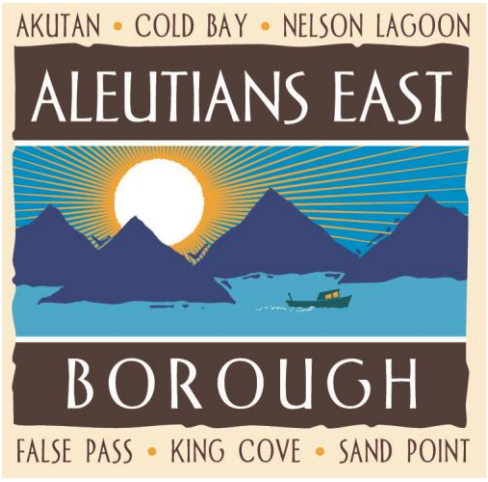
Aleutians East Borough Special Assembly Meeting



Meeting: Thursday, March 24, 2016 – 1:00 p.m.

Roll Call & Establishment of a Quorum

Adoption of Agenda

Agenda
Assembly Special Meeting
(packet available on website www.aleutianseast.org)

Date: Thursday, March 24, 2016

Time/Location: Meeting: 1:00 p.m. - By teleconference in each community location below:

King Cove AEB office	False Pass city office
Sand Point – AEB office	Akutan city office
Nelson Lagoon Corp. office	Cold Bay city office - library
AEB Anchorage office (3380 C St)	

ASSEMBLY MEETING AGENDA

All communities will be provided with conference calling information for the designated location in your community. Public comments on agenda items will take place immediately after the adoption of the agenda.

1. Roll Call & Establishment of Quorum.

2. Adoption of the Agenda.

3. Community Roll Call and Public Comment on Agenda Item.

4. Introduction Ordinance 16-05, authorizing the sale of certain real property owned by the Borough.

8. Next Meeting Date and Time

9. Adjournment

Community Roll Call & Public Comment on Agenda Items

Agenda Statement

Meeting Date: March 24, 2016

To: The Honorable Mayor Mack and Borough Assembly

From: Rick Gifford, Administrator

Re: **Disposal of Cold Bay Duplex Property**

Attached is Resolution 16-09 authorizing the Mayor/Administrator to dispose of the Cold Bay duplex by sealed bids. Aleutians East Borough Municipal Code (AEBMC) Chapter 50.10 titled Real Property Acquisition and Disposal provides for the disposal of real property owned by the Aleutians East Borough (AEB). AEBMC Section 50.10.060 further provides that the Assembly may dispose of real property by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal.

The Cold Bay duplex was being used by the Aleutians East Borough School District (AEBSD) for teacher housing. The AEBSD discontinued operations of the Cold Bay School due to low student populations which resulted in zero funding from the State of Alaska. Therefore, the AEBSD no longer has a need for the Cold Bay School or duplex and has turned the facilities back to the AEB as the owner of the property.

AEB provided notice that the Cold Bay duplex was for sale by sealed bid on February 8, 2016. Sealed bids were due by 2:00 PM on Tuesday, March 8, 2016. Three individuals/entities registered with the Borough and received bid packets. Only one bid was submitted by the due date. We received a bid from King Cove Corporation for $106,338 which included a ten percent deposit. Attached is the Agreement to Purchase between AEB and the King Cove Corporation. The AEBMC requires the disposal of public property by ordinance. Attached is an ordinance for Assembly approval to finalize the sale of the Cold Bay duplex.

Recommendation

The Mayor and administration recommend that the Borough Assembly approve Ordinance No. 16-05 authorizing the disposal of the Cold Bay duplex property in the amount of $106,338.00

Attachments.

AKUTAN • COLD BAY • NELSON LAGOON
ALEUTIANS EAST
BOROUGH
FALSE PASS • KING COVE • SAND POINT

RESOLUTION 16-09

A RESOLUTION OF THE ALEUTIANS EAST BOROUGH AUTHORIZING THE DISPOSAL OF THE COLD BAY DUPLEX PROPERTY BY SEALED BIDS.

WHEREAS, the Aleutians East Borough Municipal Code (AEBMC) Chapter 50.10 titled Real Property Acquisition and Disposal provides for the disposal of real property owned by the Aleutians East Borough (AEB); and

WHEREAS, pursuant to AEBMC Sec. 50.10.060 disposal of real property may be by sealed bids, outcry auction, lottery, first-come, first-served, negotiation, or such other method as the assembly may provide in the resolution authorizing the disposal; and

WHEREAS, the Cold Bay Duplex property was used by the Aleutians East Borough School District (AEBSD) for teacher housing and AEBSD has discontinued school operations in Cold Bay due to low student populations and therefore, the duplex is no longer needed by the AEBSD; and

WHEREAS, the Mayor has investigated other uses of the property and has determined that the property can be disposed of; and

WHEREAS, the Assembly has determined that the Borough has no use for the property and that disposal of the property is for the public good,

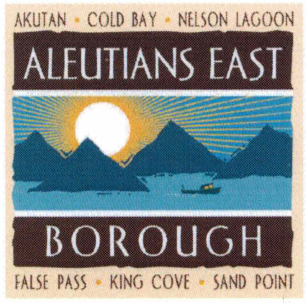
NOW, THEREFORE, BE IT RESOLVED THAT the Mayor and/or Administrator of the Aleutians East Borough are hereby authorized to dispose of the Cold Bay Duplex property using the sealed bid procedures which will include a minimum bid price to be determined by the Mayor to the highest responsible bidder. Per the AEBMC Sec. 50.10.050, subsection (b) the final disposal of the property must be authorized by ordinance.

