Chapter 18.12 Municipal Property Sales

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18.12.010 Public sale--Resolution and notice required. Unless otherwise provided in this chapter, real property no longer required for public purposes may be sold to the highest responsible bidder at a public auction sale or by sealed bids as set forth in S 18.12.040. The City Council shall have the authority to determine by resolution at a regular meeting when said property is no longer required for public purposes and to authorize the sale thereof; except no property acquired by the City through a foreclosure proceeding shall be sold unless an ordinance retaining the property for public purpose or classifying it for sale shall previously have been adopted pursuant to S 18.06.042. Unless otherwise provided herein, notice of a proposed public sale of real property shall be published at least once in a newspaper of general circulation within the City and shall be posted in at least three public places within the municipality. Both commencement of publication and posting shall be accomplished not less than thirty days prior to the date fixed for public sale. (Ord. 90-28 § 17, 1990; prior code § 26-200.1)

18.12.020 Appraisal. Real property shall not be sold for less than its fair market value, as defined in S 18.02.020. The property to be sold shall be appraised by a qualified appraiser within the six month period immediately preceding the date of the Council resolution authorizing same. No independent appraisal shall be required if the property does not exceed one thousand dollars in value as shown in the current tax assessment records of the Kenai Peninsula Borough. (Ord. 90-11 S 6, 1990; Prior code S 26-200.3)

18.12.030 Procedure. The Council in the resolution authorizing the sale of real property shall set forth the terms and conditions of the public sale including whether the sale shall be by sealed bids or public outcry auction. The Council may reserve the right to reject any and all bids received. The resolution shall provide if the sale is for cash, or a cash deposit and installment purchase agreement. The Council shall approve or disapprove all public sales of real property at the next regular meeting following the sale and shall further approve or disapprove any purchase agreement prior to its execution by the City. The approval of any public sale by the Council authorizes the City Manager to take all steps and execute all instruments to complete and close the sale. The City Manager or his designee shall conduct the sale and shall give to the bidder at the auction a receipt for all moneys received by the City. A successful bidder who does not timely comply with any of the terms and conditions in the resolution of the Council authorizing the sale shall forfeit any cash deposit paid to the City, unless return of all or any portion of such cash deposit is expressly authorized by the Council. (Prior code 26-200.5).

18.12.040 Sale by sealed bid. a. All real property or interest therein offered for public sale by sealed bid may be sold to any person submitting an offer in writing to the Council. Such offer shall be submitted in a sealed envelope marked "Real Property Bid" and must be accompanied by a check or money order made payable to the City in an amount equal to at least twenty percent of the amount bid for residential lots and ten percent of the amount bid for other parcels. Bids below the appraised value shall not be considered.
b. All real property bids received prior to twelve noon, on a Friday preceding a regular meeting of the Council, shall be opened by the Council at their next regular meeting. If there is more than one acceptable bid for a particular lot or group of lots, the lot or lots shall be sold to the highest bidder. The highest bidder shall be the one whose bid represents the highest price per square foot. In the event that two or more parties submit high but identical bids, the Council may accept any bid or reject all bids. (Prior code 26-200.7).

18.12.050 Negotiation. Should no buyer be found at a public sale or should not an acceptable sealed bid be received at a sale by sealed bid, the Council may authorize the City Manager or his delegates to negotiate a sale of

such property or interest therein and shall prescribe the terms thereof. Such authority shall be provided by resolution in the same manner as a resolution providing for public sale. (Prior code 26-200.8).

18.12.055 Proceeds of sale of foreclosed properties. a. On sale of foreclosed real property, the proceeds of such sale shall be first applied to the cost of collection and then divided between the Kenai Peninsula Borough and the City. The division is in proportion to the respective municipal taxes and assessments against the property at the time of foreclosure.
b. If foreclosed real property that has been held by the City for less than ten years after the close of the redemption period and never designated to be retained for a public purpose pursuant to 18.06.042, is sold at a foreclosure sale, the former record owner is entitled to the portion of the proceeds of the sale that exceeds the amount of unpaid taxes and assessments, the amount of unpaid taxes and assessments, the amount equal to taxes and assessments that would have been levied after foreclosure if the property had continued in private ownership, penalty, interest, and costs to the Kenai Peninsula Borough and City of foreclosing and selling the property, and costs to the Borough and City of maintaining and managing the property that exceed amounts received by the Borough and City for use of the property.
c. If the former record owner is entitled to a portion of the proceeds of sale under subsection b., the City shall provide the former owner of the property written notice advising of the amount of the excess and the manner in which a claim for the balance of the proceeds may be submitted. Notice is sufficient under this subsection if mailed to the former record owner at the last address of record of the former record owner. On presentation of a proper claim, the City shall remit the excess to the former record owner. A claim for the excess filed after six months of the date of sale is forever barred. (Ord. 91-2 S 5, 1991; Ord. 90-28 S 15, 1990)

18.12.060 Disposal of surplus real property to governmental entities. The City may sell, convey, exchange, transfer, donate, dedicate, or assign any real property no longer needed for public purpose to the United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities, for consideration agreed upon between the City and the grantee without a public sale or otherwise complying with the provisions of 18.12.010-.050, if the City Council determines the transaction is advantageous to the City. The terms of any such transaction shall be fixed by resolution of the City Council. A transaction may be for less than fair market value and without an appraisal unless otherwise directed by the City Council. (Ord. 91-23, 1991)

[i] Prior Ordinance History: Ordinance 77-8

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