

Kenai Peninsula Borough  
Office of the Borough Clerk

MEMORANDUM

**TO:** Wayne Ogle, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Johni Blankenship, Borough Clerk (JB)

**FROM:** Michele Turner, Deputy Borough Clerk (MT)

**DATE:** April 3, 2018

**RE:** Ordinance 2018-13: Authorizing the Sale of Certain Parcels of Borough Land by Sealed Bid Followed by an Over-The-Counter Sale (Mayor)

After review of Planning Department's memo dated March 28, 2018 (attached), if the Assembly wishes to amend Ordinance 2018-13, below is the motion for your ready reference.

Amend the final Whereas clause by filling in the blank.

WHEREAS, the Planning Commission at its regularly scheduled meeting of March 26, 2018, recommended approval as amended by unanimous consent;

Amend the table in Section 1 by deleting the bracketed parcels noted in bold.

ASSESSOR'S PARCEL ID	GENERAL LOCATION	LEGAL DESCRIPTION	ACRES	MINIMUM BID
<b>[014-040-02</b>	NIKISKI	<b>LOT 4, BERNICE LAKE ALASKA INDUSTRIAL SUBDIVISION, AS SHOWN ON PLAT NO. 1560, KENAI RECORDING DISTRICT</b>	<b>0.9</b>	<b>\$7,500]</b>
017-130-25	North Kenai	Government Lot 13, Section 23, T6N, R12W, Seward Meridian, Alaska	4.68	\$150,000
<b>[017-130-63</b> <b>017-130-64</b>	NORTH KENAI	<b>GOVERNMENT LOTS 5, 6, 18 AND W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SECTION 23, T6N, R12W, SEWARD MERIDIAN, ALASKA</b>	<b>6.04</b>	<b>\$118,000]</b>

ASSESSOR'S PARCEL ID	GENERAL LOCATION	LEGAL DESCRIPTION	ACRES	MINIMUM BID
025-250-02	Gray Cliff	Lot 47, Gray Cliff Subdivision, as shown on Plat No. 82-80, Kenai Recording District	5.33	\$10,700
025-250-03	Gray Cliff	Lot 46, Gray Cliff Subdivision, as shown on Plat No. 82-80, Kenai Recording District	5.42	\$10,700
<b>[055-010-16</b>	<b>CIECHANSKI</b>	<b>S<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SECTION 12, T5N, R11W, SEWARD MERIDIAN, ALASKA</b>	<b>20.00</b>	<b>\$195,000]</b>
063-620-06	Sterling	Government Lot 9, Section 11, T5N, R9W, Seward Meridian, Alaska	2.63	\$32,400
<b>[PORTION OF 131-010-16</b>	<b>KALIFORNKY</b>	<b>S<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub> OF GOVERNMENT LOT 2, SECTION 1, T4N, R12W, SEWARD MERIDIAN, ALASKA LYING EAST OF KALIFORNKY BEACH ROAD RIGHT-OF-WAY</b>	<b>1.6</b>	<b>\$19,000]</b>
131-060-33	Kalifornsky	Lot 9, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.59	\$125,000
131-060-34	Kalifornsky	Lot 10, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.59	\$125,000
131-060-36	Kalifornsky	Lot 12, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.60	\$125,000
<b>[157-062-15</b>	<b>NINILCHIK</b>	<b>N<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, SECTION 35, T1S, R14W, SEWARD MERIDIAN, ALASKA</b>	<b>10.00</b>	<b>\$20,000</b>
<b>159-142-22</b>	<b>HAPPY VALLEY</b>	<b>LOT 5-A, HAWK'S BEACH SUBDIVISION, CHARLEY'S 1999 ADDITION, AS SHOWN ON PLAT NO. 2000-5, HOMER RECORDING DISTRICT</b>	<b>4.54</b>	<b>\$30,000</b>

