

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2021-30

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE  
TRANSFER/SALE OF A PORTION OF CITY AND BOROUGH OF SITKA'S "OLD CITY  
SHOPS" PROPERTY LOCATED AT 1410 AND 1414 HALIBUT POINT ROAD TO THE SITKA  
COMMUNITY LAND TRUST (SCLT) FOR AN AFFORDABLE HOUSING PROJECT THAT IS  
NOT SUBJECT TO COMPETITIVE BID AND IS AVAILABLE TO ALL REGARDLESS OF  
ETHNICITY**

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

**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 circumstance 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. SCLT will gain ownership of parcels 1410 and 1414, 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 these parcels of municipal land available for an affordable home project; and 2) ensures these parcels remain available for affordable housing in the future. The municipality and SCLT are cooperating in this project.

Ordinance 2015-56 authorized the sale/transfer of the first parcel of Old City Shops land, 1306 Halibut Point Road to SCLT (operating at the time as Sitka Community Development Corporation, SCDC) in 2015. It stated that "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." SCLT is ready to continue its affordable housing project development on these two parcels.

**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 1410 and 1414 Halibut Point Road to SCLT 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 SCLT. 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 parcels 1410 and 1414. This price reflects that the municipality significantly benefits through other means in this transaction.

D. SCLT 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. SCLT is fully informed of this report and assumes the cost of any further testing, if necessary, and assumes all risk associated with said contamination of this parcel.

E. Upon payment of purchase price, the Administrator is authorized to execute documents necessary to convey parcels 1410 and 1414.

F. The buyer is responsible for all fees and costs associated with recording and surveying.

**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 14<sup>th</sup> day of September, 2021.

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Steven Eisenbeisz, Mayor

ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

1st reading 8/24/2021

2nd reading 9/14/2021

Sponsor: Administrator