

Date of Action: 1.12.15	
Approved	Denied <input checked="" type="checkbox"/>
By: <i>Kornitz</i>	

**CITY COUNCIL ACTION MEMORANDUM**

*Postponed Indefinitely*

**AM No. 15-05: Authorizing the administration to proceed with the sale of the Meta-Rose Square property located on Lot 5A, Block 1, Fred Nelson Subdivision.**

Originator: Public Works Director  
 Date: December 22, 2014

Agenda of: January 12, 2015

Route to:	Department Head	Signature	Date
X	Public Works Director	<i>[Signature]</i>	12/30/14
X	Finance Director	<i>[Signature]</i>	12-30-14
X	Deputy Administrator	<i>[Signature]</i>	12/30/14
X	City Clerk	<i>[Signature]</i>	12,30,14

Reviewed by Mayor Bert L. Cottle: *[Signature]* 12:30:2014

Fiscal Impact:  yes  no

**Account name/number:**

Attachments: IM No. 14-16 with attachments (27 pages)  
 IM No. 14-39(AM) with attachments (16 pages)

**Summary Statement:** Upon the adoption of this action memorandum, the administration will proceed with the sale of the Meta-Rose Square building and prepare an ordinance for public hearing in accordance with Wasilla Municipal Code 5.32.060.B. The ordinance will identify the parcel for sale, the manner of disposition and any special terms and conditions of the sale. The public hearing will provide an opportunity for public comment on the sale prior to advertising for proposal to purchase the building.

Once an ordinance is adopted, the parcel will be advertised for 30 days through a sealed bid process in accordance with Wasilla Municipal Code 5.32.040. A successful bid will need to be ratified by the City Council in accordance with Wasilla Municipal Code 5.32.080.E.

**Proposed Action:** Adopt AM No. 15-05.





	Presented
Date Action Taken:	8.25.14
Other:	
Verified By:	K.M.H.

**CITY COUNCIL INFORMATIONAL MEMORANDUM**

**IM No. 14-16: Additional information from City Staff regarding the recommended sale of Meta Rose Square in AM No. 14-39.**

Originator: Planning Department  
 Date: 8/15/2014

Agenda of: 8/25/2014

Route to:	Department Head	Signature	Date
X	Public Works Director		8/15/14
X	Finance Director		8-18-14
X	Deputy Administrator		8/18/14
X	City Clerk		8-18-14

Reviewed by Mayor Verne E. Rupright: \_\_\_\_\_

- Attachments:** City of Wasilla Downtown Area Plan excerpts (8 pages)  
 City of Wasilla Comprehensive Plan excerpts (7 pages)  
 Planning Commission Resolution Serial No. 13-04 (2 pages)  
 Staff Report to Planning Commission (2 pages)  
 Attorney Report regarding sale of Meta Rose Square Building (4 pages)  
 Meta Rose Square Building – Data Spreadsheet (1 page)

**Summary Statement:**

The question of whether to sell the Meta Rose Square building has come before the City Council numerous times over the last year and a half. The primary justification for the need to sell the building has been that the City doesn't need the building for a library and that the City is in direct competition with other retail property management entities if it continues to own and commercially lease the building. However, the information below explains in more detail how it is not a conflict and also identifies the potential benefits to the public if the City retains ownership and/or waits a few years to sell the building. The three main benefits include: (1) the potential for a higher sales price once the Main Street Couplet is finished due to frontage on a major roadway through the downtown area; (2) the City's ability to utilize the unique opportunity provided by ownership to take an active role in revitalizing the downtown area, which is consistent with the desires of the city residents and adopted in the Downtown Area Plan and Comprehensive Plan; and (3) the continued generation of \$80,000 to \$120,000 in annual net profit from the lease of the building that can be utilized to enhance services and the quality of life of the city residents. Outlined below is a more in-depth summary of the information mentioned above, which should be considered by the City Council before making a decision to sell or retain ownership of the building.

**Overview:**

In February 2013, the subject of whether to sell the Meta Rose Square building was considered at the City Council meeting and it has been brought up again at several other meetings. The primary justification provided for selling the building was that the City was in direct competition with private sector property management entities and that the building is not needed for a library. Each time the City Council considered the matter, staff provided information outlining the benefits of keeping the building, including a recommendation from the Planning Commission that the City retain ownership until the city identified uses that are consistent with the Downtown Area Plan that will help create a vibrant, revitalized downtown.

Most recently, a local attorney was retained to prepare a report outlining what the City Council should consider when deciding whether to sell the Meta Rose Square building. The report addressed the concerns about leasing commercial space was in direct competition with private sector property management entities. She clarified that the City is authorized to retain the property and continue to lease it if it serves a municipal purpose that is in the public interest (e.g. using the property as a keystone property to implement the Downtown Area Plan and Comprehensive Plan.). She also provided information on the pros and cons of selling or retaining the building and the City’s ability to add conditions to the sale of the property.

It should be noted that City ownership of this particular building provides an incredibly unique opportunity to the City and city residents. Retaining ownership of this building in such an ideal location in the downtown core, gives the City the ability to take an active role in creating a vibrant and thriving downtown area. The City’s ability to choose the type of businesses that can lease space in the building allows the City to affect a positive change by leasing to businesses that will stimulate interest in shopping, visiting, and encourage new investment in the downtown area.

However, to date, the City Council has not had any detailed discussion regarding the pros and cons of selling the building versus retaining ownership. This discussion is needed to determine if the sale or continued lease of the building “...would be in the best interest of the public...” as required in WMC 5.32.010. At a minimum, it should consider whether the sale or continued leasing is consistent with the City Comprehensive Plan and recently adopted Downtown Area Plan. Both of these plans direct the City to identify ways to revitalize downtown and make it a more vibrant and walkable area and to encourage economic development.

To assist the City Council with that decision, the following background information and breakdown of the pros and cons is provided for the consideration and discussion. The intent is to provide a concise comparison of the pros/cons of selling or retaining the building and identify which action is most beneficial for the city residents in both the short-term and long-term.

**Financial Information:**

Purchase Date: January 2010  
Purchase Price: \$1,500,000  
Total Square Footage (SF): 20,429 SF (1<sup>st</sup> floor-14,340 SF; 2<sup>nd</sup> floor-2,765 SF; Basement-3,324 SF)

Meta Rose Square Building Property Value Information			
Tax Year	Assessed Value	Taxes Assessed	Net Lease Income
2014	\$1,867,400	\$21,758.95	FY 14 - \$24,686.17 (to date)
2013	\$1,867,400	\$22,113.75	FY 13 - \$134,977.04
2012	\$1,902,000	\$22,179.22	FY 12 - \$81,705.68
2011	\$1,913,500	\$20, 985.36	FY 11 - \$78,147.40
2010	\$2,001,300	\$23,587.32	FY 10 - \$40,726.48 (partial year)
2009	\$2,032,800	\$23,783.76	N/A – Did not own building

**Breakdown of pros and cons to consider before selling the Meta Rose Square Building:**

<b>SCENARIO 1 – IMMEDIATELY SELL THE META ROSE SQUARE BUILDING.</b>	
<b>Pros</b>	<b>Cons</b>
Profit from the sale goes toward new library costs allowing sales tax to sunset early. (Note: This could also be considered a con since, as currently structured, Borough residents pay the majority of the higher sales tax that is used to pay for the new library. It appears appropriate that they pay the higher sales tax to construct the library since they make up approximately 80% of the library users.	Eliminates commercial space available to start-up businesses and other businesses that should be encouraged to move into downtown to enhance the economic vitality and attractiveness of the downtown area.
	No additional revenue source to replace \$80,000 - \$100,000 annual rental income in annual budget.
	Lower selling price due to current market conditions and less desirable road frontage on secondary local roads.
Initial purchase price put back into City funds and available for city projects.	Establishment of uses that are inconsistent with Downtown Area Plan and Comprehensive Plan; uses will be grandfathered when Downtown Overlay adopted.
Removes City from commercial property management business.	Demolition of existing building will require rebuilding to current setback and parking requirements, which is inconsistent with downtown standards that will be adopted in Downtown Overlay Zoning District.

<b>SCENARIO 2 – RETAIN OWNERSHIP UNTIL THE DOWNTOWN OVERLAY ZONING DISTRICT AND THE MAIN STREET COUPLET IS IN PLACE.</b>	
<b>Pros</b>	<b>Cons</b>
Continued net income of \$80,000 - \$100,000 from leases, which can provide services and improve the quality of life for city residents, including improvements to downtown streetscape and appearance.	City continues to be in commercial property management business.
Higher sales price due to optimal street frontage on Main Street Couplet vs. current local road.	
Ensures future uses and buildings are consistent with the Downtown Area Plan, Downtown Overlay District, and Comprehensive Plan.	
Availability of suitable sized space and cost for start-up and “niche” businesses. Serves as an “incubator” for small businesses.	

<b>SCENARIO 3 – RETAIN OWNERSHIP INDEFINITELY.</b>	
<b>Pros</b>	<b>Cons</b>
Continued net income of \$80,000 - \$100,000 from leases, which can provide services and improve the quality of life for city residents.	City continues to be in commercial property management business.
Option to utilize building for artist/craft/tourist related businesses, which generates interest in being downtown, stimulates economy and vitality, and encourages additional development investment in downtown.	
Ability to offer reasonable rents and size suitable for start-up and “niche” businesses. Serves as an “incubator” for small business entrepreneurs.	
Ensures future uses and buildings are consistent with the Downtown Area Plan, Downtown Overlay District, and Comprehensive Plan.	
Rental income could be used to fund downtown improvements.	
Allows City to retain control over tenant mix to ensure appropriate type and mix needed to stimulate interest and encourage redevelopment in the downtown. This is consistent with the Downtown Area Plan and Comprehensive Plan since they both encourage utilizing city-owned property to incentivize downtown redevelopment and revitalization.	

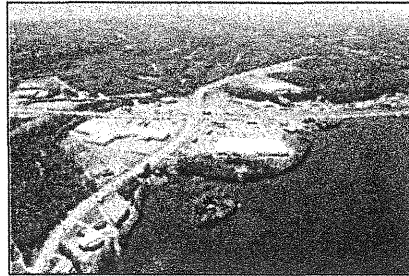


## INTRODUCTION

**T**HE WASILLA DOWNTOWN AREA PLAN will assist to shape the future of the Downtown Area. It provides a vision of the future that is a reflection of those who live and/or work in Wasilla daily. Community values, preferences, and concerns are documented, as well as opportunities to improve the quality of life.

City Departments, the Planning Commission, Parks and Recreation Commission, Airport Advisory Commission, and the City Council will refer to these documents so they can:

- make informed decisions concerning future growth and development
- plan for projects more efficiently
- assign appropriate resources to community needs
- identify needs for new or revised zoning and / or development authorities
- identify infrastructure priorities



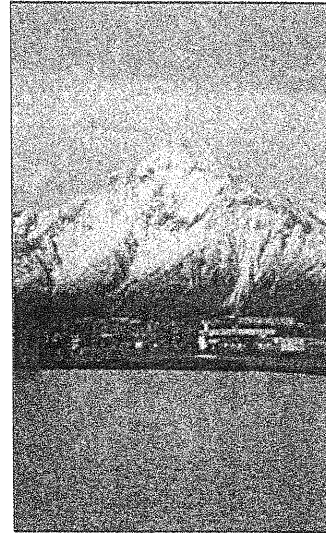
The plans will also guide individuals and private companies when making investment and development decisions, or whenever questions affecting development within the community arise. While the plans will assist to guide community changes, the plans will be updated over time to reflect the changing needs of the community as new developments and trends occur. Section 1: Introduction provides more information on the purpose, preparation, and content of the plan, and answers the questions of what plans do, how the Wasilla Downtown Area Plan relates to existing plans, and how the community will be involved.

### Planning Area Overview

DOWNTOWN is a key gathering place for Wasilla residents and the business community. The area is zoned almost exclusively commercial but has a few pockets of residential areas. Vacant lots are interspersed through Downtown, providing opportunities for infill development. Existing development includes parks, schools, artistic and historic venues, a performing arts facility, local specialty shops and restaurants within strip malls, and several City government offices. Residents cited the foremost challenges for this area to include: traffic congestion, a lack of overall connectivity to multiple destinations, inadequate parking for existing facilities, and a general lack of landscaping to provide aesthetic appeal.

