

SAMPLE ORDINANCES AND FOLLOW-UP PROCEDURES FOR COMPETITIVE LAND DISPOSALS

This chapter presents sample ordinances and procedures for each of the three competitive types of disposals (lottery, sealed bid, and outcry auction) that are outlined within the model code ordinance of Chapter Four.



The three competitive types of disposals discussed in this chapter are summarized as follows:

1. Land Disposal by Lottery, Bristol Bay Borough (1983) (Pages 69 – 75)

In this example, the Bristol Bay Borough received land from the State of Alaska. The Borough then subdivided the land and desired to dispose of the lots by lottery. To do this, the Borough outlined the purpose and detailed procedures of the lottery within the Borough's Code of Ordinances. This ordinance (codified) and a brochure regarding the disposal is included in this chapter.

2. Land Disposal by Sealed Bid, Fairbanks North Star Borough

(1987) (Pages 76 – 115)

A useful guide for municipalities who wish to

dispose of lands by sealed bid auction, this example includes:

- A non-code ordinance which authorizes the disposal of specific lands by sealed bid
- An internal Borough memorandum which outlines detailed procedures for conducting the sealed bid auction; and
- A sale brochure which provides information about the various lands being disposed of and sealed bid procedures.

3. Land Disposal by Outcry Auction, City of Petersburg (1983) (Pages 116 – 122)

This example includes:

- A copy of the code ordinance provision authorizing disposal of lands by auction
- A copy of the staff memo recommending the lands to be disposed of
- The notice containing the auction procedures, and
- The non-code ordinance authorizing the sale of auctioned lands.



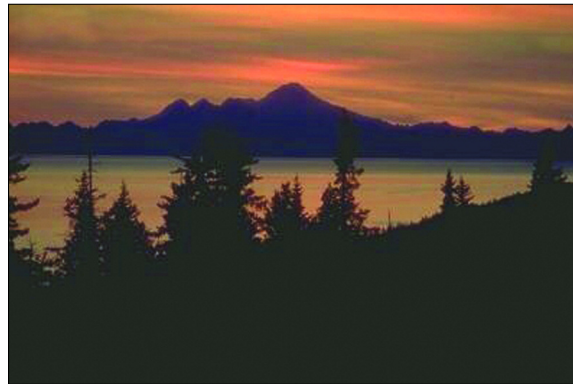
Example 1: Land Disposal by Lottery

EXAMPLE 1:

Land Disposal by Lottery, Bristol Bay Borough (1983)

In this sample, the Bristol Bay Borough received land from the State of Alaska. The borough then subdivided the land and desired to dispose of the lots by lottery. To do this, the Borough outlined the purpose and detailed procedures of the lottery within the borough's code of ordinances. This ordinance (codified) and a brochure regarding the disposal is included in this section.

Note that the borough did not first pass a code ordinance outlining general authority and procedures for land acquisition and disposal before going ahead with a non-code ordinance for the specific disposal. The borough instead chose to include everything about this specific disposal in their codified ordinance.





Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

JIM D. CLARK
MAYOR

ORDINANCE NO. 83-11

TELEPHONE
(907) 246-4224

AN ORDINANCE PROVIDING FOR THE DISPOSAL OF LAND BY LOTTERY AND SETTING FORM THE SALE PROCEDURES, DISCOUNT PROGRAM, RESIDENCE REQUIREMENTS, FILING FEES, OVER-THE-COUNTER SALES.

WHEREAS, the Bristol Bay Borough has pursuant to A.S. 29.18.201 received a patent from the State of Alaska to land located within the Borough as the Borough's general grant land entitlement, and

WHEREAS, a portion of the land described as Naknek River Subdivision has been subdivided into 108 lots, and

WHEREAS, the Bristol Bay Borough desires to make available to qualified persons the opportunity by lottery to purchase lots located within the Naknek River Subdivision, and

WHEREAS, the Borough desires to encourage persons to acquire residential property and to construct single and multi-family residences thereon and to encourage persons to reside in the Borough, and

WHEREAS, the offering of said lots for sale by lottery will make improved residential land available for said purposes, and

WHEREAS, the cost of conducting the lottery should be defrayed by charging an application fee.

BE IT ORDAINED BY THE ASSEMBLY OF THE BRISTOL BAY BOROUGH, ALASKA

Section 1. Ordinance Nos. 81-10, 83-2 and 83-3 are hereby repealed.

Section 2. There is hereby added to the municipal code of the Bristol Bay Borough Chapter 18.08, which is to read as follows:

18.08.010 Disposal of land by lottery. The Bristol Bay Borough may dispose of the following-described real property by lottery: Naknek River Subdivision, consisting of 108 lots, located in the Kvichak Recording District, Third Judicial District, State of Alaska.

18.08.020 Purchase price. The purchase price of each lot shall be the Bristol Bay Borough's assessed valuation therefore as determined by the Borough Assessor, plus closing costs.



Example 1:
Land Disposal by
Lottery

Note that the borough did not first pass a code ordinance outlining general authority and procedures for land acquisition and disposal before going ahead with a non-code ordinance for the specific disposal. The borough instead chose to include everything about this specific disposal in their codified ordinance.



Example 1: Land Disposal by Lottery

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18.08.030 Qualifications to participate in lottery.

(a) To qualify to participate in the lottery, an applicant shall :

- (1) at the time of application be an individual having attained the age of eighteen (18) years;
- (2) be a resident of the State of Alaska for thirty (30) days immediately preceding the lottery;
- (3) not be a corporation, partnership or joint venture;
- (4) pay a non-refundable application fee of TEN DOLLARS (\$10) for each application, up to a maximum of fifteen (15) applications, but may file no more than one (1) application per lot; and
- (5) certify that the applicant is qualified under the provisions of this section.

(b) If an applicant files more than fifteen applications, then all applications by said applicant shall be null and void, and the applicant shall not be entitled to purchase a lot by lottery.

(c) Employees of the Bristol Bay Borough, members of the Assembly, and their families, if otherwise qualified, are eligible to participate in the lottery.

18.08 -040 Lottery Procedures.

(a) The Borough Manager shall accept applications to purchase particular lots upon the following procedures and conditions:

- (1) The application period may not be less than thirty (30) days.
- (2) No application may be accepted less than fifteen (15) days before the lottery.
- (3) Notice of the application period and the date of the lottery shall be given by posting notice in three (3) places within the Borough. Such notices shall be posted not fewer than forty-five (45) days prior to the date of the lottery.
- (4) The application shall be made on a form provided by the Borough.
- (5) The Assembly shall determine the number of and which lots to be included in the lottery.

(b) If only one application for a lot is received, the Borough Manager shall offer the lot to the applicant who applied for the lot, if the applicant is qualified to participate in the lottery. If more than one application is received for a lot, the applicant who is entitled to purchase the lot shall be determined by lottery. If the

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Borough Manager does not receive an application for a lot included in the lottery, or if the purchaser fails to sign a contract of sale, the lot may be disposed of under the terms of section 18.08.060.

(c) The lottery shall be conducted in public by the Borough Auditors or their representative.

(d) An aggrieved lottery participant may appeal to the Bristol Bay Borough Assembly within ten (10) days after the lottery is conducted for a review of the lottery procedures. The decision of the Assembly is final.

18.08.050 Terms of sale. The terms of sale are as follows:

(a) Five percent (5%) of the purchase price to be paid at closing;

(b) the balance shall be evidenced by a promissory note secured by a Deed of Trust in the lot, to be paid in equal monthly, quarterly or annual installments over a period of not more than twenty (20) years, including interest at the rate of six points below National Bank of Alaska's prime rate (and published as such at the date notice of the lottery is posted; provided that in any event the interest rate shall be not less than five percent (5%) nor higher than ten percent (10%)).

18.08.060 Over-the-counter sales. Lots which are offered by lottery and are not awarded during or prior to the lottery or which have been relinquished will be available over the counter to persons qualified to have participated in the immediately preceding lottery under the same terms and conditions as for lots purchased at lottery. The over-the-counter sales will be available at the Borough Office on a first-come, first-serve basis from 8:30 a.m. to 4:00 p.m. on the thirtieth (30th) business day after the lottery and for a period of three (3) months thereafter.

18.08.070 Relinquishment. Successful applicants shall give notice in writing to the Borough Manager of their relinquishment of their right to purchase, the notice to be received prior to the purchaser's executing the sale documents.

A person who so relinquishes becomes eligible to apply for another lot over the counter or in a subsequent lottery. A person who relinquishes or defaults after execution of the sale documents is not eligible to obtain another lot from the Bristol Bay Borough.

18.08.080 Limitations/restraints.

(a) No person may by lottery or over the counter acquire more than one (1) lot in Naknek River Subdivision.

(b) No lot may be sold, transferred or conveyed for a period of ten (10) years after the date of sale and such sale, transfer or conveyance shall be void except as follows:

(1) by devise or descent;

(2) by a bona fide foreclosure (in which event the restraint on alienation shall become void as to said lot);



Example 1: Land Disposal by Lottery



Example 1: Land Disposal by Lottery

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(3) between immediate family, defined as first degree of kinship;

(4) if the lot is free and clear of any balance of the purchase price or lien due the Borough.

(c) A purchaser shall not be or become ineligible to acquire a lot by lottery over the counter if the purchaser shall become an owner of another lot pursuant to subsection (b).

18.08.090 No warranty implied. By selling land the Bristol Bay Borough does not give nor imply any warranty as to the land's fitness, use, or suitability, or whether public utilities or service will be provided. It shall be the responsibility of the applicant purchaser to determine whether the land will meet his needs.

18.08.100 Title search. Prior to the lottery, the Borough Manager shall obtain a title report for the property from a land title company.

18.08.110 Lottery drawing order. The order of drawing will be determined by the number of applications received, with the drawing for one lot which the most applications were received being held first. Each lot will be awarded to the first qualified applicant whose name is drawn, and who has not yet been awarded a lot. Once an applicant has been awarded a lot, all other applications by that person shall be disregarded. Successful applicants may trade their awarded lots with other successful applicants for a period of fourteen (14) days immediately following the lottery drawing.

18.08.120 Lottery cancellation. The Borough Manager may cancel, postpone or delay any lottery.

18.08.130 Discount for construction - after occupied for one (1) year. A purchaser shall be eligible for a discount equal to thirty percent (30%) of the purchase price if within five (5) years of the date of sale (defined as the date of the deed) the purchaser, or his successors in interest (as permitted by 18.08.080 (b)), complete to Bristol Bay Borough requirements and Naknek River Subdivision covenants, conditions and restrictions, a single or multi-family residence of at least 1,000 square feet of living space (excluding garage) on the lot and thereafter reside in the residence for one (1) continuous year. The discount shall be applied or paid, if at all, to the record owner at the time the discount is applied for unless the application is rejected. The discount will not be allowed unless the purchaser shall make application for the discount after completion of the residence and continuous occupancy of the residence for a minimum of one (1) year, and not later than six (6) years after the date of sale. If the discount is allowed, it shall be applied as follows:

(a) The amount of the discount shall be deducted from the remaining principal balance of the promissory note. Remaining periodic payments are not excused.