ASSESSOR'S PARCEL ID	GENERAL LOCATION	LEGAL DESCRIPTION	ACRES	MINIMUM BID
159-142-23	HAPPY VALLEY	GOVERNMENT LOTS 6, 7, 8, 9, 11, AND 12, SECTION 24, T3S, R15W, SEWARD MERIDIAN, ALASKA	28.00	\$125,000
159-471-09	HAPPY VALLEY	GOVERNMENT LOT 7, SECTION 20, T2S, R14W, SEWARD MERIDIAN, ALASKA, LYING EAST OF THE STERLING HIGHWAY RIGHT-OF-WAY	4.00	\$21,800
211-270-01	BELUGA	LOT 1, BLOCK 1, THREE MILE CREEK SUBDIVISION, AMENDED, AS SHOWN ON PLAT NO. 72-7, ANCHORAGE RECORDING DISTRICT	1.16	\$12,700]

Thank you for your consideration.

# Kenai Peninsula Borough

## Planning Department

### MEMORANDUM

**TO:** Wayne Ogle, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Charlie Pierce, Borough Mayor *ch*

**FROM:** Max Best, Planning Director *mb*

**DATE:** March 28, 2018

**RE:** Ordinance 2018-13; An ordinance authorizing the sale of certain parcels of Borough Land by Sealed Bid followed by an over-the-counter sale.

The Kenai Peninsula Borough Planning Commission reviewed the subject Ordinance during their regularly scheduled March 26, 2018 meeting.

A main motion to recommend approval of Ordinance 2018-13, an ordinance authorizing the sale of certain parcels of Borough Land by Sealed Bid followed by an over-the-counter sale passed by unanimous consent as amended.

An amendment motion to amend Ordinance 2018-13 to exclude the following properties from the Land Sale Ordinance passed by unanimous consent.

014-040-02	Nikiski	Lot 4, Bernice Lake Alaska Industrial Subdivision, as shown on Plat No. 1560, Kenai Recording District	0.9	Light Industrial
017-130-63	North Kenai	Government Lots 5 and 6 and W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 23, T6N, R12W, Seward Meridian, AK	4.28	Residential
017-130-64	North Kenai	Government Lot 18, Section 23, T6N, R12W, Seward Meridian, Alaska	1.76	Residential
055-010-16	Ciechanski	S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 12, T5N, R11W, Seward Meridian, Alaska	20.00	Residential
Portion of 131-010-16	Kalifornsky	S $\frac{1}{2}$ S $\frac{1}{2}$ of Government Lot 2, Section 1, T4N, R12W, Seward Meridian, Alaska lying east of Kalifornsky Beach Road right-of-way	1.6	Preservation
157-062-15	Ninilchik	N $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 35, T1S, R14W, Seward Meridian, Alaska	10.00	Rural
159-142-22	Happy Valley	Lot 5-A, Hawk's Beach Subdivision, Charley's 1999 Addition, as shown on Plat No. 2000-5, Homer Recording District	4.54	Residential
159-142-23	Happy Valley	Government Lots 6, 7, 8, 9, 11, and 12, Section 24, T3S, R15W, Seward Meridian, Alaska	28.00	Residential

159-471-09	Happy Valley	Government Lot 7, Section 20, T2S, R14W, Seward Meridian, Alaska, lying east of the Sterling Highway right-of-way	4.00	Rural
211-270-01	Beluga	Lot 1, Block 1, Three Mile Creek Subdivision, amended, as shown on Plat No. 72-7, Anchorage Recording District	1.16	Commercial

In the Ordinance please make the following amendment to the last WHEREAS statements:

*WHEREAS, the Planning Commission at its regularly scheduled meeting of March 26, 2018, recommended approval as amended by unanimous consent.*

Attached are the unapproved minutes of the subject portion of the meeting.

AGENDA ITEM F. PUBLIC HEARINGS

3. Ordinance 2018-13; An ordinance authorizing the sale of certain parcels of Borough Land by Sealed Bid followed by an over-the-counter sale.

Memorandum / Staff Report given by Marcus Mueller

PC Meeting: March 26, 2018

The borough's Land Management Division has identified certain 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. A vicinity map and parcel site maps showing the location of each parcel are available. Minimum bids are set at the estimated fair market value as determined in consultation with the borough's Assessing Department.

