

**CITY OF WHITTIER, ALASKA
RESOLUTION #31-2019**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA,
OF WHITTIER AUTHORIZING THE CITY MANAGER TO ACCEPT AN OFFER FOR
FAIR VALUE COMPENSATION FOR THE CITY'S INTEREST IN THE WHITTIER
MANOR CONDOMINIUM ASSOCIATION LEASE**

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 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 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, the Alaska Legislature passed Senate Bill 95, with an effective date of May 14, 2019, which approved the Alaska Railroad Corporation to transfer the surface estate of the Whittier Manor, approximately 58,730.5 square feet, as more fully described in the text of the bill (a copy of which is attached), for "cash equivalent to the fair market value of the land being conveyed," in accordance with the approval required for ARRC land transfers by AS 42.40.285(1), and ;

WHEREAS, The City 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 overall for the Whittier Manor Condominium Association to own the grounds upon which the Whittier Manor sits, the City no longer requires the parcel for municipal purposes, and therefore the City wishes to negotiate a sale of its leasehold parcel to the Whittier Manor Condominium Association for fair compensation; and

WHEREAS, under WMC 3.36.150(B), the City is not required to use a public bidding process to dispose of lands for which there is a change in use, and the City has determined that the Whittier Manor leasehold property is no longer used for the initial purpose for which it was acquired; and

WHEREAS, the Whittier Manor Condominium Association has offered the City the sum of 58% of \$170,000 (\$98,600) for the City's leasehold parcel, and this sum represents the fair market value of the leasehold parcel as calculated by Consulting Economist Stephen G. Colt in his November 8, 2018 report.

THE WHITTIER CITY COUNCIL RESOLVES:


Section 1. The City Manager is hereby authorized and directed to accept the 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 in the amount of 58% of \$170,000 (\$98,600).

Section 2. The City Manager is further authorized and directed to negotiate and execute any documents required to give effect to the sale of the City of Whittier's interest in the leasehold estate of the Whittier Manor Condominium Association grounds parcel. This resolution is the authorization and final approval by the Whittier City Council required by the applicable provisions of the Whittier Municipal Code Chapter 3.36.

Section 3. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this ___ day of October 15, 2019.

Introduced by: City Manager



Dave Dickason
MAYOR

ATTEST:



Naelene Matsumiya
CITY CLERK

Ayes: 7
Nays: 0
Absent: 0
Abstain: 0