(b) If the discount or any portion thereof exceeds the remaining principal balance of the promissory note, the discount or excessive portion thereof shall be refunded to the purchaser.



Example 1:
Land Disposal by
Lottery

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(c) If a purchaser does not timely apply for the discount, the discount is waived.
18.08.140 Excused periods of absence for discount. The following are excused periods of absence under section 18.08.130 in determining the one (1) year continuous occupancy after construction of the residence;

- (a) military service;
- (b) college or trade school;
- (c) medical illness not to exceed 180 days;
- (d) other absence from the residence for a period not to exceed 90 days;

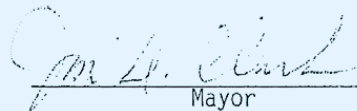
If a purchaser does not timely apply for a discount, the discount is waived.

18.08.150 Severability Any provision of this chapter determined to be invalid, void or illegal shall in no way affect, impair nor invalidate any other provision hereof, and such other provisions shall remain in full force and effect,

Introduction and First Reading August 18, 1983.

Public Hearing and Second Reading September 19, 1983.

Adopted by the Assembly of the Bristol Bay Borough,
Alaska, this 19th day of September, 1983.



Mayor

ATTEST:



Borough Clerk

QUESTIONS AND ANSWERS

- Q. Can more than one member of a family submit an application for a lot?
- A. Yes, providing each member meets the basic requirements, and is at least 18 years old.
- Q. What happens if my name is not chosen?
- A. You have the opportunity to purchase unselected lots over the counter after the lottery.
- Q. How do I qualify for discounts?
- A. Residential and multi family structures may receive up to a 30% discount by building a residence within 5 years after the lottery.
- Q. Can lots be traded?
- A. Yes, successful applicants may trade with other successful applicants for 14 days after lottery selection.
- Q. Does the subdivision have restrictive covenants and restrictions?
- A. Yes, the covenants and restrictions are available at the borough office.
- Q. Can I draw and keep more than one lot?
- A. No, only one lot per person.



BRISTOL BAY BOROUGH
BOX 189
Naknek, Alaska 99633

Announcing
NAKNEK RIVER SUBDIVISION
LAND LOTTERY

LAND LOTTERY NAKNEK RIVER SUBDIVISION

OVERLOOKING THE NAKNEK RIVER
AND THE KATMAI NATL. PARK

SCHEDULE

APPLICATION PERIOD: Applications will be available and accepted from October 12, 1983 to November 11, 1983 Mon. - Fri. 8 a.m. - 4:30 p.m. at the Borough Offices.

LOTTERY: November 26, 1983

LOCATION: Borough Building

TIME: 3 p.m.

CLOSING: November 27, 1983 to December 27, 1983

OVER THE COUNTER: December 27, 1983 to April 1, 1983

FOR MORE INFORMATION, CONTACT:
BRISTOL BAY BOROUGH
P. O. BOX 189
NAKNEK, ALASKA 99633
(907) 246-4224



Example 1: Land Disposal by Lottery



Example 1: Land Disposal by Lottery

SOME QUICK FACTS

NAKNEK RIVER SUBDIVISION LOCATION IS LOCATED AT MILE 7.5 OF THE NAKNEK-KING SALMON HIGHWAY.

86 LOTS TO BE SOLD

SIZE OF LOTS RANGE FROM 2 ACRE LOTS TO APPROXIMATELY 7 ACRE LOTS.

QUALIFICATIONS: 18 years of age at the time of application.

Be a resident of the state of Alaska for thirty days preceding filing of applications.

FEES: Each application must have a non-refundable fee of \$10.00. Maximum of 15 applications per person.

TERMS: 5% down payment, balance in pre-arranged monthly, quarterly or annual payments.

INTEREST: 6 points below prime interest rate at the time of sale or not less than 5%, not more than 10%.

DISCOUNTS: Discounts up 30% can be awarded for timely construction.

ROADS: Each lot for sale is accessible by an improved gravel road.

WATER & SEWER DISPOSAL: All lots are sized to accommodate individual wells and sewage disposal systems.

ELECTRICITY: Power lines will be to all of the lots sold by the spring of 1984.

NAKNEK RIVER SUBDIVISION





Example 2: Land Disposal by Sealed Bid

EXAMPLE 2:

Land Disposal by Sealed Bid, Fairbanks North Star Borough (1987)

This example includes:

- a non-code ordinance which authorizes the disposal of specific lands by sealed bid
- an internal borough memorandum which outlines detailed procedures for conducting the sealed bid auction; and
- a sale brochure which provides information about the various lands being disposed of and sealed bid procedures.

Two important points to note about these sample documents:

1. The non-code ordinance doesn't contain a finding that the lands being disposed of are no longer necessary for municipal purposes or a description of the value of the property to be disposed (this second item is contained in the sale brochure). If the DCRA model code ordinance is used, note that these two items are required to be included in the non-code ordinance for specific disposal.
2. The sale brochure has a section regarding disclaimer clauses (page 6) and other required reading for participants (e.g., site inspection, utilities, trails and easements, etc.) on pages 8-11.

This information should be a useful guide for other municipalities who wish to dispose of lands by sealed bid auction.



Example 2: Land Disposal by Sealed Bid

ORDINANCE NO. 87

AN ORDINANCE PROVIDING FOR THE SALE OF CERTAIN BOROUGH LAND SETTING THE DATE OF SALE AND PRESCRIBING TERMS.

BE IT ORDAINED, by the assembly of the Fairbanks North Star Borough:

Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.

Section 2. The following described parcels of Borough land shall be offered for sale at a public sealed bid auction:

PARCEL NAME	# LOTS
All lots in Skylight Heights Subdivision, First Addition	39
Grieme Road Agricultural Project, Lots 1, 2, 3	3
U.S.S. 3148, Lots 149, 150, 163	3
U.S.S. 3210, Lots 53, 62	2
U.S.S. 3213, Lot 131	1
Hamilton Acres Subdivision, Lot 3, Block 18	1
Fairmeadow Estates Subdivision, Lot 3, Block 2	1

Section 3. Sealed bids shall be received by the Land Management Department beginning Monday, August 31, 1987. Bids will be opened in public beginning at 10:00 a.m. Saturday, September 12, 1987. All bids will be opened at the Borough Assembly Chambers, Fairbanks North Star Borough Administrative Center, 809 Pioneer Road, Fairbanks, Alaska. Sale brochures and bid packets will be available at the Fairbanks North Star Borough, Department of Land Management, 809 Pioneer Road, Fairbanks, Alaska, beginning Monday, August 17, 1987.

Section 4. Each bid must be accompanied by a bid fee of \$25.00. Down payments will be due at the time the real estate purchase agreement is signed.

Section 5. The minimum acceptable bid shall be eight-five percent (85%) of the appraised value.

Section 6. All sales shall be on the following basis:

a. The terms of the sale shall be eight i) or ii) below, at the option of the purchaser:



Example 2: Land Disposal by Sealed Bid

- i. the purchaser shall make a down payment of five percent (5%) of the purchase price. The balance due shall be paid in equal monthly installments according to an amortization schedule based on ten percent (10%) compound interest, for a period of ten (10) years. Parcels in the Grieme Road Agricultural Project shall have a payoff period of twenty (20) years.
 - ii. The purchaser shall make a down payment of five percent (5%) of the purchase price. A discount of ten percent (10%) off the purchase price will be given for full payment of the purchase price minus the discount by 5:00 p.m. Wednesday September 16, 1987. If such payment in full is not timely received, the purchaser shall pay in accordance with option (i) above. If payment is timely received, a quitclaim deed shall be executed in accordance with section (6.d) below.
- b. Payment of unpaid balances may be accelerated at the option of the purchaser without penalty.
- c. The highest responsive bidder shall:
- i) Execute a real estate purchase agreement: and
 - ii) Pay in full in accordance with 6.a.ii (above), or execute a promissory note and deed of trust.
- d. After the payment in full has been received, the Borough Administration shall execute a quitclaim deed in favor of the highest responsive bidder.
- e. Any United States citizen or resident alien, eighteen (18) years of age or older, is eligible to participate in this sale.
- e. The following persons may not participate in Fairbanks North Star Borough land sales either in their spouse, dependent child, or solely-owned or family-owned business:
1. a. Borough Mayor
 - b. Borough Administrative Director
 - c. Director, Department of Land Management

Section 7. The Director of the Department of Land Management shall have the authority to publish such auction procedures as she shall deem advisable. All bidders must comply with said procedures to be considered responsive bidders. The director of the Department of Land Management shall have sole discretion to determine if a bidder has complied with bid or auction procedures.

Section 8. Effective Date. This ordinance shall be effective on the day after its adoption.

PASSED AND APPROVED THIS _____ DAY OF _____, 20____.

Presiding Officer

ATTEST:

Clerk of the Assembly



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

★ Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 1267

Fairbanks, Alaska 99707

907 452-4761

M E M O R A N D U M

TO: 1987 Land Sale Workers
FROM: Doug Braddock, Land Management Planner
DATE: August 25, 1987
SUBJ: 1987 LAND SALE PROCEDURES

Attached is a set of procedures for the 1987 Sealed Bid Land Auction to be conducted on Saturday, September 12, 1987 beginning at 10:00 a.m. On the last page of the procedures you'll notice that I have tentatively assigned everyone jobs based on similar tasks they have accomplished at land sales in the past. If you would like a different job, please let me know and we'll try to arrange a trade.

I have also attached an information sheet titled, "*Receiving Sealed Bids*". Note that we are collecting a **\$25.00 fee for each bid submitted.**

Please read both of these papers carefully as many of the procedures have changed from previous years. As a result of these changes, it is important that we stage a realistic mock-up of the sale to ensure that all loopholes in the procedures have been plugged. This "dummy sale" is scheduled for after our staff meeting on **Wednesday, September 2, 1987.** Please let me know if this time is convenient for you. We will discuss the procedures in detail at the dummy sale to make sure all of your questions about the sale are answered.

attachments

DB

LAND SALE PROCEDURES

Sealed Bid Auction
September 12, 1987

Borough Assembly Chambers

SALE SCHEDULE

9:00 a.m.	Transfer bid envelopes to Assembly Chambers.
10:00 a.m.	Sale begins.
1:00 p.m.	Sale ends. Transfer bid envelopes to storage.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

1987 Sealed Bid Land Auction

PROCEDURES FOR LAND SALE CUSTOMERS

RECEIVING SEALED BIDS

The Department of Land Management will be receiving only hand-delivered sealed bids for the September 12, 1987 Land Sale. These sealed bids will be received in our office from 8:00 a.m. August 31, 1987 until 5:00 p.m. September 8, 1987.

