

CHAPTER 18.12  
DISPOSAL OF REAL PROPERTY

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- 18.12.010 Powers.

The City has the power to sell, donate, exchange or make other dispositions of real property or interests in real property, subject to the requirements in this chapter. [Ord. 15-28(A) § 1, 2015].

18.12.020 Real property disposal procedure.

a. A proposal to dispose of real property owned by the City may be initiated by the City Manager or the Council, or in response to a request received from any person.

b. The disposal of real property shall be authorized by ordinance. The ordinance shall include a finding that the property is no longer required for a public use, and shall include such terms and conditions of the disposal as the Council shall determine. For property that the City acquired through foreclosure, the ordinance shall include the information and be adopted under the procedure required by HCC 18.06.042.

c. Notice of any proposed disposal of real property shall be **posted on the City's website for at least two** consecutive weeks before the ordinance authorizing the transaction is considered by the City Council in final reading, in addition to any other notice required by the Alaska Statutes.

d. Real property shall be sold at public auction or by an invitation for competitive sealed bids or proposals, except when the Council finds it is advantageous to the City to sell real property by another method, including without limitation lotteries, over-the-counter sales or sole source negotiations.

e. The City Manager shall conduct and close the disposal in accordance with the terms of the authorizing ordinance, including executing all necessary documents. The City Manager may execute a deed for real property sold by the City only upon receipt of full payment, or a satisfactory financing agreement, and compliance with all terms and conditions of the conveyance. Conveyance shall be quitclaim deed. [Ord. 15-28(A) § 1, 2015].

18.12.030 Appraisal.

Before disposing of any real property whose most recent assessment by the Kenai Peninsula Borough is greater than \$50,000, the City shall obtain an appraisal of the fair market value of the property from a

competent independent appraiser, performed not more than 12 months before the date of the disposal; provided, that no appraisal is required in any of the following situations:

- a. The property is being sold at public auction, by competitive sealed bid, or some other form of competitive bid or proposal process open to the public;
- b. The property is being conveyed in a transaction authorized by HCC 18.12.050;
- c. The Council has authorized the disposal of the property for less than fair market value in accordance with HCC 18.12.040; or
- d. The Council has determined that the fair market value of the property can be reasonably determined through other means. [Ord. 15-28(A) § 1, 2015].

18.12.040 Disposal for fair market value.

The sale price for a disposal of real property shall not be less than fair market value unless the Council finds in the ordinance authorizing the transaction that a lower price would be in the best interest of the City. [Ord. 15-28(A) § 1, 2015].

18.12.050 Exempted disposals of real property.

The City may dispose of real property without complying with the provisions of HCC 18.12.020(c) and (d), and HCC 18.12.040, to any of the following:

- a. The United States, the State of Alaska, a political subdivision of the State, or an agency of any of these entities.
- b. A public utility for use in providing a public utility service.
- c. An organization that the United States Internal Revenue Service recognizes as an organization described in **Section 501(c)(3) of the Internal Revenue Code of 1986, to be used solely for the organization's exempt purpose.**
- d. The owner or owners of contiguous property, of a parcel that contains an area less than the minimum required for improvement under applicable zoning or that cannot reasonably be improved without violating setback or yard requirements because of its shape or topography. [Ord. 15-28(A) § 1, 2015].

18.12.060 Easements, rights-of-way and other public areas.

- a. The City may reserve from any conveyance of real property any easement or right-of-way that the Council finds to be required for existing or future public purposes. The effect of any such reservation shall be considered in determining the fair market value of the property.

b. The vacation of streets, alleys or other public areas, and the disposition of title to the vacated area, is governed by Chapter 20.70 KPBC. [Ord. 15-28(A) § 1, 2015].

#### 18.12.070 Proceeds of sale of foreclosed properties.

a. Subject to subsection (b) of this section, the proceeds of a sale of foreclosed real property shall be applied first to the cost of collection with the remainder divided between the Kenai Peninsula Borough and the City in proportion to the respective municipal taxes and assessments against the property at the time of foreclosure.

b. The former record owner is entitled to the proceeds of a sale of foreclosed real property that has been held by the City for less than 10 years after the close of the redemption period and never designated to be retained for a public purpose pursuant to HCC 18.06.042, in excess of the sum of the following:

1. The amount of unpaid taxes and assessments.
2. The amount equal to taxes and assessments that would have been levied after foreclosure if the property had continued in private ownership.
3. Penalty, interest, and costs to the Kenai Peninsula Borough and City of foreclosing and selling the property.
4. 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) of this section, the City shall provide the former record owner with written notice of the amount of the excess and the manner in which to submit a claim therefor. The notice is sufficient if mailed to the former record owner at the owner's last address of record. The City shall remit the excess to the former record owner on presentation of a proper claim, provided that a claim that is not filed until after six months from the date of sale is forever barred. [Ord. 15-28(A) § 1, 2015].

