

Introduced By: Mayor Eberhart
Date: July 25, 2016

ORDINANCE NO. 6028, AS AMENDED

AN ORDINANCE AUTHORIZING THE SALE OF CITY REAL PROPERTY TO TANANA CHIEFS CONFERENCE TO FACILITATE EXPANSION OF THE CHIEF ANDREW ISAAC HEALTH CENTER

WHEREAS, the City is the owner of Lot 2, Tanana Chiefs Medical Center Subdivision, containing 13.5 acres, more or less, and lying generally west of Cowles Street and south of Eagan Avenue; and

WHEREAS, in 2010 the City conveyed five acres adjoining the parcel mentioned above at market value to Tanana Chiefs Conference (TCC) for the purpose of constructing the Chief Andrew Isaac Health Center ("Health Center"); and

WHEREAS, since completion of the Health Center, the demand for services has increased such that TCC is now planning for future expansion, intended to occur in approximately 2020; and

WHEREAS, TCC, through its President and by resolution of the full TCC Board of Directors, has requested purchase of 3.5 acres to be subdivided out of the City's Lot 2 for the proposed future expansion; and

WHEREAS, for these purposes, the estimated value of the property is \$1,052,000.00, with the true and final sales price to be determined by an independent real estate appraiser, with the appraiser's valuation to be approved by Council resolution; and

WHEREAS, TCC's intended use of the property will require a rezone as a contingency to the proposed transaction; this contingency is set forth in the attached "Exhibit A" Real Estate Purchase and Sale Agreement; and

WHEREAS, it is the sense of the City Council that sale of the land to TCC for expansion of the Health Center is in the best interest of the public; and

WHEREAS, sale of real property to a non-profit is not subject to public offering.

NOW THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. That "Exhibit A" Real Estate Purchase and Sale Agreement is approved for use in this transaction.

SECTION 2. That the Mayor is hereby authorized to execute the Agreement and all such other legal documents as may be necessary to complete the transaction on behalf of the City.

SECTION 3. That conveyance of the property shall be subject to a thirty-day permissive referendum period as required under Fairbanks General Code of Ordinances Section 70-42 and the City Charter. **It is the Council's intent that the proceeds from the sale be escrowed and applied to the purchase of adjacent property from the State of Alaska for use as a snow storage site.**

SECTION 4. That the effective date of this Ordinance shall be the 27th day of August 2016.



JOHN EBERHART, Mayor

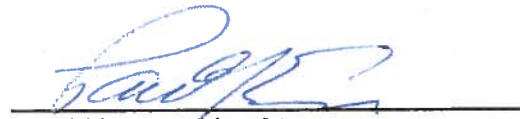
AYES: Matherly, Rogers, Huntington, Gatewood, Pruhs
NAYS: Cleworth
ABSENT: None
ADOPTED: August 22, 2016

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk



Paul Ewers, City Attorney

EXHIBIT "A" TO ORDINANCE NO. 6028, AS AMENDED

REAL ESTATE PURCHASE and SALE AGREEMENT

THIS AGREEMENT is made between the Parties:

The CITY OF FAIRBANKS, a municipal corporation of the State of Alaska, whose address is 800 Cushman Street, Fairbanks, Alaska 99701, hereinafter referred to as the "SELLER"; and

TANANA CHIEFS CONFERENCE, a nonprofit corporation of the State of Alaska, whose address is 122 First Avenue, Suite 600, Fairbanks, Alaska, 99701, hereinafter referred to as "PURCHASER"

For and in consideration of the mutual promises set forth below, SELLER and PURCHASER agree as follows:

1. PURCHASE AND SALE OF REAL PROPERTY. SELLER agrees to sell to PURCHASER, and PURCHASER agrees to buy from SELLER, that certain real property more particularly described as:

SALE PROPERTY:

A Tract of land containing 3.5 acres, as near may be, the same being a portion to be created out of Lot 2 Tanana Medical Center Subdivision, according to the plat filed May 25, 2010 as Plat Number 2010-54, Fairbanks Recording District, Fourth Judicial District, State of Alaska, shown in preliminary form on "ATTACHMENT A" to this Agreement.

2. EARNEST MONEY DEPOSIT: Ten Thousand and 00/100 Dollars (\$10,000.00) evidenced by: Check payable to the City of Fairbanks, to be transferred to Yukon Title Company upon execution of this Agreement, received from PURCHASER, as part payment of the purchase price set forth below:

3. PURCHASE PRICE. For these purposes, the estimated value of the property is \$1,052,000.00, with the true and final sales price to be determined by an independent real estate appraiser, with the appraiser's valuation to be approved by Council resolution; and

Payable as Follows:

All cash to the City as SELLER at time of closing of this transaction.

4. CONDITIONS PRECEDENT:

The following conditions must be satisfied by the Parties as designated below prior to and as a condition of closing of this transaction:

4.1 Due Diligence Investigations

PURCHASER shall have sixty (60) days from date of this Agreement to enter upon the property subject to this Purchase and Sale Agreement for the purpose of conducting due diligence inspections, including soils analysis or environmental investigation and such other inspection as it sees fit, bearing all cost for same. If, as a result of due diligence inspection, PURCHASER finds the property unsuitable for its purposes, this Agreement shall be terminated and the Earnest Money Deposit refunded.