In a sale of this type, it is very important to ensure that all customers are treated in a consistent manner. Therefore, the person receiving bids should follow these steps:

1. Review the sale procedure with the bidder. Make sure the bidder understands the modified sale procedures. In particular, emphasize the fact that the bidder can bid on as many parcels as desired but stands to lose \$25.00 on each unsuccessful bid.
2. At least one large envelope will be delivered to you by the person submitting the bid. This is the delivery envelope.
3. Open this envelope. It should contain a smaller envelope, a Bidder Application Form, and a completed power-of-attorney form (if necessary). This smaller envelope is the SEALED BID ENVELOPE and SHOULD NOT BE OPENED.

Once the sealed bid envelope and the forms are removed from the large envelope, the large mailing envelope can be discarded.

4. Stamp the date and time received in the lower left corner of the sealed bid envelope. Remember, DO NOT OPEN this envelope. Initial the date and time on the envelope.

Make two photocopies of the Bidder Application Form and
 - A. File one photocopy in the Bidder Application File located in Barbara Powell's office;
 - B. Give one photocopy to the bidder;
 - C. Attach the original to the sealed bid envelope with a spring clip.
5. Collect the \$25.00 bid fee for each bid submitted. Give each bidder a standard borough receipt for the money collected.
6. If the bidder has had problems with large unpaid bills or delinquent taxes, remind he/she to call us on Thursday, September 10, 1987 to verify that the bidder is eligible for the sale.
7. Update 'BIDS RECEIVED' sheet on the counter.
8. Give the sealed bid envelope (with the attached Bidder Application Form copy) to Doug or Barbara.
9. Doug or Barbara will file the bid in the locking file drawer in Barbara's office.



Example 2: Land Disposal by Sealed Bid

NOTE: The procedures for opening the sealed bids on the day of the sale is very different from that used at past sealed bid auctions. Please read the following procedures carefully to make sure you understand them. Ask Doug or Barb for clarification on any point that is unclear to you.

SALE PROCEDURES

WELCOME: Announcer welcomes public to the land sale. See supplemental “Information for Announcer” instruction sheet.

BID OPENING: (Borough Assembly Chambers):

1. **Announcer** explains process of opening and announcing bids. (See “Information for Announcer” instruction sheet.)
2. **Announcer** opens all of the bids for all of the parcels. Recorder #1 writes the name of each bidder and the amount of each bid on the large bid tally sheet for each parcel. Recorder #2 writes the name of each bidder and amount of each bid on the small bid tally form for each parcel. As each bid tally sheet is completed, it is taped on the wall of the Assembly Chambers in the order of bid opening. This process continues uninterrupted until all of the bid envelopes for all of the parcels have been opened.
3. There will be a 20 minute pause at this point to allow the audience to inspect the bid tally sheets.

PRIMARY SALE: (Borough Assembly Chambers):

1. Beginning with the parcel with the most bids (if the parcels have the same number of bids, the priority will be determined alphabetically by subdivision name, block, lot), the **announcer** asks the highest bidder for the parcel whether he/she would like to purchase the parcel. If the high bidder does not want to purchase the parcel (or does not sign the real estate purchase agreement), the next highest bidder is given the opportunity to purchase the parcel. The **announcer** notifies the high bidder that a “second chance” to purchase the parcel will not be given unless all other bidders for the parcel decline to purchase it and the parcel is reoffered in the secondary sale. The runner will notify the **announcer** when the real estate purchase agreement is signed for each parcel.



Example 2: Land Disposal by Sealed Bid

2. The procedure outlined in #1, above, will continue until all parcels with bids placed on them have been offered to the listed bidders.
3. When a high bidder is determined, the announcer will instruct the bidder to go to the HIGH BIDDERS TABLE in the Ester Room to sign the real estate purchase agreement.

SECONDARY SALE:

1. Parcels that are not sold in the primary sale because all bidders declined to accept them will be reoffered for sale in the secondary sale. For each parcel, the **announcer** will read the same list of bidders in the same order as in the primary sale using the same procedure outlined in #1, above. Parcels which had no bids originally placed on them will not be offered in the secondary sale.
2. When a high bidder is determined, the **announcer** will instruct the bidder to go to the HIGH BIDDERS TABLE to sign the real estate purchase agreement.

PROCEDURE FOR HIGH BIDDERS (High Bidders Table – Ester Room)

1. **Runner** delivers the high bid envelopes to the Purchase Agreement **Administrator I**. The **Purchase Agreement Administrator I**:
 - A. Explains the provisions of the purchase agreement to the purchaser;
 - B. Types the correct information onto the purchase agreement form;
2. Purchase Agreement Administrator II checks each purchase agreement as signed, and:
 - A. Schedules a closing date and time with the purchase and gives the bidder a Closing Appointment form showing the date and time of the closing;
 - B. Makes two photocopies of the original purchase agreement;
 - C. Gives one copy to the purchaser and places the other copy in the parcel file. The original should also go in the parcel file;
 - D. Notifies the Runner that the purchase agreement has been completed. The Runner then notifies the Announcer so that the audience can be informed.

SALES STAFF

ASSEMBLY CHAMBERS:

1 Announcer
1 Filer
2 Recorders

1 Runner

WORKER

Don Bruce
Barb Powell
J. Grandfield,
D. Braddock
Karen Lidster

HIGH BIDDERS' AREA:

1 Purchase Agreement Administrator I
1 Purchase Agreement Administrator II

Ralph Malone
Pat Weaver

GENERAL:

1 Miscellaneous Helper

Nancy Albrittain-Jackson

8 STAFF MEMBERS NEEDED FOR SALE

SPECIFIC DUTIES BY POSITION:

1. Announcer: See separate "Information for Announcer" instruction sheet.
2. Filer: Keeps track of bids for each parcel as they are opened; helps announcer with all aspects of bid opening; assists announcer in notifying the audience when purchase agreements have been signed.
3. Recorder #1: As bids are opened, records bidder names and amounts on large bid tally sheets; when all bids for a parcel are opened, confers with Recorder #2 to determine the highest bidder; designates the high bid on the large bid tally sheet for each parcel; tapes the bid tally sheet for each parcel on the wall of the Assembly Chambers.
4. Recorder #2: As bids are opened, records bidder names and amounts on small bid tally forms; when all bids for a parcel are opened, confers with Recorder #1 to determine the highest bidder; designates the high bid on each bid tally form; assists Recorder #1 in taping the bid tally sheets on the wall of the Assembly Chambers.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

5. Runner: Moves the high bid information from the announcer to the High Bid Table in the Ester Room; informs the announcer when the purchase agreement has been signed for each parcel.
6. Purchase Agreement Administrators I and II: Administers the real estate purchase agreement to each high bidder; schedules a closing date and time for each high bidder; answers any questions the high bidders have about the closing procedure.
7. Miscellaneous Helper: Fills in where needed; answers questions; assists the runner during busy times.

1987 Sealed Bid Land Auction

INFORMATION FOR ANNOUNCER

This sheet should answer any questions you might have on minimum bid requirements and difference between successful and unsuccessful bidders. You will have to make sure that each bid meets the minimum criteria for bid submittal and be able to identify the successful bidder.

GENERAL INFORMATION:

The announcer is the staff worker mainly responsible for conducting the auction. Because the sale procedure is very different this year, the announcer will undoubtedly receive many questions from the audience regarding the procedure to be used. At the beginning of the auction explain the following (this script is only a suggestion; however, all of the points contained in the script should be mentioned in the introductory explanation):

“There will be three parts to this auction: (1) the bid opening; (2) the primary sale, and (3) the secondary sale. Please listen carefully while I briefly explain each part.

“In just a moment we will open all of the bids for all of the parcels at once and place them on large sheets of paper. These sheets of paper will be placed around the Assembly Chambers where you can see them. We will then give you about 20 minutes to look over the results of the bidding.

“In the primary sale the highest bidder for each parcel will be asked whether he or she would like to purchase the parcel. If not, the next highest bidder will be asked the same question, and so on until the parcel is accepted. Once you decide you do not want the parcel you cannot change your mind unless the parcel is not purchased by any other person that has bid on it. We will start with the parcel having the most bids on it and progress to that having the least number of bids on it. If the parcels have the same number of bids, the priority will be determined alphabetically by subdivision name, block, lot. Each bidder that wants to purchase a parcel will be instructed to go to the High Bidders Table to sign a real estate purchase agreement and schedule a closing.

“Parcels that received bids but did not get sold in the primary sale will be reoffered in the secondary sale. I will proceed in the same order as in the primary sale. This will give you a second chance to purchase a parcel you may not have accepted in the primary sale.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

“You may ask yourself, ‘Why does this sound so complicated? What are the advantages?’ The main reason we have adopted this procedure is to give you more flexibility at this sale. Because you do not risk losing a down payment, you can bid on many lots with the idea of increasing your chances of getting the parcel that you want. You can choose not to purchase a parcel on which you are the highest bidder without fear of losing your down payment. You stand to lose only the \$25.00 bid fee. The secondary sale allows you a second chance to purchase a parcel you might have chosen not to accept the first time around.

“Does anyone have any questions before we begin?”

MINIMUM BID REQUIREMENTS:

1. The amount of the bid must equal at least 85% of the appraised value for the parcel.
2. A bidder or an agent with power-of-attorney must be present at the sale in order to purchase a parcel. When a high bidder has been identified, verify that the bidder is in the audience. If the bidder is not present, the parcel is offered to the next highest bidder. Ask the highest bidder whether he/she would like to purchase the parcel. If the bidder would like to purchase the parcel, instruct him/her to proceed to the HIGH BIDDERS TABLE. If the bidder does not want to purchase the parcel, ask the next highest bidder. Continue this procedure until the parcel is accepted. If all bidders decline to purchase a parcel, it will be reoffered in the secondary sale.

SUCCESSFUL BIDDERS:

A successful bidder is one who meets the minimum bid requirements, submitted the highest bid for a parcel, wants to purchase the parcel, and is present at the sale. In the case of a tie bid, the bid submitted to the Department of Land Management earliest will be the successful bid. Each bid envelope is marked with the date and time of submittal.

