

Introduced By: Mayor Eberhart
Finance Committee Review: August 2, 2016
Date: August 8, 2016

ORDINANCE NO. 6029

**AN ORDINANCE AUTHORIZING THE SALE OF FORMER CITY
SURPLUS PROPERTY FROM THE KOREAN COMMUNITY OF
FAIRBANKS TO FAIRBANKS COMMUNITY FOOD BANK SERVICE,
INC., AND AMENDING DEED RESTRICTIONS**

WHEREAS, the City formerly owned Lots 13, 14, 15, and 16, Block 31, Bjerremark Subdivision ("the Property"), which Lots together constitute a quarter-block parcel located at 24th Avenue and Rickert Street as shown on attached Exhibit A; and

WHEREAS, in 2011, the City Council, by Ordinance No. 5870, authorized sale of the Property to The Korean Community of Fairbanks ("the Korean Community"), an Alaska nonprofit corporation, without public sale and for less than market value, subject to certain conditions regarding use and development; and

WHEREAS, in 2012, the City executed and recorded a Statutory Warranty Deed (Exhibit B) conveying the Property to the Korean Community, subject to certain conditions regarding use and development; and

WHEREAS, one of the conditions attached to the City's sale was that the Korean Community commence construction of a facility on the Property within 5 years; and

WHEREAS, the Korean Community no longer expects to construct a facility on the Property and wishes to sell the property to Fairbanks Community Food Bank Service, Inc. ("the Food Bank") for \$32,000 plus closing costs and 2016 property taxes, which is less than the Korean Community's investment in the Property (\$30,000 purchase price plus interest and prior years' property taxes); and

WHEREAS, the Food Bank wishes to buy the Property for Food Bank operations and other nonprofit purposes; and

WHEREAS, the Food Bank already owns an adjacent quarter-block within Block 31 and would benefit by expanding its holdings to include the Property; and

WHEREAS, the City Council believes it is in the best interest of the public to amend the use and development restrictions in Ordinance No. 5870 and in the City's deed to the Korean Community to enable the Korean Community to sell the Property to the Food Bank.

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

SECTION 1. That the City hereby approves the Korean Community's sale of the Property to the Food Bank for \$32,000 (the Food Bank pays all closing costs and 2016 property taxes).

SECTION 2. That the City shall release the conditions stated in Sections 6 and 7 of Ordinance No. 5870 and in numbered paragraphs 1, 2, 3, and 4 of the Statutory Warranty Deed, effective upon sale of the Property to the Food Bank.

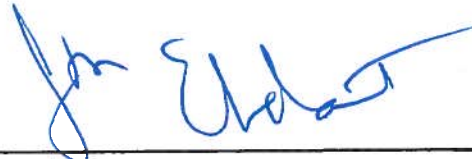
SECTION 3. That the City shall impose two new conditions:

(a) the Food Bank must use the Property for Food Bank operations or other nonprofit purposes (including snow storage, visitor and tenant parking, and shared use with other nonprofit organizations), for a period of ten years from the date of the recording of the deed to the Food Bank, after which this condition shall automatically expire; and

(b) if the Food Bank permanently stops using the Property for Food Bank operations or other nonprofit purposes before the date stated in (a), the City may elect to buy the Property from the Food Bank for \$32,000.

SECTION 4. That the Mayor is hereby authorized to execute such legal documents as may be necessary to complete this transaction.

SECTION 5. That the effective date of this Ordinance shall be the 27th Day of August 2016.



