREE HUNDRED EIGHT THOUSAND Dollars (\$1,308,000.00), is
6 hereby authorized.

7
8 **Section 2.** This ordinance shall take effect immediately upon passage and approval.

9
10 PASSED AND APPROVED by the Anchorage Assembly this 6th day of
11 June, 2006.
12
13
14

15 Samuel A. Sullivan
16 Chairman of the Assembly
17

18 ATTEST:

19 Bonnie S. Muehle
20 Municipal Clerk
21



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 384-2006

Meeting Date: May 23, 2006

1 **From: Mayor**

2
3
4 **Subject: An Ordinance Approving the Purchase and Acquisition of Real Property**
5 **Legally Described as Lot 3, Muldoon Estates Subdivision, for Fair Market**
6 **Value Not to Exceed One Million Three Hundred Eight Thousand Dollars**
7 **(\$1,308,000).**

8
9 The accompanying ordinance seeks approval for the Parks and Recreation Department
10 to purchase real property and acquire it for a future park site. The subject parcel is an
11 eastern portion of Tract B, recently replatted and awaiting recording as Lot 3, Muldoon
12 Estates Subdivision. It is zoned R-3 and is approximately twelve acres in size (see
13 attached map, Appendix A).

14
15 The Parks and Recreation Department has recently completed a draft Anchorage Bowl
16 Parks, Natural Resource and Recreation Facilities Plan. A part of that plan has been to
17 determine locations for future park and recreation sites that will be needed in the next
18 twenty years. Those locations for future park site purchases have been prioritized and
19 the Muldoon Estates Subdivision site is a priority on that list.

20
21 The subject property was identified in 2005 after the entire former Alaska Greenhouse
22 parcel was contracted for purchase by Joe Bryant and Thomas Cody. Their agent
23 approached the MOA with a proposal to subdivide from the originally platted tract (Tract
24 B) the eastern twelve acres of the property, now described as Lot 3, for a park. A
25 contract with Joe Bryant and the Estate of Thomas Michael Cody IV for the named
26 purchase amount has been signed, contingent upon the recording of the plat creating a
27 new parcel containing the east twelve acres of the property (Lot 3) and approval of the
28 purchase by the Anchorage Assembly.

29
30 At their regular meeting on September 8, 2005, the Parks and Recreation Advisory
31 Commission unanimously approved Resolution #2005-08, recommending the
32 Administration endorse and approve the purchase of the east twelve acres of Tract B,
33 Muldoon Estates Subdivision (Appendix B). This action also comports with the
34 "Anchorage Bowl Parks, Natural Resource and Recreation Facilities Plan"
35 recommendation to acquire new park land in east Muldoon (Appendix C).

36
37 Funding for the \$1,308,000 purchase of proposed Lot 3, Muldoon Estates Subdivision,
38 shall come from previously appropriated general obligation bond funds in the Anchorage
39 Parks and Recreation Service Area CIP Fund (461).

1
2
3 THE ADMINISTRATION RECOMMENDS ASSEMBLY APPROVAL OF THE
4 PURCHASE AND ACQUISITION OF THE PROPOSED LOT 3, MULDOON ESTATES
5 SUBDIVISION NOT TO EXCEED ONE MILLION THREE HUNDRED EIGHT
6 THOUSAND DOLLARS (\$1,308,000) FROM THE ANCHORAGE PARK BOND FUND
7 (461).
8

9
10 Prepared by: Robin E. Ward, Executive Director of Heritage Land Bank & Real Estate
11 Services

12 Concur: Mary Jane Michael, Executive Director, Economic & Community Development
13 Concur: Jeff Dillon, Executive Director, Parks & Recreation Department
14