THINGS TO ANNOUNCE:

Announce the following at the beginning of the sale and periodically throughout the sale:

1. Warn the audience that all low bidders for a parcel should remain in the audience until you indicate that the purchase agreement for the parcel has been signed. Mention that the secondary sale will allow bidders a “second chance” to purchase a parcel.
2. Minimum bid requirements (see above).
3. Definition of a successful bidder (see above).
4. Warn the audience that all persons who sign a purchase agreement **MUST** be at the scheduled closing meeting that they will arrange at the time the purchase agreement is signed.
5. Announce that the OTC Sale will resume on Monday, September 14, 1987 in the office of the Department of Land Management.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

1987 SEALED BID LAND SALE

BID TALLY SHEET

LOT/PARCEL				NUMBER OF BIDS	
FAIRMEADOW ESTATES	BLK	02	LOT:	3	
GRIEME ROAD	BLK		LOT	1	
GRIEME ROAD	BLK		LOT	2	
GRIEME ROAD	BLK		LOT	3	
HAMILTON ACRES	BLK	18	LOT	3	
SKYLIGHT HEIGHTS	BLK	01	LOT	1	
SKYLIGHT HEIGHTS	BLK	01	LOT	2	
SKYLIGHT HEIGHTS	BLK	01	LOT	3	
SKYLIGHT HEIGHTS	BLK	01	LOT	4	
SKYLIGHT HEIGHTS	BLK	01	LOT	5	
SKYLIGHT HEIGHTS	BLK	01	LOT:	6	
SKYLIGHT HEIGHTS	BLK	01	LOT	7	
SKYLIGHT HEIGHTS	BLK	01	LOT	8	
SKYLIGHT HEIGHTS	BLK	01	LOT	9	
SKYLIGHT HEIGHTS	BLK	01	LOT	10	
SKYLIGHT HEIGHTS	BLK	01	LOT	11	
SKYLIGHT HEIGHTS	BLK	01	LOT	12	
SKYLIGHT HEIGHTS	BLK	01	LOT	13	
SKYLIGHT HEIGHTS	BLK	01	LOT	14	
SKYLIGHT HEIGHTS	BLK	01	LOT	15	
SKYLIGHT HEIGHTS	BLK	01	LOT:	16	
SKYLIGHT HEIGHTS	BLK	01	LOT	17	
SKYLIGHT HEIGHTS	BLK	01	LOT	18	
SKYLIGHT HEIGHTS	BLK	01	LOT	19	



Example 2: Land Disposal by Sealed Bid

LOT/PARCEL				NUMBER OF BIDS	
FAIRMEADOW ESTATES	BLK	02	LOT:	1	
GRIEME ROAD	BLK		LOT	2	
GRIEME ROAD	BLK		LOT	3	
GRIEME ROAD	BLK		LOT	4	
HAMILTON ACRES	BLK	18	LOT	5	
SKYLIGHT HEIGHTS	BLK	01	LOT	6	
SKYLIGHT HEIGHTS	BLK	01	LOT	7	
SKYLIGHT HEIGHTS	BLK	01	LOT	8	
SKYLIGHT HEIGHTS	BLK	01	LOT	9	
SKYLIGHT HEIGHTS	BLK	01	LOT	10	
SKYLIGHT HEIGHTS	BLK	01	LOT:	11	
SKYLIGHT HEIGHTS	BLK	01	LOT	1	
SKYLIGHT HEIGHTS	BLK	01	LOT	2	
SKYLIGHT HEIGHTS	BLK	01	LOT	3	
SKYLIGHT HEIGHTS	BLK	01	LOT	4	
SKYLIGHT HEIGHTS	BLK	01	LOT	5	
SKYLIGHT HEIGHTS	BLK	01	LOT	6	
SKYLIGHT HEIGHTS	BLK	01	LOT	7	
SKYLIGHT HEIGHTS	BLK	01	LOT	8	
SKYLIGHT HEIGHTS	BLK	01	LOT	9	
U.S.S. 3148	BLK	01	LOT:	14	
				9	
U.S.S. 3148	BLK	01	LOT	15	
				0	
U.S.S. 3148	BLK	01	LOT	16	
				3	
U.S.S. 3210	BLK	01	LOT	53	

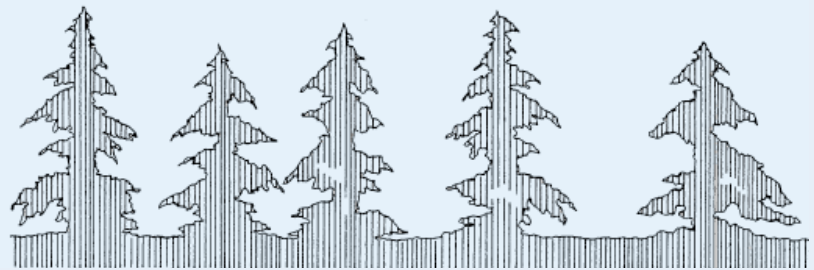


Example 2:
Land Disposal by
Sealed Bid

★ Fairbanks
North
Star
Borough

Department of Land Management
809 Pioneer Road
P.O. Box 1267
Fairbanks, Alaska 99707
907/452-4761

Fairbanks North Star Borough
LAND SALE
SEPTEMBER 1987



FAIRBANKS NORTH STAR BOROUGH

P.O. Box 1267 - 809 Pioneer Road
Fairbanks, Alaska 99707
(907) 452-4761

BOROUGH MAYOR

Juanita Helms

ASSEMBLY MEMBERS

Sandra Stringer
Jerry Norum
Valerie Therrien
Paul Chizmar
Chris Birch

Carol Rayfield
Jeff Weltzin
J.B. Carnahan
Ed Shellinger
Phil Younker

Buzz Otis
Presiding Officer

1987 SEALED BID LAND AUCTION

Saturday, September 12, 1987

In the

Fairbanks North Star Borough Assembly Chambers

DEPARTMENT OF LAND MANAGEMENT

Nancy Albrittain-Jackson, Director



**Example 2:
Land Disposal by
Sealed Bid**



Example 2: Land Disposal by Sealed Bid

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FAIRBANKS NORTH STAR BOROUGH
Department of Land Management
1987 SEALED BID LAND AUCTION

INSTRUCTIONS FOR PARTICIPANTS

IMPORTANT DATES AND PLACES

Sale Brochures/Bid Packets Available:

When: 8:00 a.m., Aug. 17, 1987
To
5:00 p.m., Sept. 8, 1987

Where: Department of Land Management
Second floor, Borough Administrative Center
809 Pioneer Road
Fairbanks, Alaska 99701

Bid Submittal Deadline:

When: 5:00 a.m., September 8, 1987
Where: Bids must be submitted IN PERSON to
The Department of Land Management
Second floor, Borough Administrative Center
809 Pioneer Road
Fairbanks, Alaska 99701

Land Sale:

When: 10:00 a.m., Saturday, September 12, 1987
Where: Borough Assembly Chambers, first floor
Borough Administrative Center
809 Pioneer Road
Fairbanks, Alaska 99701

Reoffering in the Over-the-Counter Sale:

When: Starting 8:00 a.m., Monday, September 14, 1987
Where: Department of Land Management, second floor
Borough Administrative Center
809 Pioneer Road
Fairbanks, Alaska 99701



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

SEALED BID LAND SALE PROCEDURES

1. You may submit any number of bids in this land sale. However, you may submit only one bid per parcel. There will be a non-refundable \$25.00 fee for each bid submitted, regardless of whether the bid is successful or not.
2. The required down payment will be due on the day of the sale at the time the real estate purchase agreement(s) is signed.
3. You MUST BE PRESENT at the sale to purchase parcels. If you cannot be present, you can assign an agent to act on your behalf with a power-of-attorney form available from the Department of Land Management. If the high bidder is not in the audience or declines to purchase the parcel, option to accept the parcel will pass to the next highest bidder.
4. In order to reduce the number of defaults on land sold by the borough, a limited credit check will be done to determine the eligibility of each applicant. New borrowers with no credit history will be eligible. However, if you have had previous difficulties with large unpaid bills, delinquent taxes, or similar situation, you should call the Department of Land Management at 452-4761, ext. 242 on Thursday, September 10, 1987 to obtain your eligibility status. The Department of Land Management will not call you. **YOU MUST CALL LAND MANAGEMENT TO BE CERTAIN YOU ARE ELIGIBLE FOR THE SALE.** If you are determined to be ineligible, your bid will be declared invalid and your application fee will be refunded. This is the only case in which the application fee will be refunded.
5. Sale day procedures will be different from past sealed bid sales the borough has conducted. Please read the following very carefully to familiarize yourself with the new procedures. The new procedures are designed to make it easier for you to place bids and to increase the amount of flexibility you have on the sale day itself. These procedures will allow you to bid on many parcels and choose to purchase only those you desire the most. You stand to lose only the \$25.00 fee for each unsuccessful bid. The sale will consist of these three parts:
 - a. Bid Reading – At the beginning of the sale, all bids for all parcels will be opened, read publicly and listed on large sheets of paper placed within viewing distance of the audience.
 - b. Primary Sale – Beginning with the parcel with the most bids, the high bidder will be asked whether he/she accepts the parcel. If so, that parcel is deemed to have been sold and the announcer will move on to the parcel with the next highest number of bids. If the high bidder does not wish to purchase the parcel or does not sign the real estate

purchase agreement, the next highest bidder is given the opportunity to accept the parcel. A “second chance” for the high bidder to purchase the parcel will not be given unless all other bidders for the parcel decline to accept it and the parcel is reoffered in the secondary sale. This process will continue until all parcels with bids placed on them have been offered to the listed bidders.

c. Secondary Sale – Parcels that are not sold because all bidders declined to accept them in the primary sale will be reoffered for sale in the secondary sale. The same list of bidders will be read by the announcer in the same order as in the primary sale. This will give the bidders who have declined to purchase a parcel in the primary sale a second chance to purchase. Parcels which had no bids originally placed on them will not be offered in the secondary sale.

The announcer will clarify the above procedures at the beginning of the land sale to make sure everyone understands them.

6. If you are the high bidder, you must either proceed to the HIGH BIDDERS TABLE to sign a real estate purchase agreement or you must notify the announcer that you do not wish to buy the parcel.
7. All persons who have submitted bids for a parcel should remain in the Assembly Chambers until the announcer notifies you that the real estate purchase agreement has been signed. If the high bidder does not sign the real estate purchase agreement, the parcel will be reoffered to the remaining bidders during the Secondary Sale.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

HIGH BIDDERS

1. At the HIGH BIDDERS table you will be asked to complete and sign a real estate purchase agreement with the borough.
2. High bidders must place their minimum 5% down payment(s) with the clerk at the time the real estate purchase agreement is signed (on the day of the sale). Cash, personal checks, money orders, cashiers' checks, and certified checks will be accepted. Please make checks out to FNSB.
3. You must arrange an appointment with the Department of Land Management for closing to complete a Deed of Trust and Promissory Note or to pay in full.
4. You must pay for all recording, processing, and closing fees (approximately \$150.00 per parcel) at the time of closing. Call our office at 452-4761 (ext 241) for an estimate of these costs.
5. See the section about TERMS below.

