Memorandum 10-64 Accepting Property on Kachemak Drive from the Kenai Peninsula Borough

Memorandum ID: 10-064
Memorandum Status: Backup

MEMORANDUM 10-64

TO: Walt Wrede, City Manager
FROM: Carey Meyer, Public Works Director
DATE: April 20, 2010
RE: Approval to Accept Property from the KPB Government Lot 30 Lying West of Kachemak Drive

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The Kenai Peninsula owns a lot within the Kachemak Drive (Phase II) water and sewer assessment district. The Borough, rather than signing the required easement, would prefer that the City take possession of this foreclosed property.

The property is described as follows:

A portion of Government Lot 30, Township 6 South, Range 13 West, Section 14, Seward Meridian; more particularly described as that portion of Government Lot 30 lying west of Kachemak Drive, as recorded at the Homer Recording District, Homer Alaska. (KPB Tax ID # 179-080-50)

The Council in 2008 voted not to pay the back taxes and accept possession of the property for a variety of reasons.

There have been concerns that the property may be worth less than the value of the proposed assessment. Recently, Public Works obtained an opinion from a local real estate appraiser that concludes (based on comparable sales) that with public water and sewer service the lot will be worth between $34,000 and $39,000. The proposed assessment is approximately $28,500.

Public Works proposes that the City agree to pay the back taxes and accept ownership, conditioned on the proposition that once water and sewer is available to the lot the City will sell the property to place it back on the tax rolls. This would remove the need for the KPB to sign an easement document on a foreclosed property, remove the need to use eminent domain to acquire the easement from the Borough, insure that the City will not end up with the responsibility of paying for an assessment against the property (selling it to immediately recoup the assessment value), and get the property back on the tax rolls.

Recommendations: The City Council pass a resolution authorizing the payment of back taxes, acceptance of ownership from the Borough, contingent upon the ability to sell the property when water and sewer is available and authorize the City Manager to execute all appropriate documents.
Related Ordinances**Memorandum - Related Ordinances:** Ordinance 10-24(S) Approving the Purchase of Tax Foreclosed Property owned by the Kenai Peninsula Borough

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