## Area Vision Summary

In a community plan, a vision is a positive outcome or an ultimate condition that a community desires to move toward. It may build upon community strengths and address community weaknesses. The vision is a significant aspect of a community plan because it is an expression of local desires for quality of life and future development, which will guide residents, land owners, and City decision-makers. The vision should inspire and motivate the community to achieve their picture of the future. It should be used as a filter for future development proposals. When new development is considered, decision-makers and residents will need to ask the questions, “*Does this fit with our stated vision?*” “*Will this help us to achieve our vision?*” “*Are modifications needed?*”



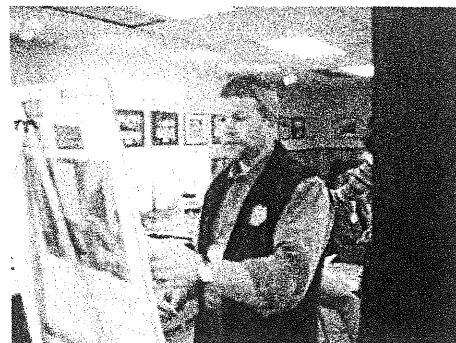
The following vision was developed for the downtown planning area of Wasilla. The vision is elaborated upon further in Section 2: Vision.

Downtown is the cornerstone of Wasilla’s small town charm. It is a community crossroads where neighbors and friends stop to say hello and chat for a while at local businesses and parks. Residents congregate at the grocery store, the post office, parks, and plazas. Downtown is a center of public services, arts, and education. The community character that attracts people is maintained and enhanced. Residents value the quality of life and community bonds that flourish here.

## Overview of Issue, Goals, and Objectives

Community members helped identify assets and challenges for the downtown planning area throughout the planning process by taking part in various exercises in public workshops and meetings, focus group sessions, and written comments. These exercises assisted the planning team to identify issues for the areas, goals for future conditions, and objectives to achieve the goals. This area plan provides summary tables for the area, organized by category. Issue categories included:

- community character
- land ownership, platting, and zoning
- economic development
- recommended land uses
- infrastructure
- transportation and connectivity
- funding



The tables, found in Section 3: Issues, Goals, Objectives, also identify potential leads and/or participating partners for initiating actions or strategies to accomplish objectives and achieve associated goals.

## Overview of Plan Elements

Section 4: Plan Elements expand upon the goals and objectives identified for each area. Plan elements include land use, economic development, transportation and circulation, and public facilities and utilities. Each plan section addresses planning considerations, goals, and recommendations for implementing the Wasilla Area Plans.

LAND USE RECOMMENDATIONS include:

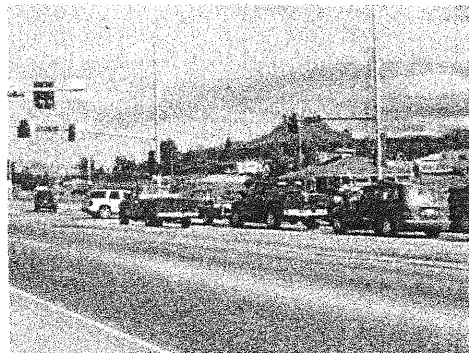
- design standards to establish an identity
- promoting infill development
- making changes to the zoning code to facilitate development
- establishing a land bank to manage parcels for future targeted land uses
- developing partnerships to achieve challenging goals
- developing and revising plans to address changing needs of the community
- evaluate City annexation options to reduce future land use conflicts
- improving public communication
- establishing committees and programs to involve citizens in implementation

ECONOMIC DEVELOPMENT RECOMMENDATIONS include:

- establish economic development incentives, such as tax abatements or deferrals, variances, business improvement districts, partnerships, and others
- establish economic development projects and programs
- improve public communication and support
- evaluate City annexation options to retain future economic development options

TRANSPORTATION AND CIRCULATION RECOMMENDATIONS include:

- continue traffic planning for the community
- climate-sensitive design
- design for pedestrian access and multi-modal transportation
- evaluate the feasibility of public transportation options
- improve parking options and aesthetics
- utilize zoning to cluster heavy transport and freight facilities in the City
- preserve rural character of the community and enhance aesthetics in transportation projects



PUBLIC FACILITIES AND UTILITIES RECOMMENDATIONS include:

- improve barrier free access to public facilities; incorporate universal design standards
- conduct facilities inventory
- implement action items from existing plans
- identify utility expansion priorities to facilitate development

### **Overview of Implementation**

Follow-through with implementation action items determines the success of a plan. To achieve the goals and objectives articulated for the downtown area, there must be a comprehensive understanding of the implementation tools and mechanisms. In addition, the community must identify:

1. Actions and projects to accomplish
2. Lead and supporting partner and individuals
3. Timeframe for completion of actions and projects
4. Annual review process

Implementation tools and mechanisms are outlined in the plan, as well as actions and responsibilities (Section 5: Implementation Tools and Mechanisms).

### **Overview of Funding Sources**

To achieve the visions outlined in the Downtown Area Plan, the City may have to explore new avenues of funding to implement priority projects. A summary table of potential federal, state, and private funding sources was assembled to assist the city with the task of identifying potential options (Section 6: Funding Recommendations and Potential Funding Sources.) The state also produces an Economic Development Resource Guide which lists funding options for municipalities. In addition, the Alaska Department of Commerce, Community and Economic Development (DCCED) – Division of Investments and the Alaska Industrial Development and Export Authority provide loans and assistance to small businesses.

ISSUE	GOAL	OBJECTIVE(S)/POLICY(IES)	SCHEDULE	COST	RESPONSIBLE PARTY
<b>Community Character (CC)</b>					
1. Downtown Wasilla lacks a distinct identity. The boundaries are unclear.  2. The appearance of Downtown Wasilla needs to be improved, capitalizing on the historical elements.	A. Create an attractive identity for Downtown that complements Wasilla's natural setting and history.	i. Institute design standards such as signage, lighting, and accommodate winter design factors.	Short-term	<\$100,000	City of Wasilla Planning Department
		ii. Include pedestrian-oriented landscaping standards into a Downtown overlay zoning district such as using evergreen trees lining sidewalks to distinguish the area.	Mid-term	<\$100,000	City of Wasilla Planning Commission Wasilla City Council
	B. Promote downtown as a center of public and education services, supported by mixed commercial and residential use.	iii. Consider establishing a "Gateway Program/Committee" (primary responsibility is to plan, design, and implement improvements for wayfinding stations and gateway entrances).	Short-term	<\$100,000	Gateway Committee*
		iv. Consider establishing a Downtown Revitalization Committee and Public-Private Partnerships to develop the character of Downtown Wasilla, design projects to achieve the character, and implement improvements.	Short-term	<\$100,000	Downtown Revitalization Committee* Public-Private Partnerships*
		v. Develop visual cues to identify gateways and sub-districts, such as entry kiosks, wayfinding stations, thematic landscape design, and signage.	Mid-term	\$100,000 - \$500,000	Matanuska-Susitna Convention and Visitor's Bureau Civic Groups (including art and history)
		vi. Capitalize on existing facilities to develop plazas and community gathering places.	Long-term	<\$100,000	
		vii. Encourage use of design themes through incentives such as variances from requirements, expedited permit processing, tax abatements, and loan programs.	Long-term	<\$100,000	
		viii. Explore zoning areas by building type, rather than use to achieve aesthetic objectives but allow for flexibility in mixed use districts.	Long-term	<\$100,000	
		ix. Promote community events that support the identity and theme of the area to attract visitors and tourists.	On-going	<\$100,000	
		x. Create an educational program through a public-private partnership to promote Downtown's identity and theme.	Mid-term	<\$100,000	
*Indicates an entity recommended to be established but not yet in existence					

ISSUE	GOAL	OBJECTIVE(S)/POLICY(IES)	SCHEDULE	COST	RESPONSIBLE PARTY
<b>Land Ownership, Platting, and Zoning (LO)</b>					
1. Small lot sizes pose challenges to development.	A. Create larger, functional parcel sizes that accommodate development.	i. Create an overlay Downtown zoning district.	Mid-term	\$100,000 - \$500,000	City of Wasilla Planning Department
		ii. Work with the Matanuska-Susitna Borough to streamline the replatting process with regard to consolidation of small lots within the City of Wasilla.	Long-term	<\$100,000	City of Wasilla Planning Commission Downtown Landowners
		iii. Institute development incentives, such as replatting initiatives and business improvement districts.	Mid-term	\$100,000 - \$500,000	Matanuska-Susitna Homebuilders Association
		iv. Create a program where the City purchases available parcels to hold for potential replatting.	Long-term	>\$500,000	
*Indicates an entity recommended to be established but not yet in existence					

## Form-Based Codes

- Form-based codes emphasize building types, design, and parking location versus land uses and density. This type of zoning can bring cohesiveness to an area, while allowing the owner to determine the use of the building. The community aesthetics are more stable throughout the years, while the uses may be quite dynamic.
- Districts define form-based codes, and there is an awareness of the relationship between multiple elements like roads, parking, neighborhoods, and retail corridors.

## Overlay Zoning Districts

- An Overlay Zoning District would create a distinct district that delineates specific regulations within the current zoning boundaries. This zoning district can be arranged to protect certain resources (e.g., the historic town site), or promote a specific type of development in a particular area (e.g., community gathering places or tourist services).
- Overlay zoning districts should be created in Downtown to promote government office development and mixed use.
- Overlay zoning districts should include provisions requiring specific design, public art, or landscaping elements that contribute to the distinctiveness of the district.

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### PLATTING AUTHORITY

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*Platting configures parcels of land, either dividing or consolidating them.*

- Downtown has several small vacant parcels that are difficult to develop because of the lot size. The City should coordinate with the Matanuska-Susitna Borough to identify ways to streamline the platting process for combination of these lots as an incentive to stimulate development.
- This would reduce the burden on the Matanuska-Susitna Borough and provide Wasilla with increased autonomy and increased efficiency with re-platting and development.

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### LAND BANK

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*A municipal land bank can be organized to work as a real estate arm of the City to consolidate land by purchasing and reselling key parcels that have been identified for targeted future land uses.*

- The City should establish a land bank that serves as a repository for land with the intent that the parcels will later be disposed.
- The land bank can include and manage parcels of City land that are currently vacant.
- The land bank can also strategically purchase parcels that are too small for development but would be adequate if re-platted into larger parcels.
- Disposal or acquisition of land must be at fair market value and can occur by any method including outright sale or exchange.

Matanuska-Susitna School District

The School District is responsible for locating, planning, and constructing new school facilities, and for programming improvements to existing facilities. There are a number of recommendations

in Section 3 of this plan that should be considered by the School District.

Taxes, Fees, & Other Economic Incentives

The Matanuska-Susitna Borough can provide a number of economic development incentives, including tax deferrals and abatements, issuing revenue bonds and providing fast track permitting.

The City of Wasilla and the Matanuska-Susitna Borough should discuss potential uses of these tools to promote plan implementation.

**Existing Tools and Mechanisms – State of Alaska**

Transportation Capital Project Programming

State funding for major transportation projects is programmed through the State Transportation Improvement Program (STIP), and is usually

guided by recommendations from the City on their transportation priorities. The City should work with state transportation planners to incorporate plan recommendations into transportation priorities.

Property & Facility Investments & Decision

The State of Alaska makes decisions on the location and leasing of state office buildings, disposition and use of state properties. The City should work with

state facility planners to incorporate plan recommendations into facility decision-making.

**New Tools and Mechanisms – City of Wasilla**

Downtown Business Improvement District/Redevelopment Authority

Establishment of a Downtown business improvement district and/or Redevelopment Authority can provide a means of encouraging infill development and sharing the cost of infrastructure improvements. It can also help the City promote

catalytic development projects such as public office buildings and mixed use development complexes, and organize special events that bring people Downtown.

A Business Development District can be run as a voluntary association of a formal organization with bylaws. Typically, a formal business improvement district is funded by a special tax assessment, with revenues dedicated to supporting activities within the district. There are a number of models and guidelines that can be investigated should this be of interest to the City and Downtown property and business owners.

Municipal Land Bank & Revenue Bonds

Municipal Land Bank programs are used to acquire lands for a variety of public purposes, including lot acquisition and consolidation for public facilities or resale to private parties for development. Resale

could be used to encourage mixed use and higher density residential development. Options

for initial funding of land acquisition include an investment of general revenue funds, use of revenue bonds similar to those used by utilities, and state and federal grants. Ultimately, sale of lands under the program would cover the majority of program costs.

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#### Gateway Committee

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Some communities form citizen committees to help develop community branding and tools for “way finding” – directing residents and visitors to community events, attractions, and facilities. This could be accomplished as a subcommittee to the Wasilla Chamber of Commerce, or as a special committee of the Parks and Recreation Commission or Planning Commission.