PARTICIPANT ELIGIBILITY

1. Any United States citizen or resident alien, eighteen (18) years of age or older, is eligible to participate in this sale. Please see Item #4 on page 2.
2. There is no requirement for the applicant to be a resident of Alaska.
3. The following persons may not participate in Fairbanks North Star Borough land sales either in their own name or in the name of their spouse, dependent child, or solely-owned or family-owned business:
 - a. Borough Mayor
 - b. Borough Administrative Director
 - c. Director, Department of Land Management

TERMS

- Option #1: A minimum down payment of five percent (5%) of the purchase price. The balance shall be paid in equal monthly installments according to an amortization schedule based on ten percent (10%) interest, for a period of ten (10) years. Parcels in the Grieme Road Agricultural Subdivision shall have a payoff period of twenty (20) years.
- Option #2: A discount of ten percent (10%) of the purchase price is available if the balance is paid in full by the time of closing. A down payment of five percent (5%) of the purchase price must be made at the time the real estate purchase agreement is signed if you choose this option.

Payments of unpaid balances may be accelerated at the option of the purchaser. There is no penalty for prepayment.

IF YOU CANNOT BE AT THE LAND SALE

If you cannot attend the land sale, you can give power-of-attorney to someone to act on your behalf at the sale. Special Power-of-Attorney forms specifically for the sale are available at the Department of Land Management. You must use this special form. If possible, the completed and notarized form (a notary is available at the borough) should be attached to your bid application and a copy given to the person with the power-of-attorney. Otherwise the person with power-of-attorney must have the form in his/her possession at the sale. The parcel legal description on the power-of-attorney form must be the same as the parcel on which you are bidding. If you bid on more than one parcel you will need a separate form for each parcel.

Be sure the person to whom you have given power-of-attorney knows that he/she **MUST** be present at the sale. If that person is not at the sale, you lose any opportunity to buy parcels.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

REOFFERING IN THE OVER-THE-COUNTER SALE

Parcels not sold in the sale will be reoffered over-the-counter starting at 8:00 a.m., Monday, September 14, 1987. In the over-the-counter sale the lots will be offered on a continuous first-come, first-served basis during normal business hours. Parcels will be sold at appraised value and at the same terms as in the sale. For more information, contact the Department of Land Management at the Borough Administrative Center (452-4761 ext. 241).

DISCLAIMERS

This brochure is for informational purposes only, and does not constitute an offer to sell. It is possible that, after the publication of the packet, modifications may become necessary. Anyone wishing information concerning modifications may call or write the Borough Department of Land Management at P.O. Box 1267, Fairbanks, Alaska 99707, (907) 452-4761. Any such changes will be announced as soon as possible and will be available at the Department of Land Management. However, it is your responsibility to keep yourself informed of any changes or corrections.

Although the borough has researched the land that is for sale, the borough makes no warranty or representation, either expressed or implied, with respect to the land that is for sale, including its quality, merchantability, or fitness for particular purpose. This land is sold "as is" and you, the buyer, are assuming the entire risk as to its quality and suitability for your intended use.

In no event shall the borough be liable for direct, indirect, special, incidental, or consequential damages arising out of the use or the inability to use the land that is for sale, even if advised of the possibility of such damages.

The right is reserved to adjourn, postpone, or vacate this sale, in whole or part, at any time prior to or during the offering, where such action is deemed necessary by the borough administration to protect the interest of the borough. One or more parcels may be modified, or withdrawn, at any time prior to or during the disposal period.

The right is reserved to waive any technical defects in this brochure.

FURTHER INFORMATION

Further information may be obtained from the Department of Land Management, Fairbanks North Star Borough, P.O. Box 1267, Fairbanks, Alaska 99707, or by phoning (907) 452-4761.

REQUIRED READING

FOR ALL PARTICIPANTS

SITE INSPECTION

ALL PARTICIPANTS ARE STRONGLY URGED TO PERSONALLY EXAMINE THE PARCEL(S) IN WHICH THEY ARE INTERESTED PRIOR TO SUBMITTING AN APPLICATION. The Borough does not warrant that the parcels are suited for any particular use whatsoever. There is no substitute for a thorough personal inspection of the parcel(s). If you would like a representative of the Department of Land Management to accompany you on a site inspection, arrange an appointment with our office at your convenience (call 452-4761 ext. 241).

CONVEYANCES AND TAXES

Conveyance of title to parcels sold in this sale will be by quitclaim deed. A quitclaim deed conveys title or interest in land without warranty. However, most land offered in this sale was conveyed from the federal government to the state and from the state to the borough. The borough obtained patent to the land through the Municipal Selections Act (AS 29.18.201-.213). There are no known intervening owners or claimants. Only the Hamilton Acres Parcel and the Fairmeadow Estates Parcel were privately owned prior to borough ownership.

Parcels selling for more than \$2,500.00 will have \$50.00 in sales tax assessed on them. Parcels selling for under \$2,500.00 will have two percent (2%) sales tax assessed on them.

Property sold in this sale is also subject to property taxes and assessments. Presently there is no property tax due.

ZONING

All parcels offered in this sale are zoned in accordance with Title 18 of the Fairbanks North Star Borough code of ordinances. The parcels shall be used only in accordance with this Title.

A zoning permit must be obtained from the borough, Department of Community Planning, before the start of any excavation, construction, or installation for a new structure or for the modification of any existing structure which would result in a different use of the structure, an increase in number of dwelling units in the structure, or in the size, height or location of the structure. A zoning permit is not a building permit. There are not building codes outside of the City of Fairbanks with the Fairbanks North Star Borough. The zoning permit is used to determine compliance with the local zoning designation. Construction within the City of Fairbanks must conform to city building codes.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

PLATTING

Lots in Skylight Heights Subdivision are being offered for sale contingent upon receiving final plat approval before September 12, 1987. Grieme Road Agricultural Parcels have received approval from the Fairbanks North Star Borough Platting Board. The plat for subdivision contains more details than can be included in the maps in this brochure. You are encouraged to inspect copies of the plats located on the counter at the Department of Land Management.

MINERAL RESOURCES

The State of Alaska retains ownership of all oil, gas, coal, ores, minerals, fissionable material, geothermal resources and fossil fuels which may be in or upon land conveyed to the borough. The State has reserved the right to enter upon the land to explore for and develop these materials. It may lease them or allow mining claims to be staked. However, Alaska law also provides that the surface owner be compensated for damages resulting from mineral exploration and development.

A Mineral Closing Order has been obtained for Skylight Heights Subdivision. The mineral potential for other parcels in this sale is low. The Hamilton Acres Parcel and Fairmeadow Estates Parcel include the mineral rights because the original private owner obtained the land from the federal government through homesteading.

UTILITIES

Electric service may not be available to all subdivisions and parcels. Engineering and economic considerations, availability of rights-of-way, and how quickly the parcels are occupied will all play a role in determining how soon a particular parcel can be served. If electric service is important to you, contact Golden Valley Electric Association for more information before purchasing a lot. It is your responsibility to check on the specific availability of power to the lot in which you are interested. The borough is not planning to supply electrical power to or within any of the parcels offered in this sale.

Telephone service will not be provided by the borough. If telephone service is important to you, contact the Municipal Utilities System (MUS). If the parcel in which you are interested is within, or south of, North Pole, contact Telephone Utilities of the Northland.

SEWER AND WATER

Purchasers are responsible for their own water supply and sewer disposal systems. The borough does not provide installations, test borings, percolation tests, wells, or other



Example 2: Land Disposal by Sealed Bid

improvements. All water and sewer-related improvements are subject to applicable State of Alaska regulations enforced by the State of Alaska, Department of Environmental Conservation (ADEC). These regulations detail specific requirements for water supply systems, sewage disposal systems, and solid waste disposal.

All subdivisions have been reviewed and approved by ADEC as required by state regulation 18 AAC 72.065. Potential purchasers are urged to examine the subdivision plats for any conditions of approval. Purchasers are required to contact ADEC prior to beginning any construction of a dwelling on a parcel to familiarize themselves with the governing state regulations and any special requirements that might apply. All sewage systems must be approved by ADEC.

To obtain water rights, the purchaser must apply to the State of Alaska, Department of Natural Resources, at the Northcentral District Office, 4420 Airport Road, Fairbanks, Alaska 99701, phone (907) 479-2243.

DRIVEWAYS, ROADS AND DRAINAGE

No obstructions shall be placed in drainage ditches adjoining any subdivision lot. Metal culverts of not less than 12 inches in diameter by 20 feet in length shall be placed on grade under driveways leading from the public roads onto any lot to avoid obstruction of any drainage ditch. If a parcel is not within a road service area, the road maintenance responsibilities rest with individual purchasers.

Within Skylight Heights Subdivision, First Addition, all driveway access must be from subdivision roads. No driveway access will be allowed from Murphy Dome Road.

TRAILS AND EASEMENTS

The lots being offered for sale are subject to trails or easements of various types. These trails and easements are delineated on the plat for each subdivision. It is important that you inspect the full sized subdivision plat(s) in the Department of Land Management office to ensure that you are aware of the presence of any trails or easements which may affect the lot in which you are interested.

AGRICULTURAL RESTRICTION

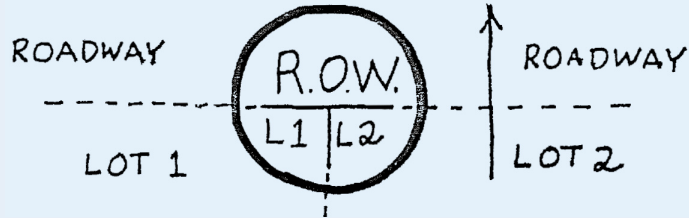
Agricultural use restrictions and covenants against resubdivision have been placed on the three agricultural parcels in the Grieme Road Agricultural Project. Prospective purchasers are advised to familiarize themselves with these restrictions (See page 39).



Example 2: Land Disposal by Sealed Bid

FINDING THE LOT CORNERS

Look for survey markers (similar to the following to identify the corners of a lot in Skylight Heights Subdivision:



This marker is approximately 1 1/2 inches in diameter and mounted on rebar close to the ground. Look for survey stakes approximately 15 feet from the edge of the driveable surface of the road. At the base of each stake you will find one of the above markers.