PASSED AND APPROVED BY THE ALEUTIANS EAST BOROUGH ASSEMBLY on this 12th day of November, 2015.

IN WITNESS THERETO:

By: _____ ATTEST: _____
Stanley Mack, Mayor Tina Anderson, Clerk

ANCHORAGE OFFICE • 3380 C Street, Ste. 205 • Anchorage, AK 99503-3952 • (907) 274-7555 • *Fax:* (907) 276-7569
KING COVE OFFICE • P.O. Box 49 • King Cove, AK 99612 • (907) 497-2588 • *Fax:* (907) 497-2386
SAND POINT OFFICE • P.O. Box 349 • Sand Point, AK 99661 • (907) 383-2699 • *Fax:* (907) 383-3496



AGREEMENT TO PURCHASE

THIS AGREEMENT, made and entered into the day and year hereinafter last written, by and between King Cove Corporation ("Buyer"), of P.O. Box 38, King Cove, Alaska 99612, and Aleutians East Borough, a municipal corporation, at 3380 C Street, Suite 205, Anchorage, Alaska 99503, ("Seller" or "Borough").

W I T N E S S E T H:

1. Sale. Seller agrees to sell to Buyer and Buyer agrees to buy from Seller that certain parcel of land ("Premises/Property") which is described as the legal description from the public notice and listed below:

> The Duplex and land located in Cold Bay, Alaska described as Tract K-4, according to Plat 95-20, located in the Aleutian Islands Recording District, State of Alaska

2. Purchase Price. The Buyer agrees to pay for this property the sum of One-hundred six-thousand, three-hundred thirty-eight dollars ($106,338.00) described as follows:

a. The sum of $10,633.80 which is deposit required per the public notice and is included with this aAreement to Purchase.

b. The balance of the purchase price shall be: In the amount of Ninety-five thousand, seven-hundred four dollars and twenty cents ($95,704.20), and shall be delivered at closing in the form of a cashier's check, bank draft, certified check, or wire.

3. No Representations or Warranties. Seller hereby disclaims any and all warranties with respect to the condition of the Property. Seller makes no representations or warranties (express or implied) with respect to, and shall have no liability for the

condition of, the Property or any buildings, structures or improvements thereon, including (without limitation) the presence of any hazardous substances, and Buyer hereby releases and waives any and all claims, whether legal, equitable, or otherwise which Buyers has or may have against Seller with respect to the condition of the Property, including (without limitation) claims pertaining to the presence of any hazardous substances. Buyer acknowledges to Seller that Buyer has had the opportunity as of the submitting its bid to fully inspect the Property and that Buyer is purchasing the Property and accepting the Property **AS IS, WITH ALL FAULTS**, and that Buyer assumes the responsibility and risks of all defects and conditions, including such defects and conditions, if any, that cannot be observed by casual inspection. The limitations on liability contained in this Section 3 have been specifically negotiated by the parties. It is expressly agreed that these limitations on liability constitute a condition precedent to Seller's obligation to sell the Property to Seller, and to provide for the other terms and conditions of this Agreement, and that Seller would not be willing to sell the Property to seller or enter into this Agreement in the absence of such limitations on liability. These limitations on liability shall survive the closing of this sale and remain in full force and effect thereafter and shall not merge into the deed to be delivered to Seller hereunder, and shall be binding upon Buyer and its successors and assigns. Further, Seller assumes no liability with respect to, and makes no representation or warranty, whether express or implied, regarding the merchantability or suitability of any portion of the Property or the fitness or adequacy of the Property for any particular or intended purpose or for the uses contemplated or proposed by the Buyers. Pursuant to AS 34.70.110, the parties expressly agree that this transaction is not covered by AS 34.70, disclosures in residential real property transfers.

4. Possession. Possession of the Premises shall be delivered to the Buyer upon delivery of the Quitclaim Deed ("Deed"). Time is of the essence of this Agreement.

5. Expenses. All attorneys' fees involved with the preparation and recording of the closing documents will be paid by the Seller.

6. Deed. The Deed shall be a Quitclaim Deed in statutory form, proper for recording. A quitclaim deed conveys the Seller's interest in the land without any warranty, express or implied.