### Actions and Responsibilities

#### Actions

**Actions** are projects undertaken to achieve the objectives. They can be monitored and evaluated for success. Specific implementation actions that have been recommended to address issues, goals, and objectives are presented in Section 3 of this document, and are listed as ongoing actions or short-term, mid-term, and long-term priorities.

#### Responsibilities

**Responsibility** for implementing actions is what makes a planning effort successful, and cannot fall to the City alone. Implementation will require a partnership between government (City, Matanuska-Susitna Borough, and state), businesses, community organizations, and landowners to attain the goals and objectives of this plan. Specific recommendations for implementation responsibility to address issues, goals, and objectives are presented in Section 3 of this document. It will take leadership among the recommended partners to convene a group to address the recommended policy actions.

#### Annual Review

Monitoring progress of the Wasilla Downtown Area Plan is an important element of implementation. Each year, the plans need to be reviewed to recognize our progress on meeting our goals and objectives. The Planning Department will coordinate this annual review with all City departments, and as appropriate, with other entities that have been identified as a partner to accomplish the goals and objectives.

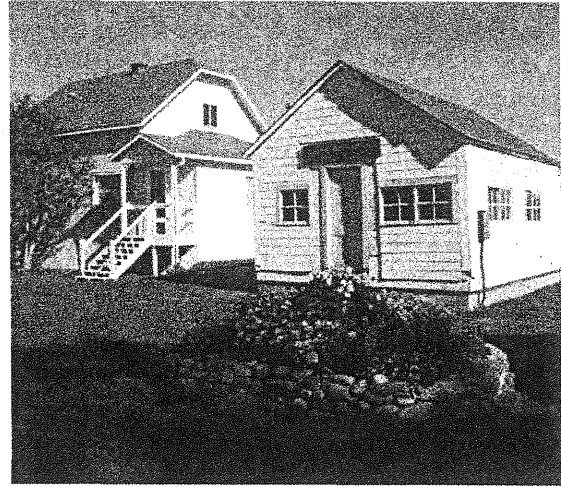


## Chapter 5. Downtown

### 5.1 Current Conditions and Trends

#### *What Downtown?*

The City's Downtown does not have easily definable boundaries. Those not familiar with the City might wonder if there is a Downtown. For the purposes of describing the current conditions, the historic town site area is currently the "core" or heart of Downtown, surrounded by a larger area, which could eventually support a more defined Downtown (see Figure 7).



*Wasilla's Original Post Office and Historic Town Site*

Currently, Downtown has a variety of land uses including public facilities retail, housing, and offices. Public facilities include the historical museum and historic building complex, City Hall and offices, public library, parks, and the post office.

In 1917, a plat of small lots was auctioned off by the Alaska Railroad Commission, effectively creating what is now the Downtown district. From this beginning, a small crossroads commercial area has expanded east and west along the present Parks Highway to become the major commercial corridor of the Matanuska-Susitna Valley.

Until the population boom years of the last two decades, the City never had the opportunity to develop a traditional pedestrian-friendly mixed-use Downtown like older communities that grew during pre-automobile times. Instead, the recent period of growth followed the "suburban", highway-oriented development pattern classic to highway corridors in America. The original small lots of Downtown are not conducive to this development pattern and have been overlooked as development sites.

Creating a traditional town center is still possible for the City. The most important factor is that the market conditions are conducive for growth. There is significant room in the marketplace for retail, service and hospitality businesses.

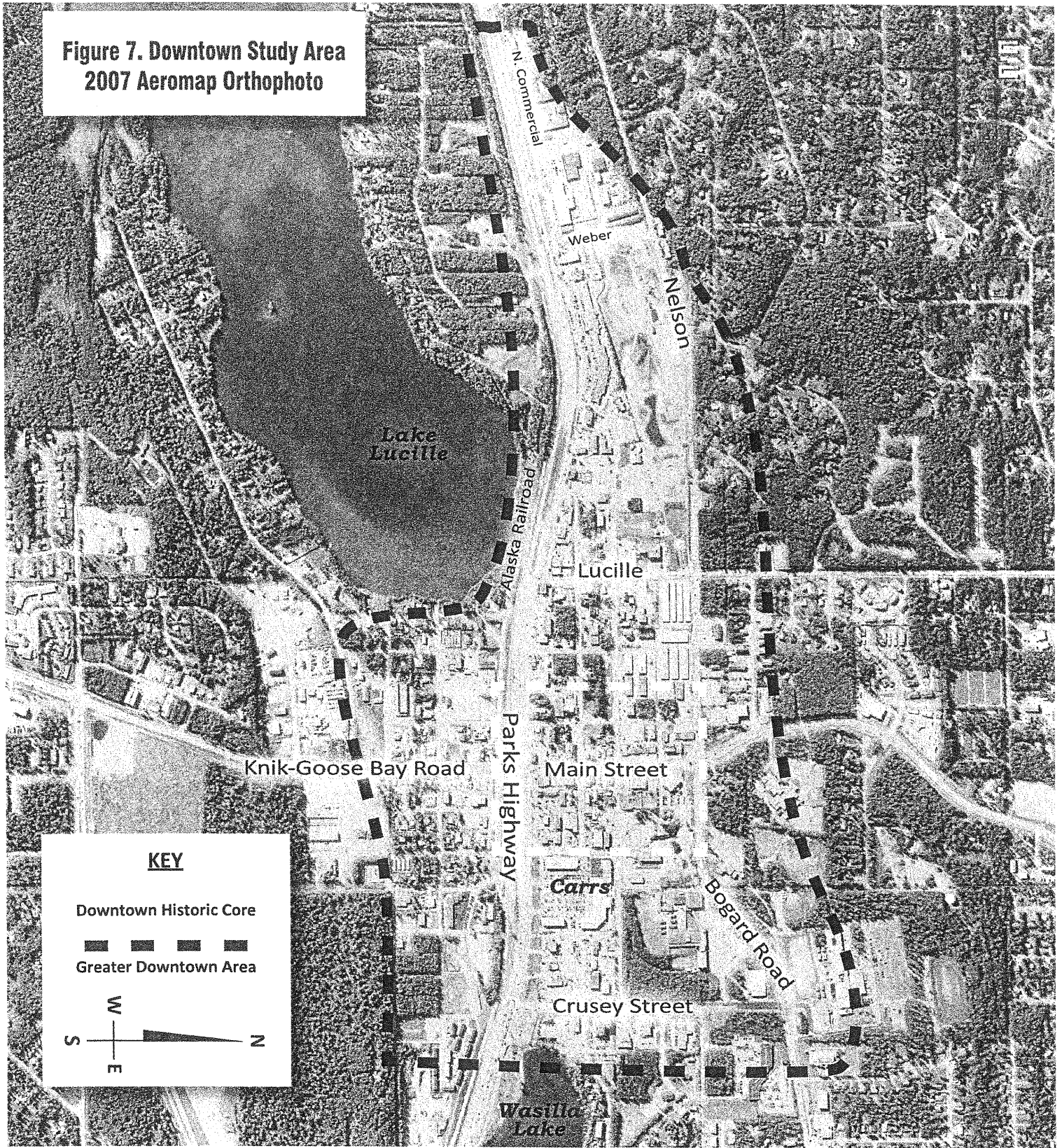
Remnants of the original fabric of the crossroads Downtown includes several historic structures, the museum, and historic town site complex, City Hall, and post office to serve as Downtown anchors. The existing small lot sizes can even become an asset for developing small businesses if the zoning codes are amended to enable commercial uses. At a minimum, revisions are needed to the minimum required setbacks and parking requirements.

#### *Community Input*

A week-long planning charrette was conducted for the City's Downtown in late October 2009. This included meetings with City officials, business leaders, walking tours, and three evening planning workshops with the public. In between meetings, concepts for the Downtown were sketched for presentation at the planning workshops.

# Chapter 5

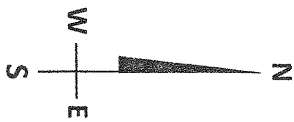
Figure 7. Downtown Study Area  
2007 Aeromap Orthophoto



### KEY

Downtown Historic Core

Greater Downtown Area



## Downtown

Current issues identified by workshop participants with Downtown include:

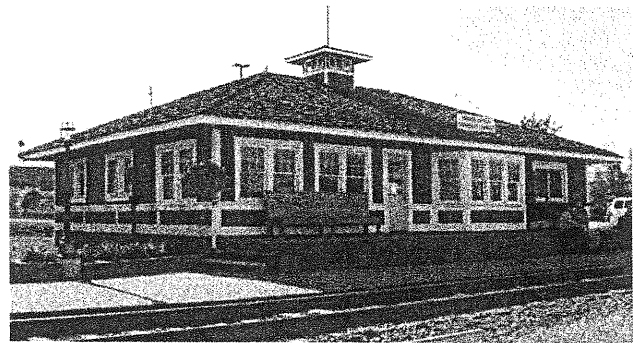
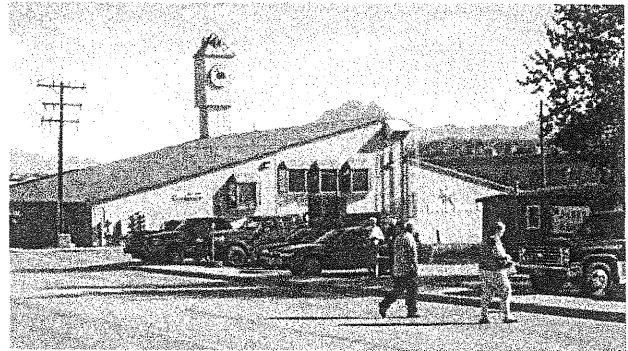
- Traffic congestion, especially related to vehicle stacking on Main Street for access to the Parks Highway.
- Poor pedestrian connectivity and a lack of sidewalks and crosswalks throughout the Downtown area.
- No identity as a Downtown district; looks like a strip mall and lacks personality.
- Appearance of buildings, streets, and sidewalks detract from economic development potential
- Lack of places to gather, learn, and enjoy arts and culture (need new Library and Valley Performing Arts Theater).
- Need a Downtown park as a gathering place and green area
- Need gateway entrances to town
- Identify Downtown boundaries

Opportunities identified by participants include:

- Market potential for growth
- Desire by the community to develop a vibrant Downtown
- Access and location
- Parks and open space

The planning charrette defined both the physical and built environment business owners and residents desired for Downtown. Rough sketches were produced during the charrette to communicate these ideas. These ideas would require extensive changes to the Downtown area. The concept plan features:

- **Pedestrian Focus:** Sidewalks should be constructed on both sides of all Downtown streets. Buildings are oriented to the sidewalk and street rather than parking lots and have minimal or no setbacks from the sidewalks. Crosswalks define safe pedestrian zones at intersections.

