

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-56 on  
second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-56

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING  
THE TRANSFER/SALE OF A PORTION OF CITY AND BOROUGH OF SITKA'S  
"OLD CITY SHOPS" PROPERTY LOCATED AT 1306 HALIBUT POINT ROAD FOR  
AN AFFORDABLE HOUSING PROJECT THAT IS NOT SUBJECT TO  
COMPETITIVE BID AND IS AVAILABLE TO ALL REGARDLESS OF ETHNICITY  
TO THE SITKA COMMUNITY DEVELOPMENT CORPORATION (SCDC)**

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

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** On October 3, 2006 a majority of qualified voters of the municipality authorized the disposal of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point Road for an affordable housing project without being subject to competitive bid, as previously required by Ordinance 2000-1584, and that will be available to all regardless of ethnicity. Sitka Community Development Corporation will gain ownership of Parcel 1306, along with durable affordability controls over the resale of any home built on that land, ensuring that the subsidized homes remain affordable for generations to come. Sitka has made both a social priority of promoting affordable home ownership and a fiscal priority of protecting the public's investment in affordable housing.

This ordinance authorizes and specifies the terms of the land transfer/sale; and 1) makes this parcel of CBS land available for an affordable home project; and, 2) ensures this parcel remains available for affordable housing in the future. The Municipality and the Sitka Community Development Corporation are cooperating in this pilot project. Parcels 1410 and 1414 will be transferred/sold by similar ordinance to SCDC at a future date, pending clear demonstration by SCDC that they are able to use such parcels consistent with the October 3, 2006 vote.

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

- A. The transfer/sale of the "Old City Shops" property located at 1306, Halibut Point Road to SCDC is hereby authorized.
- B. This transfer/sale will allow for a cooperative project that results in promoting permanently affordable home ownership by placing affordable homes on the market as proposed by the grantee Sitka Community Development Corporation. Therefore sale by noncompetitive bid is found to be appropriate, as was authorized by vote of the citizens in 2006.
- C. The sale price is \$1.00 for Parcel 1306. This price reflects that the Municipality

significantly benefits through other means in this transaction.

D. SCDC acknowledges that prior use of this parcel resulted in chemical contamination of the soil, and a 2008 study, adopted by the State of Alaska, Division of Spill Prevention and Response Contaminated Sites Program found, absent any newly discovered evidence in the future, the property was cleared for redevelopment. SCDC is fully informed of this report and assumes the cost of any further testing, if necessary, and assumes all risk associated with said contamination history of this parcel.

E. Upon payment of purchase price the administrator is authorized to execute documents necessary to convey Parcel 1306 subject to final platting of the lot to ensure no encroachment on city assets or existing utility easements.

F. The Buyer is responsible for all recording fees and costs.

G. It is the intent of both parties that Parcels 1410 and 1414 will be similarly sold/transferred at a future date, pending clear demonstration by SCDC that they will be able to use Parcels 1410 and 1414 in a way consistent with the October 3, 2006 vote.

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, Alaska this 24<sup>th</sup> day of November, 2015.

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Matthew Hunter, Deputy Mayor

**ATTEST:**

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Sara Peterson, CMC  
Municipal Clerk