

CITY OF WASILLA

290 E. HERNING AVE. WASILLA, ALASKA 99654-7091

## COUNCIL MEMORANDUM NO. 95-06

From:

Deputy Administrator

Date:

January 5, 1995

SUBJECT:

ACQUISITION OF RIGHT-OF-WAY FOR PECK STREET EXTENSION

The City began reconstruction of Peck Street last Fall, issued a winter shut-down notice, and will open the project back up this Spring, weather permitting. The original design called for the extension of Peck Street to an intersection with Wasilla-Fishhook Road and a realignment of the East end of Spruce Avenue.

The City entered into a contract for the reconstruction of Peck St. from Bogard Road to Spruce Avenue with both sides knowing that some of the necessary right-of-way required to complete the project had not yet been acquired.

The City has successfully purchased Parcel No.1 of the proposed right-of-way, at the 1993 appraisal value, and has again officially contacted the two remaining property owners. Parcels No. 2 and 3 are needed to complete the timely construction (please see attached letters and map graphic).

If the City is not successful in negotiating a fair market value price with the property owners of Parcels 2 & 3, then a contingency plan of condemnation is in place.

Recommendation: Council set for Public Hearing Ordinance Serial #95-05 in the amount of \$26,485 for Peck Street right-of-way acquisition and/or condemnation for public use purposes.

Lee A. Wyatt

Deputy Administrator

Fx: 373-9085

Finance
Ph: 373-9070

Clerks Office Ph: 373-9065

rea Code (907)

Administration
Ph: 373-9055
Fx: 373-9085

☐ Library Ph: 376-5913

Fx: 373-9085

Fx: 376-2347

Museum
Ph: 373-9071

Fx: 373-9072

Ph: 373-9074 Fx: 373-9085

Ph: 373-9077 Fx: 373-9051

Public Works
Ph: 373-9095
Fx: 373-9085

Ph:\_\_\_\_





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☐ Public Works
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Fx: 373-9085

Ph:\_\_\_\_\_ Fx: \_\_\_\_\_ January 3, 1995

Certified #P315-165-378

Ms. Lucille Halfacre 209 E. Harvard Anchorage, Alaska 99501

RE: A Portion of U.S. Government Lot 1, Section 3, T17N, R1W, SM, Alaska needed for Purposes of Constructing Public Road Improvements

Dear Ms. Halfacre:

As you probably are already aware, the City of Wasilla has begun reconstruction of Peck Street from Bogard Road to an intersection with Wasilla Fishhook and Spruce Avenue and wish to continue construction in a timely fashion in the Spring of 1995.

The City of Wasilla previously forwarded a letter (October, 1993) to initiate discussions concerning purchase of a portion of the above referenced real property for purposes of planned improvements of Peck Street and its extension to Wasilla Fishhook Road. In a comparable action the City has negotiated the acquisition of Parcel No. 1 (1.01 acres), abutting your property to the south, from Nafla Michael, for the total sum of \$1,600. We wish to proceed with acquiring a Public Use Easement from you as depicted on the attached map as Parcel No.2 (0.91 acres).

Since we have not received written response from you as requested, the City is now contemplating potential condemnation action to secure the necessary Public Use Easement. The City does not particularly wish to use condemnation action to secure the Public Use Easement. We would prefer to negotiate a purchase for a sum in the neighborhood of our 1993 appraisal figure.

If you wish to express your concerns and/or desires, please respond by January 23, 1995, so that we might further discuss the acquisition alternatives. If we do not hear from you by that date, the City shall begin proceedings to acquire the Right-of-Way for the Peck Street Improvement project.

We are taking the liberty of enclosing a copy of our proposed Agreement to Purchase Public Use Easement and the Public Use Easement documents for your perusal should you desire to consider this approach.

Sincerely,

Lee A. Wyatt, Deputy Administrator City of Wasilla

Attachments:

1. Map depicting portion to be purchased.

2. Agreement to Purchase Public Use Easement

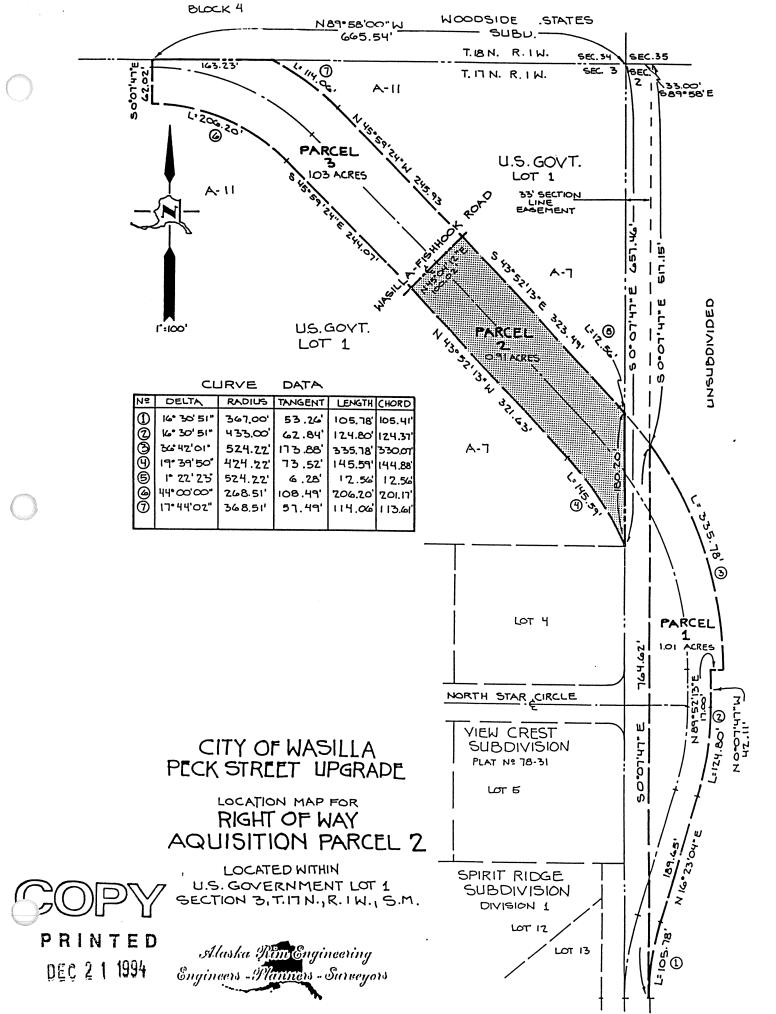
sample document

3. Public Use Easement sample document

4. Map - "Addendum #2"

5. Nafla Michael Acquisition document copy

xc: Mayor Stein Richard Deuser





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☐ Public Works
Ph: 373-9095
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Ph:\_\_\_\_\_ Fx: \_\_\_\_\_ January 3, 1995

Certified #P315-165-377

Darrell & Barbara McSpadden 2597 Lana Turnabout North Pole, Alaska 99705

RE: A Portion of U.S. Government Lot 1, Section 3, T17N, R1W, SM, Alaska needed for Purposes of Constructing Public Road Improvements

Dear Mr. & Mrs. McSpadden:

As you probably are already aware, the City of Wasilla has begun reconstruction of Peck Street from Bogard Road to an intersection with Wasilla Fishhook and Spruce Avenue and wish to continue construction in a timely fashion in the Spring of 1995.

The City of Wasilla previously forwarded a letter (October, 1993) to initiate discussions concerning purchase of a portion of the above referenced real property for purposes of planned improvements of Spruce Avenue for realignment to the proposed intersection of the Peck Street extension and Wasilla Fishhook Road. In a comparable action the City has negotiated the acquisition of Parcel No. 1 (1.01 acres) as a Public Use Easement from Nafla Michael, for the total sum of \$1,600. We wish to proceed with acquiring a Public Use Easement from you as depicted on the attached map as Parcel No.3 (1.03 acres).

In answer to your written response of November, 1993, our engineers have been in contact with the State DOT/PF. location currently portrayed for the Spruce-Fishhook-Peck intersection mostly meets the regulatory traffic standards for sight distance, stopping distance and stacking distances, as well as DOT/PF's projected realignment/reconstruction of the Wasilla Fishhook Road project. In order to meet those regulatory traffic standards the intersection needs to be nearly perpendicular, hence the gradual curve of Peck Street (Parcel #1) into a 90 intersection with Fishhook Road. has stated that they will not issue an access permit for the Peck Street extension if the intersection is not built to match up with their current design realignment location of Fishhook If the extension of Peck Street were to remain within the section line easement it would intersect Fishhook Road at about a 30 angle presenting extremely difficult and dangerous turning angles.

On a positive note, the design location for the proposed intersection also renders the remaining parcels (resulting from the easement splitting a larger tract) useful in terms of Mat-Su Borough platting regulations and Department of Environmental Conservation's requirements for on-site water and wastewater disposal. Each of the remainder parcels is larger than the 40,000 sf. minimum required (please see attached Map - "Addendum #2").

In addition, the realignment of Peck Street and Spruce Street from the section line easement locations presents the opportunity to vacate those section line easements to the abutting owners.

The City Attorney has reviewed your concerns over the lien placed upon your property and has offered the following comments:

"You have indicated that there is a lien in the amount of \$60,000 against the entire parcel. It is quite common when public entities acquire an interest in a portion of a parcel, that there is am existing encumbrance against the Speaking generally, condemnation law property. anticipates this common factual setting and provides that the appropriate amount of compensation for the taking is to be split between the title holder and the lienholder. The percentage of the compensation amount awarded to each is reflected by the value of the land, as a whole, compared to the amount of the remaining lien balance. example, if the property were worth \$100 and the lien holder held an encumbrance valued at a \$60 balance, the lienholder would be paid six tenths of the compensation amount and the title holder would be paid four tenths of the compensation amount.

Of course, the lienholder is generally quite happy to enter into negotiations concluding a negotiated split of the compensation amount. The planned improvement anticipated by the easement being acquired is likely to enhance the value of the remaining parcel. As such, the lienholder's security for the repayment of the debt is usually enhanced. In addition, the lienholder receives the benefit of some payment, usually credited toward the principal of the lien, still outstanding. The lienholder then releases their lien to the extent that it would apply against the easement area being conveyed. More specifically, the lienholder would be a participant in the document whereby the City is granted the easement area.

Consequently, for the limited purposes of the City of Wasilla there is no need to liquidate the entire existing lien. Further, the existence or non-existence of a lien on the larger parcel has no impact upon the valuation process."

The City does not particularly wish to use condemnation action to secure the Public Use Easement. We would prefer to negotiate a purchase for a sum in the neighborhood of the 1993 appraisal figure.

If you wish to express your concerns and/or desires, please respond by January 23, 1995, so that we might further discuss the acquisition alternatives. If we do not hear from you by that date, the City shall then begin proceedings to acquire the Right-of-Way for the Peck Street Improvement project.

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Lee A. Wyatt, Deputy Administrator City of Wasilla

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- 4. Map "Addendum #2"
- 5. Nafla Michael Acquisition document

xc: Mayor Stein Richard Deuser