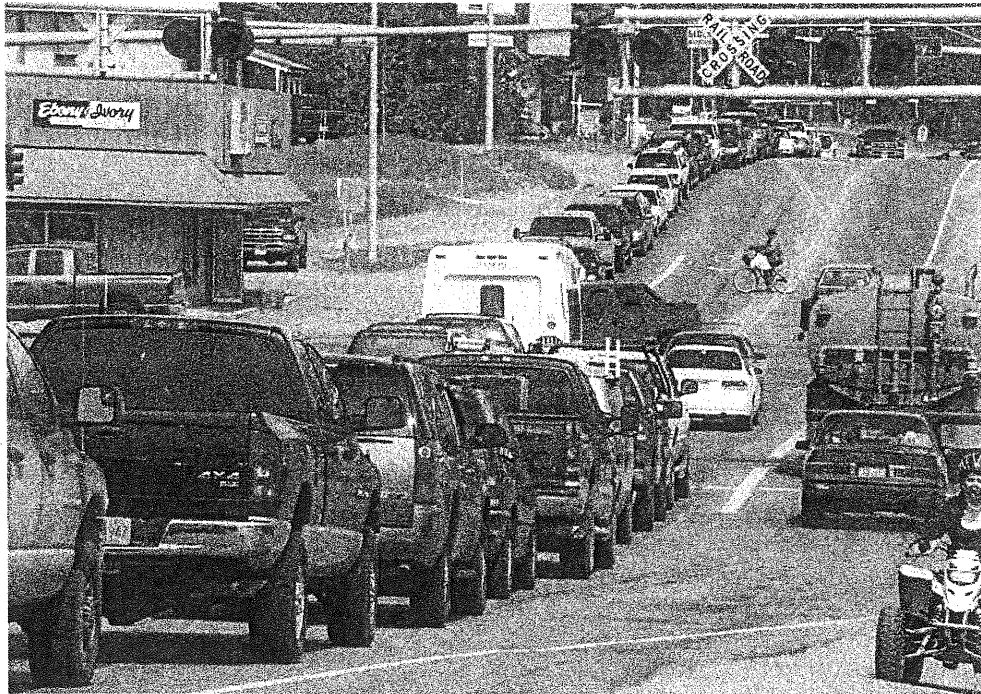


*Several unique, historic and well-located buildings are already in place in the Downtown core, providing cornerstones for future development with a stronger identity.*



## Chapter 5

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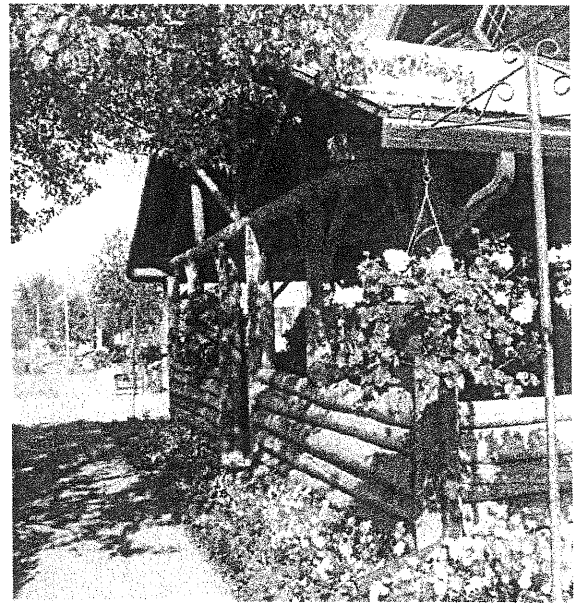


*Major roadway projects, including a Yenlo and Main Street couplet system are needed to address Downtown's traffic issues at Main Street, Knik-Goose Bay Road, the railroad, and Parks Highway.*

- **Improved Traffic Flows:** A one-way couplet should be constructed to improve traffic flows around Downtown. The Yenlo and Main Street couplet is a key project to move forward. On-street parking is essential for Downtown and must be included the project.
- **Town Square:** Residents liked the idea of a town square to add green space and a place for gatherings and celebrations in Downtown. There are two possible locations for the town square as shown in the concepts.
- **Building Form:** Two- and three-story commercial buildings should be developed in a zero lot line form, right up to the sidewalk. Private parking lots can be constructed in the rear of the buildings. Retail and service businesses should be located on the ground level, with office and residential use on upper floors. A 2009 Retail, Office and Lodging Study completed by the Gibbs Planning Group for this planning effort demonstrates that the City could add considerable retail, office and lodging development, some of which may be captured in the Downtown area.
- **Parking:** On-street parking throughout Downtown will serve to calm traffic and support business development. This will add a considerable parking inventory to Downtown and is sufficient for the development conceptualized. Additional parking may be located at the rear of buildings. Larger developments may require the construction of parking structures.
- **Landscaping:** Landscaped areas will add beauty and visual interest to Downtown. Gateway landscaping treatments at the intersections of Yenlo, Boundary and Main streets and the Parks Highway will attract attention to the Downtown.
- **Streetscape:** Clean, attractive sidewalks and pedestrian scale lighting fixtures will enhance the business district and appeal to pedestrians and shoppers. Fancy and expensive streetscape treatments are not necessary.

In October 2010 a final public meeting was held where residents were asked to articulate priorities for enhancing Downtown. Residents' input requested that the City focus at first in the core area of Downtown, and preserve and build on pre-statehood historical elements. Most residents expressed support for creating a "Main Street U.S.A" atmosphere, with some support for whole block re-development and taller structures in key locations to create more interest and energy Downtown.

As a tool for implementing what was envisioned in the charrette, this Plan recommends that the City and key Downtown interests explore "Overlay Zoning" to include land use provisions and specific design standards that are compatible with community needs. A general area to consider for the overlay is the Greater Downtown Area (see Figure 7).



*Downtown sidewalks, on-street parking, and streetscape adds appeal for pedestrians and shoppers.*

## 5.2 Desired Future Conditions

The City has a definable Downtown based around the historic town site with these attributes:

- It is pedestrian friendly, with sidewalks and crosswalks at street intersections.
- The area is attractive, with landscaping and good architecture that represents an Alaskan image and fits in with the spectacular natural surroundings.
- Downtown has convenient, on-street parking and easy access.
- Mixed uses are present, combining ground-level retail with office and housing in upper stories of buildings, as market conditions allow.
- The area is vibrant, attracting residents and tourists with a variety of specialty shops and activities, at all hours of the day and evening and in all seasons.

<b>City of Wasilla Resident Opinions Regarding Downtown</b>	
✓	<p>Residents are generally supportive of "Redevelopment of the Downtown Area to strengthen its role as a town center":</p> <p style="text-align: center;"><i>33% residents - Very Supportive</i>  <i>34% residents - Somewhat Supportive</i>  <i>16% residents - Not Sure</i>  <i>17% residents - Not Supportive</i></p>
✓	<p>Many residents believe that Wasilla "should strengthen small city identity":</p> <p style="text-align: center;"><i>24% residents - Strongly Agree</i>  <i>31% residents - Agree</i>  <i>30% residents - Neutral</i>  <i>10% residents - Disagree</i>  <i>6% residents - Strongly Disagree</i></p>
✓	<p>Residents have mixed views about "developing physical enhancements in the Downtown (e.g. gateways, streetscapes)":</p> <p style="text-align: center;"><i>24% residents - Very Supportive</i>  <i>34% residents - Somewhat Supportive</i>  <i>17% residents - Not Sure</i>  <i>25% residents - Not Supportive</i></p>

*Source: 2010 Community Survey (see page 1-4)*

## Chapter 5

### 5.3 Goals, Objectives, and Actions

#### Goal 1. Promote and encourage development and redevelopment within the Downtown area.

Objective	Actions
<p>1.1 Adopt land use policies that encourage a mix of land uses in the Downtown area that create and establish a more vibrant town center, create a gathering place for residents and visitors, and a focus for business and cultural activities.</p>	<p>1.1.1 Create a Downtown overlay zoning district that incorporates Wasilla’s historic center (see Downtown overlay concept map). Develop land use regulations and development standards that encourage new development/redevelopment, appropriate land use patterns, and a cohesive town center.</p> <p>1.1.2 Consider developing an incentive based policy or other solutions to help reduce lot fragmentation of potentially valuable commercial sites.</p> <p>1.1.3 Support developer’s efforts to reconsolidate Downtown lots for high-quality development that will enhance the historic Downtown district.</p> <p>1.1.4 Adopt land use policies that allow development of multi-story buildings with street-level commercial and office uses with upper-story residential units in the Downtown area.</p>
<p>1.2 Identify opportunities to develop civic investments that revitalize the Downtown area and reinforce its identity as an attractive civic center.</p>	<p>1.2.1 Support partnership approaches that leverage funding and community support to help build a new library, expanded Valley Performing Arts Theater, town square, streetscape, sidewalks, and lighting in the Downtown core.</p> <p>1.2.2 Design and improve Downtown streets to encourage walking, on-street parking, covered walkways, and additional curbs and gutters.</p> <p>1.2.3 Work closely with ADOT&amp;PF on major road projects, including the Yenlo Street Extension/Main Street Couplet and the Parks Highway Alternative Route development, to ensure that roadway’s are upgraded to re-shape core area circulation for walkability, on-street parking, and to include streetscape design opportunities.</p>
<p>1.3 Improve pedestrian access in the Downtown area.</p>	<p>1.3.1 Work with roadway facility designers and community members to define basic functional and aesthetic parameters for streetscape improvements in the Downtown area.</p> <p>1.3.2 Dedicate city, state, and federal resources as available to developing Downtown’s streetscape infrastructure, including wide sidewalks and pedestrian amenities.</p> <p>1.3.3 Partner with Downtown business and property owners on improvement and management issues related to improving the Downtown pedestrian environment (parking needs, sidewalk upgrades, and regular snow clearing and maintenance).</p>

**Goal 2. Build the partnerships and develop the community capacity required to transform Downtown.**

Objective	Actions
2.1 Bring key stakeholders together to help mobilize implementation of a Downtown overlay zoning district.	2.1.1 Engage key stakeholders and involve them in creating and assisting with the implementation of the Downtown overlay zoning district, potentially through a Downtown Development committee.
2.2 Create public-private partnerships that can leverage resources to implement the Downtown overlay zoning district.	2.2.1 Encourage the creation of a business improvement district among core area businesses to supplement city services and invest in the Downtown’s maintenance, marketing, and the common improvements that help attract residents and visitors.



*Wasilla’s business district in 1974 (aerial, above) was focused in a “node” at the major crossroads. Today, much of the main business activity has become linear in nature, and spread along the highway corridor, making it harder to identify Wasilla’s “Downtown.”*

By: Planning  
Public Hearing: 07/09/13  
Adopted: 08/13/13

**WASILLA PLANNING COMMISSION  
RESOLUTION SERIAL NO. 13-04(AM)**

**A RESOLUTION OF THE WASILLA PLANNING COMMISSION RECOMMENDING THAT THE WASILLA CITY COUNCIL RETAIN OWNERSHIP OF THE META ROSE SQUARE PROPERTY LOCATED ON LOT 5A, BLOCK 1, FRED NELSON SUBDIVISION. GENERALLY LOCATED AT THE NORTHWEST CORNER OF HERNING AVENUE AND YENLO STREET.**

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WHEREAS, the Wasilla City Council adopted the updated Comprehensive Plan in 2011, which contains goals and objectives that will promote and encourage development and redevelopment in the downtown area and encourage a mix of land uses necessary to create a more vibrant downtown; and

WHEREAS, the City hired a consultant to prepare a Downtown Area Plan that is currently scheduled for approval by the Planning Commission on July 9, 2013; and

WHEREAS, the draft Downtown Area Plan recommends that the City create a land bank to purchase parcels as they become available to hold for potential re-platting of small lots and provide lots for sale to developers that will create projects that will encourage development and that will include a mix of uses needed to create an attractive and diverse downtown that will attract residents and visitors; and

WHEREAS, other cities and communities have successfully created programs to purchase lands within areas targeted for redevelopment and then offer them for sale via a request for proposal-type process to generate development is consistent with the adopted plans; and

WHEREAS, on July 9, 2013, the Wasilla Planning Commission held a public hearing on the proposed sale; and



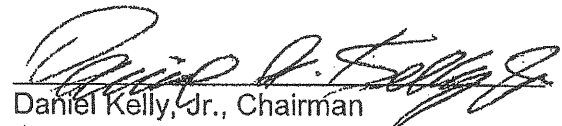
WHEREAS, the Wasilla Planning Commission deliberated on the proposed sale of the Meta Rose Square property; and

WHEREAS, the Wasilla Planning Commission finds that the proposed sale is in the best interests of the City but recommends that the City first obtain an opinion from a consultant determining the best future use of that area of the downtown as it relates to the City's Downtown Area Plan and Comprehensive Plan and then sell the property via an RFP process.

NOW, THEREFORE BE IT RESOLVED, that the Wasilla Planning Commission hereby recommends that the City of Wasilla retain ownership of the Meta Rose Square property and continue to lease the building until such time as the City identifies targeted land uses that are consistent with the Downtown Area Plan and will create a vibrant, revitalized downtown.

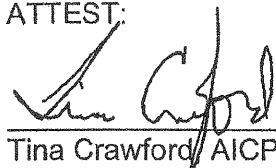
ADOPTED by the Wasilla Planning Commission on August 13, 2013.

APPROVED:

  
Daniel Kelly, Jr., Chairman

8/27/2013

ATTEST:

  
Tina Crawford, AICP, City Planner

VOTE: Passed Unanimously



# CITY OF WASILLA

• Planning Office •

290 East Herring Avenue • Wasilla • Alaska • 99654-7091

• Telephone 907-373-9020 •

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## MEMORANDUM

**DATE:** July 2, 2013

**TO:** Wasilla Planning Commission

**FROM:** Tina Crawford, AICP, City Planner

**RE:** Proposed Sale of Meta Rose Square  
290 N. Yenlo Street, Wasilla, AK - Tax ID#: 2523B01L005A  
Lot 5A, Block 1, Fred Nelson Subdivision (Resub. Wasilla Townsite, Block 1E)

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At the March 11, 2013 City Council Meeting, the Council approved Action Memorandum No. 13-07, which directs Administration to proceed with the sale of the Meta Rose Square property referenced above. The recommendation was to sell the property since it was originally purchased for use as a library but now competes with private sector retail property management entities since it is used as a commercial building.

