

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2023-21

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE PURCHASE BY THE CITY AND BOROUGH OF SITKA OF LOT 4, BLOCK 4, OF THE GARY PAXTON INDUSTRIAL PARK, PURSUANT TO THE AFFIRMATIVE COVENANT OF RIGHT TO PURCHASE CONTAINED IN THE QUITCLAIM DEED RECORDED 8/15/2022, AND MAKING SUPPLEMENTAL APPROPRIATION FOR FISCAL YEAR 2024 FOR SAID PURCHASE (Purchase of 4690 Sawmill Creek Road Property by CBS)**

**1. CLASSIFICATION.** This ordinance is not of a permanent nature and is intended to become a part of the Sitka General Code (SGC).

**2. 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 application thereof to any person and circumstance shall not be affected thereby.

**3. PURPOSE.** The purpose of this ordinance is to authorize the purchase by the City and Borough of Sitka (CBS) of Lot 4, Block 4, Gary Paxton Industrial Park (GPIP), pursuant to the Affirmative Covenant re CBS Right to Purchase (the "covenant") contained in the Quitclaim Deed, dated and recorded August 15, 2022, in the Sitka Recording District, Document No. 2022-000855-0, and make a supplemental appropriation for Fiscal year 2024 for said purchase in the amount of \$1,300,000.00, said amount obtained from an appraisal commissioned by the CBS (the "first appraisal"), with said purchase contingent upon SAYAK LOGISTICS LLC (the "Seller") not objecting/contesting to the first appraisal and not commissioning a second appraisal, as permitted by the covenant.

**4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The purchase of the subject property by the CBS is hereby authorized.
- B. The purchase price is the appraised fair market value in the amount of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000.00), as established in the first appraisal.
- C. The purchase for the first appraisal price and the corresponding supplemental appropriation is contingent upon the Seller not objecting to or otherwise contesting the first appraisal and not commissioning a second appraisal, as permitted by the covenant. If the Seller objects/contests to the first appraisal and timely commissions a second appraisal, this authorization to purchase the subject property, and the corresponding appropriation, shall be considered null and void.

- D. On condition that the first appraisal is accepted by the Seller and in accordance with Section 11.10(a) of the Home Rule Charter of the City and Borough of Sitka, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2023, and ending June 30, 2024.

<b><u>FISCAL YEAR 2024 EXPENDITURE BUDGETS</u></b>
<b>ENTERPRISE AND INTERNAL SERVICE FUND</b>
<b>Fund 780 – Marine Vessel Haul Out and Shipyard #90931: Increase appropriations in the amount of \$1,300,000 to purchase property located at 4690 Sawmill Creek Road, which is located in the project area. Funds in the amount of \$350,000 will be loaned from the Southeast Economic Development Fund, \$700,000 will be funded from the Bulk Water Fund, \$240,000 will be funded from the GPIP contingency fund, and \$10,000 will be re-allocated from 90935 (bulk water line repair).</b>

- E. With this appropriation of the purchase price, the Municipal Administrator is given full discretion to timely deliver the first appraisal to the Seller, thereby triggering the closing within 30 days after said delivery and is authorized to execute documents necessary to purchase the subject property in accordance with the covenant in the quitclaim deed.

**5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, this 24<sup>th</sup> day of October 2023.

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Steven Eisenbeisz, Mayor

ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading: 10/10/2023

2<sup>nd</sup> and final reading: 10/24/2023

Sponsor: Administrator