CHECKLIST

The following checklist is for your convenience to aid you in making an informed decision. All of these factors should be considered by a prospective purchaser, but other factors not included in this list may be of importance to you.

1. _____ **HAVE YOU INSPECTED THE PARCEL PERSONALLY?**
You are strongly encourage to review all information and personally inspect the parcel you intend to purchase. If you would like to inspect the parcel along with a member of our staff, please arrange an appointment at your convenience.
2. _____ Are there any easements or other encumbrances on the parcel which you intend to purchase? This information is available at the office of the borough Department of Land Management.
3. _____ Does the zoning of the parcel allow the use you anticipate for it? The Department of Community Planning can answer questions you may have regarding specific uses.
4. _____ Does the parcel have adequate access year around for your vehicle? What provisions will be necessary for a driveway?
5. _____ Is the parcel suitable for your anticipated use? Is there a good building site on the parcel? Consider the following:
 - soils and vegetation
 - easements
 - slope and aspect
 - zoning and setbacks
6. _____ Are the soils on the parcel satisfactory for your intended use? What is the potential for permafrost and/or thermokarst pitting? Contact the USDA Soil Conservation Service (479-6767) for specific information about soil types.
7. _____ Is the slope satisfactory? Is the slope too great for your intended type of construction?
8. _____ Are the utilities you desire presently available, or soon to be available? If they are not available, how much will it cost to bring them to the parcel? Contact Golden Valley Electric Association (electricity) and the Municipal Utilities System (telephone) for further information.



Example 2: Land Disposal by Sealed Bid

Competitive Land Disposals ...



Example 2: Land Disposal by Sealed Bid

9. _____ If you desire a well, how deep is the water table? Is the available water of good enough quality to fit your needs?
10. _____ Always check what is happening on land adjacent to the parcel. What is the potential for further development in the area, and will further development be of concern to you?
11. _____ Are there use restrictions (covenants) contained in the deed for the parcel in which you are interested? Agricultural parcels have retractions against resubdivision and against certain uses. The borough Department of Land Management can provide a copy of any restrictions or covenants for a parcel.
12. _____ Are there any other factors besides these which are important to you?

PARCEL *Catalog*



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

SKYLIGHT HEIGHTS – FIRST ADDITON

Legal Description: Within the SE1/4 of Sec. 9 and the N1/2, N1/2 SW1/4 of Sec. 16 in T. 1N., R. 3W, F.M.

General Location: The subdivision is located northwest of the City of Fairbanks on new Murphy Dome Road, 7 miles from the intersection with Goldstream Road and Sheep Creek Road. Soils: This subdivision contains Gilmore, Steese, and Fairbanks silt loams which are well drained and generally good for development. For more information regarding soil types, contact the USDA Soil Conservation Service at 479-6767.

Slope: Slopes range from 15% - 30%.

Aspect: Most lots are south facing.

Vegetation: Mixture of birch, aspen, and spruce.

Water: The potential for arsenic to occur in well water is moderate. Wells can be expected to be deep.

Access: All lots are accessed by either Vancouver Road or Richard Berry Drive, both off new Murphy Dome Road. Murphy Dome Road is paved from the intersection with Goldstream Road and Sheep Creek Road to beyond the subdivision.

Fire Service Area: None.

Road Service Area: On August 27, 1987, the Borough Assembly will vote on the addition of Skylight Heights to an existing road service area. If approved, maintenance of the roads by the service area will begin July 1, 1988. For more information, contact the Rural Service office at 452-4761, ext. 223.

Utilities: The nearest power line is approximately two miles to the east in Drouin Springs Subdivision.

Zoning: Rural Estates LA-II (RE LA-II) with minimum lot size of 5.4 acres. For more information about specific uses within RE LA-II zoning, contact the Department of Community Planning at 452-4761, ext. 260.

Easements: There is a 15' public utility easement (P.U.E.) along some interior lot lines and a 30' P.U.E. along lot lines adjacent to road right-of-ways. Two lots have driveway easement along the P.U.E. You should inspect the detailed plat in the Department of Land Management office for the exact easements on the lot in which you are interested.

Covenants: The covenants for this subdivision are listed on pages 15-17.

Mineral Rights: The State of Alaska has retained ownership to all mineral resources which may be in or upon the land. However, a mineral closing order has been obtained from the State for this subdivision. This closing order prohibits the staking of mining claims while it is in effect.

* * * * *

DECLARATION OF PROTECTIVE COVENANTS

FOR

SKYLIGHT HEIGHTS SUBDIVISION – FIRST ADDITON

The FAIRBANKS NORTH STAR BOROUGH, an Alaska municipal corporation, of Fairbanks, Alaska, being the fee owner of all lots of that certain subdivision known as SKYLIGHT HEIGHTS SUBDIVISION FIRST ADDITON, according to the plat thereof filed _____ as Plat NO. _____, Records of the Fairbanks Recording District, State of Alaska, desiring to ensure the orderly development and use of lots in said subdivision, and desiring to prevent nuisances or impairments of the attractiveness or value of said lots, does hereby declare and adopt the following protective covenants as to limitations and restrictions upon the use of all lots in the Skylight Heights Subdivision – First Addition.

PROTECTIVE COVENANTS

In cases where the following covenants conflict with the subdivision zoning, the most restrictive standard shall apply.,

LAND USE AND BUILDING TYPE. All lots shall be used only for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot containing more than two (2) DWELLINGS IN A SINGLE BUILDING (DUPLEX). No building shall exceed 35' in height. Each lot shall have only one building containing dwellings. Accessory buildings, such as garages or other buildings customarily adjunctory to a place of residence, shall be of a permanent nature and of harmonious design and appearance with each other and with dwelling building.



Example 2: Land Disposal by Sealed Bid



Example 2: Land Disposal by Sealed Bid

1. **DWELLING SIZE AND QUALITY.** The minimum permitted dwelling size for this subdivision shall be 480 square feet, exclusive of basements, decks, garages, and open porches. Cabin lofts may be included in the minimum square footage calculations. The exterior of said dwelling shall be completed within three (3) years after the beginning of construction, and finished with an acceptable, recognized, permanent finish material. No exposed urethane insulating foam is allowed. Accessory buildings shall also be finished in the same manner as the exterior of the dwelling within three (3) years after the beginning of construction.
2. **MOBILE HOMES.** No mobile home, trailer or any type of temporary dwelling unit will be allowed in this subdivision as a permanent residence. All homes must have permanent foundations in conformance with the minimum standards of the Federal Housing Administration as of the year of construction. Absolutely no exception to this covenant will be allowed. The term “MOBILE HOME” means a dwelling unit which is designed for transportation as one or more units, after fabrication, on highways to a site where it is to be occupied and to which site it arrives complete and ready for occupancy except for incidental unpacking and assembly operations, location on jacks or foundations, and connections to utilities.
3. **FACTORY ASSEMBLED DWELLINGS.** Factory assembled dwellings are allowed under these covenants. “Factory assembled dwelling” means a dwelling that comprises at least two finished, transportable components which are combined on the site to form one complete dwelling attached to a permanent foundation.
4. **EASEMENTS.** Easement for the installation and maintenance of utilities are reserved as shown on the recorded plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities.
5. **NUISANCES.** No noxious or offensive activity, including, but not limited to, noise disturbances caused by motorized vehicles, shall be carried out on any lot or subdivision road, nor shall anything be done thereon which may become an annoyance or nuisance. Specifically, (a) the parking of commercial vehicles or the use of the lot for the storing of vehicles, machinery, surplus equipment, scrap, or any other items not directly connected with the use of a lot for residential purposes is specifically declared to be a nuisance within the meaning and intent hereof; (b) the collection or keeping of non-operational motor vehicles and other non-operational machinery of any other type is prohibited; (c) the parking of vehicles and the storage of coal, wood, or any other materials on subdivision roadways is prohibited; (d) the operation of any commercial business is strictly prohibited. No automotive or heavy equipment repair shops will be allowed.

6. TEMPORARY RESIDENCE. An individual may reside in a mobile home, trailer or temporary dwelling located on an undeveloped lot in the subdivision for a period not to exceed one (1) calendar year only for the purpose of residing in said mobile home, trailer or temporary dwelling while constructing a permanent residence on said lot.
7. GARBAGE AND REFUSE DISPOSAL. No lot, nor any part thereof, shall be used as a dumping or storage ground for refuse or rubbish of any kind. Trash, garbage and other waste shall be kept in sanitary containers; accumulated trash, garbage, and other waste shall be dispensed of regularly.