The requirements for the sale of any city-owned land are contained in WMC 5.32, Sale or Lease of Public Lands (copy included in the packet). The Code allows the sale of property when the lands are "...not needed for, or devoted to, a municipal purpose...and in such case where such sale or lease would be in the best interest of the public" (WMC 5.32.010) and when "...Such sale or exchange is to the best interest of the city" (WMC 5.32.100.A.4). Sale of city land requires that the City Council approve an ordinance that identifies the parcels for sale, the manner of disposition, and any special terms and conditions. However, prior to adoption of an ordinance, WMC 5.32.060(B) requires that Planning Commission review the proposed sale and make a recommendation to the City Council regarding the proposed sale prior to the Council approving an ordinance.

In determining whether the sale of the property is in the best interest of the public and that the property is not needed for a municipal purpose, staff reviewed the 2011 City of Wasilla Comprehensive Plan and the draft Downtown Area Plan. Both of these documents clearly outline the resident's desire for a revitalized downtown that is walkable and contains a mix of land uses. The draft Downtown Area Plan specifically described the need for a City land bank so the City can purchase properties to incentivize development in the downtown area. Incentives can include re-platting several small lots into larger lots, improving infrastructure on or around the site, financing the sale of the property, etc.

Land bank-type programs have been successfully used by other cities and communities to purchase land and buildings within areas that are targeted for redevelopment (e.g. downtown, neighborhoods, blighted areas) and then offer them for sale to potential developers. The sales are handled as part of a Request for Proposal (RFP) or similar process, which requires the developer to provide information on the proposed project, including architectural drawings and the proposed use of the property, and that the proposed structure and/or uses are consistent with adopted area plans. Copies of news stories, RFPs, and information describing the development/re-development requirements that must be met in order to purchase the properties are included in this packet.

The Meta Rose Square property is in an ideal location to serve as a catalyst for future development and improvements in the downtown area. Prior to the sale of this property and any other properties in the downtown area, the City should have a consultant prepare a detailed future development plan for the downtown area and an updated market analysis to determine the best mix of uses needed to create a vibrant downtown. Then, city-owned properties in the downtown area can be offered for sale via the RFP process to help stimulate growth and redevelopment in the downtown area.

Based on the City's desires to redevelop and revitalize the downtown area as codified in the Comprehensive Plan and draft Downtown Area Plan, staff is requesting that the Planning Commission approve Resolution Serial No. 13-04, which recommends that the City Council retain ownership of the Meta Rose Square property at this time.

# CAMERON SHARICK

LIMITED LIABILITY COMPANY

POSTAL  
167 PARK AVENUE  
WASILLA ALASKA 99654  
USA

AREA CODE 1907  
VOICE 376 3239  
FACSIMILE 373 6883  
DATA 376 3236

REPLY EMAIL  
csharick@gci.net

LAWYER

June 12, 2014  
Archie Giddings  
Public Works Director  
City of Wasilla  
290 E. Herning Avenue  
Wasilla, AK 99654

RE: Meta Rose (Lot 5A, Block 1, Fred Nelson E, Plat 83-178)

Dear Mr. Giddings:

The following points are based on the information identified in this letter.

1. Subject Property.

In December 2009, COW purchased this property (Meta Rose) and another lot (Crazy Moose parking lot). The Meta Rose purchase included personal property (paintings, bench, restaurant fixtures and equipment) and assignments of 9 tenant leases (\$14,994.27/mo.).

The condition of title has not changed. See, 12/09 title policy and 6/14 owner's consultation report. There are currently 6 tenant leases (est. \$9200/mo.): American Lung Assn., Alaska Assn. of Conservation Districts, Pataya Sushi, Area 51 Hobbies, Flowers by Louise, Younique Boutique. A sale of this property would include an assignment of these leases, and restaurant fixtures and moveable equipment (required for Pataya tenant) plus other personal property on the premises which the City does not want to retain. The City's standard tenant lease (Sec. 12.12) says the City will be released from its obligations as landlord if the subject property is sold (with these leases being assigned to the buyer). The City would require a buyer to assume the leases and release the City from its landlord obligations as a condition of sale.

2. Sale with Restrictions.

Tina Crawford, City Planner, and I had detailed discussions on planning concerns that might be addressed by placing land use conditions on the sale of the property. To that end, she provided and I reviewed the Comprehensive Plan, Downtown Area Plan and the following records (including attachments): Wasilla Planning Commission Resolution 13-04AM, and IM 13-12 (Planning Commission Recommendation) and IM 14-03 (Council Discussion). In addition, I walked through the building and talked with the tenants.

- a. Overlay Zoning & Grandfather Rights. The Planning Department is developing design and use standards that will be incorporated in a Downtown Overlay Zoning District. Meta Rose would be included in that district. However, the Meta Rose building and uses (along with other similarly-situated, improved and operating properties) typically would be "grandfathered in" on the date the overlay zoning becomes effective. For this reason, overlay zoning may have little or no initial impact on Meta Rose and other improved, operating properties at the time the zoning district is created. Consequently, it may not matter whether the City sells Meta Rose before or after the overlay zoning district is created in this context.
- b. Restriction on Meta Rose Property. The Planning Department has considered whether land use restrictions should be placed on Meta Rose as a condition of sale. The general types of restrictions identified by Planning relate to design and uses compatible with the Downtown Area Plan, which are intended to be specifically identified through overlay zoning in the future.

In general, design standards in zoning apply to new construction (including after teardown of existing buildings) and exterior renovation of existing buildings (and/or landscaping, exterior signage, walkways, etc.). They do not apply to existing buildings or exterior features on the property. For example, design standards imposed through zoning typically would not apply to the Meta Rose building or other exterior features that exist on the date that overlay zoning becomes effective. Instead, the property would become subject to those rules when a triggering event occurred (post-zoning major renovation or rebuild). This balance preserves the existing property rights of land owners and allows zoning to achieve uniformity over time (including through new development of raw land, such as the Crazy Moose parking lot, and renovation of improved property in the zoning district).

In general, use standards in zoning are intended to achieve the desired mix of uses for district as a whole, not for a specific property. In addition, use standards often prohibit incompatible uses (such as no strip clubs) for the district as a whole, but do not impose use restrictions on just one specific property.

Currently, the Planning Department is in the process of developing specific design or use standards to be incorporated in the overlay zoning district. For that reason, we have no way of knowing whether any land use restriction imposed on the Meta Rose property today will be compatible with the as-yet unknown zoning standards to be implemented in the future. In that context, restrictions may and, likely often do, limit the pool of buyers because restrictions take away an owner's property rights and, in the case of Meta Rose, the buyer will have no guaranty that his neighbors (including competitors) will be subject to the same restrictions (since overlay zoning is not in place). That said, the City should impose specific restrictions on the Meta Rose property in anticipation of a sale if there is an important municipal purpose to be served.

3. Meta Rose Sale. The decision to sell, including timing, involves various factors. For example, the owner may have an immediate need for cash, the property may be too burdensome to retain or not useful, and/or the marketability of the property may seem favorable based on local conditions. Professionals, like brokers, appraisers, lawyers or accountants, may provide opinions and information to assist an owner. In the end, the owner is left to decide whether and when to sell, and those decisions depend on the owner's assessment of the factors which that owner decides are most important.

The following information was provided to me:

- a. Council Ordinance 09-76 (12/28/09): This ordinance says:  
"the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library."
- b. Council Resolution 10-06 (1/11/10): This resolution says the DeArmoun's sold Meta-Rose to the City with a \$500,000 discount to support a future library.
- c. Council AM 13-07 (3/11/13): This memorandum says Meta Rose was purchased for use as a library. Since a different site has been chosen, Meta Rose "is not needed for, or devoted to, a municipal purpose. Ownership of this property places the City of Wasilla in direct competition with the private sector retail property management entities." The Council directed the administration to proceed with the sale of Meta Rose and authorized the Mayor to obtain a broker's opinion.
- d. Planning Resolution 13-04 (8/13/13): This resolution recommends the City retain ownership of Meta Rose and continue to lease the building until the City identifies targeted land uses that are consistent with the Downtown Area Plan and will create a vibrant, revitalized downtown.
- e. IM 13-12 (9/9/13): This memorandum explained the Planning Commission recommendation above. It makes these points:

The Commission based its recommendation on the 2011 Comprehensive Plan and 2013 Downtown Area Plan Amendment, which “clearly outline the resident’s desire for a revitalized downtown that is walkable and contains a mix of land uses,” and “described the need for a City land bank so the City can purchase properties to incentivize development in the downtown area.”

The Commission agreed Meta Rose is an ideal location to service as a catalyst for future development and improvements in the downtown area. Prior to selling Meta Rose, the Commission proposed that the Council obtain a detailed future development plan and an updated market analysis to create a vibrant downtown. Then, it recommended Meta Rose could be sold through an RFP process to ensure future uses and/or redevelopment of Meta Rose will help stimulate growth and redevelopment in the downtown area.

Alternatively, the Commission recommended that, if the property is sold without taking these steps, the City should restrict the property or impose these conditions of sale: whether the structure can be torn down and rebuilt, whether it should be a single or mixed-use building, etc.”

- f. IM 14-03 (1/13/14): The Council held a Committee of the Whole to discuss the Meta Rose sale. The purpose was to inform the Council about past actions of the Council and Planning Commission, and to discuss this topic with the Administration. The City Clerk attachment said the hope was to see if there is a general consensus on a path forward to sell it now, hold on to it for a few years, give ideas on stipulation from the Planning Commission, and other processes that will need to be considered. The City Clerk also provided direction on Wasilla Municipal Code, Chapter 5.32, Sale or Lease of Public Lands.

The State DCCED Division of Community and Regional Affairs published a manual titled *Municipal Land Acquisition and Disposal in Alaska* to assist local governments. It says (Appendix 6, p. 281):

The essential first step in a local government’s consideration of the sale of public land is to answer the question: “Just what are we trying to accomplish?” Most problems in a sale stem from the fact that the local governing body never had a clear answer to this question in the first place.

In general, the COW information recited above identifies two competing goals: (1) dispose of the property (now or in the short term) because it is no longer needed as a library site; and, (2) retain the property with the intention of selling it at some future time under conditions that would make the property a keystone of the Downtown Area Plan. The Council should choose one of the two goals, which will determine the next steps needed to implement that goal.

The following information might help the Council choose the best goal:

Troy Tankersley, City Finance Director, could explain, in municipal accounting/financial terms, points that he thinks are important, such as:

- What this Ordinance 09-76 language means: “the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library.” Specifically, what is the City’s “basis” in Meta Rose (one of two properties) and how are the “proceeds,” “net gain” and “cost” terms defined for this sale. This information will help the Council understand how money obtained from the sale will be committed.
- Meta Rose’s performance (income/expense) annually from 2010-present. This data will give the Council hard numbers on income v. cost. (It is important to identify or estimate “hidden costs,” meaning time and resources that City employees devote to operations, accounting, etc.

for this property.) Also, this information will allow the Council to see the overall trend under Municipal ownership. In that context, AM 13-07 points out that the City purchased this property for a public library, not to become a mall landlord which is now the case. That said, the City can retain the property and continue current operations if, in general, it has a municipal purpose that is in the public interest (for example, to delay a sale for market reasons, or to later use as a Downtown Area keystone per Planning recommendation).

- A projected budget, and/or main expense items (including items in next paragraph).

You might address points that you think are important on the physical plant and mall operations with the Council. For example, the building is about 30-years old. One consideration in retaining the property is whether major maintenance, repairs or replacements will be needed (since there is no reserve fund). Also, you might give the Council a copy of the 12/14/09 Burkhart Croft Analysis, which details the various building condition, deficiencies, etc. on the acquisition date. Given the age and condition of the physical plant, the pool of buyers would probably be reduced if the City decides to sell the property and places conditions related to whether the building can be torn down or rebuilt, single or mixed use and similar restrictions. You should also talk to the Council about the Main Street Couplet/Rehabilitation Project, and whether it would likely be a positive factor to a buyer today.

A broker's opinion might be useful. The Council should also take into account the time that the funds from the sale of this property will be needed for the library, and consider the difference in expected return between retaining the property (FMV) or holding sales proceeds in an account in the interim period.

