Memorandum 10-78 Hickerson Cemetery Proposed Property Aquisition

Memorandum ID: 10-078
Memorandum Status: Backup

MEMORANDUM 10-78

TO: Mayor Hornaday and Homer City Council
FROM: Walt Wrede
DATE: June 7, 2010
SUBJECT: Hickerson Memorial Cemetery / Proposed Property Acquisition

On several occasions over the past few years, I have reported to the Council that the Hickerson Memorial Cemetery was running out of space and that the staff was evaluating options to address the situation. The Council stated that it would like to schedule a work session at some point to discuss the options, including perhaps, getting out of the cemetery business. That workshop never took place, in large part, because there are so many other pressing priorities and this was not an immediate concern. The cemetery has 806 burial lots. About 126 lots remain but many of them are scattered and isolated. It is becoming difficult for families to select multiple lots in a group for family plots. It will only be a few years before this is a pressing problem.

The attached ordinance proposes to spend $205,000 to acquire three lots that are immediately adjacent to the cemetery. It is estimated that acquiring these lots could provide another 700 burial lots. The Lots are described as Lot 11-A (1.682 acres), Lot 11-B (0.935 acres) and Lot 11-C (0.952 acres), Tice Acres Subdivision Replat No. 1. These lots are the only lots available from a willing seller adjacent to or in the immediate vicinity of the cemetery. You may recall that the City has attempted to acquire these lots several times in the past. The City withdrew from sale negotiations on one occasion because the asking price was too high. The City Council later rejected a land trade proposal from the owner because the trade did not appear to be in the City's interest.
I am bringing this issue back to the Council now because conditions have changed. The asking price has been reduced and the owner has recently received interest in the property from potential buyers. These lots could be sold at any time and they are being actively marketed. The owner would prefer that the City obtain the property and feels that expansion of the cemetery is the best use for the land. This seemed like a good opportunity to get this issue back on the table for Council discussion since quick action might be required. Failure to acquire this land could amount to a significant missed opportunity if the Council wants to continue to provide this service to the community. Expanding the cemetery will only become more difficult and expensive in the future. Eminent Domain proceedings are not recommended, especially with a willing seller. Starting a new cemetery in a different location presents a host of problems and is not seen as desirable.

The asking price for this property is $225,000. In 2008, the City paid for an appraisal which concluded that the market value was $179,000; perhaps a little less if the parcels were sold together as a group. At the time, the owner disputed the appraisal and the assumptions it was based upon. I felt that it was a good idea to get a preliminary offer on the table in order to preserve the Council's options. I also concluded that it was in the public interest, given the circumstances and the intended use of the property, to offer more than the most recent appraisal. Last week I made a tentative offer of $205,000, subject to Council approval and the conditions set forth in the preliminary purchase and sale agreement drafted by the City Attorney.

RECOMMENDATION
If the Council wishes to continue to provide cemetery services to the community, I would recommend approval of this ordinance. This is an excellent opportunity to secure suitable land right next to the existing cemetery for future expansion. Council will likely never get a better or cheaper opportunity to do this than right now.
Related Ordinances**Memorandum - Related Ordinances:** Ordinance 10-30 Amending the FY2010 Budget to Purchace Property Adjacent to the Hickerson Memorial Cemetery

http://www.cityofhomer-ak.gov/memorandum/memorandum-10-78-hickerson-cemetery-proposed-property-aquisition