Example 2: Land Disposal by Sealed Bid



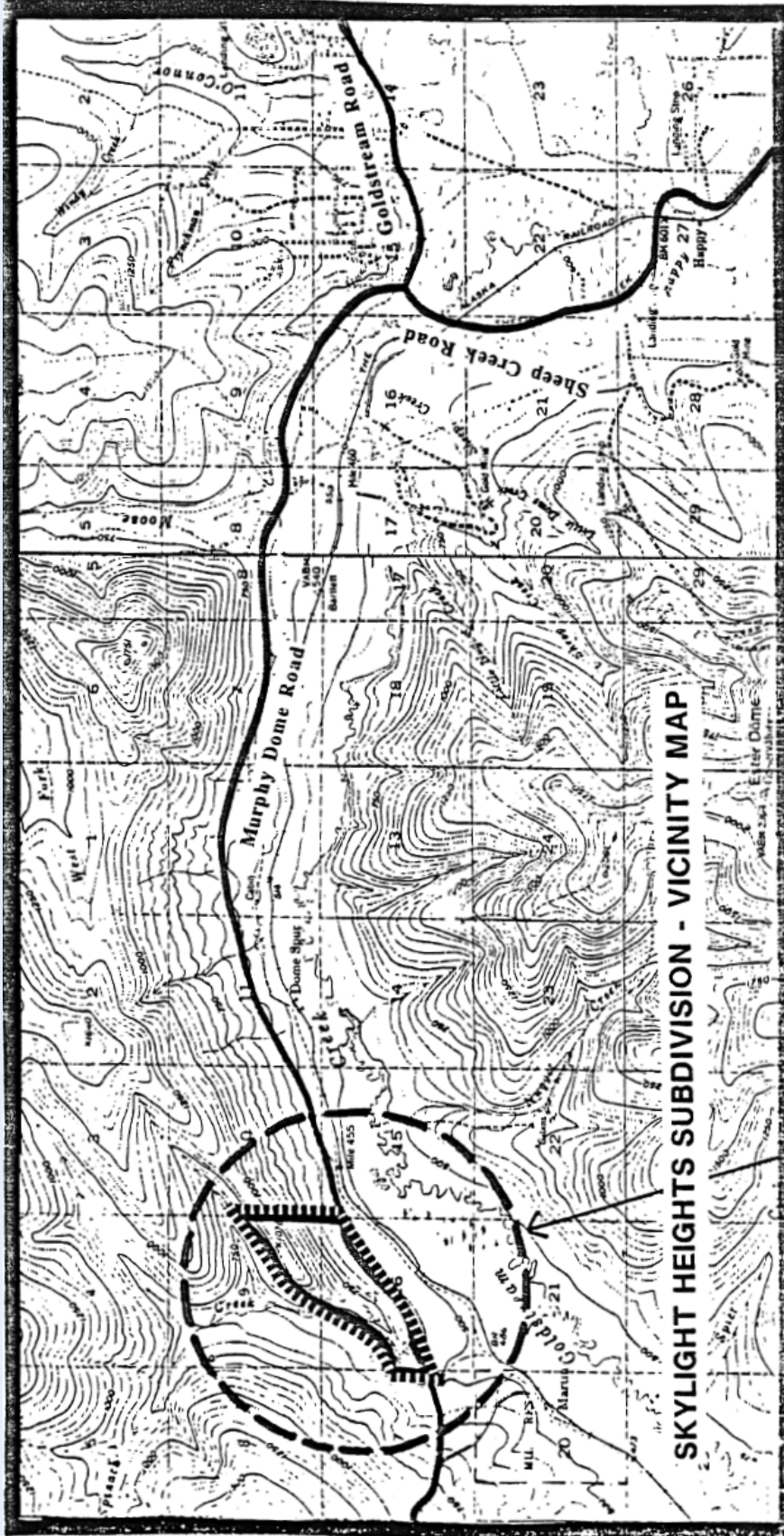
Example 2: Land Disposal by Sealed Bid

II. GENERAL PROVISIONS

1. **DURATION.** These covenants shall run with the land and shall be binding upon the within parties and those claiming, under the within parties though succession in interest to any lot or lots in said subdivision, to stand for the benefit and protection of present and future owners of lots in said subdivision. These covenants shall be enforceable at the insistence of the record owner of any lot in said subdivision. The successors in interest thereto shall ensure their benefit and protection by proceedings in equity to restrain violation and by proceedings at law to recover damages for the violation thereof. These protective covenants are to remain in effect for a period of twenty-five (25) years, commencing on the date of recordation hereof, but being subject to modification or renewal by written instrument executed by all the record owners of said lots, placed of record in said Fairbanks Recording district.
2. **FULLY PROTECTED RESIDENTIAL AREA.** The covenants contained herein in their entirety shall apply to the entire SKYLIGHT HEIGHTS SUBDIVISION – FIRST ADDITON.
3. **SEVERABILITY.** Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

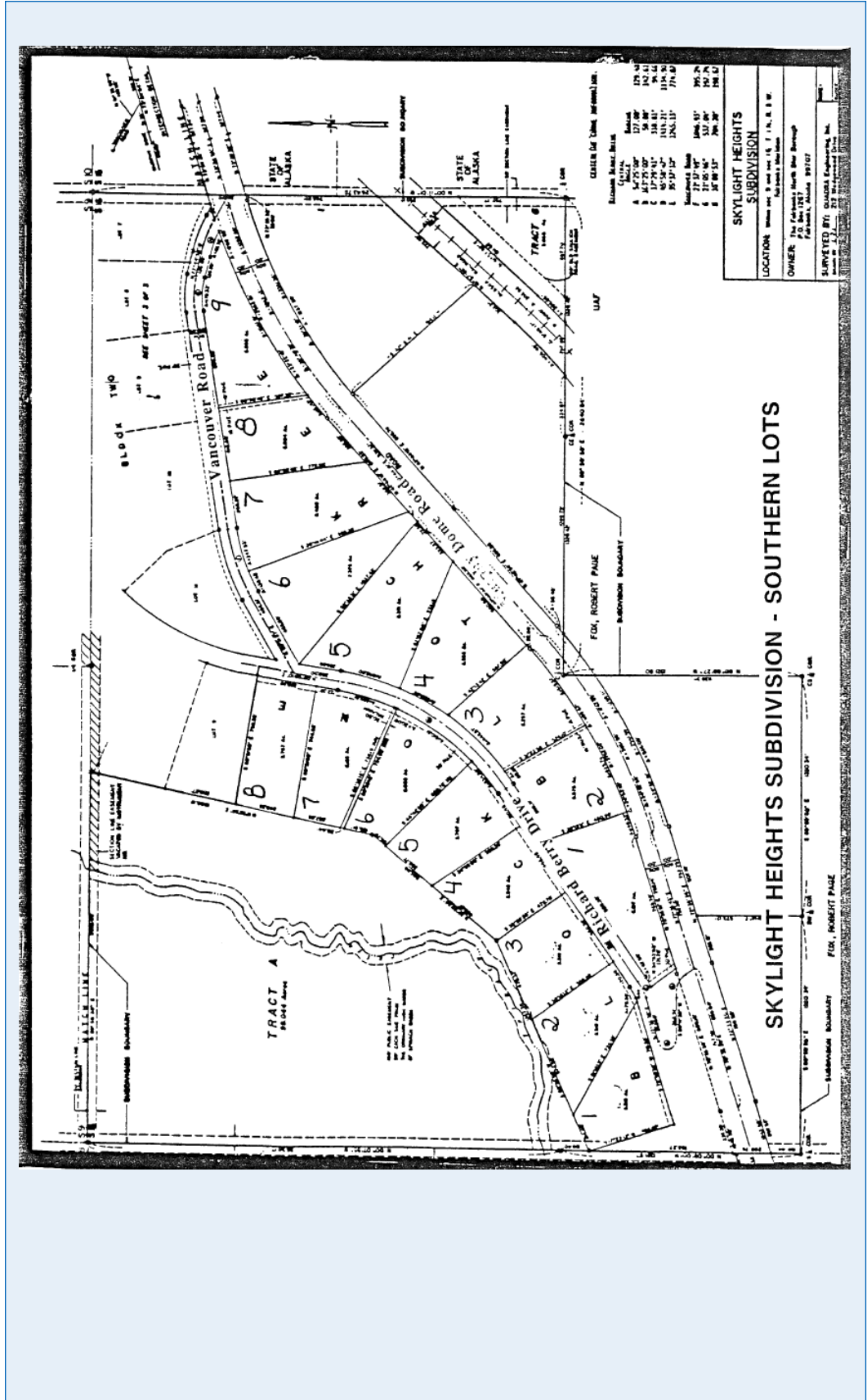


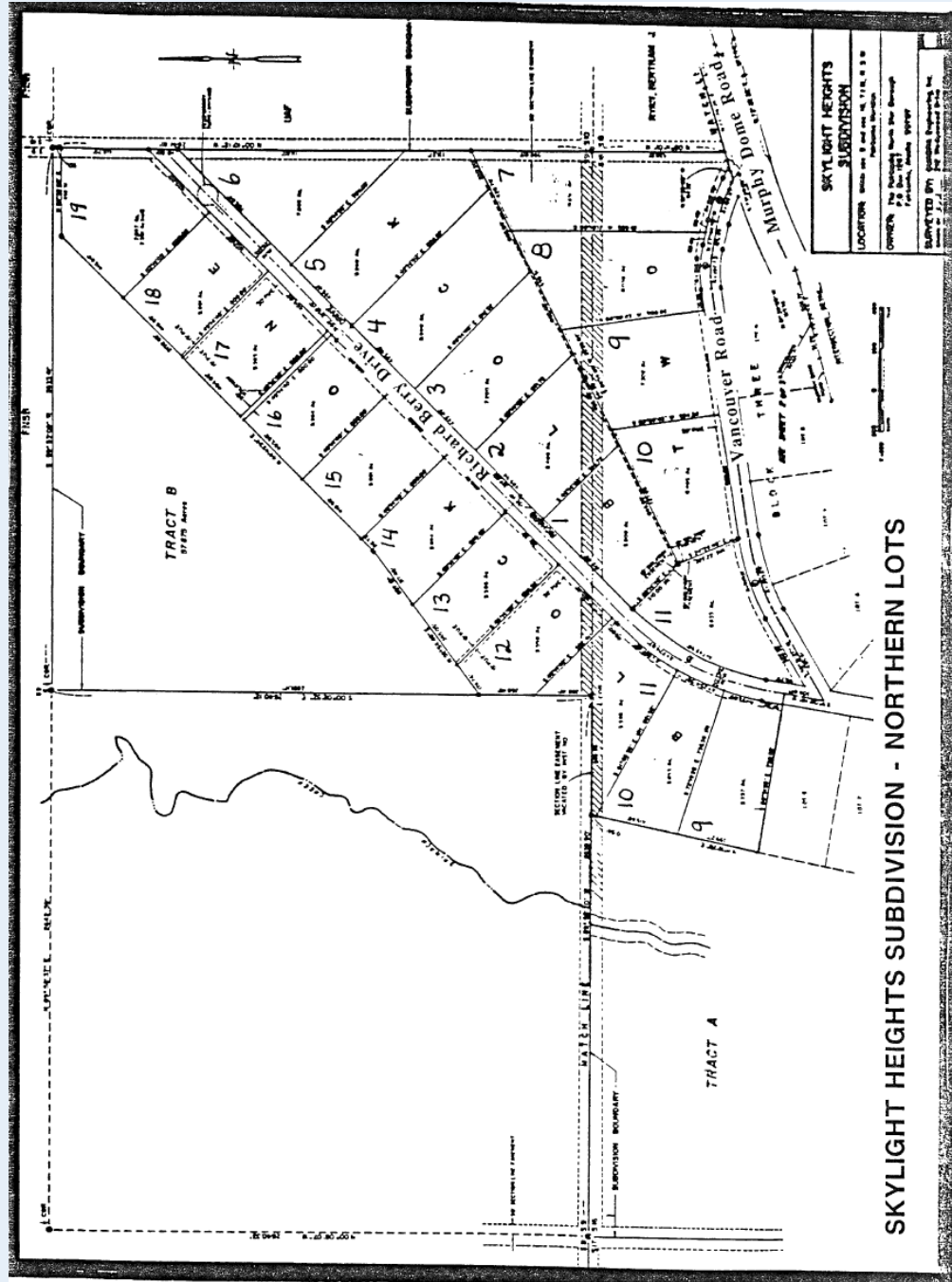
Example 2:
Land Disposal by
Sealed Bid





Example 2: Land Disposal by Sealed Bid





Example 2:
Land Disposal by
Sealed Bid



Example 3: Land Disposal by Outcry Auction

EXAMPLE 3:

Land Disposal by Outcry Auction, City of Petersburg (1983)

The City of Petersburg has a provision in their code ordinance (an excerpt of the provision is included in this chapter) which authorizes disposal of city lands by auction. To begin this process, city staff recommends to the city council which lands can be disposed of. These recommendations are presented to the council for their consideration. If the council authorizes the disposal by motion, notice of the lands to be auctioned and other auction procedures are published. After the auction takes place, the city council passes a special ordinance, that authorizes the sale of various lots which were offered at the auction.