If the Council decides to sell the property, it will need to identify any specific land use restrictions. Also, it will need to decide whether to sell through a public auction or sealed bid (RFP) to the highest qualified bidder. WMC 5.32.040 A. Then, the Council can direct the administration to prepare the auction or RFP package for Council review and approval, after which the auction or RFP process can proceed and the property be sold. (Side note: WMC requires an appraisal that is not more than 6-months old as of the disposal of property, and that appraisal must include any restrictions on the use of the land. WMC 5.32.030.)

If the Council decides to retain the property, it is not necessary to take any disposal action at this time. However, I want to mention an alternative disposal provision that is useful in special situations, such as the one outlined by the Planning Commission. WMC 5.32.A.1.(d) provides:

The mayor may, with the approval of the city council by ordinance, negotiate a sale or exchange of city land without public auction or sealed bid if the following conditions exist: .... For a particular stated purpose in the best interests of the city, and the council approves the sale with appropriate findings and conditions.

Thank you for giving me the opportunity to work on this project. Please let me know if you have any questions or need further information.

Sincerely,

*Cameron Sharick*

Cameron Sharick

Meta-Rose Square Trend Data


	FY2014 (to date)	FY2013	FY2012	FY2011	FY2010	Total
Revenue	141,335.94	213,349.27	205,473.24	187,074.63	88,305.74	694,202.88
Operating Expenditures	93,872.87	56,193.01	77,256.70	85,339.91	47,579.26	266,368.88
Property Taxes	22,776.90	22,179.22	20,985.36	23,587.32		66,751.90
Capital Expenditures			25,525.50			25,525.50
<b>Net Income Excluding Wages &amp; Benefits (A)</b>	<b>24,686.17</b>	<b>134,977.04</b>	<b>81,705.68</b>	<b>78,147.40</b>	<b>40,726.48</b>	<b>335,556.60</b>

(A) Direct costs of materials, supplies and services relating to the Meta-Rose Square are charged to department 4332. However, no employee wages and benefits are allocated to the department for the maintenance, marketing and general property management of the building.

Occupancy Analysis - Based on Square Footage

Sq. Feet	No. of Months Occupied					Occupied Square Footage (for Calculation)					
	FY2014	FY2013	FY2012	FY2011	FY2010	FY2014	FY2013	FY2012	FY2011	FY2010	
All I Saw	4,757	-	12.00	12.00	12.00	6.00	-	57,084	57,084	57,084	28,542
Annabel's Books/Clumzy Clover Teahouse	2,060	7.00	12.00	12.00	12.00	6.00	14,420	24,720	24,720	24,720	12,360
Younique Boutique	2,009	12.00	12.00	11.00	12.00	6.00	24,102	24,102	22,094	24,102	12,051
Nail Salon	225	-	12.00	12.00	12.00	6.00	-	2,700	2,700	2,700	1,350
Flowers by Louise	2,479	12.00	12.00	12.00	12.00	6.00	29,748	29,748	29,748	29,748	14,874
Big Daddy's Tobacco	1,148	2.00	12.00	12.00	12.00	6.00	2,296	13,776	13,776	13,776	6,888
Pataya Sushi	929	12.00	12.00	12.00	12.00	6.00	11,148	11,148	11,148	11,148	5,574
Elevator Shaft	42	9.00	8.00	12.00	12.00	6.00	378	336	504	504	252
Cozy Nook	175	10.50	10.00	12.00	8.00	-	1,838	1,750	2,100	1,400	-
Basement	1,345	-	-	-	-	-	-	-	-	-	-
Upstairs	1,939	12.00	11.00	10.00	5.00	-	23,262	21,324	19,385	9,693	-
<b>Approx. Total Leasable Square Footage</b>	<b>17,107</b>	<b>205,284</b>	<b>205,284</b>	<b>205,284</b>	<b>205,284</b>	<b>102,642</b>	<b>107,192</b>	<b>186,688</b>	<b>183,259</b>	<b>174,875</b>	<b>81,891</b>
<b>Occupancy Rate</b>		<b>52.2%</b>	<b>91%</b>	<b>89%</b>	<b>85%</b>	<b>80%</b>					



Date of Action: 8.25.2014	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: Amended see notes page 2. 	

**CITY COUNCIL ACTION MEMORANDUM**

**AM No. 14-39(AM): Directing Administration to Proceed with the sale of Lot 5A, Block 1, Fred Nelson Subdivision E, Plat 83-87 (Meta Rose Square), by the sealed bid method of disposal.**

Originator: Council Members Leone Harris and Colleen Sullivan-Leonard  
 Date: 8/11/2014 Agenda of: 8/25/2014

Route to:	Department Head	Signature	Date
X	Public Works Director		
X	Finance Director		
X	Deputy Administrator		
X	City Attorney		
X	City Clerk		

Reviewed by Mayor Verne E. Rupright: \_\_\_\_\_

Fiscal Impact:  yes or  no Funds Available:  yes or  no

Account name/number/amount:  
 Account Name Account # Dollar Amount

Attachments: IM No. 14-12 (pp. 5)  
 Mat-Su Borough Real Property Detail for property (pp. 1)  
 WMC 5.32, Sale or Lease of Public Lands (pp. 8)

**Summary Statement:** In response to IM No. 14-12 presented to the Council on June 23, 2014, from Public Works Director Archie Giddings, in relation to the sale of Meta Rose Square. The City Council requests the Administration to proceed with the sale of the Meta Rose Square, Lot 5A, Block 1, Fred Nelson E, Plat 83-87, by the sealed bid method of disposal as required in Wasilla Municipal Code 5.32.040.

Per WMC 5.32.010, Lands available: *“All lands which the city holds title, and which in the opinion of the council are not needed for, or devoted to, a municipal purpose, may be leased or sold, as hereinafter provided for, and in such case where such sale or lease would be in the best interest of the public.”*

Per WMC 5.32.030, Appraisal required: *“No lands or any interest in land shall be sold or exchanged unless the same has been appraised by a qualified appraiser within six months prior to the date fixed for the sale or exchange. The mayor shall be responsible to have such appraisal made and it shall reflect any restrictions on the use of the land as offered for sale. Alternatively, the latest available Matanuska-Susitna Borough assessed value may be used (see attachment). No land shall be sold or exchanged for less than the approved minimum appraised or assessed value.”*

Therefore, per City Council request, the City Administration shall obtain a commercial appraisal on the Meta Rose Square property. An ordinance shall be brought back for action by the City Council to identify the amount necessary to procure a commercial appraisal for Meta Rose Square before the land may be published for sale.

Once the bids are opened and a buyer is qualified, an ordinance shall be brought back to the City Council to authorize the Mayor to proceed with the sale.

**Recommended Action:** Direct Administration to bring back an ordinance to appropriate funds from the Assigned Land Bank portion of the General Fund, Fund Balance, to obtain an appraisal of the property referenced above. Further to direct Administration per WMC 5.32.040 to proceed with the sale of the property by sealed bid method of disposal. Once a buyer is identified, an ordinance authorizing the sale of the land will be brought forward to the Council to proceed with the sale. The timeline shall be as follows:

- September 8 – Introduction of ordinance to appropriate funds for appraisal.
- September 22 – Adoption of ordinance to appropriate funds for appraisal.
- No later than November 3 – Appraisal due.
- **November 24 – During regular City Council Meeting hold a Committee of the Whole to discuss the appraisal, any recommendations from Planning regarding terms or conditions of sale, and adjust dates as needed of how to proceed.**
- *Tentative* - No later than December 15 – Requests for bids due.
- *Tentative* - January 12 – Introduction of ordinance to authorize the sale of the property.
- *Tentative* - January 26 – Adoption of ordinance to authorize the sale of the property.

CITY OF  
**WASILLA**  
 • ALASKA •




	Presented
Date Action Taken:	6/23/14
Other:	
Verified By:	K. Smith

**CITY COUNCIL INFORMATIONAL MEMORANDUM**

**IM No. 14-12: Meta Rose Square**

Originator: Public Works Director  
 Date: June 11, 2014

Agenda of: June 23, 2014

Route to:	Department Head	Signature	Date
X	Public Works Director		6/14/14
X	Finance Director		6-16-14
X	Deputy Administrator		6-16-14
X	City Clerk	K. Smith	6.16.14

Reviewed by Mayor Verne E. Rupright:



**Attachments:** Cameron Sharick Report (4 pages)

**Summary Statement:** Attached is a report from Cameron Sharick where she outlines the options for sale of the Meta Rose Square and limitations with respect to putting restrictions on a sale as suggested by the Planning Commission.

# CAMERON SHARICK

LIMITED LIABILITY COMPANY

POSTAL  
167 PARK AVENUE  
WASILLA ALASKA 99654  
USA

AREA CODE 1907  
VOICE 376 3239  
FACSIMILE 373 6683  
DATA 376 3236

REPLY EMAIL  
csharick@gci.net

LAWYER

June 12, 2014  
Archie Giddings  
Public Works Director  
City of Wasilla  
290 E. Herning Avenue  
Wasilla, AK 99654

RE: Meta Rose (Lot 5A, Block 1, Fred Nelson E, Plat 83-178)

Dear Mr. Giddings:

The following points are based on the information identified in this letter.

1. Subject Property.

In December 2009, COW purchased this property (Meta Rose) and another lot (Crazy Moose parking lot). The Meta Rose purchase included personal property (paintings, bench, restaurant fixtures and equipment) and assignments of 9 tenant leases (\$14,994.27/mo.).

The condition of title has not changed. See, 12/09 title policy and 6/14 owner's consultation report. There are currently 6 tenant leases (est. \$9200/mo.): American Lung Assn., Alaska Assn. of Conservation Districts, Pataya Sushi, Area 51 Hobbies, Flowers by Louise, Yunique Boutique. A sale of this property would include an assignment of these leases, and restaurant fixtures and moveable equipment (required for Pataya tenant) plus other personal property on the premises which the City does not want to retain. The City's standard tenant lease (Sec. 12.12) says the City will be released from its obligations as landlord if the subject property is sold (with these leases being assigned to the buyer). The City would require a buyer to assume the leases and release the City from its landlord obligations as a condition of sale.

2. Sale with Restrictions.

Tina Crawford, City Planner, and I had detailed discussions on planning concerns that might be addressed by placing land use conditions on the sale of the property. To that end, she provided and I reviewed the Comprehensive Plan, Downtown Area Plan and the following records (including attachments): Wasilla Planning Commission Resolution 13-04AM, and IM 13-12 (Planning Commission Recommendation) and IM 14-03 (Council Discussion). In addition, I walked through the building and talked with the tenants.

- a. Overlay Zoning & Grandfather Rights. The Planning Department is developing design and use standards that will be incorporated in a Downtown Overlay Zoning District. Meta Rose would be included in that district. However, the Meta Rose building and uses (along with other similarly-situated, improved and operating properties) typically would be "grandfathered in" on the date the overlay zoning becomes effective. For this reason, overlay zoning may have little or no initial impact on Meta Rose and other improved, operating properties at the time the zoning district is created. Consequently, it may not matter whether the City sells Meta Rose before or after the overlay zoning district is created in this context.
- b. Restriction on Meta Rose Property. The Planning Department has considered whether land use restrictions should be placed on Meta Rose as a condition of sale. The general types of restrictions identified by Planning relate to design and uses compatible with the Downtown Area Plan, which are intended to be specifically identified through overlay zoning in the future.

In general, design standards in zoning apply to new construction (including after teardown of existing buildings) and exterior renovation of existing buildings (and/or landscaping, exterior signage, walkways, etc.). They do not apply to existing buildings or exterior features on the property. For example, design standards imposed through zoning typically would not apply to the Meta Rose building or other exterior features that exist on the date that overlay zoning becomes effective. Instead, the property would become subject to those rules when a triggering event occurred (post-zoning major renovation or rebuild). This balance preserves the existing property rights of land owners and allows zoning to achieve uniformity over time (including through new development of raw land, such as the Crazy Moose parking lot, and renovation of improved property in the zoning district).

In general, use standards in zoning are intended to achieve the desired mix of uses for district as a whole, not for a specific property. In addition, use standards often prohibit incompatible uses (such as no strip clubs) for the district as a whole, but do not impose use restrictions on just one specific property.