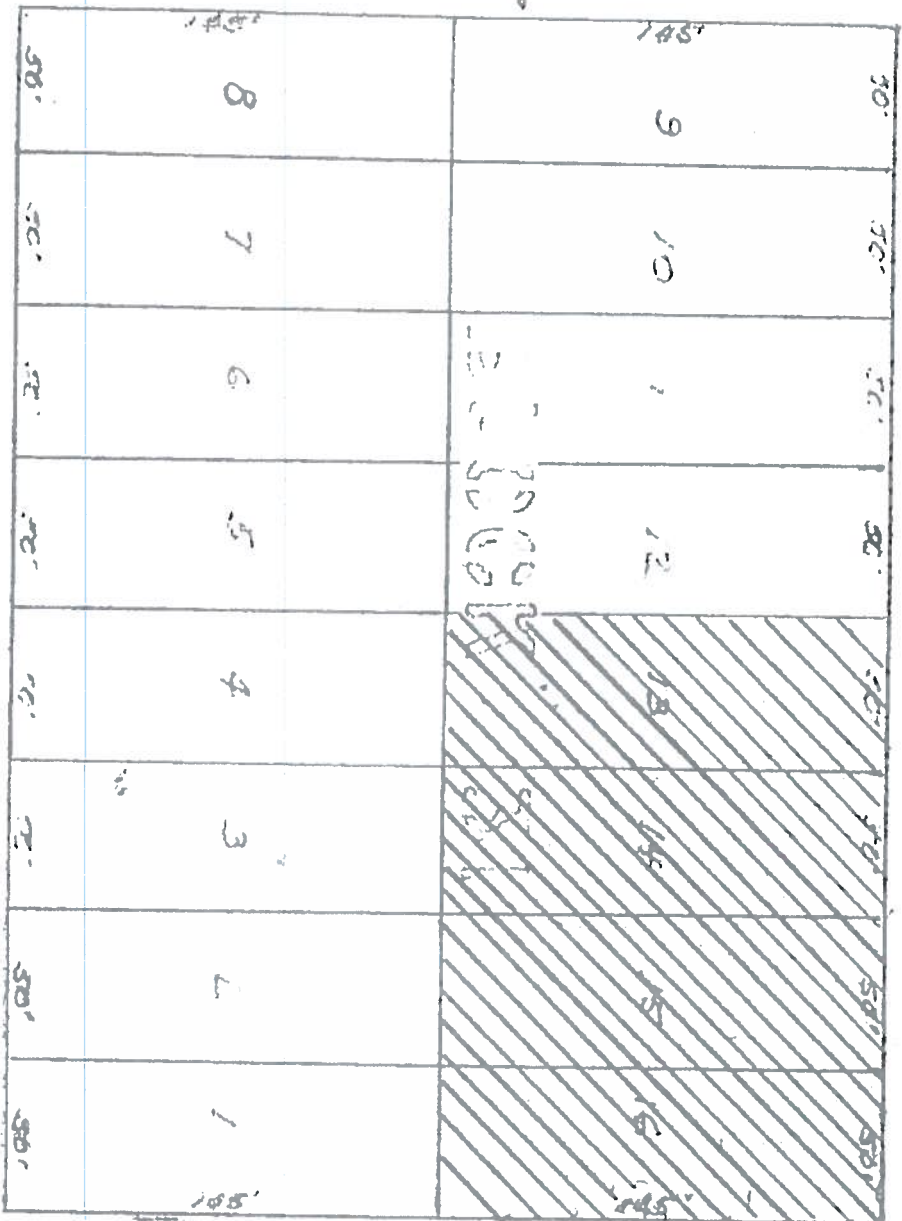
JOHN EBERHART, Mayor

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

ATTEST:

APPROVED AS TO FORM:


D. Danyielle Snider, CMC, City Clerk
Paul Ewers, City Attorney



TWENTY SIXTH AVE.

THIRTY FIRST STREET

PROPOSED SUBDIVISION OF BLOCK 3/ OF
 SUBDIVISION OF THE BUERREMARK HOMESTEAD
 PATENT NO. 0355 ENTRY NO. 927387

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2012-000725-0

Recording Dist: 401 - Fairbanks

1/13/2012 8:39 AM Pages: 1 of 2



RECORD: FAIRBANKS RECORDING DISTRICT

STATUTORY WARRANTY DEED

FA 77020

THIS INDENTURE made and entered into this 12TH day of January 2012 between the CITY OF FAIRBANKS, a municipal corporation of the State of Alaska, with address of 800 Cushman Street, Fairbanks, Alaska 99701, hereinafter called Grantor, and the Korean Community of Fairbanks, an Alaskan Non-Profit Corporation, with address of 1500 Airport Way, Fairbanks Alaska, 99701, hereinafter called Grantee.

WHEREAS, City Ordinance No. 5870, as Amended, authorized and directed the conveyance of the property described herein.

NOW, THEREFORE, the Grantor, duly seized with merchantable title, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, does hereby convey and warrant to Grantee the following described property:

Lots 13, 14, 15, and 16, Block 31, BJERREMARK
HOMESTEAD SUBDIVISION, according to the plat filed *
Instrument Number 119,146, Records of the Fairbanks
Recording District, Fourth Judicial District, State of Alaska.
*June 23, 1953 as

SUBJECT TO reservations, restrictions and matters of public record, if any, and specifically subject to the following restrictions of title:

1. Use: that the property shall serve a non-profit purpose, in perpetuity.
2. Construction: that construction of a facility on the property shall commence within five years of date of this instrument. Commencement of construction is defined as construction of a completed building foundation.
3. Performance of Construction: if construction of such facility is commenced as defined and by the required date, the City shall issue such recordable document as necessary to release the construction requirement and associated reversion of title.
4. Reversion: if construction of such facility does not commence by the required date, title to the property shall, at the City's option, revert to the City. In such event, the City shall return to the Korean Community all principal funds paid under that certain Deed of Trust and Promissory Note of even date herewith and affecting said property, retaining interest paid as penalty for failure to perform. The Korean Community shall issue a Quit Claim Deed to the City upon receipt of principal funds returned.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging, or in any way appertaining, unto said Grantee, the Grantee's heirs, executors administrators and assigns, forever.

IN WITNESS WHEREOF, the Grantor has on the date first written above executed this deed and affixed its corporate seal.



CITY OF FAIRBANKS, ALASKA

Jerry Cleworth

JERRY CLEWORTH, Mayor

ATTEST:
Janey Hovenden

JANEY HOVENDEN, CMC
City Clerk

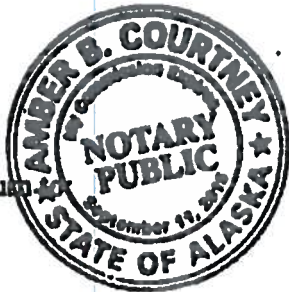
APPROVED AS TO FORM:
Paul Ewers

PAUL EWERS, City Attorney

State of Alaska)
)ss
Fourth Judicial District)

ACKNOWLEDGMENT

THIS IS TO CERTIFY that on this 12TH day of JANUARY 2012, before me, the undersigned, a NOTARY PUBLIC in and for the State of Alaska, personally appeared Jerry Cleworth, the Mayor of the City of Fairbanks, and Janey Hovenden, the City Clerk of the City of Fairbanks, and that they acknowledged before me that they executed the same on behalf of said municipal corporation. IN WITNESS WHEREOF, my hand and official seal.



Amber B. Courtney

NOTARY PUBLIC: 4th Judicial District
Commission Expires: 9/11/2015

After recording, return to:

Insuk Frising
President
Korean Community of Fairbanks
1500 Airport Way
Fairbanks, Alaska 99701