This example includes:

- a copy of the code ordinance provision authorizing disposal of lands by auction;
- a copy of the staff memo recommending the lands to be disposed of;
- the notice containing the auction procedures; and
- the non-code ordinance authorizing the sale of auctioned lands.



Example 3: Land Disposal by Outcry Auction

16.12.070—16.12.80 The Mayor and City Clerk are hereby authorized and directed to execute a deed (lease) to: _____

(Buyer or Lessee)

Upon execution and compliance with all terms and conditions of this Resolution.

PASSED AND APPROVED by the City Council of the City of Petersburg, Alaska this _____ day of _____, 20____.

(Ord. 477 §3 (part) 1982).

16.12.070 Public auction. Any sale or lease of property shall be offered at public auction unless the council specifically approves a motion to allow an exemption to an auction. When property is sold or leased at a public auction the following procedures shall apply:

The minimum accepted bid shall be determined by the council after the review of an independent appraisal for market value.

Property owners adjacent to the property to be auctioned shall be notified of the sale by certified mail.

Notice of the auction shall be published once a week for two consecutive weeks in a newspaper of general circulation in Petersburg. If there is no such newspaper, the notice shall be posted within the same time at three public places within the city.

At the completion of the auction, the high bidder shall pay to the city an earnest money deposit equal to five percent of the bid together with any costs of survey, appraisal, advertising and other expenses incidental to the conveyance.

All lands not sold at public auction, shall be sold on a first-come, first-served basis using the application procedures described in Section 16.12.020. (Ord. 477 §3 (part) 1982).

16.12.080 Earnest money deposit. Five percent of the purchase price shall be deposited with the city for each lot or parcel of land within two working days after the approval of an application by the city council. Said earnest money deposit shall be applied toward the purchase price and the balance of the purchase price shall be due and payable within one hundred and eight days. If the applicant fails to make the payment in full at the end of one hundred and eight days, the earnest money deposit shall be forfeited to the city unless an extension is authorized by a formal motion and approval by the council. (Ord. 477 §3 (part) 1982).

290-2

(Petersburg 4/82)

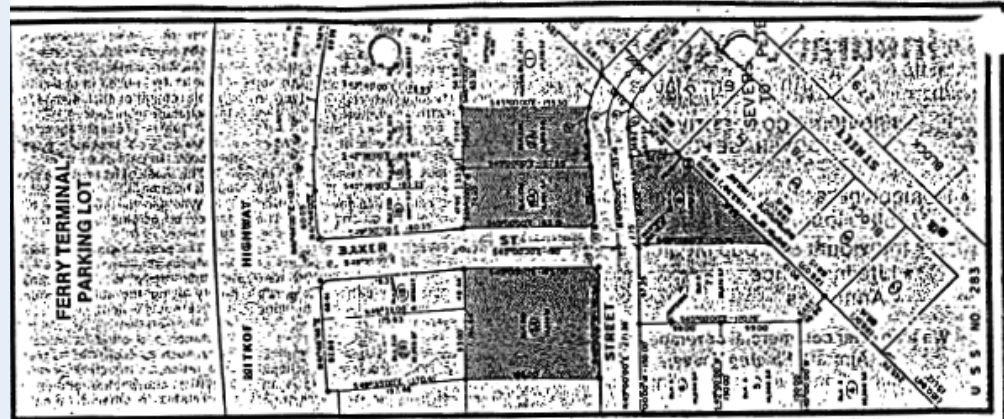
BLOCK	LOT	ACREAGE	PER ACRE VALUE	APPRAISED VALUE	MINIMUM BID
02	6	7.085	\$2,575.86	\$18,250.00	\$15,512.50
02	7	9.631	\$2,102.59	\$20,250.00	\$17,212.50
02	8	8.038	\$2,270.47	\$18,250.00	\$15,512.20
02	9	7.302	\$2,636.26	\$19,250.00	\$16,362.50
02	10	6.405	\$2,966.43	\$19,000.00	\$16,150.00
02	11	6.635	\$3,014.32	\$20,000.00	\$17,000.00
03	1	6.617	\$2,720.27	\$18,000.00	\$15,300.00
03	2	5.575	\$3,004.48	\$16,750.00	\$14,237.50
03	3	6.257	\$3,196.42	\$20,000.00	\$17,000.00
03	4	6.933	\$2,884.75	\$20,000.00	\$17,000.00
03	5	8.371	\$2,448.93	\$20,500.00	\$17,425.00
03	6	7.373	\$2,610.88	\$19,250.00	\$16,362.00
03	7	8.400	\$2,321.43	\$19,500.00	\$16,575.00
03	8	6.004	\$2,998.00	\$18,000.00	\$15,300.00
03	9	6.095	\$2,789.17	\$17,000.00	\$14,450.00



Example 3: Land Disposal by Outcry Auction



Example 3:
Land Disposal by
Outcry Auction



City Land Sale By Public Auction

Wednesday, January 26, 1983 7:30 p.m. • City Council Chambers

Lot	Block	Appraisal	Square Footage	Cost/Sq. Ft.	Zone	Location
Lot 2A	224	\$18,500	11,670	\$1.58	R-1	O Street Skylark Subdiv. II
Lot 4A	224	\$19,000	12,031	\$1.57	R-1	O Street & Baker Skylark Subdiv. II
Lot 3A*	221	\$29,000	23,238	\$1.25	R-1	O Street & Baker Skylark Subdiv. II
Lot 8	A	\$21,500	13,889	\$1.54	R-1	O Street Skylark Subdiv. II

* Subject to future assessment if water service and O Street is constructed by City, or may be constructed at owner's expense according to Petersburg Standard Specifications for construction.

The city council has classified the above described parcels of city land as available for sale. The land will be offered at appraised fair market value, at a public auction on Wednesday, January 26, 1983 at 7:30 p.m. in the city council chambers. Following are the procedures that will be followed for sale of the property.

Auction Procedures

MINIMUM BIDS: The minimum amount the City will accept for a parcel has been established by the city council after a review of an independent appraisal of fair market value.

NOTICE: Notice of an auction is given by publication and by certified mail to adjacent property owners to the parcels of land.

QUALIFIED BIDDERS: No person may acquire more than one parcel at a particular auction or within the first 30 day period that it is offered over-the-counter. The bidder must be present in person or be represented by a legitimate agent. Agents must have a written document authorizing them to act for another. The document must be notarized and must contain the signatures of both parties.

TERMS: At the conclusion of the auction, the high qualified bidder shall pay the City an earnest money deposit equal to 5 per

cent of the bid together with any costs of survey, appraisal, advertising and other expenses incidental to the conveyance. The earnest money deposit shall be applied to the purchase price and the balance of the purchase price shall be due and payable within 180 days.

Construction of improvements within 4 years shall be required as a condition to the conveyance.

Should the high bidder at the auction not qualify, the parcel will be offered to the next highest bidder who is qualified and willing to make a deposit.

If there are no willing bidders, the parcels will be offered for sale over the counter on a date to be announced at the conclusion of the auction. At the beginning of over-the-counter sales, all persons will be issued a priority number for making an application on a first come first served basis. If more than one person is waiting at 8 a.m. on the day over-the-counter sales begin, a drawing will be held to determine priority.

Auction begins at 7:30 p.m. Wednesday, January 26th in the City Council Chambers.

Published: Jan. 12, 19, 1983



City of Petersburg
772-4511



Example 3: Land Disposal by Outcry Auction

ORDINANCE NO. 505

A SPECIAL ORDINANCE TO AUTHORIZE THE SALE OF VARIOUS LOTS OFFERED AT PUBLIC AUCTION.

WHEREAS, the City Council has classified the property which is the subject of this Ordinance as available for sale; and,

WHEREAS, an independent appraisal has determined the fair market value of the parcels as of the 7th day of December, 1982 in the manner following:

<u>Legal Description</u>	<u>Appraised Value</u>
Lot 2A Blk 224	\$18,500
Lot 4A Blk 224	\$19,000
Lot 3A Blk 221	\$29,000
Lot 8 Blk A	\$21,500

WHEREAS, the City Council has established the appraised value as the minimum amount the City would accept for sale of the property; and,

WHEREAS, an auction was held and an earnest money deposit has been received for the purchase of the property described above.

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Petersburg, Alaska as follows:

Section 1. Classification. This Ordinance is of a temporary and impermanent nature and shall therefore not be codified in the Municipal Code of the City of Petersburg, Alaska.

Section 2. Purpose. The purpose of this Ordinance is to authorize the sale of lots offered at public auction on the 26th day of January, 1983.

Section 3. Substantive Provisions.

A. It is hereby determined that the property which is the subject of this Ordinance is NOT required for municipal purposes.

B. The City Council hereby authorizes the sale of the following described property to the person and/or authorized agents indicated in this section:

<u>Legal Description</u>	<u>Successful Bidder</u>	<u>Purchase Price</u>
Lot 2A Blk 224	The Mill, Inc	\$19,000
Lot 4A Blk 224	Joe Herrera	19,500
Lot 3A Blk 221	Jim Welch	29,100
Lot 8 Blk A	Peter Litsheim	21,600



Example 3: Land Disposal by Outcry Auction

C. The earnest money deposits received shall be applied toward the purchase price and the balance of the purchase price shall be due and payable within one hundred and eighty (180) days from the date of passage of this Ordinance.

D. Construction of improvements within four (4) years of the date of this Ordinance shall be required as a condition to the conveyance as described in Section 16.12.090 of the Petersburg Municipal Code.

E. Excluded from the purchase price of Lot 3A of Block 221 is the extension of "O"(Odin) Street and the extension of water service to that parcel. The owner of said parcel shall be liable for an assessment if said improvements are constructed by the City; or the owner may contract with a private contractor for the construction of said improvements according to City of Petersburg's Standard Specifications for Construction.


F. The Mayor and city Clerk are hereby authorized to execute deeds and other documents required to complete these purchase transactions upon execution and compliance with all terms and conditions of this Ordinance.

Section 4. Severability. If any provision of this Ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this Ordinance and the application to other person or circumstance shall not be affected thereby.

Section 5. Effective Date. This Ordinance shall become effective three days after passage excluding the day of enactment.

PASSED and APPROVED by the City Council of the City of Petersburg,

Alaska this 7th day of March 1983.



Mayor

Attest:



City Clerk