Currently, the Planning Department is in the process of developing specific design or use standards to be incorporated in the overlay zoning district. For that reason, we have no way of knowing whether any land use restriction imposed on the Meta Rose property today will be compatible with the as-yet unknown zoning standards to be implemented in the future. In that context, restrictions may and, likely often do, limit the pool of buyers because restrictions take away an owner's property rights and, in the case of Meta Rose, the buyer will have no guaranty that his neighbors (including competitors) will be subject to the same restrictions (since overlay zoning is not in place). That said, the City should impose specific restrictions on the Meta Rose property in anticipation of a sale if there is an important municipal purpose to be served.

3. Meta Rose Sale. The decision to sell, including timing, involves various factors. For example, the owner may have an immediate need for cash, the property may be too burdensome to retain or not useful, and/or the marketability of the property may seem favorable based on local conditions. Professionals, like brokers, appraisers, lawyers or accountants, may provide opinions and information to assist an owner. In the end, the owner is left to decide whether and when to sell, and those decisions depend on the owner's assessment of the factors which that owner decides are most important.

The following information was provided to me:

- a. Council Ordinance 09-76 (12/28/09): This ordinance says:  
"the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library."
- b. Council Resolution 10-06 (1/11/10): This resolution says the DeArmoun's sold Meta-Rose to the City with a \$500,000 discount to support a future library.
- c. Council AM 13-07 (3/11/13): This memorandum says Meta Rose was purchased for use as a library. Since a different site has been chosen, Meta Rose "is not needed for, or devoted to, a municipal purpose. Ownership of this property places the City of Wasilla in direct competition with the private sector retail property management entities." The Council directed the administration to proceed with the sale of Meta Rose and authorized the Mayor to obtain a broker's opinion.
- d. Planning Resolution 13-04 (8/13/13): This resolution recommends the City retain ownership of Meta Rose and continue to lease the building until the City identifies targeted land uses that are consistent with the Downtown Area Plan and will create a vibrant, revitalized downtown.
- e. IM 13-12 (9/9/13): This memorandum explained the Planning Commission recommendation above. It makes these points:

The Commission based its recommendation on the 2011 Comprehensive Plan and 2013 Downtown Area Plan Amendment, which “clearly outline the resident’s desire for a revitalized downtown that is walkable and contains a mix of land uses,” and “described the need for a City land bank so the City can purchase properties to incentivize development in the downtown area.”

The Commission agreed Meta Rose is an ideal location to service as a catalyst for future development and improvements in the downtown area. Prior to selling Meta Rose, the Commission proposed that the Council obtain a detailed future development plan and an updated market analysis to create a vibrant downtown. Then, it recommended Meta Rose could be sold through an RFP process to ensure future uses and/or redevelopment of Meta Rose will help stimulate growth and redevelopment in the downtown area.

Alternatively, the Commission recommended that, if the property is sold without taking these steps, the City should restrict the property or impose these conditions of sale: whether the structure can be torn down and rebuilt, whether it should be a single or mixed-use building, etc.”

- f. IM 14-03 (1/13/14): The Council held a Committee of the Whole to discuss the Meta Rose sale. The purpose was to inform the Council about past actions of the Council and Planning Commission, and to discuss this topic with the Administration. The City Clerk attachment said the hope was to see if there is a general consensus on a path forward to sell it now, hold on to it for a few years, give ideas on stipulation from the Planning Commission, and other processes that will need to be considered. The City Clerk also provided direction on Wasilla Municipal Code, Chapter 5.32, Sale or Lease of Public Lands.

The State DCCED Division of Community and Regional Affairs published a manual titled *Municipal Land Acquisition and Disposal in Alaska* to assist local governments. It says (Appendix 6, p. 281):

The essential first step in a local government’s consideration of the sale of public land is to answer the question: “Just what are we trying to accomplish?” Most problems in a sale stem from the fact that the local governing body never had a clear answer to this question in the first place.

In general, the COW information recited above identifies two competing goals: (1) dispose of the property (now or in the short term) because it is no longer needed as a library site; and, (2) retain the property with the intention of selling it at some future time under conditions that would make the property a keystone of the Downtown Area Plan. The Council should choose one of the two goals, which will determine the next steps needed to implement that goal.

The following information might help the Council choose the best goal:

Troy Tankersley, City Finance Director, could explain, in municipal accounting/financial terms, points that he thinks are important, such as:

- What this Ordinance 09-76 language means: “the proceeds or any net gain from the future sale of said property, over and above cost, will be set aside in an account for the use of a future library.” Specifically, what is the City’s “basis” in Meta Rose (one of two properties) and how are the “proceeds,” “net gain” and “cost” terms defined for this sale. This information will help the Council understand how money obtained from the sale will be committed.
- Meta Rose’s performance (income/expense) annually from 2010-present. This data will give the Council hard numbers on income v. cost. (It is important to identify or estimate “hidden costs,” meaning time and resources that City employees devote to operations, accounting, etc.

for this property.) Also, this information will allow the Council to see the overall trend under Municipal ownership. In that context, AM 13-07 points out that the City purchased this property for a public library, not to become a mall landlord which is now the case. That said, the City can retain the property and continue current operations if, in general, it has a municipal purpose that is in the public interest (for example, to delay a sale for market reasons, or to later use as a Downtown Area keystone per Planning recommendation).

- A projected budget, and/or main expense items (including items in next paragraph).

You might address points that you think are important on the physical plant and mall operations with the Council. For example, the building is about 30-years old. One consideration in retaining the property is whether major maintenance, repairs or replacements will be needed (since there is no reserve fund). Also, you might give the Council a copy of the 12/14/09 Burkhart Croft Analysis, which details the various building condition, deficiencies, etc. on the acquisition date. Given the age and condition of the physical plant, the pool of buyers would probably be reduced if the City decides to sell the property and places conditions related to whether the building can be torn down or rebuilt, single or mixed use and similar restrictions. You should also talk to the Council about the Main Street Couplet/Rehabilitation Project, and whether it would likely be a positive factor to a buyer today.

A broker's opinion might be useful. The Council should also take into account the time that the funds from the sale of this property will be needed for the library, and consider the difference in expected return between retaining the property (FMV) or holding sales proceeds in an account in the interim period.

If the Council decides to sell the property, it will need to identify any specific land use restrictions. Also, it will need to decide whether to sell through a public auction or sealed bid (RFP) to the highest qualified bidder. WMC 5.32.040 A. Then, the Council can direct the administration to prepare the auction or RFP package for Council review and approval, after which the auction or RFP process can proceed and the property be sold. (Side note: WMC requires an appraisal that is not more than 6-months old as of the disposal of property, and that appraisal must include any restrictions on the use of the land. WMC 5.32.030.)

If the Council decides to retain the property, it is not necessary to take any disposal action at this time. However, I want to mention an alternative disposal provision that is useful in special situations, such as the one outlined by the Planning Commission. WMC 5.32.A.1.(d) provides:

The mayor may, with the approval of the city council by ordinance, negotiate a sale or exchange of city land without public auction or sealed bid if the following conditions exist: .... For a particular stated purpose in the best interests of the city, and the council approves the sale with appropriate findings and conditions.

Thank you for giving me the opportunity to work on this project. Please let me know if you have any questions or need further information.

Sincerely,

*Cameron Sharick*

Cameron Sharick



# MATANUSKA-SUSITNA BOROUGH

## Real Property Detail for Account: 2523B01L005A

**Site Information**

<b>Account Number</b>	2523B01L005A	<b>Subdivision</b>	NELSON FRED RSB B/1E
<b>Parcel ID</b>	37091	<b>City</b>	Wasilla
<b>TRS</b>	S17N01W10	<b>Map</b>	
<b>Abbreviated Description (Not for Conveyance)</b>	NELSON FRED RSB B/1E BLOCK 1 LOT 5A	<b>Tax Map</b>	WA11

**Site Address** 290 N YENLO ST

**Ownership**

<b>Owners</b>	WASILLA CITY OF	<b>Buyers</b>	
<b>Primary Owner's Address</b>	290 E HERNING AVE WASILLA AK 99654-7030	<b>Primary Buyer's Address</b>	

**Appraisal Information**

Appraisal Information				Assessment			
Year	Land Appraised	Bldg. Appraised	Total Appraised	Year	Land Assessed	Bldg. Assessed	Total Assessed*
2014	\$360,000.00	\$1,507,400.00	\$1,867,400.00	2014	\$360,000.00	\$1,507,400.00	\$1,867,400.00
2013	\$360,000.00	\$1,507,400.00	\$1,867,400.00	2013	\$360,000.00	\$1,507,400.00	\$1,867,400.00
2012	\$360,000.00	\$1,542,000.00	\$1,902,000.00	2012	\$360,000.00	\$1,542,000.00	\$1,902,000.00

**Building Information**

**Structure 1 of 1**

<b>Business Use</b>	META ROSE SQUARE	<b>Residential Units</b>	0
<b>Design</b>	Retail General Merchandis	<b>Condition</b>	Standard
<b>Construction Type</b>	Commercial	<b>Basement</b>	Partial
<b>Grade</b>	Frame	<b>Year Built</b>	1983
<b>Building Appraisal</b>	None	<b>Foundation</b>	Concrete Block
<b>Septic</b>	\$1507400	<b>Well</b>	Well P - Public Water
	Septic P - Public Septic		

**Building Item Details**

Building Number	Description	Area	Percent Complete

Tax/Billing Information				Recorded Documents		Recording Info (offsite link to DNR)
Year	Certified	Zone	Mill	Date	Type	
2014	Yes	0035	11.652	12/30/2009	WARRANTY DEED (ALL TYPES)	<a href="#">Palmer 2009-028508-0</a>
2013	Yes	0035	11.842			
2012	Yes	0035	11.661			

**Tax Account Status †**

Status	Tax Balance	Farm	Disabled Veteran	Senior	Optional	Total
Current	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Land and Miscellaneous**

<b>Gross Acreage</b>	1.04	<b>Taxable Acreage</b>	1.04	<b>Fire Service Area</b>	130 Wasilla Lakes FSA	<b>Road Service Area</b>	No Borough Road Service see the <a href="#">City of Wasilla Website</a>
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\* Total Assessed is net of exemptions and deferrals, rest, penalties, and other charges posted after Last Update Date are not reflected in balances.

Last Updated: 7/31/2014 4:00:55 AM

† If account is in foreclosure, payment must be in certified funds.



[Print](#)

Wasilla, AK Code of Ordinances

## Chapter 5.32 SALE OR LEASE OF PUBLIC LANDS

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**Sections:**

- 5.32.010 Lands available.
- 5.32.020 Qualifications of applicants or bidders.
- 5.32.030 Appraisal required.
- 5.32.040 Methods of disposal.
- 5.32.050 Public notice.
- 5.32.060 Council approval.
- 5.32.070 Conditions of sale.
- 5.32.080 General sale procedures.
- 5.32.090 Lease procedures.
- 5.32.100 Negotiated sales and exchanges.
- 5.32.110 Negotiated leases.
- 5.32.115 Leases of space in city buildings.
- 5.32.120 Lease of airport property.

**5.32.010 Lands available.**

All lands which the city holds title, and which in the opinion of the council are not needed for, or devoted to, a municipal purpose, may be leased or sold, as hereinafter provided for, and in such case where such sale or lease would be in the best interest of the public. (Prior code § 7.16.010)

**5.32.020 Qualifications of applicants or bidders.**

- A. An applicant or bidder for a lease or purchase must be:
  - 1. A citizen of the United States and nineteen (19) years of age or over;

2. A permanent resident who has filed a declaration of intention to become a citizen and be nineteen (19) years of age or over; or

3. A group, association or incorporation which is authorized to conduct business under the laws of Alaska.

B. A person acting as an agent for a qualified bidder must independently meet the requirements of this section and must file with the mayor, prior to the time set for the auction, a proper power of attorney or a letter of authorization creating such agency. The agent shall represent only one principal, who must meet the qualifications of this section.

C. A person is not a qualified applicant or bidder if:

1. He or she has failed to pay a deposit or payment due to the city in relation to city land in the previous five years and full payment, including interest at the legal rate, is not made;

2. He or she is currently in breach or default on any contract or lease involving land in which the city has an interest;

3. He or she has failed to perform under a contract or lease involving city land in the previous five years and the city has acted to terminate the contract or lease or to initiate legal action; or

4. The city has other good cause to believe that the person is unlikely to make payment or responsibly perform under the lease or other contract. (Prior code § 7.16.020)

#### **5.32.030 Appraisal required.**

No lands or any interest in land shall be sold or exchanged unless the same has been appraised by a qualified appraiser within six months prior to the date fixed for the sale or exchange. The mayor shall be responsible to have such appraisal made and it shall reflect any restrictions on the use of the land as offered for sale. Alternatively, the latest available Matanuska-Susitna Borough assessed value may be used. No land shall be sold or exchanged for less than the approved minimum appraised or assessed value. (Prior code § 7.16.030)

#### **5.32.040 Methods of disposal.**

Land, or any interest in land may be disposed of under one of the following procedures as approved by the city council.