The sealed bid due date is proposed for May 31, 2018. 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.

A person interested in a parcel that was being offered can submit an application with no money required. The successful bidders are required to put down 10% and can then purchase the property outright with cash or the borough offers financing at 2% over prime rate for up to 10 years.

This year, the borough's Land Management Division would like to continue with a finder's fee feature by offering a 1.5 percent finder's fee, with a \$300 minimum, to qualified finders. This 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.

This ordinance would authorize a sealed bid land sale of certain parcels of borough land followed by an over-the-counter sale of the parcels not sold.

This matter is scheduled to come before the Planning Commission at its March 26, 2018 meeting. The Planning Commission will forward its recommendations to the assembly prior to the scheduled hearing on this ordinance.

The land sale ordinance is scheduled to be heard by the assembly on April 3, 2018. Some possibilities of what could happen would be that the land could be split out to lands that are already classified and remove lands that haven't been classified. It could be postponed in which the sale dates would just roll forward.

This is the general land sale ordinance that comes around every year and the process for this is the same every year. They have sold over 26,000 acres over the last 40 years. They are probably getting closer to being more comprehensive in the way that they approach these and try to iron out what they are doing and why.

Consideration of this ordinance is appreciated.

END OF MEMORANDUM & STAFF REPORT

Chairman Martin opened the meeting for public comment.

1. Fred Huxley  
Mr. Huxley stated that his wife's family has owned their property in Happy Valley since 1948 and have been paying taxes on it. The valuation on their land is approximately at \$400 an acre. The 28 acre parcel was being proposed at \$100,000 but most of it was unusable. Some of the property at the bottom of the cliff was already gone being that erosion has hit. He felt that this property would be

going into the Inlet if anybody touches this land and then they were next. This land should not be developed.

Seeing and hearing no one else wishing to speak Chairman Martin closed the public comment period and opened discussion among the Commission.

**MAIN MOTION:** Commissioner Carluccio moved, seconded by Commissioner Ruffner to recommend approval of Ordinance 2018-13; An ordinance authorizing the sale of certain parcels of Borough Land by Sealed Bid followed by an over-the-counter sale.

**AMENDMENT MOTION:** Commissioner Ruffner moved, seconded by Commissioner Carluccio to amend Ordinance 2018-13 to exclude the following properties from the Land Sale Ordinance.

Description of Borough Land Proposed for Classification				
Assessor's Parcel No.	General Location	Legal Description	Acres	Classification
014-040-02	Nikiski	Lot 4, Bernice Lake Alaska Industrial Subdivision, as shown on Plat No. 1560, Kenai Recording District	0.9	Light Industrial
017-130-63	North Kenai	Government Lots 5 and 6 and W½ W½ NW¼ SW¼ SE¼, Section 23, T6N, R12W, Seward Meridian, AK	4.28	Residential
017-130-64	North Kenai	Government Lot 18, Section 23, T6N, R12W, Seward Meridian, Alaska	1.76	Residential
055-010-16	Ciechanski	S½ SW¼ SE¼, Section 12, T5N, R11W, Seward Meridian, Alaska	20.00	Residential
Portion of 131-010-16	Kalifornsky	S½ S½ of Government Lot 2, Section 1, T4N, R12W, Seward Meridian, Alaska lying east of Kalifornsky Beach Road right-of-way	1.6	Preservation
157-062-15	Ninilchik	N¼ NE¼ NW¼, Section 35, T1S, R14W, Seward Meridian, Alaska	10.00	Rural
159-142-22	Happy Valley	Lot 5-A, Hawk's Beach Subdivision, Charley's 1999 Addition, as shown on Plat No. 2000-5, Homer Recording District	4.54	Residential
159-142-23	Happy Valley	Government Lots 6, 7, 8, 9, 11, and 12, Section 24, T3S, R15W, Seward Meridian, Alaska	28.00	Residential
159-471-09	Happy Valley	Government Lot 7, Section 20, T2S, R14W, Seward Meridian, Alaska, lying east of the Sterling Highway right-of-way	4.00	Rural
211-270-01	Beluga	Lot 1, Block 1, Three Mile Creek Subdivision, amended, as shown on Plat No. 72-7, Anchorage Recording District	1.16	Commercial

Commissioner Ruffner moved to remove those properties from the previous agenda item because they chose to not classify those lands for the reasons that were previously discussed. He supported the sale of the other properties that have already gone through the land classification process.

