




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Jim Dinley, Municipal Administrator
Mayor Westover and Assembly Members

From: Wells Williams, Planning Director 

Subject: Ordinance 2011-39 Authorizing the Sale of Nine Lots along Jacobs Circle in the Whitcomb Heights – South Benchlands

Date: October 5, 2011

Ordinance 2011-39 is on the Assembly agenda for First Reading on October 11. The ordinance authorizes the sale of the lots in the municipality's Whitcomb Heights III Subdivision. The lots are along Jacobs Circle. An outcry auction is planned consistent with previous practice.

The subdivision contains ten parcels with Lot 10 being set aside to the Electric Department for an electrical substation. The property is zoned R-1 single-family and duplex residential district.

The utility extension projects in this first phase have been completed, significant drainage and side slope improvements have been done, and fresh gravel has been placed on Jacobs Circle.

Several staff members will participate in a briefing of the Assembly through both a walk through on site and during the Assembly's consideration of the final subdivision plat.

The zoning allows for single family homes, homes with an apartment, duplexes, and zero lot lines.

The proposed auction process is consistent with the Sitka General Code and the recent auctions of Granite Creek and Indian River Road parcels. Staff anticipates using informational materials and documents that are very similar to those that have been used previously.

If the Assembly continues to go with the auction format, staff is suggesting that it be held during the Assembly meeting of December 13th. Our experience with the Indian River sale suggests that only a small number of lots would sell during the initial auction. Over the counter sale of the remaining parcels would then occur over an extended period of time.

The specific issues the Planning Office will cover with the Assembly on the sales process may include:

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1. The setting of the auction date. While the ordinance has approximately a 45 day advertising period, the Assembly may wish to extend it to sixty days or more.
2. Confirmation of the minimum bids. The Assessor has set a proposed minimum bid for each lot.
3. The plat notes that have been placed on the plat.
5. Limitations on the number of parcels any individual or firm can purchase. In an ideal world, the Assembly could limit each buyer to two lots. Such a limitation could be easily avoided by purchasers having family members bid on lots or contractors that operate multiple companies.
6. The method of sale. The outcry auction is considered the preferred method since individuals can bid on their second or third choice if they do not get their initial preference. Potential buyers would need to have financing lined up in advance to close within twenty one days.

There will, inevitably, be other decision points will be reviewed and considered.

Recommended Action:

Approve the ordinance.