A. By public auction or sealed bid to the highest qualified bidder; and

B. By negotiated sale, lease or exchange as provided in Sections 5.32.100 and 5.32.110. (Prior code § 7.16.040)

#### **5.32.050 Public notice.**

A. The public notice procedure set forth by subsections B and C of this section are not intended to apply to “temporary use permits,” as defined and set forth in Section 5.32.060.

B. Sale or Lease of Land. Except as otherwise provided, public notice shall be given of any sale or lease of public lands or any interest therein. Notice shall be published once a week for three consecutive weeks preceding the time of sale or lease stated in the notice in at least one newspaper of general circulation in the vicinity in which the land or interest therein is to be sold or leased. In no event shall the sale or lease be held less than nine days nor more than three weeks following the last date of publication. In addition to the newspaper publications a notice of sale or lease shall also be posted in three public places. Such notice shall set forth a description of the land and the interest therein to be sold or leased and the time, place and general terms of the sale or lease and limitations.

C. Negotiated Sales, Lease and Exchanges. If disposal of land or interest in land is authorized by negotiated sale or lease, or by exchange of lands, public notice or the ordinance approving the disposal shall be given in the same manner as for other ordinances and a public hearing shall be held. (Prior code § 7.16.050)

#### **5.32.060 Council approval.**

A. "Temporary use permits," as defined by this subsection, are not subject to the formal lease requirements specified by the terms of Section 5.32.050 nor are temporary use permits subject to the requirements of council approval as stated in Section 5.32.090(B), (C) and (D). Similarly, the lease procedures provided for by Sections 5.32.090 and 5.32.110 are not intended to apply to temporary use permits. The mayor is granted the authority to exercise his or her discretion to permit the use of city-owned land and/or improvements thereon for temporary use if the mayor, in his or her discretion, finds the following conditions to have been met:

1. The land and/or improvements are not needed or necessary, during the anticipated term of use, for the normal and ordinary activities of the city;
2. The temporary use is not anticipated to exceed six months;
3. The purpose of the temporary use permit is for an activity or purpose of nonprofit character;
4. The temporary use will be compatible with the conduct of regular and ordinary city business and the use of other city offices and property;
5. The activities contemplated by the temporary use occupant will be nondiscriminatory and based upon principles of equal opportunity;
6. The temporary use occupant will provide general liability insurance and agree to hold the city harmless in the event of claims for injury or damage; and
7. The temporary use occupant shall agree to pay a permit fee, in an amount to be established in the discretion of the mayor, intended to assist the city in the costs related to provision of utilities, maintenance, repairs and management and other such similar costs incurred by the city in maintaining such land and/or improvements thereon.

B. Any sale, lease or exchange of city land shall be approved by the council by ordinance after consideration of the recommendations of the planning commission. The ordinance shall identify the parcels for sale, lease or exchange, the manner of disposition and any special terms

and conditions thereof. Any other disposition of an interest in city land shall be approved by the city by resolution.

C. No public auction, deed or contract purporting to dispose of or convey any interest in city land is valid or binding unless the disposal has been approved by the council or as otherwise provided within this title. (Prior code § 7.16.060)

#### **5.32.070 Conditions of sale.**

Any sale or other disposition of city lands or any interest in lands shall be subject to terms and conditions as set forth in this chapter and in the city ordinance or resolution approving the disposition. The mayor may impose additional conditions, limitations and terms for the protection of the interest of the city and the public. (Prior code § 7.16.070)

#### **5.32.080 General sale procedures.**

A. All applications for purchase or lease of city lands shall be filed with the city on appropriate forms. Each application for lease or sale shall be accompanied by a ten dollar (\$10.00) filing fee. Filing fees are not refundable. The filing of an application for purchase shall not in any way vest any right in the applicant to the land or to the use of the land applied for.

B. Public auctions shall be held by the mayor or his or her representative. At the completion of the auction of each tract of land, the mayor or his or her representative shall indicate the apparent high bidder.

C. The apparent high bidder shall concurrently deposit with the city not less than ten (10) percent of the high bid, or in case of a lease offering, an amount equal to the annual rent. Lands to be purchased for a principal sum of five hundred dollars (\$500.00) or less will not be sold on contract but will be paid for in full.

D. Upon deposit of the required sum by the apparent high bidder, the mayor or his or her representative shall immediately issue a receipt containing a description of the land or interest therein sold, the price bid and the terms of the sale, which receipt shall be acknowledged in writing by the bidder. Upon completion of the final payment on the contract of purchase, the city will issue to the vendee a quitclaim deed. A contract of sale or lease in a form approved by the city shall be signed by the purchaser or lessee.

E. The council shall ratify the sale or lease, or it may reject any and all bids in the best interest of the city. Upon ratification, the contract of sale or lease shall be signed by the mayor and clerk on behalf of the city. (Prior code § 7.16.080)

#### **5.32.090 Lease procedures.**

A. General Regulations. In addition to the regulations governing leasing as set forth within sale procedures above, the additional regulations and procedures set forth below shall apply specifically to leases.

B. Expiration. Unless the lease is renewed or sooner terminated as provided herein, the lessee shall peaceably and quietly leave, surrender, and yield up unto the lessor all of the leased land on the last day of the term of the lease.

C. Renewal. If, at the expiration of any lease of any lands hereunder, the lessee desires a renewal lease on the land, properties, or interests covered thereby, he or she shall, not sooner than one hundred eighty (180) days prior to the expiration, make application for a renewal lease in writing on forms provided entitled "Application for Renewal of Lease," certifying under oath as to the character and value of all improvements existing on the lands, properties or interests therein, the purpose for which he or she desires to renew the lease, and such other information as the mayor may require. The applicant shall deposit with the mayor an amount equal to the annual rent. The mayor shall upon recommendation of the planning commission and direction of the council issue a renewal of the lease to the lessee. The date that the application for renewal of lease is presented to the office of the mayor, as evidenced by the date stamped thereon, whether delivered or forwarded by regular, certified or registered mail, shall be binding.

D. Subdivision Regulations. Leases for terms longer than ten (10) years shall comply with the Matanuska-Susitna Borough subdivision regulations. (Prior code § 7.16.090)

#### **5.32.100 Negotiated sales and exchanges.**

A. The mayor may, with the approval of the city council by ordinance, negotiate a sale or exchange of city land without public auction or sealed bid if the following conditions exist:

1. The application to purchase or exchange city land is: (a) by an owner of property contiguous on a side with the city land applied for and the purchase is necessary for the proper utilization of the owner's contiguous property; (b) by the United States, the state or a political subdivision; (c) by a public utility for facilities serving the general public; (d) for a beneficial new industry; or (e) for a particular, stated purpose in the best interests of the city, and the council approves the sale with appropriate findings and conditions;

2. The land so sold or exchanged shall not be used by the vendee, his or her heirs or assigns for any purpose other than that for which it has been classified by the city council at time of sale or unless otherwise zoned subsequent to sale;

3. No such sale or exchange shall be made if the result of such sale or exchange were to hinder or prevent the utilization of a larger parcel of city land to its best advantage;

4. Such sale or exchange is to the best interest of the city.

B. Negotiated sales shall be subject to all other requirements and conditions applicable to sales under this chapter. (Prior code § 7.16.100)

#### **5.32.110 Negotiated leases.**

A. The mayor may, with the approval of the council by ordinance, negotiate a lease of city land without public auction or sealed bid and without voter ratification under the following conditions:

1. The lease is for a beneficial new industry;

2. The lease is for a public purpose, to a governmental agency or nonprofit organization authorized to carry out the public purpose; or

3. The lease is to a public utility for a site for public utility facilities.

B. Leases authorized under this section shall be subject to all other requirements and conditions applicable to leases under this chapter, except that no appraisal of the leased property is required for a lease to a public utility under subsection (A)(3) of this section.

C. An application to lease city lands for a beneficial new industry under subsection (A)(1) of this section, or for a public purpose under subsection (A)(2) of this section shall be made in the same manner as other applications to lease city land and shall include a plan for development and use of the property requested. To approve an application under subsection (A)(1) of this section, the council must find that the proposed use of city land is for a beneficial new industry. To approve an application under subsection (A)(2) of this section, the council must determine that the proposed use of city land is for a worthwhile public service, that there will be no discrimination in providing the service, and that the use will be nonprofit. The city may, from time to time, make such other requirements as it deems proper before the issuance of such leases. The lessee's failure to develop and use the land in accordance with the approved plan may result in revocation of the lease. (Ord. 08-16(SUB) § 2, 2008; Ord. 02-20 § 2, 2002; prior code § 7.16.110)

#### **5.32.115 Leases of space in city buildings.**

This section applies to the leasing of space in city-owned buildings, to the exclusion of the provisions of all other sections of this chapter. The mayor may, with the approval of the council by resolution, award a lease of space in a building owned by the city either by negotiation or to the person that submits the best proposal in response to a request for proposals. The lease shall be for one or more of the following uses:

A. A government agency or nonprofit organization providing a public service.

B. The provision of goods or services, on either a for-profit or nonprofit basis, that support or supplement the public uses or functions that are located in the building.

C. Provide revenue to the city from the productive use of building space that will not be required for any public purpose during the term of the lease. (Ord. 08-20 § 2, 2008)

#### **5.32.120 Lease of airport property.**

A. General. This section applies to the lease of airport property, to the exclusion of the provisions of all other sections of this chapter. Airport property may be leased through an application or sealed bid process.

B. Application Process. An applicant desiring to lease airport property shall submit an application to the city. The application shall contain:

1. Name, address and phone number of applicant;

2. Identification of area requested;

3. A description of the activity to be conducted;
4. A scale drawing depicting the proposed development, including but not limited to location, size and height of buildings, identification of materials to be installed on the property, and proposed location of all utility connections. This drawing must show the relationship between the development, the property lines, and any relevant development on adjacent or other properties;
5. If the proposed use is commercial, a written business plan for the activity to be conducted; and
6. Any and all additional information which may be requested by the city.

C. Action On Application. The city shall process applications depending upon use as follows:

1. For private use, such as a hanger or tie-down, where the building is less than ten thousand (10,000) square feet, and the term of the lease is ten (10) years or less, the application and lease may be approved by the mayor after administrative review and evaluation.
2. For a small commercial use, where the building is less than ten thousand (10,000) square feet and the term of the lease is ten (10) years or less, the application and lease may be approved by the mayor after administrative review and evaluation.
3. For any other use, the application will be reviewed by administration, submitted to the planning commission for review and recommendation, and then submitted to the city council for final action. Private or small commercial use may also be submitted to the planning commission and the city council if, in the opinion of the mayor, such submittal is appropriate under the circumstances.
4. For all uses, the city may accept, reject or place conditions on the acceptance of any application to lease airport property. The city may also require the prepayment by applicant of certain necessary costs such as administrative costs, surveying, subdividing, utility installation, soils testing, etc.

D. Sealed Bid Process. The city council may make specific areas of the airport available for lease for general or specific development through a sealed bid procedure under conditions to be specified by the city council. In this process, the city reserves the right to take into consideration factors other than lease rate, and may award the property to any bidder whose proposal is deemed to be in the best interests of the city, regardless of lease rate proposed. In addition, the city reserves the right to reject any and all bids or proposals.

E. Lease Form. A lease for airport property shall include certain provisions, as follows:

1. A requirement that the use of the property be in accord with the airport development plan, and that the use of the property shall not violate any condition or requirement placed on the property or the airport itself by the city, the state of Alaska, or the Federal Aviation Administration;
2. Lease rate, term, rental adjustment and other provisions that are in accord with the requirements and policy of the Federal Aviation Administration;
3. A provision prohibiting assignment or sublease without the approval of the city; and



4. A provision authorizing the granting of a security interest by the lessee in the leasehold interest for the purpose of securing financing for the construction of improvements on the property.

F. No Warranties. By classifying or leasing airport property, the city expressly does not warrant that the land is suited for the use proposed or authorized under the classification or lease, and no express or implied warranty or guaranty is given as to the present or any future condition of the property or that it shall be profitable to employ the land for the proposed or authorized use. (Prior code § 7.16.125)