



KENAI PENINSULA BOROUGH

Planning Department • Land Management Division
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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Kelly Cooper, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *mn*
Max Best, Planning Director *mb*

FROM: Marcus A Mueller, Land Management Officer *AM*

DATE: February 23, 2017

SUBJECT: Ordinance 2017-*04*, Authorizing the Sale of Certain Parcels of Borough Land by Sealed Bid Followed by an Over-the-Counter Sale (Mayor)

The borough's Land Management Division has identified parcels of land that are surplus to the borough's need for land holdings and which could be placed in a competitive market value land sale by sealed bid followed by an over-the-counter sale. Attached is a vicinity map and aerial photos showing the location of each parcel. Minimum bids are set at the existing fair market value as determined in consultation with the borough's Assessing Department.

The sealed bid due date is proposed for May 12, 2017. A sale brochure will identify the parcels and explain the sealed bid procedures. Notice of the land sale will be published in accordance with KPB 17.10.110 and the brochure will be made available on the borough's land management website.

This year the borough's Land Management Division would like to continue with a finder's fee feature and increase the minimum fee from \$250 to \$300. By offering a one and one-half percent finder's fee, with a \$300 minimum, to qualified finders, the borough creates an avenue for real estate professionals to participate in borough land sales. Bidders may benefit from receiving consultation from third party real estate professionals while the borough can benefit from their advertising for better market exposure.

Parcel No. 01404004, also known as the Lighthouse Inn, is proposed for this year's land sale. The property contains existing structures which are in poor condition. For this sale an extended due diligence period is proposed for a buyer entering into a purchase agreement of this property and zero penalty withdrawal feature be included in that agreement. If sale of the property is unsuccessful, Land Management would then consider demolition of the improvements.

The attached ordinance would authorize a sealed bid land sale of 21 parcels of borough land followed by an over-the-counter sale of the parcels not sold. Your consideration of this ordinance is appreciated.