15 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

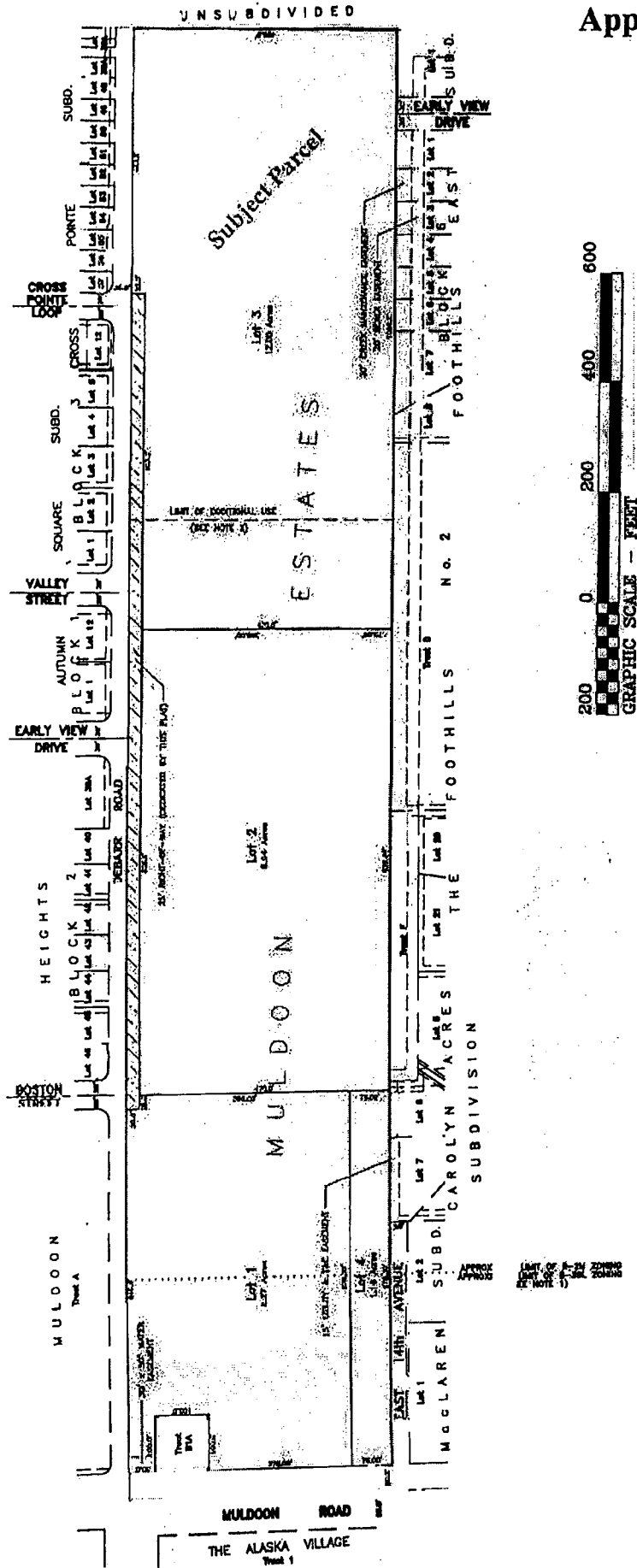
16

17	461-5435-5101-543512-BY1999	\$ 157,413
18	461-5436-5101-543602-BY2000	\$ 125,911
19	461-5436-5101-543623-BY2000	\$ 56,910
20	461-5436-5101-543624-BY2000	\$ 354,800
21	461-5436-5101-543658-BY2001	\$ 237,500
22	461-5436-5101-543660-BY2001	\$ 118,750
23	461-5436-5101-543666-BY2001	\$ 114,366
24	461-5490-5101-549058-BY1998	\$ 38,949
25	461-5490-5101-549062-BY1998	\$ 10,000
26	<u>461-5492-5101-549236-BY1998</u>	<u>\$ 93,400</u>
27	Anchorage Park Bonds Fund Total	\$1,308,000

28
29 Concur: Denis C. LeBlanc, Municipal Manager
30 Respectfully submitted: Mark Begich, Mayor

Appendix A

Appendix A



MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2006- 84 Title: Purchase of Lot 3, Muldoon Estates Subdivision
 Sponsor: Parks & Recreation
 Preparing Agency: Real Estate Services
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY06	FY07	FY08	FY09	FY10
--	------	------	------	------	------

Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay	1,308				

TOTAL DIRECT COSTS:	1,308				
---------------------	-------	--	--	--	--

6000 IGCs

FUNCTION COST:

REVENUES:	(2,000)				
-----------	---------	--	--	--	--

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

Use of previously appropriated Park bond fund (461) monies to add land to municipal inventory for public park use. Acquisition of this property will remove it from the tax rolls, resulting in a loss of tax revenue of approximately \$2,000 per year.

PRIVATE SECTOR ECONOMIC EFFECTS:

Prepared by: Robin E. Ward, HLB/RES Director Telephone: 343-4337

Validated by OMB: Janet Mitson, Office of Management & Budget Date: _____

Approved by: Robin E. Ward, Executive Director, HLB & RES Date: April 17, 2006