CITY OF WHITTIER, ALASKA
RESOLUTION #14-2019

A RESOLUTION OF THE CITY OF WHITTIER AUTHORIZING THE CITY MANAGER TO ACCEPT THE FAIR COMPENSATION TO TRANSFER THE CITY'S INTEREST IN THE WHITTIER MANOR CONDOMINIUM ASSOCATION LEASE TO THE WHITTIER MANOR CONDO ASSOCIATION

WHEREAS, Whittier Manor Condominium Association leases the grounds upon which the Whittier Manor sits from the Alaska Railroad Corporation under ARRC Contract No. 5136, with an expiration date of January 1, 2020; and

WHEREAS, the Alaska Railroad Corporation and the City of Whittier are parties to the Ground Lease and Management Agreement, dated November 13, 1998, whereby the City of Whittier leases several parcels of land from the Alaska Railroad Corporation; and

WHEREAS, Upon expiration of ARRC Contract No. 5136, the Whittier Manor Condominium Association parcel shall become part of Parcel No. 1 of the Ground Lease and Management Agreement, and the City of Whittier shall assume the lease for the Whittier Manor Condominium Association grounds; and

WHEREAS, The Whittier Manor Condominium Association wishes to acquire fee ownership of its grounds from the Alaska Railroad Corporation before ARRC Contract No. 5136 expires; and

WHEREAS, Any disposal of Alaska Railroad Corporation lands must be approved by the Alaska Legislature under AS 42.40.285(1), and all parties anticipate the introduction of legislation during the first session of the 31st Legislature to accomplish that approval; and

WHEREAS, The City of Whittier must receive fair compensation for its interest in the Whittier Manor Condominium Association lease parcel as part of any transaction whereby the Whittier Manor Condominium Association acquires fee ownership of its grounds; and

WHEREAS, It would be to the benefit of the Whittier Manor Condominium Association and to the City of Whittier overall for the Whittier Manor Condominium Association to own the grounds upon which the Whittier Manor sits, and therefore the City of Whittier wishes to negotiate a sale of its leasehold parcel to the Whittier Manor Condominium Association.

THE WHITTIER CITY COUNCIL RESOLVES:

Section 1. The City Manager is hereby authorized and directed to evaluate, for fair value, any offer presented by the Whittier Manor Condominium Association for compensation for the City of Whittier's interest in the leasehold estate of the Whittier Manor Condominium Association grounds parcel, and make a recommendation to the City Council.

Section 2. The Property was appraised in 2016 at a fair market value in the sum of $170,000 with

ownership between the ARRC and the City of Whittier under the City's master lease which supported a division of sales proceeds between ARRC and the City of between 42% to ARRC and 58% to the City.

Section 3. Any offer to sell the City of Whittier's interest in the leasehold estate of the Whittier Manor Condominium Association grounds parcel evaluated in accordance with Section 1 above is subject to authorization and final approval by the Whittier City Council under the applicable provisions of the Whittier Municipal Code Chapter 3.36.

Section 4. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 12th day of March, 2019.

Introduced by: City Manager

Daniel Blair
MAYOR

ATTEST:

Naelene Matsumiya
CITY CLERK

Ayes: 4
Nays: Ø
Absent: 1
Abstain: 2