

RESOLUTION NO. 4831

**A RESOLUTION APPROVING THE PURCHASE OF CERTAIN LOTS IN
BLOCK 6, BJERREMARK HOMESTEAD SUBDIVISION**

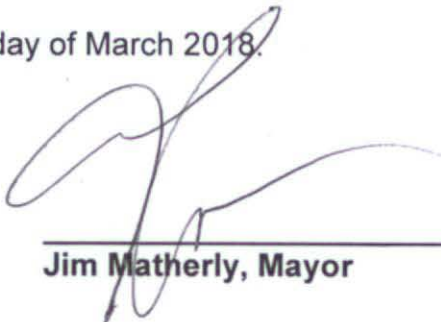
WHEREAS, snow storage sites are of critical importance to the efficient removal of snow from city streets by the Public Works Department; and

WHEREAS, the City Council, by Ordinance No. 6071, as Amended, approved an appropriation for the purchase of such property; and

WHEREAS, under the terms in Attachment A – Real Estate Purchase and Sale Agreement, the City's Property Manager has negotiated the purchase of Lots 1, 2, 11, 12, 13, 14, 15, and 16 of Block 6, Bjerremark Homestead Subdivision for use as a future snow storage site.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks City Council approves the purchase of Lots 1, 2, 11, 12, 13, 14, 15, and 16 of Block 6, Bjerremark Homestead Subdivision.

PASSED and APPROVED this 19th day of March 2018.

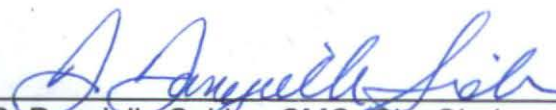


Jim Matherly, Mayor

AYES: Bagwill, Cleworth, Rogers, Therrien
NAYS: None
ABSTAIN: Pruhs
ABSENT: Huntington
APPROVED: March 19, 2018

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk

Paul Ewers, City Attorney

**CITY OF FAIRBANKS
FISCAL NOTE**

I. REQUEST:

Ordinance or Resolution No: 4831

Abbreviated Title: PURCHASE SNOW STORAGE SITE IN BJERREMARK HOMESTEAD SUBDIVISION

Department(s): GENERAL

Does the adoption of this ordinance or resolution authorize:

1) additional costs beyond the current adopted budget? Yes _____ No x

2) additional support or maintenance costs? Yes x No _____

If yes, what is the estimate? see below

3) additional positions beyond the current adopted budget? Yes _____ No x

If yes, how many positions? _____

If yes, type of positions? _____ (F - Full Time, P - Part Time, T - Temporary)

II. FINANCIAL DETAIL:

EXPENDITURES:	Property	Contractual	Closing Costs	Total
Property - Block 6, Bjerremark Subdivision, Various Lots	\$200,000	\$0	\$8,000	\$208,000
TOTAL	\$200,000	\$0	\$8,000	\$208,000

FUNDING SOURCE:	Property	Contractual	Closing Costs	Total
City of Fairbanks Capital Fund	\$200,000	\$0	\$8,000	\$208,000
				\$0
TOTAL	\$200,000	\$0	\$8,000	\$208,000

The operations and maintenance costs associated with these improvements will be performed by Public Works and incorporated in the annual general fund budget. Closing costs include title insurance, escrow fees, recording fees, and property taxes. City will be obligated to pay the property taxes since the property will not be eligible for exemption until 2019.

Reviewed by Finance Department:

Initial mb

Date 3/14/2018

REAL ESTATE PURCHASE and SALE AGREEMENT

THIS AGREEMENT is made between the Parties:

Jorge Correa-Merlos, whose address is 6522 Homer Drive, Anchorage, Alaska, 99518, hereinafter referred to as "SELLER"; and

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 "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:

Lots 1, 2, 11, 12, 13, 14, 15 and 16 of Block 6, Bjerremark Homestead Subdivision, according to the plat filed June 30, 1950 as Instrument Number 119.146.

2. EARNEST MONEY DEPOSIT: FIVE Thousand and 00/100 Dollars (\$5,000.00) evidenced by: Check payable to Yukon Title Company of Fairbanks Alaska, upon execution of this Agreement, received from PURCHASER, as part payment of the purchase price, set forth below:

3. PURCHASE PRICE. **\$200,000.00.**

Payable as Follows:

All cash to 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 has inspected the property and accepts same in its as-is, where is condition.

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. Real property taxes shall be pro-rated as of the date of 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 by PURCHASER.

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 30 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 referenced real property to the PURCHASER.

11. POSSESSION: PURCHASER shall have possession at close of sale. SELLER shall have 30-days after Closing to remove personal effects.

12. RISK OF LOSS. Risk of loss due to fire, flood, 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 loss.

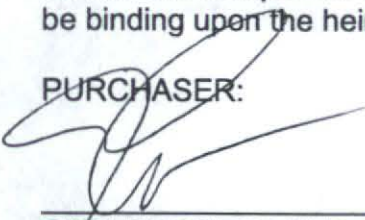
13. WAIVER OF ALASKA STATUTE 34.70. The parties agree that AS 34.70 does not apply to this transaction and waive the applicability of AS 34.70.

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

16. 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:



CITY OF FAIRBANKS

By: JIM MATHERLY

Title: Mayor

Date

20 Mar 18

SELLER:

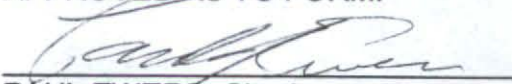


JORGE CORREA-MERLOS

Date

3/13/2018.

APPROVED AS TO FORM:



PAUL EWERS, City Attorney

Date March 20, 2018



NOTE: PROPERTY LINES AND AERIAL PHOTOGRAPHY ARE COURTESY OF FNSB.

EXHIBIT 1
PROPOSED CITY OF FAIRBANKS PROPERTY ACQUISITION