Commissioner Ernst asked if the amendment motion included the Happy Valley and North Kenai properties. Mr. Mueller replied yes.

Commissioner Ruffner asked how many parcels would be going up for sale. Mr. Mueller replied that the proposed land sale would include the following parcels:

ASSESSOR'S PARCEL ID	GENERAL LOCATION	LEGAL DESCRIPTION	ACRES	MINIMUM BID
017-130-25	North Kenai	Government Lot 13, Section 23, T6N, R12W, Seward Meridian, AK	4.68	\$150,000

025-250-02	Gray Cliff	Lot 47, Gray Cliff Subdivision, as shown on Plat No. 82-80, Kenai Recording District	5.33	\$10,700
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131-060-33	Kalifornsky	Lot 9, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.59	\$125,000
131-060-34	Kalifornsky	Lot 10, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.59	\$125,000
131-060-36	Kalifornsky	Lot 12, Two The Bluff Subdivision 2013 Addition, as shown on Plat No. 2013-125, Kenai Recording District	2.60	\$125,000

Commissioner Ruffner thought that more than ½ million dollars would be generated from the sale of the above parcels if the properties were sold at the minimum bid level. Mr. Mueller agreed that about ½ million dollars would be generated. Commissioner Ruffner asked if the borough has a target for how much the borough wanted to generate from the sale. Mr. Mueller replied that they budget about \$450,000 annually in land sale revenues. The way that the land management division was financially structured is that their budget is based off of land revenues. Most of the land revenues are generated from land sales. He stated that have about \$300,000 a year in re-occurring revenues. They sell land to put gas in the tank.

Commissioner Ruffner asked if the rough numbers they came up would still achieve the goals. Mr. Mueller replied yes. In additionally with the Land Trust Fund they are able to moderate that over time because markets go up and down. Commissioner Ruffner asked if they were not putting too much of a pinch on the department by doing what they suggested should be offered at this time. Mr. Mueller agreed in that their business plan was longer term than one year. Their ability to consider land sales goes from year to year to year to year. He stated that doing land classifications and land sales was voluntary on the borough's part. There does not need to be a time pressure on those actions.

Commissioner Ernst asked for clarification that the Bernice Lake parcel 014-040-02 and the Beluga parcel 211-270-01 were not going to be included in the land sale. Mr. Mueller replied yes, that was correct. Commissioner Ernst asked if there was a problem with the Bernice Lake parcel. It was in an industrial zone next to the highway. Chairman Martin replied that all the parcels that were being proposed to be reclassified were removed from the land sale ordinance to give more time to consider.

**AMENDMENT VOTE:** The motion passed as amended by unanimous consent.

BENTZ YES	CARLUCCIO YES	ECKLUND ABSENT	ERNST YES	FIKES YES	FOSTER YES	ISHAM YES
LOCKWOOD ABSENT	MARTIN YES	MORGAN YES	RUFFNER YES	VENUTI YES	WHITNEY YES	11 YES 2 ABSENT

**MAIN MOTION VOTE:** The motion passed as amended by unanimous consent.

BENTZ YES	CARLUCCIO YES	ECKLUND ABSENT	ERNST YES	FIKES YES	FOSTER YES	ISHAM YES
LOCKWOOD ABSENT	MARTIN YES	MORGAN YES	RUFFNER YES	VENUTI YES	WHITNEY YES	11 YES 2 ABSENT

**AGENDA ITEM G.** ANADROMOUS WATERS HABITAT PROTECTION (KPB 21.18)