4.2 Subdivision of Lot 2, Tanana Medical Center Subdivision

SELLER shall cause the intended tract of 3.5 acres to be created by subdividing Lot 2, which shall be conveyed to PURCHASER, the balance retained by SELLER, all in accordance with the Fairbanks North Star Borough Title 17 Subdivision Ordinance.

4.3 Rezone of the Property

PURCHASER shall, with the assistance of the SELLER, cause the intended tract of land to be re-zoned from its existing use zone to General Commercial District or other acceptable zone, all in accordance with the Fairbanks North Star Borough Title 18 Zoning Ordinance, which shall be a condition precedent to closing.

4.4 Conditions Subsequent – City Operations

PURCHASER acknowledges that the City of Fairbanks' historic, current, and future use of the remainder portion of Lot 2, and City property adjacent and to the west, is for municipal snow storage activities, including operation of heavy equipment. PURCHASER recognizes that snow storage operations are inherently noisy and visually unattractive **and that the SELLER'S snow removal operations can run seven days per week, 24 hours per day. PURCHASER specifically waives any claims against SELLER related to the SELLER'S snow removal operations, and**—Any desired or necessary mitigation of this condition, including the effectiveness of same, shall be the burden and duty of PURCHASER, bearing all costs therefore. This condition shall survive closing of this transaction.

5. TITLE: At closing, SELLER shall convey marketable title to the property to the PURCHASER subject only to benign covenants and easements of record, none of which affect the marketability of the SELLER's title. PURCHASER shall obtain a policy of title insurance insuring the title of the PURCHASER in the full amount of the purchase price, and the premium for said policy shall be paid by PURCHASER. If SELLER cannot

furnish marketable title, this transaction may be terminated by PURCHASER at its discretion.

6. EASEMENTS and ENCUMBRANCES. Rights reserved in Federal Patents, Territorial or State Deeds, Zoning Regulations, benign easements and subdivision covenants, if any, shall not be deemed as encumbrances to be discharged. All properties shall be delivered to the PURCHASER at time of closing free of all mortgages, liens, judgments, and any taxes or assessments in default or arrears. The amount of any such encumbrances which are now known liens on the property shall be paid by SELLER.

7. PRORATING. No prorating is required for closing of this transaction.

8. CLOSING COSTS. Closing costs, meaning those costs ordinarily incidental to closing a real estate transaction such as escrow fees, and preparation and recordation of documents required for closing, shall be paid for equally by SELLER and PURCHASER, unless noted otherwise.

9. CLOSING AND ESCROW: The closing of this transaction shall be held at the earliest practical date consistent with the terms and conditions herein. However, closing shall be held no later than 180 days from the date of acceptance shown below. Such closing shall be escrowed with and processed by Yukon Title Company of Fairbanks. A copy of this Agreement shall be deposited with the escrow agent by SELLER, which Agreement shall serve as the escrow instructions.

10. CLOSING DOCUMENTS:

(a) SELLER shall execute and deliver to the escrow agent a Statutory Warranty Deed conveying the parcel created out of Lot 2 to the PURCHASER.

(b) All other conditions precedent to closing shall have been performed as described.

11. POSSESSION: At close of sale.

12. RISK OF LOSS. Risk of loss due to fire, earthquake, acts of God, or other calamity shall rest on the SELLER until closing, and the PURCHASER has the option to rescind this Agreement if such event shall occur or close the transaction as provided hereafter. If the PURCHASER chooses to proceed with the closing, the SELLER agrees to reduce the total purchase price and the amounts due to the SELLER at closing by the amount of the loss. Such loss shall be determined in accordance with such reasonable methods of valuation as may be agreed upon between the parties at the time of such loss.

13. WAIVER OF ALASKA STATUTE 34.70. The parties agree that AS 34.70 does not apply to this transaction and waive the applicability of AS 34.70.

14. AGENTS, COMMISSIONS AND PROFESSIONAL ADVICE. Neither party is represented by a real estate broker or other person to whom a commission is owed in connection with this transaction. Each party has consulted with, or has had an opportunity to consult with, the party's own independent advisors, including experts, attorneys, and tax advisors. Other provisions of this Agreement notwithstanding, each party shall bear its own costs under this section.

15. ENTIRE AGREEMENT: There are no verbal or other agreements which modify or affect this Agreement.

16. TIME: Time is of the essence for this Agreement, and performance in accordance with the terms and conditions hereunder shall be given the highest possible priority by the parties.

17. SURVIVAL AND SUCCESSION: The terms and conditions of this Agreement shall survive the completion of the transaction that is the subject of this Agreement and shall be binding upon the heirs, successors, or assigns of the parties hereto.

PURCHASER:

SELLER:

TANANA CHIEFS CONFERENCE
By: VICTOR JOSEPH
Title: President
Date _____

CITY OF FAIRBANKS
By: JOHN EBERHART
Title: Mayor
Date _____

APPROVED AS TO FORM:

PAUL EWERS, City Attorney
Date _____

ATTACHMENT "A"
TO REAL ESTATE PURCHASE AGREEMENT
(ORDINANCE NO. 6028)