7. Date and Place of Closing. Sale must be approved by Ordinance of the Aleutians East Borough Assembly. Upon approval of the Borough Assembly, the Deed shall be available for buyer pickup or for mail delivery upon receipt of the balance remaining of the purchase price.

8. Cancellation by Seller. The Aleutians East Borough reserves the right to postpone or cancel this sale at any time prior to delivery of the Deed. In the event that the sale is canceled, the Seller shall refund to the Buyer any funds paid on account of the purchase price. Upon such refund and payment being made, this contract shall be considered canceled.

9. Default by Buyer. In the event the Buyer defaults hereunder, any monies paid under this Agreement shall be retained as liquidated damages; and in such event neither party shall be further liable to the other and this contract shall be deemed null, void and of no force and effect.

10. Surviving Covenants. No provision of this Agreement survives the delivery of the Deed except as expressly provided. Acceptance of the Deed shall be an acceptance of performance of all of the obligations of the Seller hereunder.

11. Notice. All notices, payments or deliveries to be made under this Agreementshall be effectively made if delivered to either party in person or sent by certified or registered mail with charges prepaid to the Seller, or to the Buyer at the respective address set opposite each signature of this Agreement, or to such other address as either party from time to time may furnish in writing to the other party.

12. Binding Effect. This Agreement shall extend to and be binding upon the heirs, administrators, executors, successors and assigns of the respective parties hereto.

13. Representation by Attorney. Buyer expressly understands and acknowledges that the law firm of Levesque Law Group, LLC, selected by Seller to advise Seller in regard to this Agreement and transaction, exclusively represents Seller and Seller's interests.

14. Authority. Both Buyer and Seller acknowledge that the signatories have the authority and power to enter into this Agreement and to consummate the transactions contemplated herein.

15. Entire Agreement. This contract constitutes the entire agreement between the parties.

16. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

This Agreement has been signed, sealed and delivered this _____ day of _____, 2016.

BUYER:

By: _____
Dean Gould, President

King Cove Corporation
P.O. Box 38
King Cove, Alaska 99612
Phone Number: 907-497-2312
Email: kcc@arctic.net and/or
dellat@arctic.net

SELLER

By: _____
Rick L. Gifford, Manager

ALEUTIANS EAST BOROUGH
3380 C Street, Suite 205
Anchorage, AK 99503
Phone Number: 907-274-7555
Email: rgifford@aeboro.org

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this ____ day of _____, 2016, before me, the undersigned notary public, personally appeared **Dean Gould, President of King Cove Corporation,** known to me to be the person whose name is subscribed to in the foregoing instrument and who acknowledged to me that he executed the same for the purposes therein contained.

_____
Notary Public in & for Alaska
My Commission Expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this ____ day of _____, 2016, before me, the undersigned notary public, personally appeared **Rick Gifford, Manager of Aleutians East Borough,** known to me to be the person whose name is subscribed to in the foregoing instrument and who acknowledged to me that he executed the same for the purposes therein contained.

_____
Notary Public in & for Alaska
My Commission Expires: _____

ALEUTIANS EAST BOROUGH
ORDINANCE SERIAL NO. 16-05

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL PROPERTY OWNED BY THE ALEUTIANS EAST BOROUGH

WHEREAS, the legislative power of the Aleutians East Borough is vested in the Borough Assembly under Alaska State Statute Sec. 29.20.050; and

WHEREAS, the disposal of real property owned by the Aleutians East Borough is governed by Chapter 50.10 of the Borough Code and generally required that the sale be authorized by ordinance; and

WHEREAS, the Borough Code provides that the disposal may be conducted, among other methods, by sealed bid; and

WHEREAS, the sealed bid procedure, including a minimum bid price determined by the Mayor was used for the disposal of the property in question; and

WHEREAS, one responsive bid was submitted by King Cove Corporation in the amount of $106,338.00, an amount above the required minimum bid price set by the Mayor.

NOW, THEREFORE,

(1) The Borough Assembly approves the sale of:

The Duplex and land located in Cold Bay, Alaska, described as Tract K-4, according to Plat 95-20, located in the Aleutians Islands Recording District, State of Alaska

(2) The Borough Assembly determines that the above described parcel is no longer required for a public purpose and that it is in the best interest of the Borough to dispose of the property.
(3) The parcel will be conveyed by Quitclaim Deed to the King Cove Corporation as the successful bidder.
(4) The fair market value determined by the Mayor is $98,500.00.
(5) The minimum disposal price set by the Mayor is $98.500.00.
(6) The method of disposal used was by sealed bid.

Section 1. **Classification.** This is a non-code ordinance.

Section 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 the application to other persons or circumstances shall not be affected thereby.

Section 3. **Effectiveness.** This ordinance shall become effective upon adoption.

INTRODUCED: _____

ADOPTED: _____

_____
Stanley Mack, Mayor

Date: _____

ATTEST:

_____
CLERK

Date: _____

Date & Location of Next Meeting

Adjournment